[redacted] [redacted] [redacted]

Effective 11-83
Form ML-2
(Revised 4-96)
Filing Fee - $25.00 - Non-Refundable

STATE OF WYOMING
BOARD OF LAND COMMISSIONERS
OIL & GAS LEASE INTEREST ASSIGNMENT

Return To -
State Land & Farm Loan Office
122 West 25th Street
Herschler Building, 3 West
Cheyenne, WY 82002-0600

Wyoming Oil & Gas Lease Serial Number 97-00730 **Assignment Approval Date -** _____

ASSIGNOR, with name and address at, Donald B. Anderson Ltd.
6400 South Fiddler's Green Circle, Suite 1750
Englewood, CO 80111

being the owner of 100% percent Leasehold
(Type Interest: Leasehold/Operating Rights/Overriding Royalty)
interest in this lease, described in particular if less than the total leasehold as:

TOWNSHIP 30 NORTH, RANGE 114 WEST, 6th P.M.
Section 23: SE/4 SE/4
Sublette County, Wyoming

For good and valuable consideration, hereby assigns to: **********

1) ASSIGNEE, with name and address at: North American Resources Company
P. O. Box 7007
Billings, MT 59103

50 percent interest in the total leasehold, or as described in particular above.

2) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

3) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

4) ASSIGNEE, with name and address at: 265982

RECORDED February 24, 1998 2:30PM
IN BOOK 107 Of6 PAGE 1
FEES $ 12.00
COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING
By Cathy Easton

percent interest in the total leasehold, or as described in particular above.

5) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

and reserving unto ASSIGNOR, 50% interest in the total leasehold

This assignment is subject to any existing overriding royalties previously reserved. Reservations of overriding interests must be approved by the Director, and any such approval is subject to the condition that overriding royalties may be cancelled by the Board of Land Commissioners if it finds that such overriding royalties create a burden on the lease which prevents or unreasonably interferes with its development.

ASSIGNOR certifies by signature on reverse, that ASSIGNOR is the owner of the interest above herein transferred, and ASSIGNEE(S) certify(ies) by signing on the reverse that this assignment constitutes a binding acceptance of all the terms, conditions, stipulations, restrictions and statutes governing the lease described above, and of the Rules of the Board, at Chapter 6, Leasing of Subsurface Resources.

This form may be duplicated.
If space is needed for additional assignors or assignees submit copies of this form only.

SIGNED AS TO TRANSFER AND ACCEPTANCE this 29th day of JAN 19 98.

ASSIGNOR - Donald B. Anderson Ltd.	Assignee (1) - North American Resources Company
By -	By -
Title - Joseph C. Anderson, Partner	Title - James J. Benner, Vice President
Attest -	Attest -
Assignee (2) -	Assignee (3) -
By -	By -
Title -	Title -
Attest -	Attest -
Assignee (4) -	Assignee (5) -
By -	By -
Title -	Title -
Attest -	Attest -

ASSIGNMENT REQUIREMENTS

Note: Assignments are not valid until approved by the Director, State Land and Farm Loan Office as per State Oil & Gas Lease Terms, and approval is solely for administrative purposes and should not be interpreted as warranty that any party to this assignment holds legal or equitable interest in this lease. Assignments which do not meet the requirements listed below and those in the Lease and Rules will be returned unapproved.

Specific

1) This form must be completed and submitted for any assignment of State Oil & Gas Lease leasehold interest, undivided or divided as to separate tracts, formations, zones or deposits, and for overriding royalty interest.

2) Assignments of less than a 100% leasehold interest do not relieve the assignor of the obligations as a lessee under the terms of the lease regarding the interest conveyed unless the State first has in hand, a written agreement to be bound as lessee for all obligations under the lease for the assigned portion from the assignee. This requirement should not be construed in any way as a release or recision of the obligations of any surety bonding parties under the requirements of the State oil and gas lease, Board Rules or this assignment. (All lessees are ultimately responsible for the performance under the lease, and default subjects the entire lease to forfeiture not just the interest related to any performance obligation considered to be in default.)

3) A signed original and one copy of each assignment must be filed with the Wyoming State Land and Farm Loan Office.

4) Each assignment, if approved, is recognized by the State as effective as of the date of approval by the Director. Adequate bond must be furnished covering any and all productive zones prior to approval of any assignment of interest in an operating State oil and gas lease, whether wellbores exist on the leased lands or not, and in no case can drilling operations, including to prospectively productive zones under operating leases, begin without a bond first being in place.

5) If there is more than one party in interest to this assignment, then all such parties in interest must sign the document before assignment approval will be given.

6) The appropriate legal description of the conveyed lands interests must be given.

7) Assignments creating a separate (reissue) lease subject to the rules and regulations governing all State of Wyoming Oil & Gas Lease do not change the terms and conditions of the original lease, the lease anniversary date, nor the obligations and anniversary date of the lease created therefrom being considered as if it had been issued on the effective date of the original lease. (See Board Rules, Chapter 6, Section A.)

8) Corporations, limited liability companies, and limited partnerships must be qualified with the Wyoming Secretary of State's Office, and general partnership papers are required to be filed with the State Land and Farm Loan Office prior to, and as a condition of Board approval of any assignment.

9) Assignments will not be considered for approval where assignor or any assignee currently has a delinquent (late) royalty or rental payment obligation(s) for any State subsurface resource lease.

OIL & GAS LEASE INTEREST ASSIGNMENT
WYOMING OIL & GAS LEASE SERIAL NUMBER 97-00730

STATE OF COLORADO)
)ss.
COUNTY OF ARAPAHOE)

The foregoing instrument was acknowledged before me by Joseph C. Anderson as Partner for Donald B. Anderson Ltd. this 29th day of January, 1998.

WITNESS my hand and official seal.

Donna R. Covert
Notary Public

My commission expires: 05/21/2001

DONNA R. COVERT NOTARY PUBLIC STATE OF COLORADO

My Commission Expires 05/21/2001

AOC File: f:\adonna\aoc\forms\LeasAsgn.DOC 1/29/98

STATE OF MONTANA)
) ss
COUNTY OF YELLOWSTONE)

On this 29th day of January, 1998, before me, the undersigned, a Notary Public, in and for the State of Montana, personally appeared James J. Benner, Vice President of North American Resources Company, the Corporation which executed the foregoing instrument and acknowledged to me that such corporation executed the same.

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

VIRGINIA M. LORAN
NOTARIAL
SEAL
STATE OF MONTANA

Virginia M. Loran
Notary Public for the State of Montana
My Commission Expires: 10/30/2000

RECORDED 2/02/1998 AT 09:00 AM REC# 1255094 BK# 0894 PG# 0380
LORETTA BAILIFF, CLERK o[redacted]ATER COUNTY, WY Page 1 of 7

[redacted] [redacted]

PARTIAL RELEASE OF LIENS AND SECURITY INTERESTS

STATE OF WYOMING	§	
	§	KNOW ALL MEN BY THESE PRESENTS:
COUNTIES OF LINCOLN,	§	
SWEETWATER AND SUBLETTE	§	

Reference is made to those certain instruments identified, referenced and described on Schedule 1, attached hereto and incorporated herein (the "Mortgages"), from **NATIONAL ENERGY GROUP, INC.** (the "Mortgagor") in favor of **BANK ONE, TEXAS, N.A.**, as Administrative Agent (the "Bank").

WHEREAS, Mortgagor has requested the Bank to release its liens and security interests in the Mortgages, insofar but only insofar, as they encumber and pertain to the property described on Exhibit "A" attached hereto and made a part hereof, and the Bank is willing to do so.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Bank, 1717 Main Street, Dallas, Texas 75201, the current owner and beneficiary of the liens and security interests created by the Mortgages, has RELEASED and DISCHARGED, and hereby RELEASES and DISCHARGES, the property described on Exhibit "A" attached hereto and made a part hereof and all personal property and equipment located on said property described on Exhibit "A" hereto, from the liens and security interests created by the Mortgages, and releases unto Mortgagor, whose address is 4925 Greenville Avenue, Dallas, Texas 75206, its successors and assigns, all interest in said property described in Exhibit "A" hereto to the extent such interest is held under and by virtue of the Mortgages.

IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT THIS IS A PARTIAL RELEASE RELATING SOLELY TO THE PROPERTY DESCRIBED ABOVE AND THAT THE SAME SHALL IN NO WAY RELEASE, AFFECT OR IMPAIR THE UNDERSIGNED'S RIGHTS, TITLE, INTEREST, LIENS AND SECURITY INTERESTS CREATED BY THE MORTGAGES AS TO ANY OTHER PROPERTIES OR INTERESTS DESCRIBED THEREIN OR COVERED THEREBY.

Reference is hereby made to the Mortgages and the recordation thereof for all purposes in connection herewith.

Executed this 19th day of December, 1997, by Bank One, Texas, N.A., as Administrative Agent.

265984 3.00p

RECORDED Feb. 24, 1998 M
IN BOOK 107 OG PAGE 5
FEES $ 18.00 [illegible] COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Sexton

847803

BANK ONE, TEXAS, N.A.
a national banking association,
as Administrative Agent

By: _____
Wm. Mark Cranmer
Vice President

RECEIVED
INCORPORATED
93 MAR 15 PM 12:
EMAIL

PARTIAL RELEASE OF LIENS AND SECURITY INTERESTS - Page 1
GILDA/325613.5/116436-25

Recorded Jan 8, 1998 at 11:25 a.m.
In Book 406 PR Page 305 Kemmerer, W
No 847803 Marsha Moe, C

STATE OF TEXAS §

0847606
6

BOOK 406 PR PAGE 304

COUNTY OF DALLAS §

This instrument was acknowledged before me on this 19th day of December, 1997, by Wm. Mark Cranmer, Vice President of Bank One, Texas, N.A., a national banking association, as Administrative Agent.

4-8-01
My Commission Expires:

Julie H Cooper
Notary Public in and for the State of Texas

JULIE H. COOPER
Notary Public
STATE OF TEXAS
My Commission Expires 04-09-01

Julie H Cooper
Typed or Printed Name of Notary

SCHEDULE 1

STATE	FILING JURISDICTION	DOCUMENT NAME	DATE FILED	FILE NO.	VOL/BK	PAGE
New Mexico	Eddy County	Assignment of Note and Liens, said liens being: Deed of Trust, Mortgage, Assignment, Security Agreement, Fixture Filing, and Financing Statement filed in Vol. 191, pg. 492, of Eddy County, New Mexico	July 20, 1995	957307	224	688
New Mexico	Eddy County	Amended and Restated Mortgage, Security Agreement, Assignment of Production and Financing Statement	July 20, 1995	957308	224	693
New Mexico	Eddy County	Amended and Restated Mortgage, Security Agreement, Assignment of Production and Financing Statement	September 13, 1996	9610275	261	123
Wyoming	Lincoln County	Assignment of Notes and Liens, said liens being: Deed of Trust, Mortgage, Assignment, Security Agreement, Fixture Filing, and Financing Statement filed in BK 353PR, pg. 91 of Lincoln County, Wyoming	July 17, 1995	805213	370PR	849

RECORDED 2/02/1998 AT 09:03 AM REC# 1255094 BK# 0894 PG# 0382
LORETTA BAILIFF, CLERK of SWEETWATER COUNTY, WY Page 3 of 7
0547803
BOOK 406 PR PAGE 305

Wyoming	Sublette County	Assignment of Notes and Liens, said liens being: Deed of Trust, Mortgage, Assignment, Security Agreement, Fixture Filing and Financing Statement filed in BK 97, pg. 28 of Sublette County, Wyoming	July 17, 1995	252969	101 0&G	710
Wyoming	Sweetwater County	Assignment of Notes and Liens, said liens being: Deed of Trust, Mortgage, Assignment, Security Agreement, Fixture Filing and Financing Statement filed in BK 851, pg. 986 of Sweetwater County, Wyoming	July 17, 1995	1193313	864	1944
Wyoming	Sweetwater County	Amended and Restated Deed of Trust, Mortgage, Security Agreement, Assignment of Production and Financing Statement	July 17, 1995	1193314	864	1951
Wyoming	Sweetwater County	Amended and Restated Deed of Trust, Mortgage, Security Agreement, Assignment of Production and Financing Statement	September 16, 1996	1222817	878	1760

RECORDED 2/02/1998 AT 09:00 AM RECN 1255094 BK# 0894 PG# 0383
LORETTA BAILIFF, CLERK of SWEETWATER COUNTY, WY Page 4 of 7

BOOK 406 PR PAGE 306

EXHIBIT "A"

STATE: Wyoming

COUNTY: Lincoln

PROPERTY*: Fed Rocking Chair #12-23
Fed Rocking Chair #14-23

LESSOR	LESSEE	LEASE DATE	RECORDED BOOK/PAGE	DESCRIPTION
USA W-28988				Sec. 23 & 26, Township 26 North, Range 113 West

*The reference to Property is for identification purposes only and is not to be interpreted as limiting or restricting the interest assigned or the lands or depths covered.

RECORDED 2/02/1998 AT 09:00 AM REC# 1255894 BK# 0894 PG# 0384
LORETTA BAILIFF, CLERK of SWEETWATER COUNTY, WY Page 5 of 7

0947803

BOOK 406 PR PAGE 317

EXHIBIT "A"

STATE: Wyoming

COUNTY: Sweetwater

PROPERTY*: Higgins 1N, 3N,5N, & 7N, Gas Units

LESSOR	LESSEE	LEASE DATE	RECORDED BOOK/PAGE	DESCRIPTION
United States Bureau of Land Management W-1246	F. J. Bradshaw	10/1/66		SE/4 SE/4, Sec. 22, Township 18 North Range 98 West

*The reference to Property is for identification purposes only and is not to be interpreted as limiting or restricting the interest assigned or the lands or depths covered.

RECORDED 2/02/1999 AT [redacted] RECD 1255894 BK# 0894 PG# 0385
LORETTA BAILIFF, CLERK SWEETWATER COUNTY, WY Page 6 of 7
0384780
BOOK 456 PR PAGE 308
[redacted]

10.0

Producers 88
Rocky Mountain 1988
(Paid-Up Rev. 1996)

PAID-UP OIL AND GAS LEASE

265990

RECORDED Feb 25 1998 M 9:15A
IN BOOK 107 O&G PAGE 12
FEES $10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Sarafa

THIS AGREEMENT, made and entered into this 18th day of December 19 97 by and between

Marvin D. Price & Allene M. Price, individually & as husband & wife

of 573 North 700 West, Blackfoot, ID 83221, hereinafter called lessor (whether one or more), and

Hanson & Strahn, Inc., PO Box 3020, Cheyenne, WY 82003, hereinafter called lessee:

WITNESSETH:

1. That lessor, for and in consideration of Ten & 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" 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.

For the purpose of calculating payments provided for herein, it shall be deemed that the lands covered by this lease contain 959.27 acres, whether there actually be more or less.

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) MDP AMP 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, a well completed for the production of coalbed methane gas shall be deemed to be producing gas under this lease at all times when dewatering of the coal seams from which the coalbed methane gas will be produced is occurring. 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; drilling operations shall be deemed to be commenced 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 drilling operations shall be deemed to be commenced 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) 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) of the gas sold or used, provided that on gas sold the royalty shall be one-eighth (1/8) 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. This is a paid-up lease and all cash consideration first recited above and annual rentals have been paid to lessor in advance to keep this lease in full force and effect throughout the primary term. In consideration of the payment of such cash consideration and advance annual rentals, 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 the land described above, and as to any strata or stratum, by delivering to lessor or by filing of record a release or releases, and be relieved of all obligations thereafter accruing to the acreage surrendered.

MDP AMP

4. Any payments required to be made to lessors pursuant to this lease, other than the payment of royalties, may be paid by lessee to the lessor or to lessor's credit in the KeyBank Bank, at Blackfoot, Idaho (or its successor or successors, or any bank with which it may be merged or consolidated, or which succeeds to its business 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. All such payments may be made by cash, check or draft, mailed or delivered on or before the due date for that payment. Any payments so made shall be binding on the heirs, devisees, executors, administrators, and personal representatives of lessor and on lessor's successors in interest or on lessor's assigns.

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 continuously 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, an amount equal to $1.00 per year per net mineral acre covered by the lease. Such payments shall be made on or before the shut-in royalty payment date, as defined below, next occurring 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 anniversary date of this lease. Any shut-in royalty payment may be made by cash, draft or check, mailed or tendered on or before the shut-in royalty date. Lessee's failure to pay or tender, or properly 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 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. 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 which traverse cultivated lands 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 heretofore 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 unit.

EXHIBIT "A"

STATE: Wyoming

COUNTY: Sublette

PROPERTY*: Middle Piney #3-3

LESSOR	LESSEE	LEASE DATE	RECORDED BOOK/PAGE	DESCRIPTION
USA W-01763	Luna C. Wootton	9/1/5		Township 29 North, Range 113 West, SWNW Sec. 2; NESE Sec. 3

*The reference to Property is for identification purposes only and is not to be interpreted as limiting or restricting the interest assigned or the lands or depths covered.

RECORDED 2/02/1998 AT 09:00 AM REC# 1255894 BK# 0894 PG# 0396
LORETTA BAILIFF, CLERK of SWEETWATER COUNTY, WY Page 7 of 7
0847803
BOOK 404 PR PAGE 310

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 covenants or conditions of this lease, either express or implied. No change in ownership of the land, royalties, or other payments, 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 royalties or other payments 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.

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 leased premises, and no royalties shall be payable hereunder upon any gas used for repressuring and recycling operations benefitting 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 through lessor's bank of record for payment.

15. In the event lessor considers that lessee has not complied with all its obligations hereunder, either express or implied, lessor shall notify lessee in writing, setting out specifically in what respects lessee has breached this lease. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by lessor. The service of said notice shall be precedent to the bringing of any action by lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on lessee. Neither the service of said notice nor the doing of any acts by lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that lessee has failed to perform all its obligations hereunder. 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, wars, 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.

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 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.

Marvin D. Price

Marvin D. Price
SS# 528-68-7629

Allene M. Price

Allene M. Price
SS# 528-58-6937
INDIVIDUAL

STATE OF Idaho
COUNTY OF Bingham } ss.

On this 18th day of December, 19 97, before me personally appeared Marvin D. Price & Allene M. Price, individually and as husband & 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 18th day of December, 19 97.

My commission expires:
5/29/99

Notary Public for the State of Idaho
residing at Firth

STATE OF _____
COUNTY OF _____ } ss.

CORPORATE

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 _____ 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"

Exhibit "A" attached hereto and made a part hereof that certain Oil & Gas Lease dated December 18, 1997, by and between Marvin D. Price & Allene M. Price, individually and as husband & wife, as Lessors, and Hanson & Strahn, Inc., as Lessee:

Sublette County, Wyoming:

Township 33 North, Range 113 West, 6th P.M.
Section 3: S/2 SE/4, SE/4 NW/4, E/2 SW/4, NW/4 SE/4
Section 10: N/2 NE/4
Section 11: SE/4, SW/4 NE/4
Section 12: SW/4 SW/4
Section 13: N/2 NW/4, SE/4 NW/4, W/2 NE/4, SE/4 NE/4, NE/4 SE/4

Township 33 North, Range 112 West, 6th, P.M.
Section 18: Lot 3 (39.63), Lot 4 (39.64), SE/4 SW/4

Containing 959.27 gross acres, more or less.

In the event this lease is not continued beyond its primary term by the provisions herein contained, lessee, its successors or assigns, has the option, but not the obligation, to extend this lease for an additional term of three (3) years from the date of the lease, and as long thereafter as oil and gas, or either of them, is produced from the leased premises or drilling operations are continuously prosecuted. This option to extend may be exercised by tendering to Lessor, their heirs, successors or assigns at the last known address, a net sum of Twenty-Five Dollars per net mineral acre, ($25.00), on or before the expiration date of the primary term of this lease. Should this option be exercised as herein provided, it shall be considered for all purposes as though this lease originally provided for a primary term of eight (8) years.

Signed for identification:

Marvin D. Price
Marvin D. Price

Allene M. Price
Allene M. Price

Producers 88--TK
Montana 1975--ST
Rev 3-88 & 1-90

Billings Blue Print
Billings, Montana

OIL AND GAS LEASE

THIS AGREEMENT is made and entered into as of January 2, 1998, by and between Beatrice Ballew, Trustee and Beverly J. Pratt, aka Beverly Ballew Pratt, Successor Trustee under the Howard Ballew Family Trust, under a Living Trust Agreement dated February 25, 1988, Box 626, Jackson, Wy. 83001 and Loma Energy Corp., P.O. Box 21395, Billings, Mt. 59104 hereinafter called Lessor, and hereinafter called Lessee.

265991

RECORDED Feb. 25, 1998 M 9:15A
IN BOOK 107 OF RECORDS PAGE 151
FEES $8.00 11:49 DOROTHY
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Sexton

1. Lessor, for and in consideration of Ten and More Dollars, the receipt of which is hereby acknowledged, and covenants and agreements herein contained, does grant, demise, lease and let exclusively unto Lessee, for the purpose and with exclusive right of exploring by geophysical and other methods, drilling and operating for and producing therefrom, oil, liquid hydrocarbons, all gases and their respective constituent products, with rights of way and easements for laying pipe lines, power lines, building tanks, power stations, ponds, roadways and structures thereon for producing, saving, treating and caring for such products and any and all other rights and privileges necessary or incident thereto, all that certain land and lands riparian thereto situated in the County of Sublette, State of Wyoming, described as follows (herein called "said land"):

Township 33 North, Range 113 West, 6th P.M.
Section 5: SW¼, W½SE¼
Section 6: Lot 6, 7, E½SW¼, SE¼
Section 7: Lot 1, NE¼, E½NW¼, NE¼SW¼, N½SE¼
Section 8: W½NE¼, SE¼NE¼, NW¼, N½S½, SE¼SE¼
Section 9: SW¼NW¼, N½SW¼
Section 15: W½W½
Section 17: E½NE¼

Township 33 North, Range 114 West, 6th P.M.
Section 1: SW¼NW¼, SE¼SW¼, SW¼SE¼, E½SE¼
Section 12: E½NE¼, SW¼NE¼, N½NW¼, SW¼NW¼

Township 34 North, Range 114 West, 6th P.M.
Section 26: W½SW¼

For the purpose of determining the amount of any money payment hereunder, said land shall be considered to comprise 2,313.87 acres.

2. Subject to the other provisions herein contained, this lease shall be for a term of 5 years from this date (herein called "primary term") and as long thereafter as oil or gas is produced from said land or as long thereafter as Lessee is engaged in actual drilling or reworking operations on said land.

3. As royalties, Lessee covenants and agrees as follows: (a) To deliver to the credit of Lessor free of cost, on the lease or into any pipeline to which Lessee may connect its wells, the equal one-eighth part of all oil produced and saved from said land, or at the Lessee's option may pay to the Lessor for such royalty the market price for oil of like grade and gravity prevailing in the same field or area on the day such oil is run into the pipeline or the storage tanks. (b) To pay to Lessor for gas of whatsoever nature or kind produced and sold from said land or used for the manufacture of gasoline or any other products, one-eigth of the proceeds from the sale of such gas at the mouth of the well.

If a well capable of producing gas or gas and gas-condensate in paying quantities located on said land, or on acreage pooled or unitized therewith, 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 said land 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 and all other royalty owners as their interests in royalty under the well shall appear, on or before the anniversary of the date of this lease following the shutting-in of such well, and annually thereafter, while such well is so shut-in, as royalty, an amount equal to the annual delay rental herein provided for under the terms of this lease, or, if this lease does not provide for any delay rental, then the sum of $100 per well. Lessor's portion of such payment may be made or tendered to Lessor or to Lessor's credit by check or draft mailed or delivered to the depository bank designated herein. Portions of such payment payable to others may be made or tendered by check or draft, mailed or delivered, to such owners' credit in Lessor's depository bank. Royalty ownership as of the last day of each such annual period as shown by Lessee's records shall determine the amounts and the party or parties entitled to receive such payment. "Shutting-in" of a well shall be the date on which production casing in such well is perforated and a gas flow test shall disclose that the well is capable of production in paying quantities. Until such casing shall have been run and the gas flow tested, no well shall be considered "shut-in."

4. If operations for the drilling of a well for oil or gas are not commenced on said land on or before one year from the date hereof, this lease shall terminate, unless the Lessee shall on or before that date pay or tender to the Lessor or the Lessor's credit in the PAY DIRECT ~~Bank~~ at address listed above, or its successors, which Bank and its successors are the Lessor's agent and shall continue as the depository of any and all sums payable under this lease regardless of changes of ownership in said land or in the oil and gas or in the rentals to accrue hereunder, the sum of Two thousand three hundred thirteen and 87/100---------- Dollars, which shall operate as a rental and cover the privilege of deferring the commencement of operations for drilling for a period of one year. In like manner and upon like payments or tenders, the commencement of operations for drilling may further be deferred for like periods successively. All payments or tenders may be made by check or draft of Lessee or any assignee thereof, mailed or delivered on or before the rental date, either direct to Lessor or assigns or to said depository bank, and it is understood and agreed that the consideration first recited herein covers not only the privilege granted to the date when said first rental is payable as aforesaid, but also the Lessee's option of extending that period as aforesaid and any and all other rights conferred. Notwithstanding the death of the Lessor or his successors in interest, the payment or tender of rentals in the manner provided herein shall be binding on the heirs, devisees, executors, and administrators of such persons.

5. If Lessor owns a less interest in said land than the entire and undivided fee simple estate therein then the royalties and rentals herein provided for shall be paid Lessor only in the proportion which his interest bears to the whole and undivided fee.

6. If at any time prior to the discovery of oil or gas on said land and during the term of this lease, the Lessee shall drill a dry hole, or holes on said land, this lease shall not terminate, provided operations for the drilling of a further well shall be commenced within 12 months from the expiration of the last rental period for which rental has been paid or provided the Lessee, on or before the expiration of said 12 months begins or resumes the payment of rentals in the manner and amount hereinabove provided; and in this event the preceding section hereof governing the payment of rentals and the manner and effect thereof shall continue in force.

7. If within the primary term of this lease, production on said land shall cease from any cause, this lease shall not terminate provided operations for the drilling of a well shall be commenced on said land on or before the next ensuing rental paying date; or, provided Lesse begins or resumes the payment of rentals in the manner and amount hereinbefore provided. If, after the expiration of the primary term of this lease, production on said land shall cease from any cause, this lease shall not terminate provided Lessee resumes operations for drilling or reworking a well within sixty days from such cessation, and this lease shall remain in force during the prosecution of such operations and, if production results therefrom, then as long thereafter as production continues.

8. The Lessee shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells, springs and reservoirs of the Lessor. When required by Lessor, the Lessee shall bury its pipelines below plow depth. Lessee shall pay for damage caused by its operations on said land. No well shall be drilled nearer than 200 feet to the house or barn now on said land without written consent of the Lessor. Lessee shall have the right at any time during, or within 180 days after the expiration of this lease, to remove all machinery, fixtures, buildings and other structures placed by Lessee on said land, including the right to draw and remove all casing, but thereafter such equipment shall become the property of Lessor, unless Lessor on or before such date shall, by written request, require Lessee to remove such materiel and restore said land as nearly as possible to its original condition.

9. Lessee is hereby granted the right and power to pool or combine said land, or any portion thereof, with other land, lease or leases in the vicinity thereof at any time and from time to time, whether before or after production, when in Lessee's judgment it is necessary or advisable to do so for the prevention of waste and the conservation and greatest ultimate recovery of oil or gas. Such pooling shall be into a unit or units not exceeding in area the acreage prescribed or required in any Federal or State law, order, rule or regulation for the drilling or operation of one well, or for obtaining the maximum allowable production from one well. Such pooling shall be accomplished or terminated by filing of record in the proper county a declaration of pooling or declaration of termination of pooling, a copy of which may be mailed or tendered to Lessor. The production of pooled substances and development and operation on any portion of a unit so pooled, including the commencement, drilling, completion and operation of a well thereon, shall be considered and construed, and shall have the same effect, except for the payment of royalty, as production, development and operation on said land under the terms of this lease. The royalties herein provided shall accrue and be paid to Lessor on pooled substances produced from any unit in the proportion, but only in the proportion, that Lessor's acreage interest in the land covered hereby and placed in the unit bears to the total acreage placed in such unit.

10. If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to the heirs, devisees, executors, administrators, successors, and assigns, but no change of ownership in the land or in the rentals or royalties or any sum due under this lease shall be binding on the Lessee until 30 days after Lessee has been furnished with either the original recorded instrument of conveyance or a duly certified copy thereof and all advance payments or rentals made hereunder before receipt of said documents shall be binding on any direct or indirect assignee, grantee, devisee, administrator, executor, or heir of Lessor. An assignment of this lease, in whole or in part, shall as to the extent of such assignment relieve and discharge the lessee of all obligations hereunder.

11. Lessee may at any time surrender this lease in whole or in part by placing such release of record in the proper county. If said lease is surrendered as to only a portion of the acreage covered thereby, then all payments and liabilities thereafter accruing under the terms of said lease as to the portion surrendered shall cease and determine and any rentals thereafter paid may be apportioned on an acreage basis, but as to the portion of the acreage not released the terms and provisions of this lease shall continue and remain in full force and effect for all purposes. It is hereby agreed that in the event this lease shall be assigned as to a part or as to parts of said land and the holder or owner of any such part or parts shall make default in the payment of the monies due from him or them, such default shall not operate to defeat or affect this lease insofar as it covers the part of said land upon which the Lessee or any assignee hereof shall make proper payment of any monies due hereunder.

12. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the Lessee, at its option, may pay and discharge in whole or in part any taxes, mortgage, or other liens, existing, levied, or assessed on or against said land and, in the event it exercises such option, it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying to the discharge of any such mortgage, tax or other lien, any royalty or rentals accruing hereunder. Lessor further agrees that any interest or title to said land acquired by Lessor after the date hereof shall be subject to this lease to the same extent as if said interest or title had been held by Lessor at the date hereof. In such event the amount of rental payable hereunder shall be appropriately adjusted at the next ensuing rental date after Lessee has been furnished evidence of such after acquired title.

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. This lease shall be binding upon all who execute it, whether they are named in the granting clause and whether all parties named in the granting clause execute this lease. All provisions of this lease shall inure to the benefit of and be binding upon the heirs, executors, administrators, successors and assigns of Lessor and Lessees. Lessor hereby waives and releases all rights of dower and homestead in said lands insofar as the rights granted under this lease might be affected thereby.

X Beverly J. Pratt
Beverly J. Pratt, aka Beverly Ballew Pratt, Successor Trustee under the Howard Ballew Family Trust

X Beatrice Ballew
Beatrice Ballew, Trustee under the Howard Ballew Family Trust

Trust I.D.#

ACKNOWLEDGMENT FOR INDIVIDUAL

STATE OF Wyoming }
COUNTY OF Teton } ss.

On this 12 day of January 19 98, before me personally appeared Beatrice Balken

known to me to be the person(s) described in and who executed the foregoing instrument, and who acknowledged to me that he (she, they) executed the same.

Notary Public

My commission expires:
January 13 1998

MEGAN E. BRINK - NOTARY PUBLIC
County of Teton — State of Wyoming
My Commission Expires January 30, 2001

Residing at Jackson, Wy 83001

ACKNOWLEDGMENT FOR INDIVIDUAL

STATE OF Colorado }
COUNTY OF Jefferson } ss.

On this 20th day of January 19 98, before me personally appeared Beverly J. Pratt

known to me to be the person(s) described in and who executed the foregoing instrument, and who acknowledged to me that he (she, they) executed the same.

Notary Public
Colorado Title Bank
12340 W. Alameda Pkwy
Lakewood CO 80228

My commission expires:
NOTARY PUBLIC 8/2/99

Residing at

ACKNOWLEDGMENT FOR CORPORATION

STATE OF }
COUNTY OF } ss.

On this day of 19, before me personally appeared

known to me to be the

of

the corporation that executed the within instrument, and acknowledged to me that such corporation executed the same.

Notary Public

My commission expires:

Residing at

RECORDING DATA

Producers 88—TK
Montana 1975—ST
Rev 3-88 & 1-90

OIL AND GAS LEASE

Billings Blue Print
Billings, Montana

THIS AGREEMENT is made and entered into as of January 2, 19 98, by and between

Karl M. Johnson, a single man
P.O. Box 7
Jackson, Wyoming 83001

265992

Jul. 25 98 M 9:15A
IN BOOK 107016 PAGE 17
FEES $8.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Sexton

hereinafter called Lessor,

and Loma Energy Corp.
P.O. Box 21395, Billings, Mt. 59104

hereinafter called Lessee.

1. Lessor, for and in consideration of Ten and More Dollars, the receipt of which is hereby acknowledged, and covenants and agreements herein contained, does grant, demise, lease and let exclusively unto Lessee, for the purpose and with exclusive right of exploring by geophysical and other methods, drilling and operating for and producing therefrom, oil, liquid hydrocarbons, all gases and their respective constituent products, with rights of way and easements for laying pipe lines, power lines, building tanks, power stations, ponds, roadways and structures thereon for producing, saving, treating and caring for such products and any and all other rights and privileges necessary or incident thereto, all that certain land and lands riparian thereto situated in the County of Sublette, State of Wyoming, described as follows (herein called "said land"):

Township 33 North, Range 113 West, 6th P.M.
Section 5: SW¼, W½SE¼
Section 6: Lot 6, 7, E½SW¼, SE¼
Section 7: Lot 1, NE¼, E½NW¼, NE¼SW¼, N½SE¼
Section 8: W½NE¼, SE¼NE¼, NW¼, N½S½, SE¼SE¼
Section 9: SW¼NW¼, N½SW¼
Section 15: W½W½
Section 17: E½NE¼

Township 33 North, Range 114 West, 6th P.M.
Section 1: SW¼NW¼, SE¼SW¼, SW¼SE¼, E½SE¼
Section 12: E½NE¼, SW¼NE¼, N½NW¼, SW¼NW¼

Township 34 North, Range 114 West, 6th P.M.
Section 26: W½SW¼

For the purpose of determining the amount of any money payment hereunder, said land shall be considered to comprise 2,313.87 acres.

2. Subject to the other provisions herein contained, this lease shall be for a term of 5 years from this date (herein called "primary term") and as long thereafter as oil or gas is produced from said land or as long thereafter as Lessee is engaged in actual drilling or reworking operations on said land.

3. As royalties, Lessee covenants and agrees as follows: (a) To deliver to the credit of Lessor free of cost, on the lease or into any pipeline to which Lessee may connect its wells, the equal one-eighth part of all oil produced and saved from said land, or at the Lessee's option may pay to the Lessor for such royalty the market price for oil of like grade and gravity prevailing in the same field or area on the day such oil is run into the pipeline or the storage tanks. (b) To pay to Lessor for gas of whatsoever nature or kind produced and sold from said land or used for the manufacture of gasoline or any other products, one-eigth of the proceeds from the sale of such gas at the mouth of the well.

If a well capable of producing gas or gas and gas-condensate in paying quantities located on said land, or on acreage pooled or unitized therewith, 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 said land 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 and all other royalty owners as their interests in royalty under the well shall appear, on or before the anniversary of the date of this lease following the shutting-in of such well, and annually thereafter, while such well is so shut-in, as royalty, an amount equal to the annual delay rental herein provided for under the terms of this lease, or, if this lease does not provide for any delay rental, then the sum of $100 per well. Lessor's portion of such payment may be made or tendered to Lessor or to Lessor's credit by check or draft mailed or delivered to the depository bank designated herein. Portions of such payment payable to others may be made or tendered by check or draft, mailed or delivered, to such owners' credit in Lessor's depository bank. Royalty ownership as of the last day of each such annual period as shown by Lessee's records shall determine the amounts and the party or parties entitled to receive such payment. "Shutting-in" of a well shall be the date on which production casing in such well is perforated and a gas flow test shall disclose that the well is capable of production in paying quantities. Until such casing shall have been run and the gas flow tested, no well shall be considered "shut-in."

4. If operations for the drilling of a well for oil or gas are not commenced on said land on or before one year from the date hereof, this lease shall terminate, unless the Lessee shall on or before that date pay or tender to the Lessor or the Lessor's credit in the PAY DIRECT Bank at address listed above, or its successors, which Bank and its successors are the Lessor's agent and shall continue as the depository of any and all sums payable under this lease regardless of changes of ownership in said land or in the oil and gas or in the rentals to accrue hereunder, the sum of Two thousand three hundred thirteen and 87/100---------- Dollars, which shall operate as a rental and cover the privilege of deferring the commencement of operations for drilling for a period of one year. In like manner and upon like payments or tenders, the commencement of operations for drilling may further be deferred for like periods successively. All payments or tenders may be made by check or draft of Lessee or any assignee thereof, mailed or delivered on or before the rental date, either direct to Lessor or assigns or to said depository bank, and it is understood and agreed that the consideration first recited herein covers not only the privilege granted to the date when said first rental is payable as aforesaid, but also the Lessee's option of extending that period as aforesaid and any and all other rights conferred. Notwithstanding the death of the Lessor or his successors in interest, the payment or tender of rentals in the manner provided herein shall be binding on the heirs, devisees, executors, and administrators of such persons.

5. If Lessor owns a less interest in said land than the entire and undivided fee simple estate therein then the royalties and rentals herein provided for shall be paid Lessor only in the proportion which his interest bears to the whole and undivided fee.

6. If at any time prior to the discovery of oil or gas on said land and during the term of this lease, the Lessee shall drill a dry hole, or holes on said land, this lease shall not terminate, provided operations for the drilling of a further well shall be commenced within 12 months from the expiration of the last rental period for which rental has been paid or provided the Lessee, on or before the expiration of said 12 months begins or resumes the payment of rentals in the manner and amount hereinabove provided; and in this event the preceding section hereof governing the payment of rentals and the manner and effect thereof shall continue in force.

7. If within the primary term of this lease, production on said land shall cease from any cause, this lease shall not terminate provided operations for the drilling of a well shall be commenced on said land on or before the next ensuing rental paying date; or, provided Lesse begins or resumes the payment of rentals in the manner and amount hereinbefore provided. If, after the expiration of the primary term of this lease, production on said land shall cease from any cause, this lease shall not terminate provided Lessee resumes operations for drilling or reworking a well within sixty days from such cessation, and this lease shall remain in force during the prosecution of such operations and, if production results therefrom, then as long thereafter as production continues.

8. The Lessee shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells, springs and reservoirs of the Lessor. When required by Lessor, the Lessee shall bury its pipelines below plow depth. Lessee shall pay for damage caused by its operations on said land. No well shall be drilled nearer than 200 feet to the house or barn now on said land without written consent of the Lessor. Lessee shall have the right at any time during, or within 180 days after the expiration of this lease, to remove all machinery, fixtures, buildings and other structures placed by Lessee on said land, including the right to draw and remove all casing, but thereafter such equipment shall become the property of Lessor, unless Lessor on or before such date shall, by written request, require Lessee to remove such materiel and restore said land as nearly as possible to its original condition.

9. Lessee is hereby granted the right and power to pool or combine said land, or any portion thereof, with other land, lease or leases in the vicinity thereof at any time and from time to time, whether before or after production, when in Lessee's judgment it is necessary or advisable to do so for the prevention of waste and the conservation and greatest ultimate recovery of oil or gas. Such pooling shall be into a unit or units not exceeding in area the acreage prescribed or required in any Federal or State law, order, rule or regulation for the drilling or operation of one well, or for obtaining the maximum allowable production from one well. Such pooling shall be accomplished or terminated by filing of record in the proper county a declaration of pooling or declaration of termination of pooling, a copy of which may be mailed or tendered to Lessor. The production of pooled substances and development and operation on any portion of a unit so pooled, including the commencement, drilling, completion and operation of a well thereon, shall be considered and construed, and shall have the same effect, except for the payment of royalty, as production, development and operation on said land under the terms of this lease. The royalties herein provided shall accrue and be paid to Lessor on pooled substances produced from any unit in the proportion, but only in the proportion, that Lessor's acreage interest in the land covered hereby and placed in the unit bears to the total acreage placed in such unit.

10. If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to the heirs, devisees, executors, administrators, successors, and assigns, but no change of ownership in the land or in the rentals or royalties or any sum due under this lease shall be binding on the Lessee until 30 days after Lessee has been furnished with either the original recorded instrument of conveyance or a duly certified copy thereof and all advance payments or rentals made hereunder before receipt of said documents shall be binding on any direct or indirect assignee, grantee, devisee, administrator, successor or heir of Lessor. An assignment of this lease, in whole or in part, shall as to the extent of such assignment relieve and discharge the lessee of all obligations hereunder.

11. Lessee may at any time surrender this lease in whole or in part by placing such release of record in the proper county. If said lease is surrendered as to only a portion of the acreage covered thereby, then all payments and liabilities thereafter accruing under the terms of said lease as to the portion surrendered shall cease and determine and any rentals thereafter paid may be apportioned on an acreage basis, but as to the portion of the acreage not released the terms and provisions of this lease shall continue and remain in full force and effect for all purposes. It is hereby agreed that in the event this lease shall be assigned as to a part or as to parts of said land and the holder or owner of any such part or parts shall make default in the payment of the monies due from him or them, such default shall not operate to defeat or affect this lease insofar as it covers the part of said land upon which the Lessee or any assignee hereof shall make proper payment of any monies due hereunder.

12. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the Lessee, at its option, may pay and discharge in whole or in part any taxes, mortgage, or other liens, existing, levied, or assessed on or against said land and, in the event it exercises such option, it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying to the discharge of any such mortgage, tax or other lien, any royalty or rentals accruing hereunder. Lessor further agrees that any interest or title to said land acquired by Lessor after the date hereof shall be subject to this lease to the same extent as if said interest or title had been held by Lessor at the date hereof. In such event the amount of rental payable hereunder shall be appropriately adjusted at the next ensuing rental date after Lessee has been furnished evidence of such after acquired title.

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. This lease shall be binding upon all who execute it, whether they are named in the granting clause and whether all parties named in the granting clause execute this lease. All provisions of this lease shall inure to the benefit of and be binding upon the heirs, executors, administrators, successors and assigns of Lessor and Lessees. Lessor hereby waives and releases all rights of dower and homestead in said lands insofar as the rights granted under this lease might be affected thereby.

X Karl M. Johnson

Karl M. Johnson

SS# 529-30-4256

ACKNOWLEDGMENT FOR INDIVIDUAL

STATE OF ....WYOMING.....
COUNTY OF.....} ss.

On this ..... day of .....January..... 1998....., before me personally appeared

.....Karl M. Johnson, a single man.....

.....

known to me to be the person(s) described in and who executed the foregoing instrument, and who acknowledged to me that he (~~she, they~~) executed the same.

Victoria L. Macfarlane
.....
Notary Public

My commission expires:
....August 4, 2001.....

Residing at ..145 Crabtree Lane.....

VICTORIA L. MACFARLANE - NOTARY PUBLIC
County of Teton
State of Wyoming
My Commission Expires August 4, 2001

ACKNOWLEDGMENT FOR INDIVIDUAL

STATE OF.....
COUNTY OF.....} ss.

On this ..... day of ..... 19 ....., before me personally appeared

.....

.....

known to me to be the person(s) described in and who executed the foregoing instrument, and who acknowledged to me that he (she, they) executed the same.

.....
Notary Public

My commission expires:
.....

Residing at .....

ACKNOWLEDGMENT FOR CORPORATION

STATE OF ~~.....~~ Wyoming .....
COUNTY OF ~~Teton~~ .....} ss.

On this ~~5th~~ ..... day of ~~January~~ ..... 19 98 um, before me personally appeared

..... known to me to be the .....

of .....

the corporation that executed the within instrument, and acknowledged to me that such corporation executed the same.

.....
Notary Public

My commission expires:
.....

Residing at .....

RECORDING DATA

Producers 88—TK
Montana 1975—ST
Rev 3-80 & 1-90

Billings Blue Print
Billings, Montana

OIL AND GAS LEASE

THIS AGREEMENT is made and entered into as of November 12, 19 97 by and between

Gordon M. Mickelson and Margaret G. Mickelson, husband and wife
P.O. Box 189
Big Piney, Wy. 83113

265993

RECORDED Feb 25, 1998 M 9:15A
IN BOOK 107046 PAGE 19
FEES $ 10.00
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Sachs

hereinafter called Lessor,

and Loma Energy Corp.
P.O. Box 21395, Billings, Mt. 59104

hereinafter called Lessee.

1. Lessor, for and in consideration of Ten and More Dollars, the receipt of which is hereby acknowledged, and covenants and agreements herein contained, does grant, demise, lease and let exclusively unto Lessee, for the purpose and with exclusive right of exploring by geophysical and other methods, drilling and operating for and producing therefrom, oil, liquid hydrocarbons, all gases and their respective constituent products, with rights of way and easements for laying pipe lines, power lines, building tanks, power stations, ponds, roadways and structures thereon for producing, saving, treating and caring for such products and any and all other rights and privileges necessary or incident thereto, all that certain land and lands riparian thereto situated in the County of Sublette, State of Wyoming, described as follows (herein called "said land"):

Township 33 North, Range 113 West, 6th P.M.
Section 5: SW¼, W½SE¼
Section 6: Lot 6, 7, E½SW¼, SE¼
Section 7: Lot 1, NE¼, E½NW¼, NE¼SW¼, N½SE¼
Section 8: W½NE¼, SE¼NE¼, NW¼, N½S½, SE¼SE¼
Section 9: SW¼NW¼, N½SW¼
Section 15: W½W½
Section 17: E½NE¼

Township 33 North, Range 114 West, 6th P.M.
Section 1: SW¼NW¼, SE¼SW¼, SW¼SE¼, E½SE¼
Section 12: E½NE¼, SW¼NE¼, N½NW¼, SW¼NW¼

Township 34 North, Range 114 West, 6th P.M.
Section 26: W½SW¼

See "ADDENDUM" attached hereto and made a part hereof.

For the purpose of determining the amount of any money payment hereunder, said land shall be considered to comprise 2,313.87 acres.

2. Subject to the other provisions herein contained, this lease shall be for a term of 5 years from this date (herein called "primary term") and as long thereafter as oil or gas is produced from said land or as long thereafter as Lessee is engaged in actual drilling or reworking operations on said land.

3. As royalties, Lessee covenants and agrees as follows: (a) To deliver to the credit of Lessor free of cost, on the lease or into any pipeline to which Lessee may connect its wells, the equal one-eighth part of all oil produced and saved from said land, or at the Lessee's option may pay to the Lessor for such royalty the market price for oil of like grade and gravity prevailing in the same field or area on the day such oil is run into the pipeline or the storage tanks. (b) To pay to Lessor for gas of whatsoever nature or kind produced and sold from said land or used for the manufacture of gasoline or any other products, one-eigth of the proceeds from the sale of such gas at the mouth of the well.

If a well capable of producing gas or gas and gas-condensate in paying quantities located on said land, or on acreage pooled or unitized therewith, 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 said land 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 and all other royalty owners as their interests in royalty under the well shall appear, on or before the anniversary of the date of this lease following the shutting-in of such well, and annually thereafter, while such well is so shut-in, as royalty, an amount equal to the annual delay rental herein provided for under the terms of this lease, or, if this lease does not provide for any delay rental, then the sum of $100 per well. Lessor's portion of such payment may be made or tendered to Lessor or to Lessor's credit by check or draft mailed or delivered to the depository bank designated herein. Portions of such payment payable to others may be made or tendered by check or draft, mailed or delivered, to such owners' credit in Lessor's depository bank. Royalty ownership as of the last day of each such annual period as shown by Lessee's records shall determine the amounts and the party or parties entitled to receive such payment. "Shutting-in" of a well shall be the date on which production casing in such well is perforated and a gas flow test shall disclose that the well is capable of production in paying quantities. Until such casing shall have been run and the gas flow tested, no well shall be considered "shut-in."

4. If operations for the drilling of a well for oil or gas are not commenced on said land on or before one year from the date hereof, this lease shall terminate, unless the Lessee shall on or before that date pay or tender to the Lessor or the Lessor's credit in the PAY DIRECT XX Bank at address listed above, or its successors, which Bank and its successors are the Lessor's agent and shall continue as the depository of any and all sums payable under this lease regardless of changes of ownership in said land or in the oil and gas or in the rentals to accrue hereunder, the sum of Two thousand three hundred thirteen and 87/100---------- Dollars, which shall operate as a rental and cover the privilege of deferring the commencement of operations for drilling for a period of one year. In like manner and upon like payments or tenders, the commencement of operations for drilling may further be deferred for like periods successively. All payments or tenders may be made by check or draft of Lessee or any assignee thereof, mailed or delivered on or before the rental date, either direct to Lessor or assigns or to said depository bank, and it is understood and agreed that the consideration first recited herein covers not only the privilege granted to the date when said first rental is payable as aforesaid, but also the Lessee's option of extending that period as aforesaid and any and all other rights conferred. Notwithstanding the death of the Lessor or his successors in interest, the payment or tender of rentals in the manner provided herein shall be binding on the heirs, devisees, executors, and administrators of such persons.

5. If Lessor owns a less interest in said land than the entire and undivided fee simple estate therein then the royalties and rentals herein provided for shall be paid Lessor only in the proportion which his interest bears to the whole and undivided fee.

6. If at any time prior to the discovery of oil or gas on said land and during the term of this lease, the Lessee shall drill a dry hole, or holes on said land, this lease shall not terminate, provided operations for the drilling of a further well shall be commenced within 12 months from the expiration of the last rental period for which rental has been paid or provided the Lessee, on or before the expiration of said 12 months begins or resumes the payment of rentals in the manner and amount hereinabove provided; and in this event the preceding section hereof governing the payment of rentals and the manner and effect thereof shall continue in force.

7. If within the primary term of this lease, production on said land shall cease from any cause, this lease shall not terminate provided operations for the drilling of a well shall be commenced on said land on or before the next ensuing rental paying date; or, provided Lesse begins or resumes the payment of rentals in the manner and amount hereinbefore provided. If, after the expiration of the primary term of this lease, production on said land shall cease from any cause, this lease shall not terminate provided Lessee resumes operations for drilling or reworking a well within sixty days from such cessation, and this lease shall remain in force during the prosecution of such operations and, if production results therefrom, then as long thereafter as production continues.

8. The Lessee shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells, springs and reservoirs of the Lessor. When required by Lessor, the Lessee shall bury its pipelines below plow depth. Lessee shall pay for damage caused by its operations on said land. No well shall be drilled nearer than 200 feet to the house or barn now on said land without written consent of the Lessor. Lessee shall have the right at any time during, or within 180 days after the expiration of this lease, to remove all machinery, fixtures, buildings and other structures placed by Lessee on said land, including the right to draw and remove all casing, but thereafter such equipment shall become the property of Lessor, unless Lessor on or before such date shall, by written request, require Lessee to remove such materiel and restore said land as nearly as possible to its original condition.

9. Lessee is hereby granted the right and power to pool or combine said land, or any portion thereof, with other land, lease or leases in the vicinity thereof at any time and from time to time, whether before or after production, when in Lessee's judgment it is necessary or advisable to do so for the prevention of waste and the conservation and greatest ultimate recovery of oil or gas. Such pooling shall be into a unit or units not exceeding in area the acreage prescribed or required in any Federal or State law, order, rule or regulation for the drilling or operation of one well, or for obtaining the maximum allowable production from one well. Such pooling shall be accomplished or terminated by filing of record in the proper county a declaration of pooling or declaration of termination of pooling, a copy of which may be mailed or tendered to Lessor. The production of pooled substances and development and operation on any portion of a unit so pooled, including the commencement, drilling, completion and operation of a well thereon, shall be considered and construed, and shall have the same effect, except for the payment of royalty, as production, development and operation on said land under the terms of this lease. The royalties herein provided shall accrue and be paid to Lessor on pooled substances produced from any unit in the proportion, but only in the proportion, that Lessor's acreage interest in the land covered hereby and placed in the unit bears to the total acreage placed in such unit.

10. If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to the heirs, devisees, executors, administrators, successors, and assigns, but no change of ownership in the land or in the rentals or royalties or any sum due under this lease shall be binding on the Lessee until 30 days after Lessee has been furnished with either the original recorded instrument of conveyance or a duly certified copy thereof and all advance payments or rentals made hereunder before receipt of said documents shall be binding on any direct or indirect assignee, grantee, devisee, administrator, executor, or heir of Lessor. An assignment of this lease, in whole or in part, shall as to the extent of such assignment relieve and discharge the lessee of all obligations hereunder.

11. Lessee may at any time surrender this lease in whole or in part by placing such release of record in the proper county. If said lease is surrendered as to only a portion of the acreage covered thereby, then all payments and liabilities thereafter accruing under the terms of said lease as to the portion surrendered shall cease and determine and any rentals thereafter paid may be apportioned on an acreage basis, but as to the portion of the acreage not released the terms and provisions of this lease shall continue and remain in full force and effect for all purposes. It is hereby agreed that in the event this lease shall be assigned as to a part or as to parts of said land and the holder or owner of any such part or parts shall make default in the payment of the monies due from him or them, such default shall not operate to defeat or affect this lease insofar as it covers the part of said land upon which the Lessee or any assignee hereof shall make proper payment of any monies due hereunder.

12. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the Lessee, at its option, may pay and discharge in whole or in part any taxes, mortgage, or other liens, existing, levied, or assessed on or against said land and, in the event it exercises such option, it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying to the discharge of any such mortgage, tax or other lien, any royalty or rentals accruing hereunder. Lessor further agrees that any interest or title to said land acquired by Lessor after the date hereof shall be subject to this lease to the same extent as if said interest or title had been held by Lessor at the date hereof. In such event the amount of rental payable hereunder shall be appropriately adjusted at the next ensuing rental date after Lessee has been furnished evidence of such after acquired title.

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. This lease shall be binding upon all who execute it, whether they are named in the granting clause and whether all parties named in the granting clause execute this lease. All provisions of this lease shall inure to the benefit of and be binding upon the heirs, executors, administrators, successors and assigns of Lessor and Lessees. Lessor hereby waives and releases all rights of dower and homestead in said lands insofar as the rights granted under this lease might be affected thereby.

X Margaret G Mickelson
Margaret G. Mickelson

SS# 520-20-6457

X Gordon M Mickelson
Gordon M. Mickelson

SS# 520-42-7981

ACKNOWLEDGMENT FOR INDIVIDUAL

STATE OF ...WYOMING.....
COUNTY OF. SUBLETTE.....} ss.

On this ..... day of ....January ..... 19 98....., before me personally appeared
....Gordon. M. .Mickelson .and. Margaret. G. .Mickelson, .husband .and .wife.....
.....
known to me to be the person(s) described in and who executed the foregoing instrument, and who acknowledged to me that ~~he(she~~, they) executed the same.

.....Joyce J. Johnson.....
Notary Public

My commission expires:
.....2-2-2000.....

JOYCE J. JOHNSON - NOTARY PUBLIC
County of Sublette — State of Wyoming
My Commission Expires February 2, 2000

Residing at .Big. Piney. .Wyoming.....

ACKNOWLEDGMENT FOR INDIVIDUAL

STATE OF.....
COUNTY OF.....} ss.

On this ..... day of ..... 19 ....., before me personally appeared
.....
known to me to be the person(s) described in and who executed the foregoing instrument, and who acknowledged to me that he (she, they) executed the same.

.....
Notary Public

My commission expires:
.....

Residing at .....

ACKNOWLEDGMENT FOR CORPORATION

STATE OF.....
COUNTY OF.....} ss.

On this ..... day of ..... 19 ....., before me personally appeared
..... known to me to be the .....
of .....
the corporation that executed the within instrument, and acknowledged to me that such corporation executed the same.

.....
Notary Public

My commission expires:
.....

Residing at .....

RECORDING DATA

ADDENDUM TO OIL AND GAS LEASE

Attached to and made part of that certain Oil and Gas Lease dated the 12th day of November, 1997, by and between Gordon M. Mickelson and Margaret G. Mickelson, h/w as LESSOR, and Loma Energy Corp., as 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 waterflooding or other recovery operations involving the introduction of extraneous forms of energy into any pool, repressuring or pressure maintenance operations, or cycling 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 this lease, express or implied, shall be satisfied by compliance with the drilling and development requirement 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 hereunder be operated under any such agreement, and the agreement provides for allocation or 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 so allocated.

3. This lease shall terminate at the end of the primary term as to all of the leased land except those included within a production or spacing unit prescribed by law or administrative authority on which is located a well producing or capable of producing oil and/or gas or on which Lessee is engaged in drilling or reworking operations. This lease shall not terminate so long as drilling or reworking operations are being continuously prosecuted if not more than one hundred twenty (120) days shall elapse between the completion or abandonment of one well and the beginning of operations for the drilling of another well.

4. Notwithstanding any provisions herein to the contrary, it is agreed that this lease shall not be continued in force solely by reason of the shut-in well provisions for a period of more than three (3) years beyond the primary term of this lease, except where required for necessary repairs and maintenance; said times will not exceed a period of 6 months in any year.

5. Paragraph 12 shall be modified to strike the words "warrants and agrees to defend title to the lands herein described".

6. Notwithstanding anything to the contrary in the printed form of this lease, all stipulations or amendments to the lease in this Addendum shall take precedence over any conflict or ambiguities.

Signed for Identification:

Gordon M. Mickelson

Gordon M. Mickelson

Margaret G. Mickelson

Margaret G. Mickelson

Producers 88—TK
Montana 1975—ST
Rev 3-88 & 1-90

Billings Blue Print
Billings, Montana

OIL AND GAS LEASE

THIS AGREEMENT is made and entered into as of January 2, 19 98, by and between

Blake C. VandeWater and Lee S. VandeWater, husband and wife
P.O. Box U
Jackson, Wy. 83001

265994

RECORDED Feb. 25 1998 M 9:15A
IN BOOK 107 016 PAGE 22
FEES $ 8.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Saxton

hereinafter called Lessor,

and Loma Energy Corp.
P.O. Box 21395, Billings, Mt. 59104

hereinafter called Lessee.

1. Lessor, for and in consideration of Ten and More Dollars, the receipt of which is hereby acknowledged, and covenants and agreements herein contained, does grant, demise, lease and let exclusively unto Lessee, for the purpose and with exclusive right of exploring by geophysical and other methods, drilling and operating for and producing therefrom, oil, liquid hydrocarbons, all gases and their respective constituent products, with rights of way and easements for laying pipe lines, power lines, building tanks, power stations, ponds, roadways and structures thereon for producing, saving, treating and caring for such products and any and all other rights and privileges necessary or incident thereto, all that certain land and lands riparian thereto situated in the County of Sublette, State of Wyoming, described as follows (herein called "said land"):

Township 33 North, Range 113 West, 6th P.M.
Section 5: SW¼, W½SE¼
Section 6: Lot 6, 7, E½SW¼, SE¼
Section 7: Lot 1, NE¼, E½NW¼, NE¼SW¼, N½SE¼
Section 8: W½NE¼, SE¼NE¼, NW¼, N½S½, SE¼SE¼
Section 9: SW¼NW¼, N½SW¼
Section 15: W½W½
Section 17: E½NE¼

Township 33 North, Range 114 West, 6th P.M.
Section 1: SW¼NW¼, SE¼SW¼, SW¼SE¼, E½SE¼
Section 12: E½NE¼, SW¼NE¼, N½NW¼, SW¼NW¼

Township 34 North, Range 114 West, 6th P.M.
Section 26: W½SW¼

For the purpose of determining the amount of any money payment hereunder, said land shall be considered to comprise 2,313.87 acres.

2. Subject to the other provisions herein contained, this lease shall be for a term of 5 years from this date (herein called "primary term") and as long thereafter as oil or gas is produced from said land or as long thereafter as Lessee is engaged in actual drilling or reworking operations on said land.

3. As royalties, Lessee covenants and agrees as follows: (a) To deliver to the credit of Lessor free of cost, on the lease or into any pipeline to which Lessee may connect its wells, the equal one-eighth part of all oil produced and saved from said land, or at the Lessee's option may pay to the Lessor for such royalty the market price for oil of like grade and gravity prevailing in the same field or area on the day such oil is run into the pipeline or the storage tanks. (b) To pay to Lessor for gas of whatsoever nature or kind produced and sold from said land or used for the manufacture of gasoline or any other products, one-eigth of the proceeds from the sale of such gas at the mouth of the well.

If a well capable of producing gas or gas and gas-condensate in paying quantities located on said land, or on acreage pooled or unitized therewith, 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 said land 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 and all other royalty owners as their interests in royalty under the well shall appear, on or before the anniversary of the date of this lease following the shutting-in of such well, and annually thereafter, while such well is so shut-in, as royalty, an amount equal to the annual delay rental herein provided for under the terms of this lease, or, if this lease does not provide for any delay rental, then the sum of $100 per well. Lessor's portion of such payment may be made or tendered to Lessor or to Lessor's credit by check or draft mailed or delivered to the depository bank designated herein. Portions of such payment payable to others may be made or tendered by check or draft, mailed or delivered, to such owners' credit in Lessor's depository bank. Royalty ownership as of the last day of each such annual period as shown by Lessee's records shall determine the amounts and the party or parties entitled to receive such payment. "Shutting-in" of a well shall be the date on which production casing in such well is perforated and a gas flow test shall disclose that the well is capable of production in paying quantities. Until such casing shall have been run and the gas flow tested, no well shall be considered "shut-in."

4. If operations for the drilling of a well for oil or gas are not commenced on said land on or before one year from the date hereof, this lease shall terminate, unless the Lessee shall on or before that date pay or tender to the Lessor or the Lessor's credit in the PAY DIRECT XX Bank at address listed above, or its successors, which Bank and its successors are the Lessor's agent and shall continue as the depository of any and all sums payable under this lease regardless of changes of ownership in said land or in the oil and gas or in the rentals to accrue hereunder, the sum of Two thousand three hundred thirteen and 87/100---------- Dollars, which shall operate as a rental and cover the privilege of deferring the commencement of operations for drilling for a period of one year. In like manner and upon like payments or tenders, the commencement of operations for drilling may further be deferred for like periods successively. All payments or tenders may be made by check or draft of Lessee or any assignee thereof, mailed or delivered on or before the rental date, either direct to Lessor or assigns or to said depository bank, and it is understood and agreed that the consideration first recited herein covers not only the privilege granted to the date when said first rental is payable as aforesaid, but also the Lessee's option of extending that period as aforesaid and any and all other rights conferred. Notwithstanding the death of the Lessor or his successors in interest, the payment or tender of rentals in the manner provided herein shall be binding on the heirs, devisees, executors, and administrators of such persons.

5. If Lessor owns a less interest in said land than the entire and undivided fee simple estate therein then the royalties and rentals herein provided for shall be paid Lessor only in the proportion which his interest bears to the whole and undivided fee.

6. If at any time prior to the discovery of oil or gas on said land and during the term of this lease, the Lessee shall drill a dry hole, or holes on said land, this lease shall not terminate, provided operations for the drilling of a further well shall be commenced within 12 months from the expiration of the last rental period for which rental has been paid or provided the Lessee, on or before the expiration of said 12 months begins or resumes the payment of rentals in the manner and amount hereinabove provided; and in this event the preceding section hereof governing the payment of rentals and the manner and effect thereof shall continue in force.

7. If within the primary term of this lease, production on said land shall cease from any cause, this lease shall not terminate provided operations for the drilling of a well shall be commenced on said land on or before the next ensuing rental paying date; or, provided Lesse begins or resumes the payment of rentals in the manner and amount hereinbefore provided. If, after the expiration of the primary term of this lease, production on said land shall cease from any cause, this lease shall not terminate provided Lessee resumes operations for drilling or reworking a well within sixty days from such cessation, and this lease shall remain in force during the prosecution of such operations and, if production results therefrom, then as long thereafter as production continues.

8. The Lessee shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells, springs and reservoirs of the Lessor. When required by Lessor, the Lessee shall bury its pipelines below plow depth. Lessee shall pay for damage caused by its operations on said land. No well shall be drilled nearer than 200 feet to the house or barn now on said land without written consent of the Lessor. Lessee shall have the right at any time during, or within 180 days after the expiration of this lease, to remove all machinery, fixtures, buildings and other structures placed by Lessee on said land, including the right to draw and remove all casing, but thereafter such equipment shall become the property of Lessor, unless Lessor on or before such date shall, by written request, require Lessee to remove such materiel and restore said land as nearly as possible to its original condition.

9. Lessee is hereby granted the right and power to pool or combine said land, or any portion thereof, with other land, lease or leases in the vicinity thereof at any time and from time to time, whether before or after production, when in Lessee's judgment it is necessary or advisable to do so for the prevention of waste and the conservation and greatest ultimate recovery of oil or gas. Such pooling shall be into a unit or units not exceeding in area the acreage prescribed or required in any Federal or State law, order, rule or regulation for the drilling or operation of one well, or for obtaining the maximum allowable production from one well. Such pooling shall be accomplished or terminated by filing of record in the proper county a declaration of pooling or declaration of termination of pooling, a copy of which may be mailed or tendered to Lessor. The production of pooled substances and development and operation on any portion of a unit so pooled, including the commencement, drilling, completion and operation of a well thereon, shall be considered and construed, and shall have the same effect, except for the payment of royalty, as production, development and operation on said land under the terms of this lease. The royalties herein provided shall accrue and be paid to Lessor on pooled substances produced from any unit in the proportion, but only in the proportion, that Lessor's acreage interest in the land covered hereby and placed in the unit bears to the total acreage placed in such unit.

10. If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to the heirs, devisees, executors, administrators, successors, and assigns, but no change of ownership in the land or in the rentals or royalties or any sum due under this lease shall be binding on the Lessee until 30 days after Lessee has been furnished with either the original recorded instrument of conveyance or a duly certified copy thereof and all advance payments or rentals made hereunder before receipt of said documents shall be binding on any direct or indirect assignee, grantee, devisee, administrator, executor, or heir of Lessor. An assignment of this lease, in whole or in part, shall as to the extent of such assignment relieve and discharge the lessee of all obligations hereunder.

11. Lessee may at any time surrender this lease in whole or in part by placing such release of record in the proper county. If said lease is surrendered as to only a portion of the acreage covered thereby, then all payments and liabilities thereafter accruing under the terms of said lease as to the portion surrendered shall cease and determine and any rentals thereafter paid may be apportioned on an acreage basis, but as to the portion of the acreage not released the terms and provisions of this lease shall continue and remain in full force and effect for all purposes. It is hereby agreed that in the event this lease shall be assigned as to a part or as to parts of said land and the holder or owner of any such part or parts shall make default in the payment of the monies due from him or them, such default shall not operate to defeat or affect this lease insofar as it covers the part of said land upon which the Lessee or any assignee hereof shall make proper payment of any monies due hereunder.

12. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the Lessee, at its option, may pay and discharge in whole or in part any taxes, mortgage, or other liens, existing, levied, or assessed on or against said land and, in the event it exercises such option, it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying to the discharge of any such mortgage, tax or other lien, any royalty or rentals accruing hereunder. Lessor further agrees that any interest or title to said land acquired by Lessor after the date hereof shall be subject to this lease to the same extent as if said interest or title had been held by Lessor at the date hereof. In such event the amount of rental payable hereunder shall be appropriately adjusted at the next ensuing rental date after Lessee has been furnished evidence of such after acquired title.

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. This lease shall be binding upon all who execute it, whether they are named in the granting clause and whether all parties named in the granting clause execute this lease. All provisions of this lease shall inure to the benefit of and be binding upon the heirs, executors, administrators, successors and assigns of Lessor and Lessees. Lessor hereby waives and releases all rights of dower and homestead in said lands insofar as the rights granted under this lease might be affected thereby.

X Lee S. VandeWater
Lee S. VandeWater

X Blake C. VandeWater
Blake C. VandeWater

SS # 564-03-2627

[redacted] [redacted] [redacted]

ACKNOWLEDGMENT FOR INDIVIDUAL

STATE OF ....WYOMING.....
} ss.
COUNTY OF..TETON.....

On this ....17th..... day of ...January..... 1998....., before me personally appeared

...Blake.C..VandeWater.and.Lee.S..VandeWater,..husband.and.wife.....

.....

known to me to be the person(s) described in and who executed the foregoing instrument, and who acknowledged to me that ~~he(she~~, they) executed the same.

Deborah A. Guthrie
Notary Public

My commission expires:

.....July.1,..1999

DEBORAH A. GUTHRIE - NOTARY PUBLIC
COUNTY OF TETON STATE OF WYOMING
My Commission Expires 7-1-1999

Residing at .Jackson..Wy....83001.....

ACKNOWLEDGMENT FOR INDIVIDUAL

STATE OF.....
} ss.
COUNTY OF.....

On this ..... day of ..... 19 ....., before me personally appeared

.....

.....

known to me to be the person(s) described in and who executed the foregoing instrument, and who acknowledged to me that he (she, they) executed the same.

.....
Notary Public

My commission expires:

.....

Residing at .....

ACKNOWLEDGMENT FOR CORPORATION

STATE OF.....
} ss.
COUNTY OF.....

On this ..... day of ..... 19 ....., before me personally appeared

.....known to me to be the .....

of .....

the corporation that executed the within instrument, and acknowledged to me that such corporation executed the same.

.....
Notary Public

My commission expires:

.....

Residing at .....

RECORDING DATA

Producers 88
Rocky Mountain 1989
(Paid-Up Rev. 1998)

PAID-UP
OIL AND GAS LEASE

THIS AGREEMENT, made and entered into this 7th day of January 19 98 by and between

Edith L. Barp, also known as Edith Barp, & George Barp, wife & husband

of PO Box 490, Big Piney, Wyoming 83113, hereinafter called lessor (whether one or more), and

Hanson & Strahn, Inc., cf PO Box 3020, Cheyenne, WY 82003, hereinafter called lessee:

WITNESSETH:

1. That lessor, for and in consideration of -Ten & 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" attached hereto and made a part hereof

265995

RECORDED Feb 25 1998 M 9:15A
IN BOOK 107 OTG PAGE 24
FEES $ 10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Easton

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.

For the purpose of calculating payments provided for herein, it shall be deemed that the lands covered by this lease contain 320.00 acres, whether there actually be more or less.

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~~ 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, a well completed for the production of coalbed methane gas shall be deemed to be producing gas under this lease at all times when dewatering of the coal seams from which the coalbed methane gas will be produced is occurring. 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; drilling operations shall be deemed to be commenced 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 drilling operations shall be deemed to be commenced 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) 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) of the gas sold or used, provided that on gas sold the royalty shall be one-eighth (1/8) 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. This is a paid-up lease and all cash consideration first recited above and annual rentals have been paid to lessor in advance to keep this lease in full force and effect throughout the primary term. In consideration of the payment of such cash consideration and advance annual rentals, 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 the land described above, and as to any strata or stratum, by delivering to lessor or by filing of record a release or releases, and be relieved of all obligations thereafter accruing to the acreage surrendered.

4. Any payments required to be made to lessors pursuant to this lease, other than the payment of royalties, may be paid by lessee to the lessor or to lessor's credit in the direct to lessors Bank, at PO Box 490, 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 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. All such payments may be made by cash, check or draft, mailed or delivered on or before the due date for that payment. Any payments so made shall be binding on the heirs, devisees, executors, administrators, and personal representatives of lessor and on lessor's successors in interest or on lessor's assigns.

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 continuously 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, an amount equal to $1.00 per year per net mineral acre covered by the lease. Such payments shall be made on or before the shut-in royalty payment date, as defined below, next occurring 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 anniversary date of this lease. Any shut-in royalty payment may be made by cash, draft or check, mailed or tendered on or before the shut-in royalty date. Lessee's failure to pay or tender, or properly 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 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. 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 which traverse cultivated lands 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 heretofore 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 unit.

[redacted] [redacted] [redacted]

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 covenants or conditions of this lease, either express or implied. No change in ownership of the land, royalties, or other payments, 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 royalties or other payments 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.

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 leased premises, and no royalties shall be payable hereunder upon any gas used for repressuring and recycling operations benefitting 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 through lessor's bank of record for payment.

15. In the event lessor considers that lessee has not complied with all its obligations hereunder, either express or implied, lessor shall notify lessee in writing, setting out specifically in what respects lessee has breached this lease. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by lessor. The service of said notice shall be precedent to the bringing of any action by lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on lessee. Neither the service of said notice nor the doing of any acts by lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that lessee has failed to perform all its obligations hereunder. 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, wars, 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.

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 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.

Edith L Barp
Edith L. Barp, aka - Edith Barp
529-22-4767

George L Barp
George L. Barp

STATE OF Wyoming
COUNTY OF Sublette } ss.

INDIVIDUAL

On this 7th day of January 19 98 before me personally appeared Edith L. Barp, also known as Edith Barp, & George L. Barp, wife & husband

to me known to be the person s described in, and who executed the foregoing instrument, and who acknowledged to me that t he 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 7th day of January, 19 98.

My commission expires: 9-Count2001

BARBARA A. WELLS - Notary Public
Sublette County State of Wyoming
My Commission Expires 9-16-2001

Barbara A Wells
Notary Public for the State of Wyoming
residing at Big Piney WY

STATE OF
COUNTY OF } ss.

CORPORATE

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 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"

Exhibit "A" attached hereto and made a part hereof that certain Oil & Gas Lease dated January 7, 1998, by and between Edith L. Barp, also known as Edith Barp, and George L. Barp, wife and husband, as Lessors, and Hanson & Strahn, Inc., as Lessee.

SUBLETTE COUNTY, WYOMING

Township 33 North, Range 113 West, 6th P.M.
Section 10: S/2 SE/4, NW/4 SE/4, NE/4 SW/4
Section 11: S/2 NW/4, N/2 SW/4

Containing 320.00 gross acres, more or less.

In the event this lease is not continued beyond its primary term by the provisions herein contained, lessee, its successors or assigns, has the option, but not the obligation, to extend this lease for an additional term of three (3) years from the date of the lease, and as long thereafter as oil and gas, or either of them, is produced from the leased premises or drilling operations are continuously prosecuted. This option to extend may be exercised by tendering to Lessor, their heirs, successors or assigns at the last known address, a net sum of fifteen Dollars per net mineral acre per year, ($15.00/year), on or before the expiration date of the primary term of this lease. Should this option be exercised as herein provided, it shall be considered for all purposes as though this lease originally provided for a primary term of eight (8) years.

Executed this 7th day of January, 1998.

Edith L Barp

Edith L. Barp, aka Edith Barp

George L Barp

George L. Barp

[redacted] [redacted] [redacted]

Producers 88
Rocky Mountain 1988
(Paid-Up Rev. 1998)

PAID-UP
OIL AND GAS LEASE
265996

RECORDED Jan. 85 1998 M 9:15A
IN BOOK 107 PAGE 27
FEES $10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Sadler

THIS AGREEMENT, made and entered into this 8th day of January 19 98 by and between
Thomas Daniel O'Neil, III and Sharon A. O'Neil, individually and as husband and wife

of 14952 WCR 6, Fort Lupton, CO 80621, hereinafter called lessor (whether one or more), and
Hanson & Strahn, Inc., of PO Box 3020, Cheyenne, WY 82003, 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 33 North, Range 113 West, 6th P.M.
Section 10: S1/2SE1/4, NW1/4SE1/4, NE1/4SW1/4
Section 11: S1/2NW1/4, N1/2SW1/4

See 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.

For the purpose of calculating payments provided for herein, it shall be deemed that the lands covered by this lease contain 320.00 acres, whether there actually be more or less.

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, a well completed for the production of coalbed methane gas shall be deemed to be producing gas under this lease at all times when dewatering of the coal seams from which the coalbed methane gas will be produced is occurring. 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; drilling operations shall be deemed to be commenced 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 drilling operations shall be deemed to be commenced 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) 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) of the gas sold or used, provided that on gas sold the royalty shall be one-eighth (1/8) 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. This is a paid-up lease and all cash consideration first recited above and annual rentals have been paid to lessor in advance to keep this lease in full force and effect throughout the primary term. In consideration of the payment of such cash consideration and advance annual rentals, 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 the land described above, and as to any strata or stratum, by delivering to lessor or by filing of record a release or releases, and be relieved of all obligations thereafter accruing to the acreage surrendered

4. Any payments required to be made to lessors pursuant to this lease, other than the payment of royalties, may be paid by lessee to the 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 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. All such payments may be made by cash, check or draft, mailed or delivered on or before the due date for that payment. Any payments so made shall be binding on the heirs, devisees, executors, administrators, and personal representatives of lessor and on lessor's successors in interest or on lessor's assigns.

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 continuously 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, an amount equal to $1.00 per year per net mineral acre covered by the lease. Such payments shall be made on or before the shut-in royalty payment date, as defined below, next occurring 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 anniversary date of this lease. Any shut-in royalty payment may be made by cash, draft or check, mailed or tendered on or before the shut-in royalty date. Lessee's failure to pay or tender, or properly 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 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. 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 which traverse cultivated lands 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 heretofore 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 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 covenants or conditions of this lease, either express or implied. No change in ownership of the land, royalties, or other payments, 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 royalties or other payments 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.

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 leased premises, and no royalties shall be payable hereunder upon any gas used for repressuring and recycling operations benefitting 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, teletax, 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 through lessor's bank of record for payment.

15. In the event lessor considers that lessee has not complied with all its obligations hereunder, either express or implied, lessor shall notify lessee in writing, setting out specifically in what respects lessee has breached this lease. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by lessor. The service of said notice shall be precedent to the bringing of any action by lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on lessee. Neither the service of said notice nor the doing of any acts by lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that lessee has failed to perform all its obligations hereunder. 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, wars, 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.

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 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.

Thomas Daniel O'Neil III

Thomas Daniel O'Neil, III

Sharon A. O'Neil

Sharon A. O'Neil

SS# 520-42-4319

SS# 479-48-4093

STATE OF COLORADO
} ss.
COUNTY OF WELD

INDIVIDUAL

On this 26th day of January, 19 98, before me personally appeared Thomas Daniel O'Neil, III and Sharon A. O'Neil, individually and as 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 26th day of January, 19 98.

My commission expires: November 18th 1999

Notary Public for the State of Colorado
residing at Hobart Ct Ft Lupton, CO 80621

STATE OF _____
} ss.
COUNTY OF _____

CORPORATE

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 _____ 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]

EXTENSION OF LEASE TERM

Attached to and made a part of that certain Oil and Gas Lease dated January 8, 1998, by and between Thomas Daniel O'Neil, III and Sharon A. O'Neil, individually and as husband and wife, as Lessor, and Hanson & Strahn, Inc., as Lessee.

In the event this lease is not continued beyond its primary term by the provisions herein contained, Lessee, its successors or assigns, has the option, but not the obligation, to extend this lease for an additional term of three (3) years from the 8th day of January, 2003, and as long thereafter as oil and gas or either of them is produced from said lands covered by this lease. Said extension to be under the terms and conditions as contained in this lease. This option to extend may be exercised by tendering to Lessor, their heirs, successors or assigns at the last known address, the sum of forty-five dollars and 00/100 ($45.00) dollars per net mineral acre, on or before the expiration date of the first primary term of this lease.

Signed for Identification:

Thomas Daniel O'Neil, III

Sharon A. O'Neil

10.00

Producers 88
Rocky Mountain 1988
(Paid-Up Rev. 1988)

PAID-UP OIL AND GAS LEASE 265997

RECORDED Feb. 25, 1998 M 9:15a
IN BOOK 107016 PAGE 30
FEES $ 10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING By Cathy Scudder

THIS AGREEMENT, made and entered into this 8th day of January 19 98 by and between

Cornelia M. Robinson, individually and as Trustee of the Cornelia M. Robinson Trust and successor Trustees

of 9025 North 109th Avenue, Sun City, AZ 85351, hereinafter called lessor (whether one or more), and

Hanson & Strahn, Inc., of PO Box 3020, Cheyenne, WY 82003, 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 33 North, Range 113 West, 6th P.M.
Section 10: S1/2SE1/4, NW1/4SE1/4, NE1/4SW1/4
Section 11: S1/2NW1/4, N1/2SW1/4

See 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.

For the purpose of calculating payments provided for herein, it shall be deemed that the lands covered by this lease contain 320.00 acres, whether there actually be more or less.

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, a well completed for the production of coalbed methane gas shall be deemed to be producing gas under this lease at all times when dewatering of the coal seams from which the coalbed methane gas will be produced is occurring. 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; drilling operations shall be deemed to be commenced 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 drilling operations shall be deemed to be commenced 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) 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) of the gas sold or used, provided that on gas sold the royalty shall be one-eighth (1/8) 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. This is a paid-up lease and all cash consideration first recited above and annual rentals have been paid to lessor in advance to keep this lease in full force and effect throughout the primary term. In consideration of the payment of such cash consideration and advance annual rentals, 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 the land described above, and as to any strata or stratum, by delivering to lessor or by filing of record a release or releases, and be relieved of all obligations thereafter accruing to the acreage surrendered.

4. Any payments required to be made to lessors pursuant to this lease, other than the payment of royalties, may be paid by lessee to the 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 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. All such payments may be made by cash, check or draft, mailed or delivered on or before the due date for that payment. Any payments so made shall be binding on the heirs, devisees, executors, administrators, and personal representatives of lessor and on lessor's successors in interest or on lessor's assigns.

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 continuously 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, an amount equal to $1.00 per year per net mineral acre covered by the lease. Such payments shall be made on or before the shut-in royalty payment date, as defined below, next occurring 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 anniversary date of this lease. Any shut-in royalty payment may be made by cash, draft or check, mailed or tendered on or before the shut-in royalty date. Lessee's failure to pay or tender, or properly 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 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. 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 which traverse cultivated lands 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 heretofore 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 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 covenants or conditions of this lease, either express or implied. No change in ownership of the land, royalties, or other payments, 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 royalties or other payments 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.

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 leased premises, and no royalties shall be payable hereunder upon any gas used for repressuring and recycling operations benefitting 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 through lessor's bank of record for payment.

15. In the event lessor considers that lessee has not complied with all its obligations hereunder, either express or implied, lessor shall notify lessee in writing, setting out specifically in what respects lessee has breached this lease. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by lessor. The service of said notice shall be precedent to the bringing of any action by lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on lessee. Neither the service of said notice nor the doing of any acts by lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that lessee has failed to perform all its obligations hereunder. 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, wars, 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.

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 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.

Cornelia M. Robinson, individually and as Trustee of the Cornelia M. Robinson Trust

Cornelia M. Robinson, Individually and as Trustee of the Cornelia M. Robinson Trust

STATE OF ARIZONA
COUNTY OF Maricopa } ss.

INDIVIDUAL

On this 30 day of January, 19 98, before me personally appeared Cornelia M. Robinson, individually and as Trustee of the Cornelia M. Robinson Trust and Successor Trustees

to me known to be the person ____ described in, and who executed the foregoing instrument, and who acknowledged to me that S he ____ 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 30 day of January, 19 98.

My commission expires: 1-09-2000

NOTARY PUBLIC
STATE OF ARIZONA
Maricopa County
LYNNETTE CUMMINGS
My Appointment Expires 1/09/2000

Lynnette Cummings

Notary Public for the State of Arizona
residing at 10733 W Peoria, Sun City AZ

STATE OF _____
COUNTY OF _____ } ss.

CORPORATE

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 _____ 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 January 8, 1998, by and between Cornelia M. Robinson, Individually and as Trustee of the Cornelia M. Robinson Trust and Successor Trustees, as Lessor, and Hanson & Strahn, Inc., as Lessee.

In the event this lease is not continued beyond its primary term by the provisions herein contained, Lessee, its successors or assigns, has the option, but not the obligation, to extend this lease for an additional term of three (3) years from the 8th day of January, 2003, and as long thereafter as oil and gas or either of them is produced from said lands covered by this lease. Said extension to be under the terms and conditions as contained in this lease. This option to extend may be exercised by tendering to Lessor, their heirs, successors or assigns at the last known address, the sum of forty-five dollars and 00/100 ($45.00) dollars per net mineral acre, on or before the expiration date of the first primary term of this lease.

Signed for Identification:

Cornelia M. Robinson, Individually
Cornelia M. Robinson, Individually

Cornelia M. Robinson, Trustee
Cornelia M. Robinson, Trustee

[redacted] [redacted] [redacted] 10.00

Producers 88
Rocky Mountain 1989
(Paid-Up Rev. 1996)

PAID-UP
OIL AND GAS LEASE

THIS AGREEMENT, made and entered into this 10th day of January 19 98 by and between
John J. Christman & Penny L. Christman, individually and as husband & wife

of PO Box 608, Big Piney, WY 83113
Hanson & Strahn, Inc., of PO Box 3020, Cheyenne, WY 82003, hereinafter called lessor (whether one or more), and , hereinafter called lessee:

WITNESSETH:

1. That lessor, for and in consideration of -Ten & 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" attached hereto and made a part hereof

265998

RECORDED Feb. 25 1998 M 9:15A
IN BOOK 107 OR 6 PAGE 33
FEES $ 10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING By Cathy Sudan

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.

For the purpose of calculating payments provided for herein, it shall be deemed that the lands covered by this lease contain 470.29 acres, whether there actually be more or less.

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) PLUS C 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, a well completed for the production of coalbed methane gas shall be deemed to be producing gas under this lease at all times when dewatering of the coal seams from which the coalbed methane gas will be produced is occurring. 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; drilling operations shall be deemed to be commenced 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 drilling operations shall be deemed to be commenced 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) 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) of the gas sold or used, provided that on gas sold the royalty shall be one-eighth (1/8) 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. This is a paid-up lease and all cash consideration first recited above and annual rentals have been paid to lessor in advance to keep this lease in full force and effect throughout the primary term. In consideration of the payment of such cash consideration and advance annual rentals, 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 the land described above, and as to any strata or stratum, by delivering to lessor or by filing of record a release or releases, and be relieved of all obligations thereafter accruing to the acreage surrendered.

4. Any payments required to be made to lessors pursuant to this lease, other than the payment of royalties, may be paid by lessee to the lessor or to lessor's credit in the Community First Bank, at Big Piney, WY 83113 (Box 428) (or its successor or successors, or any bank with which it may be merged or consolidated, or which succeeds to its business 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. All such payments may be made by cash, check or draft, mailed or delivered on or before the due date for that payment. Any payments so made shall be binding on the heirs, devisees, executors, administrators, and personal representatives of lessor and on lessor's successors in interest or on lessor's assigns.

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 continuously 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, an amount equal to $1.00 per year per net mineral acre covered by the lease. Such payments shall be made on or before the shut-in royalty payment date, as defined below, next occurring 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 anniversary date of this lease. Any shut-in royalty payment may be made by cash, draft or check, mailed or tendered on or before the shut-in royalty date. Lessee's failure to pay or tender, or properly 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 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. 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 which traverse cultivated lands 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 heretofore 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 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 covenants or conditions of this lease, either express or implied. No change in ownership of the land, royalties, or other payments, 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 royalties or other payments 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.

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 leased premises, and no royalties shall be payable hereunder upon any gas used for repressuring and recycling operations benefitting 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 hereof. Upon receipt thereof, lessor shall promptly execute said lease and return same along with the draft through lessor's bank of record for payment.

15. In the event lessor considers that lessee has not complied with all its obligations hereunder, either express or implied, lessor shall notify lessee in writing, setting out specifically in what respects lessee has breached this lease. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by lessor. The service of said notice shall be precedent to the bringing of any action by lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on lessee. Neither the service of said notice nor the doing of any acts by lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that lessee has failed to perform all its obligations hereunder. 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, wars, 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.

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 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.

John J. Chrisman
John J. Chrisman
SS# 520-50-8039

Penny L. Chrisman
Penny L. Chrisman
SS# 520-60-1361

INDIVIDUAL

STATE OF Wyoming
COUNTY OF Sublette } ss.

On this 10th day of January, 19 98, before me personally appeared John J. Chrisman & Penny L. Chrisman, individually and as husband & wife

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 10th day of January, 19 98.

My commission expires:
2-2-2000

Joyce J. Johnson
Notary Public for the State of Wyoming
residing at Big Piney - Sublette Cty

STATE OF _____
COUNTY OF _____ } ss.

CORPORATE

JOYCE J. JOHNSON - NOTARY PUBLIC
County of Sublette
State of Wyoming
My Commission Expires February 2, 2000

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 _____ 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]

EXHIBIT "A"

Exhibit "A" attached hereto and made a part hereof that certain Oil & Gas Lease dated January 10, 1998, by and between John J. Chrisman and Penny L. Chrisman, individually and as husband and wife, as Lessors, and Hanson & Strahn, Inc., as Lessee.

SUBLETTE COUNTY, WYOMING

Township 32 North, Range 114 West, 6th P.M.
Section 11: Lots 2, (15.61), 3(15.13), SE/4 NW/4

Township 33North, Range 113 West, 6th P.M.
Section 30: S/2 SE/4
Section 31: Lots 2(39.75), 3(39.85), 4(39.85), N/2 NE/4, SE/4 NW/4, E/2 SW/4

Containing 470.2900 gross acres, more or less.

It is understood and agreed between the parties hereto, that wherever the term one-eighth (1/8th) appears in the subject oil & gas lease, it shall by this reference be amended to read Fifteen percent, (15%).

In the event this lease is not continued beyond its primary term by the provisions herein contained, lessee, its successors or assigns, has the option, but not the obligation, to extend this lease for an additional term of three (3) years from the date of the lease, and as long thereafter as oil and gas, or either of them, is produced from the leased premises or drilling operations are continuously prosecuted. This option to extend may be exercised by tendering to Lessor, their heirs, successors or assigns at the last known address, a net sum of forty dollars per net mineral acre, ($40.00), on or before the expiration date of the primary term of this lease. Should this option be exercised as herein provided, it shall be considered for all purposes as though this lease originally provided for a primary term of eight (8) years.

Executed this 10th day of January, 1998.

John J. Chrisman,

Penny L. Chrisman

16.00

Producers 88
Rocky Mountain 1989
(Paid-Up Rev. 1996)

PAID-UP
OIL AND GAS LEASE

THIS AGREEMENT, made and entered into this 10th day of January 19 98 by and between

John N. Christman, individually and as Trustee of the John N. Christman Revocable Trust, dated June 11, 1992, and his successors

of PO Box 310, Big Piney, WY 83113, hereinafter called lessor (whether one or more), and

Hanson & Strahn, Inc., of PO Box 3020 Cheyenne, WY 82003, hereinafter called lessee:

WITNESSETH:

1. That lessor, for and in consideration of -Ten & 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" attached hereto and made a part hereof

265999

RECORDED Feb. 25 1998 M 9:54
IN BOOK 107 OF G PAGE 30
FEES $ 10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Souter

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.

For the purpose of calculating payments provided for herein, it shall be deemed that the lands covered by this lease contain 470.29 acres, whether there actually be more or less.

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, a well completed for the production of coalbed methane gas shall be deemed to be producing gas under this lease at all times when dewatering of the coal seams from which the coalbed methane gas will be produced is occurring. 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; drilling operations shall be deemed to be commenced 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 drilling operations shall be deemed to be commenced 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) 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) of the gas sold or used, provided that on gas sold the royalty shall be one-eighth (1/8) 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. This is a paid-up lease and all cash consideration first recited above and annual rentals have been paid to lessor in advance to keep this lease in full force and effect throughout the primary term. In consideration of the payment of such cash consideration and advance annual rentals, 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 the land described above, and as to any strata or stratum, by delivering to lessor or by filing of record a release or releases, and be relieved of all obligations thereafter accruing to the acreage surrendered.

4. Any payments required to be made to lessors pursuant to this lease, other than the payment of royalties, may be paid by lessee to the lessor or to lessor's credit in the Community First Bank, at Big Piney, WY 83113 (Box 428) (or its successor or successors, or any bank with which it may be merged or consolidated, or which succeeds to its business 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. All such payments may be made by cash, check or draft, mailed or delivered on or before the due date for that payment. Any payments so made shall be binding on the heirs, devisees, executors, administrators, and personal representatives of lessor and on lessor's successors in interest or on lessor's assigns.

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 continuously 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, an amount equal to $1.00 per year per net mineral acre covered by the lease. Such payments shall be made on or before the shut-in royalty payment date, as defined below, next occurring 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 anniversary date of this lease. Any shut-in royalty payment may be made by cash, draft or check, mailed or tendered on or before the shut-in royalty date. Lessee's failure to pay or tender, or properly 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 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. 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 which traverse cultivated lands 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 heretofore 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 unit.

[redacted] [redacted] [redacted]

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 covenants or conditions of this lease, either express or implied. No change in ownership of the land, royalties, or other payments, 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 royalties or other payments 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.

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 leased premises, and no royalties shall be payable hereunder upon any gas used for repressuring and recycling operations benefitting 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 through lessor's bank of record for payment.

15. In the event lessor considers that lessee has not complied with all its obligations hereunder, either express or implied, lessor shall notify lessee in writing, setting out specifically in what respects lessee has breached this lease. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by lessor. The service of said notice shall be precedent to the bringing of any action by lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on lessee. Neither the service of said notice nor the doing of any acts by lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that lessee has failed to perform all its obligations hereunder. 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, wars, 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.

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 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.

John N. Chrisman

John N. Chrisman, Individually & as Trustee of the John N. Chrisman Revocable Trust, dated June 11, 1992

SS# 520-34-16-90

STATE OF Wyoming
COUNTY OF Sublette } ss.

INDIVIDUAL

On this 10th day of January, 19 98, before me personally appeared John N. Chrisman, individually & as Trustee of the John N. Chrisman Revocable Trust dated June 11, 1992, and his successors

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 10th day of January, 19 98.

My commission expires: 2-2-2000

Joyce J. Johnson

Notary Public for the State of Wyoming residing at Sublette Cty

JOYCE J. JOHNSON - NOTARY PUBLIC
County of Sublette — State of Wyoming
My Commission Expires February 2, 2000

STATE OF _____
COUNTY OF _____ } ss.

CORPORATE

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 _____ 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"

Exhibit "A" attached hereto and made a part hereof that certain Oil & Gas Lease dated January 10, 1998, by and between John N. Chrisman, individually, and as Trustee of the John N. Chrisman Revocable Trust dated June 11, 1992, and his successors, as Lessor, and Hanson & Strahn, Inc., as Lessee.

SUBLETTE COUNTY, WYOMING

Township 32 North, Range 114 West, 6th P.M.
Section 11: Lots 2, (15.61), 3(15.13), SE/4 NW/4

Township 33North, Range 113 West, 6th P.M.
Section 30: S/2 SE/4
Section 31: Lots 2(39.75), 3(39.85), 4(39.85), N/2 NE/4, SE/4 NW/4, E/2 SW/4

Containing 470.2900 gross acres, more or less.

It is understood and agreed between the parties hereto, that wherever the term one-eighth (1/8th) appears in the subject oil & gas lease, it shall by this reference be amended to read Fifteen percent, (15%).

In the event this lease is not continued beyond its primary term by the provisions herein contained, lessee, its successors or assigns, has the option, but not the obligation, to extend this lease for an additional term of three (3) years from the date of the lease, and as long thereafter as oil and gas, or either of them, is produced from the leased premises or drilling operations are continuously prosecuted. This option to extend may be exercised by tendering to Lessor, their heirs, successors or assigns at the last known address, a net sum of forty dollars per net mineral acre, ($40.00), on or before the expiration date of the primary term of this lease. Should this option be exercised as herein provided, it shall be considered for all purposes as though this lease originally provided for a primary term of eight (8) years.

Executed this 10th day of January, 1998.

John N. Chrisman

John N. Chrisman, individually, and as Trustee of the
John N. Chrisman Revocable Trust dated June 11, 1992, and his successors

[redacted] [redacted] [redacted]

Producers 88
Rocky Mountain 1966
(Paid-Up Rev. 1996)

PAID-UP OIL AND GAS LEASE
266000

RECORDED Feb. 25 1998 M 9:18A
IN BOOK 107016 PAGE 39
FEES $ 10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Sacker

THIS AGREEMENT, made and entered into this 13th day of January 19 98 by and between

Penny D. Chrisman, a single person

of 532 West 2350 South, Perry, UT 84302, hereinafter called lessor (whether one or more), and

Hanson & Strahn, Inc., of PO Box 3020, Cheyenne, WY 82003, 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 32 North, Range 114 West, 6th P.M.
Section 11: Lots 2(15.61), 3(15.13), SE1/4NW1/4
Township 33 North, Range 113 West, 6th P.M.
Section 30: S1/2SE1/4
Section 31: Lots 2(39.75), 3(39.85), 4(39.95), N1/2NE1/4, SE1/4NW1/4, E1/2SW1/4

See 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.

For the purpose of calculating payments provided for herein, it shall be deemed that the lands covered by this lease contain 470.29 acres, whether there actually be more or less.

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, a well completed for the production of coalbed methane gas shall be deemed to be producing gas under this lease at all times when dewatering of the coal seams from which the coalbed methane gas will be produced is occurring. 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; drilling operations shall be deemed to be commenced 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 drilling operations shall be deemed to be commenced 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) 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) of the gas sold or used, provided that on gas sold the royalty shall be one-eighth (1/8) 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. This is a paid-up lease and all cash consideration first recited above and annual rentals have been paid to lessor in advance to keep this lease in full force and effect throughout the primary term. In consideration of the payment of such cash consideration and advance annual rentals, 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 the land described above, and as to any strata or stratum, by delivering to lessor or by filing of record a release or releases, and be relieved of all obligations thereafter accruing to the acreage surrendered.

4. Any payments required to be made to lessors pursuant to this lease, other than the payment of royalties, may be paid by lessee to the 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 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. All such payments may be made by cash, check or draft, mailed or delivered on or before the due date for that payment. Any payments so made shall be binding on the heirs, devisees, executors, administrators, and personal representatives of lessor and on lessor's successors in interest or on lessor's assigns.

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 continuously 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, an amount equal to $1.00 per year per net mineral acre covered by the lease. Such payments shall be made on or before the shut-in royalty payment date, as defined below, next occurring 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 anniversary date of this lease. Any shut-in royalty payment may be made by cash, draft or check, mailed or tendered on or before the shut-in royalty date. Lessee's failure to pay or tender, or properly 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 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. 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 which traverse cultivated lands 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 heretofore 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 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 covenants or conditions of this lease, either express or implied. No change in ownership of the land, royalties, or other payments, 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 royalties or other payments 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.

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 leased premises, and no royalties shall be payable hereunder upon any gas used for repressuring and recycling operations benefitting 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 through lessor's bank of record for payment.

15. In the event lessor considers that lessee has not complied with all its obligations hereunder, either express or implied, lessor shall notify lessee in writing, setting out specifically in what respects lessee has breached this lease. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by lessor. The service of said notice shall be precedent to the bringing of any action by lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on lessee. Neither the service of said notice nor the doing of any acts by lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that lessee has failed to perform all its obligations hereunder. 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, wars, 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.

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 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.

Penny D. Chrisman

SS# 520-44-8513

Penny Chrisman

STATE OF UTAH
} ss.
COUNTY OF BOX ELDER

INDIVIDUAL

On this 21st day of January, 19 98, before me personally appeared Penny D. Chrisman, a single person

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 21st day of January, 19 98.

My commission expires:
9/18/99

Notary Public for the State of Utah
residing at Ogden

NOTARY PUBLIC
GINA HENINGER
1344 West 4675 South
Ogden, Utah 84405
My Commission Expires
September 18, 1999
STATE OF UTAH

STATE OF _____
} ss.
COUNTY OF _____

CORPORATE

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 _____ 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]

EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated January 13, 1998, by and between Penny D. Chrisman, a single person, as Lessor, and Hanson & Strahn, Inc., as Lessee.

In the event this lease is not continued beyond its primary term by the provisions herein contained, Lessee, its successors or assigns, has the option, but not the obligation, to extend this lease for an additional term of three (3) years from the 13th day of January, 2003, and as long thereafter as oil and gas or either of them is produced from said lands covered by this lease. Said extension to be under the terms and conditions as contained in this lease. This option to extend may be exercised by tendering to Lessor, their heirs, successors or assigns at the last known address, the sum of Forty dollars and 00/100 ($40.00) dollars per net mineral acre, on or before the expiration date of the first primary term of this lease.

Notwithstanding anything herein contained, wherever the fractional interest one-eighth (1/8th) royalty appears, it shall by this reference be amended to read fifteen percent (15.00%) royalty.

Signed for Identification:

Penny D. Chrisman

10.00

Producers 88
Rocky Mountain 1988
(Paid-Up Rev. 1988)

PAID-UP
OIL AND GAS LEASE

THIS AGREEMENT, made and entered into this 22nd day of January 19 98 by and between
T.E. O'Brien Ranch, Incorporated, a Wyoming Corporation

of Cottonwood Route, Big Piney, WY 83113
Hanson & Strahn, Inc., of PO Box 3020, Cheyenne, WY 82003, hereinafter called lessor (whether one or more), and , hereinafter called lessee:

WITNESSETH:

1. That lessor, for and in consideration of Ten & 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 permitees, 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:

RECORDED Feb 25 1998 M 9:15A
IN BOOK 107 OPG PAGE 42
FEES $ 10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Buxton

See Exhibit "A" attached hereto and made a part hereof

266001

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.

For the purpose of calculating payments provided for herein, it shall be deemed that the lands covered by this lease contain 360.00 acres, whether there actually be more or less.

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.P.

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, a well completed for the production of coalbed methane gas shall be deemed to be producing gas under this lease at all times when dewatering of the coal seams from which the coalbed methane gas will be produced is occurring. 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; drilling operations shall be deemed to be commenced 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 drilling operations shall be deemed to be commenced 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) 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) of the gas sold or used, provided that on gas sold the royalty shall be one-eighth (1/8) 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. This is a paid-up lease and all cash consideration first recited above and annual rentals have been paid to lessor in advance to keep this lease in full force and effect throughout the primary term. In consideration of the payment of such cash consideration and advance annual rentals, 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 the land described above, and as to any strata or stratum, by delivering to lessor or by filing of record a release or releases, and be relieved of all obligations thereafter accruing to the acreage surrendered.

4. Any payments required to be made to lessors pursuant to this lease, other than the payment of royalties, may be paid by lessee to the lessor or to lessor's credit in the 1st National Bank of Pinedale Bank, at 61 East Pine St., Pinedale, WY 82941 (or its successor or successors, or any bank with which it may be merged or consolidated, or which succeeds to its business 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. All such payments may be made by cash, check or draft, mailed or delivered on or before the due date for that payment. Any payments so made shall be binding on the heirs, devisees, executors, administrators, and personal representatives of lessor and on lessor's successors in interest or on lessor's assigns.

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 continuously 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, an amount equal to $1.00 per year per net mineral acre covered by the lease. Such payments shall be made on or before the shut-in royalty payment date, as defined below, next occurring 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 anniversary date of this lease. Any shut-in royalty payment may be made by cash, draft or check, mailed or tendered on or before the shut-in royalty date. Lessee's failure to pay or tender, or properly 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 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. 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 which traverse cultivated lands 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 heretofore 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 unit.

[redacted] [redacted] [redacted]

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 covenants or conditions of this lease, either express or implied. No change in ownership of the land, royalties, or other payments, 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 royalties or other payments 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.

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 leased premises, and no royalties shall be payable hereunder upon any gas used for repressuring and recycling operations benefitting 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 through lessor's bank of record for payment.

15. In the event lessor considers that lessee has not complied with all its obligations hereunder, either express or implied, lessor shall notify lessee in writing, setting out specifically in what respects lessee has breached this lease. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by lessor. The service of said notice shall be precedent to the bringing of any action by lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on lessee. Neither the service of said notice nor the doing of any acts by lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that lessee has failed to perform all its obligations hereunder. 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, wars, 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.

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 lessee for the lessor may be deducted from any amounts of money which may become due the lessor under the terms of this lease. S.P. /by, Through & under, but not otherwise, as to their actions,

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.

T.E. O'Brien Ranch, Incorporated, a Wyoming Corporation

✓TAX ID# 83-0231886

President: Kent Profit

Tax I.D.#

✓

Attest: Clint Gilchrist

INDIVIDUAL

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 expires:

_____

_____

Notary Public for the State of _____

residing at _____

CORPORATE

STATE OF Idaho

COUNTY OF Canyon } ss.

On this ✓ 29 day of ✓ January, 19 98, before me personally appeared Kent Profit

to me personally known, who, being by me duly sworn, did say that he is the President of T.E. O'Brien Ranch, Incporated, a Wyoming Corporation

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 Kent Profit acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and seal this ✓ 29 day of ✓ January, 19 98

My commission expires:

✓ 7/25/2000

Linda M Richardson

Notary Public for the State of ✓ Idaho

residing at ✓ Canyon County

EXHIBIT "A"

Exhibit "A" attached hereto and made a part hereof that certain Oil & Gas Lease dated January 22, 1998, by and between T.E. O'Brien Ranch, Incorporated, a Wyoming Corporation, as Lessor, and Hanson & Strahn, Inc., as Lessee.

SUBLETTE COUNTY, WYOMING

Township 33 North, Range 113 West, 6th P.M.
Section 34: NE/4 NE/4
Section 35: N/2

Containing 360.0000 gross acres, more or less.

1) It is understood and agreed between the parties hereto, that wherever the term one-eighth (1/8th) appears in the subject oil & gas lease, it shall by this reference be amended to read thirteen & one-half percent, (13.50%).

2) There will be no deductions on lease production costs, on lease pipeline costs, on lease transportation or trucking costs, from the proceeds.

3) In the event this lease is not continued beyond its primary term by the provisions herein contained, lessee, its successors or assigns, has the option, but not the obligation, to extend this lease for an additional term of three (3) years from the date of the lease, and as long thereafter as oil and gas, or either of them, is produced from the leased premises or drilling operations are continuously prosecuted. This option to extend may be exercised by tendering to Lessor, their heirs, successors or assigns at the last known address, a net sum of thirty-five Dollars per net mineral acre, ($35.00), on or before the expiration date of the primary term of this lease. Should this option be exercised as herein provided, it shall be considered for all purposes as though this lease originally provided for a primary term of eight (8) years.

5) It is understood and agreed between the parties hereto, that prior to entering said lands for the purpose of drilling operations, Lessee, its assignees or successors in interest, will negotiate in good faith, surface damages with said surface owner (O'Brien Ranch, Incorporated, a Wyoming Corporation).

Executed this 22nd day of January, 1998.

T.E. O'Brien Ranch, Incorporated,
a Wyoming Corporation

President - Kent Profit

Attest: Clint Gilchrist

[redacted] [redacted] [redacted]

Producers 88
Rocky Mountain 1996
(Paid-Up Rev. 1996)

PAID-UP
OIL AND GAS LEASE

THIS AGREEMENT, made and entered into this 4th day of February 19 98 by and between
John E. Wardell, a single man

of Box 33, Daniel, WY 83115
Hanson & Strhan, Inc., of PO Box 3020, Cheyenne, WY 82003
, hereinafter called lessor (whether one or more), and
, hereinafter called lessee:

WITNESSETH: -Ten & More- 10.00+

1. That lessor, for and in consideration of dollars ($) 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" attached hereto and made a part hereof

266002

RECORDED February 25 1998 M 9:15A
IN BOOK 107 OAG PAGE 45
FEES $ 10.00
SUBLETTE COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING By Cathy Sucher

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.

For the purpose of calculating payments provided for herein, it shall be deemed that the lands covered by this lease contain 160.00 acres, whether there actually be more or less.

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 ~~ZERO~~ Five (5) JEW 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, a well completed for the production of coalbed methane gas shall be deemed to be producing gas under this lease at all times when dewatering of the coal seams from which the coalbed methane gas will be produced is occurring. 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; drilling operations shall be deemed to be commenced 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 drilling operations shall be deemed to be commenced 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) 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) of the gas sold or used, provided that on gas sold the royalty shall be one-eighth (1/8) 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. This is a paid-up lease and all cash consideration first recited above and annual rentals have been paid to lessor in advance to keep this lease in full force and effect throughout the primary term. In consideration of the payment of such cash consideration and advance annual rentals, 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 the land described above, and as to any strata or stratum, by delivering to lessor or by filing of record a release or releases, and be relieved of all obligations thereafter accruing to the acreage surrendered.

4. Any payments required to be made to lessors pursuant to this lease, other than the payment of royalties, may be paid by lessee to the lessor or to lessor's credit in the 1st National Bank of Pinedale Bank, at PO Box 519, Pinedale WY 82941 (or its successor or successors, or any bank with which it may be merged or consolidated, or which succeeds to its business 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. All such payments may be made by cash, check or draft, mailed or delivered on or before the due date for that payment. Any payments so made shall be binding on the heirs, devisees, executors, administrators, and personal representatives of lessor and on lessor's successors in interest or on lessor's assigns.

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 continuously 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, an amount equal to $1.00 per year per net mineral acre covered by the lease. Such payments shall be made on or before the shut-in royalty payment date, as defined below, next occurring 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 anniversary date of this lease. Any shut-in royalty payment may be made by cash, draft or check, mailed or tendered on or before the shut-in royalty date. Lessee's failure to pay or tender, or properly 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 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. 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 which traverse cultivated lands 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 heretofore 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 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 covenants or conditions of this lease, either express or implied. No change in ownership of the land, royalties, or other payments, 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 royalties or other payments 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.

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 leased premises, and no royalties shall be payable hereunder upon any gas used for repressuring and recycling operations benefitting 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 through lessor's bank of record for payment.

15. In the event lessor considers that lessee has not complied with all its obligations hereunder, either express or implied, lessor shall notify lessee in writing, setting out specifically in what respects lessee has breached this lease. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by lessor. The service of said notice shall be precedent to the bringing of any action by lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on lessee. Neither the service of said notice nor the doing of any acts by lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that lessee has failed to perform all its obligations hereunder. 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, wars, 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.

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 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.

John E Wardell
John E. Wardell
SS# 520-38-7840

STATE OF Wyoming
COUNTY OF Sublette } ss.

INDIVIDUAL

On this 4th day of February, 19 98, before me personally appeared John E. Wardell, a single man

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 4th day of February, 19 98

My commission expires: July 7, 2000

Notary Public for the State of Wyoming
residing at Pinedale Wyoming

STATE OF _____
COUNTY OF _____ } ss.

CORPORATE

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 _____ 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]

EXHIBIT "A"

Exhibit "A" attached hereto and made a part hereof that certain Oil & Gas Lease dated February 4, 1998, by and between John E. Wardell, a single man, as Lessor, and Hanson & Strahn, Inc., as Lessee.

SUBLETTE COUNTY, WYOMING

Township 33 North, Range 113 West, 6th P.M.
Section 35: SE/4

Containing 160.0000 gross acres, more or less.

1) It is understood and agreed between the parties hereto, that wherever the term one-eighth (1/8th) appears in the subject oil & gas lease, it shall by this reference be amended to read thirteen & one-half percent, (13.50%).

2) It is understood and agreed between the parties hereto, that prior to entering said lands for the purpose of drilling operations, Lessee, its assignees or successors in interest, will negotiate in good faith, surface damages with said surface owner (John E. Wardell, a single man).

Executed this 4th day of February, 1998.

John E. Wardell

WE

ASSIGNMENT AND BILL OF SALE

STATE OF WYOMING §
§
COUNTY OF SUBLETTE §

This ASSIGNMENT AND BILL OF SALE ("Assignment") dated the 17th day of December, 1997, but effective as of the 1st day of December, 1997 ("Effective Time"), is from AMOCO PRODUCTION COMPANY, a Delaware corporation, with an office at 501 WestLake Park Boulevard, Houston, Texas 77079 (hereinafter referred to as "Assignor") to HOWELL PETROLEUM CORPORATION, a Delaware corporation, with an office at 1111 Fannin, Suite 1500, Houston, Texas 77002-6923 (hereinafter referred to as "Assignee").

FOR Ten Dollars and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor hereby GRANTS, CONVEYS, SELLS and ASSIGNS to Assignee the following properties (real, personal or mixed) and rights (contractual or otherwise):

1. All of Assignor's right, title and interests in, to and under, or derived from, the oil and gas leasehold interests, royalty interests, overriding royalty interests, mineral interests, production payments, net profits interests, surface interests and water rights which are attributable to the interests described in Exhibit "A";

2. All of Assignor's right, title and interests in, to and under, or derived from, all of the presently existing and valid unitization, communization and pooling declarations, orders, and agreements (including all units formed by voluntary agreement and those formed under the rules, regulations, orders or other official acts of any governmental entity or tribal authority having appropriate jurisdiction) to the extent they relate to any of the interests which are described in Exhibit "A", or the production of oil, gas or other hydrocarbon and non-hydrocarbon substances attributable thereto;

3. All of Assignor's right, title and interests in, to and under, or derived from, all of the presently existing and valid oil sales contracts, casinghead gas sales contracts, gas sales contracts, processing contracts, gathering contracts, transportation contracts, easements, rights-of-way, servitudes, surface leases, subsurface leases, permits, licenses, farm-out contracts, farm-in contracts, balancing contracts (including but not limited to the gas imbalances), suspense funds, operating agreements, areas of mutual interest, and other contracts, agreements and instruments to the extent they relate to any of the interests which are described in Exhibit "A" or

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SUBLETTE COUNTY, PINEDALE WYOMING
By Cathy Sacka

the production of oil, gas or other hydrocarbon and non-hydrocarbon substances attributable thereto;

4. All of Assignor's right, title and interests in, to and under, or derived from, the personal property, improvements, fixtures, wells (whether producing, plugged and abandoned, shut-in, injection, disposal or water supply), tanks, boilers, buildings, machinery, vehicles, equipment, pipelines, utility lines, power lines, telephone lines, roads and other appurtenances, to the extent the same are situated upon and used or held for use by Assignor solely in connection with the ownership, operation, maintenance or repair of the interests which are described in Exhibit "A", or the production of oil, gas or other hydrocarbon and non-hydrocarbon substances attributable thereto;

5. All of Assignor's right, title and interests in, to and under, or derived from, the seismic, geologic or geophysical information and data (including seismic data associated with the Grass Creek and Pitchfork properties) to the extent the same relates to any of the interests which are described in Exhibit "A", or the production of oil, gas or hydrocarbon and non-hydrocarbon substances attributable thereto; and

6. All of Assignor's right, title and interests in, to and under, or derived from, the partnerships (tax or otherwise).

ASSIGNOR EXCEPTS, RESERVES AND RETAINS, unto itself, its Affiliates, successors and assigns from the Properties the following properties (real, personal or mixed) and appurtenant rights (contractual or otherwise):

(a) Any and all seismic, geologic or geophysical information and data that are: (i) prepared internally by Assignor and interpretive in nature, (ii) covered an obligation of non-disclosure (provided however, Assignor shall use reasonable efforts to obtain authority to disclose said information and data), (iii) covered by an obligation of confidentiality (provided however, Assignor shall use reasonable efforts to obtain authority to disclose said information and data), (iv) covered by a prohibition against transfer (provided however, Assignor shall use reasonable efforts to obtain authority to transfer said information and data), (v) covers (in whole or in part) retained assets of Assignor (provided however, Assignor shall allow Assignee reasonable access to said information and data in a form redacting the information and data covering the retained assets);

(b) Any and all pipelines, equipment, facilities, permits, contracts, agreements, easements, rights-of-way, surface leases and subsurface leases owned by an Affiliate of Assignor, including without limitation, the

properties (real, personal and mixed) and appurtenant rights (contractual or otherwise) described in Exhibit "B",

(c) Any and all records which consist of previous offers and economic analyses associated with the purchase, sale or exchange of the Properties, reserve data, confidential internal communications, personnel information, tax information, information covered by a non-disclosure obligation and information covered by a legal privilege;

(d) The properties (real, personal and mixed) and appurtenant rights (contractual or otherwise) described in Exhibit "C";

(e) A concurrent interest in, to and under, or derived from, the contracts, agreements, instruments, permits, easements, rights-of-way, servitudes, surface leases, subsurface leases and any other rights (contractual or otherwise) to the extent that they relate to or affect the interests not conveyed herein; and

(f) Any and all RTU's, except Assignee shall be entitled to fifty (50) RTU's of its choice at the Salt Creek Unit.

All of the properties (real, personal and mixed) and rights (contractual or otherwise) described are referred to as "Properties".

TO HAVE AND TO HOLD the Properties subject to the following terms and conditions:

1. Special Warranty Of Title. Assignor shall warrant title to and forever defend title to the Properties conveyed to Assignee against every person whomsoever lawfully claiming title to the Properties, or any part thereof by, through or under Assignor, but not otherwise.

2. Agreements. This Assignment is made subject to and shall be burdened by the terms, covenants and conditions contained in any contracts, agreements and instruments affecting the Properties; and at and after the Effective Time, Assignee expressly agrees to be bound by, assume the obligations arising under, and shall perform all of the terms, covenants and conditions contained therein.

3. Compliance With Laws: This Assignment is made subject to all applicable laws, statutes, ordinances, permits, decrees, orders, judgments, rules and regulations which are promulgated, issued or enacted by a governmental entity or tribal authority having appropriate jurisdiction, and Assignee shall comply with the same at and after the Effective Time.

4. Successors and Assigns. The terms, covenants and conditions contained in this Assignment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, and such terms, covenants and conditions shall be covenants running with the land and with each subsequent transfer or assignment of the Properties, or any part thereof.

5. Purchase and Sale Agreement. This Assignment (a copy of which can be obtained from Assignee at the above referenced address) is made in accordance with and is subject to the terms, covenants and conditions contained in that certain PURCHASE AND SALE AGREEMENT dated the 20th day of November, 1997, by and between Amoco Production Company and Howell Petroleum Corporation ("Purchase and Sale Agreement"), including the crude call provision contained therein, and the terms, covenants and conditions contained in the Purchase and Sale Agreement are incorporated herein by reference as though said terms, covenants and conditions were fully set forth verbatim herein. If there is a conflict between the provisions of the Purchase and Sale Agreement and this Assignment, the provisions of the Purchase and Sale Agreement shall control the rights and obligations of the parties, and their authorized successors and assigns.

EXECUTED on the day and year first referenced above, but effective as of the Effective Time.

Assignor

AMOCO PRODUCTION COMPANY

By: Lon O. Buehner
Name: Lon O. Buehner
Title: Attorney-in-Fact

ATTEST:

By: John E. Brewster Jr.
Name: John E. Brewster, Jr.
Title: Assistant Secretary

Assignee

HOWELL PETROLEUM CORPORATION

By: Robert T Moffett
Name: Robert T. Moffett
Title: Vice President
Howell Petroleum Corporation

STATE OF TEXAS §
§
COUNTY OF HARRIS §

The foregoing instrument was acknowledged before me this 17th day of December, 1997, by Lon O. Buehner as Attorney-in-Fact for and on behalf of Amoco Production Company, a Delaware corporation.

My commission expires:

MIRIAM L. TAYLOR-AINSCOUGH
NOTARY PUBLIC
State of Texas
Comm. Exp. 03-24-

Miriam L Taylor Ainscough
Signature

Miriam L. Taylor Ainscough
Name (Printed, Typed or Stamped)
Notary Public in and for the
State of Texas

STATE OF TEXAS §
§
COUNTY OF HARRIS §

The foregoing instrument was acknowledged before me this 17th day of December, 1997, by Robert T. Moffett as Vice President for and on behalf of Howell Petroleum Corporation, a Delaware corporation.

My commission expires:

MIRIAM L. TAYLOR-AINSCOUGH
NOTARY PUBLIC
State of Texas
Comm. Exp. 03-24-

Miriam L Taylor Ainscough
Signature

Miriam L Taylor Ainscough
Name (Printed, Typed or Stamped)
Notary Public in and for the
State of Texas

EXHIBIT "A"
To Assignment and Bill of Sale by and between
Amoco Production Company
and Howell Petroleum Corporation

FOGARTY CREEK UNIT

STATE OF WYOMING
COUNTY OF SUBLETTE

AMOCO LEASE NO.	GOVERNMENT LEASE NO.	ORIGINAL LESSOR	ORIGINAL LESSEE	DATE	DESCRIPTION	RECORDED BOOK	RECORDED PAGE	DOCUMENT NO.
Part 1 Leasehold Interests (Including Royalty and Overriding Royalty Interests)								
785371—	WYW 9578	USA	JOHN F ELLBOGEN	12/1/67	BRF T-28-N R114-W SEC 03: LOTS 7,8,9,10,15,16,17,18 SEC 04: LOTS 5,6,7,8,9,10,11,12,13,14,15,16,17,18,19,20 SEC 05: LOTS 5,6,13,20, S2 NE4, NW4 SE4 SEC 09: N/2 SEC 10: NW/4			
785372—	WYW 25615	USA	M R DIGGS, JR	12/1/70	BRF T-28-N R114-W SEC 05: SW4 SE4			
785373—	WYW 38076	USA	JOHN A KOCHERGEN & BOB G HOWELL	2/1/73	BRF T-28-N R114-W SEC 09: S/2 SEC 10: SW/4			
785374—	86-5165	STATE OF WYOMING	ETTA MANDEL	3/2/66	BRF T-28-N R114-W SEC 16: ALL			
785375—	WYW 2120	USA	UNKNOWN AT SF CONVERSION	11/1/56	BRF T-28-N R114-W SEC 15: W/2			
785376—	WYW 11603	USA	UNKNOWN AT SF CONVERSION	4/1/58	BRF T-28-N R114-W SEC 21: NE4			

EXHIBIT "A"
To Assignment and Bill of Sale by and between
Amoco Production Company
and Howell Petroleum Corporation

FOGARTY CREEK UNIT

STATE OF WYOMING
COUNTY OF SUBLETTE

AMOCO LEASE NO.	GOVERNMENT LEASE NO.	ORIGINAL LESSOR	ORIGINAL LESSEE	DATE	DESCRIPTION	RECORDED BOOK	RECORDED PAGE	DOCUMENT NO.
785377—	WYW 52811	USA	ZAREPHA DOBBINS	12/1/75	BRF T-28-N R114-W SEC 22: NW4			
785378—	W-0320214	USA	JOHN A YATES	11/1/65	T-29-N R-114-W SEC 34: LOTS 1,2,3,4, N/2, N/2 S/2 (ALL) SEC 35: LOTS 1,2,3,4, N/2, N/2 S/2 (ALL)			
785379—	WYW 0322083	USA	ETTA MANDEL	2/1/66	BRF T-28-N R115-W SEC 01: LOTS 5, 6, 7, 8, AND S/2 SEC 12: E/2 SEC 13: E/2			
785380—	WYW 51104	USA	HUMBLE OIL COMPANY	4/1/66	BRF T-28-N R114-W SEC 17: LOT 4 T-28-N R115-W SEC 12: NW4			
785381—	WYW 0322810	USA	HUMBLE OIL COMPANY	4/1/66	BRF T-28-N R114-W SEC 29: LOTS 16, 17, 18			
785382—	WYW 36055	USA	GERALD L ROSEN	12/1/65	BRF T-28-N R115-W SEC 12: SW4			

54

EXHIBIT "A"
To Assignment and Bill of Sale by and between
Amoco Production Company
and Howell Petroleum Corporation

FOGARTY CREEK UNIT

STATE OF WYOMING
COUNTY OF SUBLETTE

AMOCO LEASE NO.	GOVERNMENT LEASE NO.	ORIGINAL LESSOR	ORIGINAL LESSEE	DATE	DESCRIPTION	RECORDED BOOK	RECORDED PAGE	DOCUMENT NO.
785383—	WYW 42791	USA	THOMAS HALAGAN	1/1/74	BRF T-28-N R114-W SEC 05: LOTS 7, 8, AND 12 SEC 21: N/2 NW/4, SE/4 NW/4, NE/4 SW/4			
785384—	WYW 6317	USA	HUMBLE OIL COMPANY	7/1/67	BRF T-28-N R114-W SEC 05: LOT 11			
785385—	WYW 0311662	USA	DONALD B ANDERSON	10/1/64	BRF T-28-N R114-W SEC 05: LOTS 9, 10, 14, 15, 16, 17, 18, 19 SEC 08: LOTS 2 THRU 20 SEC 21: W2 SW4, SE4 SW4			
785386—	WYW 51103	USA	GEORGE C REEVES	11/1/65	BRF T-28-N R114-W SEC 17: LOTS 1, 2, 3, 5 THRU 20	38	373	87982
785387—	WYW 0320213	USA	GEORGE C REEVES	11/1/65	BRF T-28-N R114-W SEC 20: LOTS 1 THRU 20 SEC 29: LOTS 3-8,13, 14, 15			
785388—	WYW 0317229	USA	ALLEN R TRUE	6/1/65	BRF T-28-N R114-W SEC 29: LOTS 1, 2, 9-12, 19 AND 20 SEC 32: LOTS 1 THRU 10			

EXHIBIT "A"
To Assignment and Bill of Sale by and between
Amoco Production Company
and Howell Petroleum Corporation

FOGARTY CREEK UNIT

STATE OF WYOMING
COUNTY OF SUBLETTE

AMOCO LEASE NO.	GOVERNMENT LEASE NO.	ORIGINAL LESSOR	ORIGINAL LESSEE	DATE	DESCRIPTION	RECORDED BOOK	RECORDED PAGE	DOCUMENT NO.
785389—	WYW 0317227	USA	R J ACKERMAN	6/1/65	T-28-N R114-W SEC 28: W2 NW4, SW4			
785390—	WYW 0317228	USA	CATHERINE R WHITE	6/1/65	BRF T-28-N R114-W SEC 28: E/2 NW/4 SEC 32: LOTS 11 THRU 15			
785391—	WYW 17208	USA	EDNA M JONES	3/1/69	BRF T-28-N R114-W SEC 32: LOTS 16 THRU 20			
785392—	WYW 0317227A	USA	R J ACKERMAN	6/1/65	BRF T-28-N R114-W SEC 33: NW/4, N/2 SW/4			
785393—	WYW 43217	USA	SANDA STROTHMAN	2/1/74	BRF T-28-N R114-W SEC 08: LOT 1			

EXHIBIT "A"
To Assignment and Bill of Sale by and between
Amoco Production Company
and Howell Petroleum Corporation

FOGARTY CREEK UNIT

STATE OF WYOMING
COUNTY OF SUBLETTE

AMOCO LEASE NO.	GOVERNMENT LEASE NO.	ORIGINAL GRANTOR	ORIGINAL GRANTEE	DATE	DESCRIPTION	RECORDED BOOK	RECORDED PAGE	DOCUMENT NO.

Part 2 Mineral Interests

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EXHIBIT "A"
To Assignment and Bill of Sale by and between
Amoco Production Company
and Howell Petroleum Corporation

FOGARTY CREEK UNIT

STATE OF WYOMING
COUNTY OF SUBLETTE

AMOCO LEASE NO.	GOVERNMENT LEASE NO.	ORIGINAL GRANTOR	ORIGINAL GRANTEE	DATE	DESCRIPTION	RECORDED BOOK	RECORDED PAGE	DOCUMENT NO.

Part 3 Surface Interest

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58

EXHIBIT "A"
To Assignment and Bill of Sale by and between
Amoco Production Company
and Howell Petroleum Corporation

FOGARTY CREEK UNIT

STATE OF WYOMING
COUNTY OF SUBLETTE

CONTRACT NO.	CONTRACT TYPE	ORIGINAL GRANTOR	ORIGINAL GRANTEE	DATE	DESCRIPTION	RECORDED BOOK	RECORDED PAGE	DOCUMENT NO.

Part 4 Rights of Way and Other Interests

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59

EXHIBIT "B"

To Assignment and Bill of Sale
by and between
Amoco Production Company, Assignor
and
Howell Petroleum Corporation, Assignee

EXCLUDED PROPERTIES - AFFILIATES

Amoco Pipeline Company Station Sites:

1. Elk Basin Station (Sec. 8, T58N, R100W, Park County, Wyoming)

- The Elk Basin Station is an unmanned station on the Elk Basin leg of the Lost Cabin Crude Gathering System that is owned and operated by Amoco Pipeline Company ("APL"). It receives crude oil from APL's 12-inch line from Billings and delivers crude via an 8-inch line to the Silver Tip Station. Its primary receipt of oil comes from APL's facilities located at Oregon Station via APL's 12-inch mainline and Marathon Pipeline at Elk Basin. Elk Basin Station's primary function is to deliver "Y" crude to the Silver Tip Station, an APL metering facility, then to Exxon Pipeline's tank farm.

- Elk Basin Station Equipment. The Elk Basin Station includes pipelines, tanks, meters, measurement facilities, pumps, valves, scraper traps, fittings, connections and other appurtenances, including without limitation, the following:

a. Pumping Unit. There is one pumping unit. Unit #1 is a Gaso 2652 positive displacement pump with a 250 HP Allis Chalmers electric motor.

b. Booster Pump. There is one booster pump. Booster #1 is a Johnson 4-stage vertical centrifugal pump with a 30 HP Continental electric motor.

c. Control Valve. There is an ANSI 600 4-inch Fisher valve and actuator that is in the pump bypass for startup and closes when the pump gets onstream.

d. Back Pressure Control Valve. There is an ANSI 600 4-inch Fisher valve and actuator that is used to control the hill pressure and line fill from the Oregon Station.

e. Relief Valve. There is an ANSI 600 relief valve in the incoming trap from the Oregon Station to protect the line from the Oregon Station to Elk Basin, and is set to relieve into tankage at 640 psi.

f. Tankage. There are two 54,000 bbl tanks (Nos. 6727 and 6728).

g. LACT. Elk Basin LACT located on the Elk Basin Station grounds.

2. Edgerton Station (Sec. 10, T40N, R78W Natrona County, Wyoming)

- The Edgerton Station is an unmanned origin station on the Edgerton leg of the Salt Creek Crude Gathering System that is owned and operated by APL. It receives "U" or "Sweet" crude from Belle Fourche Pipeline Company ("Belle Fourche") through their tank and Automatic Custody Transfer ("ACT") unit.

- Edgerton Station Equipment. The Egderton Station includes pipelines, tanks, meters, measurement facilities, pumps, valves, scraper traps, fittings, connections and other appurtenances, including without limitation, the following:

a. Pumping Units. There are two pumping units. Unit #1 is a Byron Jackson nine-stage VLT vertical centrifugal pump with a 50 HP Siemens electric motor.

b. Manually Operated Block Valves. There are five manually operated block valves; one on either side of the two units, and one in a bypass between the two units. All valves are ANSI 300 6-inch valves, except for the valve upstream of Unit #2 which is an ANSI 150 6-inch valve.

c. Check Valve. There are two ANSI 300 6-inch check valves. The check valve for Unit #1 is upstream of the control valve and the check valve for Unit #2 is upstream of the block valve for the unit. These valves are placed to eliminate any backflow when the station is down and the block valves are not closed.

d. Control Valve. There is an ANSI 300 4-inch Fisher control valve downstream of Unit #1 to automatically control the station's flow and suction and discharge pressures.

e. Crude Line. There is a 4.97 mile 6-inch crude line from the Edgerton Station to Salt Creek.

f. Belle Fourche Facilities. Belle Fourche owns and operates a tank and ACT with a meter, BS&W monitor, pump, valves and piping to deliver "U" crude to APL's pump.

3. Salt Creek Station (Sec. 24, T40N, R79W, Natrona County, Wyoming)

- The Salt Creek Station is a manned origin station on the mainline to Casper of the Salt Creek Crude Gathering System that is owned and operated by APL. It receives "BW" or "Sweet" crude from Reno, Sussex; "TSP" or "Tensleep" crude from Reno, Sussex and the local East Salt Creek lines; "U" or light "Sweet" crude from the Edgerton line; "BW" crude from local Salt Creek lines; and "Y" or heavy "Sour" crude on a local Salt Creek line, and batches it to the Casper tank farm.

- Salt Creek Station Equipment. The Salt Creek Station includes pipelines, tanks, meters, measurement facilities, pumps, valves, scraper traps, fittings, connections and other appurtenances, including without limitation, the following:

a. Pumping Units. There are three pumping units. Units #1 and #2 are Byron Jackson 5-stage centrifugal pumps with Electric Motive 500 HP electric motors. Unit #3 is a Bingham 3-stage centrifugal pump with a Louis Allis 2,000 HP electric motor.

b. Booster Pump. There is one booster pump. Booster #1 is a Johnson 5-stage (de-staged to 2) vertical deep-well centrifugal pump with a 150 HP General Electric motor.

c. Control Valves. There are two ANSI 600 8-inch Fisher control valves. One is downstream of Units #1 and #2 and the other is downstream of Unit #3 to control the station's suction and discharge pressures. Unit #3 does not operate with Units #1 and #2 and has a separate discharge line.

d. Motor-Operated Block Valves. There are seven ANSI 150 12-inch and two ANSI 150 8-inch motor-operated valves (Units #1 and #2), six of which are in the suction line from the tanks used to supply crude to the mainline units. Three are in the suction lines to the pumps and adjacent to them.

e. Manually Operated Block Valves. There are three key manually operated block valves. Two are ANSI 150 8-inch valves that isolate Units #1, #2 or #3 from the incoming crude line when one or the other is running. The other is an ANSI 600 12-inch valve in the mainline downstream of the units to isolate the station from the line.

f. Check Valve. There is an ANSI 600 16-inch check valve upstream of the mainline valve to eliminate backflow when the station is down and the block value is not closed.

g. Relief Valves. There are two relief valves on the incoming gathering lines from Reno and North Fork at the Salt Creek scraper trap. The valves relieve into Tank No. 47840.

h. Meters. There are two ANSI 150 positive displacement meters for measuring the flow from the Salt Creek Station to Casper. One meter is 8-inch and the other is 10-inch.

i. Gravitometers. There are three gravitometers at the Salt Creek Station to measure the gravity of the incoming crude from Reno and the outgoing batches to Casper. Gravity is used in the Programmable Logic Controller to switch the "B" and "T" crudes to the appropriate tanks via the Salt Creek manifold. The third gravitometer is on the East Salt Creek Line and switches automatically from "P" to TSP crudes.

j. Two-Way Valves. There are two ANSI 300 8-inch two-way valves on the incoming lines from Reno and East Salt Creek to direct the different crudes to the proper tanks.

k. Programmable Logic Controller. A GE 6000 Programmable Logic Controller is used to sequence the units onstream and shut them down, divert "B" and "T" crude from Reno and East Salt Creek to the appropriate tanks, and act as the communication device instead of the AMOCAMS 300 and generally monitor the station.

l. Tankage. Salt Creek Station has six tanks (Nos. 6635, 6636, 47840, 48213, 42617 and 6682).

m. ACT. Salt Creek Truck ACT, includes tank Nos. 7072 and 7065 located on the Salt Creek Station grounds.

n. Gathering Pipelines. Gathering pipelines associated with the Salt Creek Station site include:

- From LACT 5 (Sec. 14, T40N R78W)
- From LACT 10 (Sec. 30, T40N R78W)
- From LACT 20 (Sec. 26 ,T40N R78W)
- From LACT 4 (Sec. 11, T40N R79W)
- From LACT 11 (Sec. 35, T40N R79W)
- South Gravity Line (Sec. 24, 25, 36, T40N R79W)
- South Gravity Line (Sec. 13, 12, 1, T39N R78W)

Line Segments

APL owned and operated Salt Creek Crude Gathering System which includes pipelines, tanks, meters, measurement facilities, pumps, valves, scraper traps, fittings, connections and other appurtenances, including without limitation, the following:

1. Salt Creek/Casper Mainline

   - 23.13 mi of 16-inch pipe and 17.82 mi of 12-inch pipe that originates at the Salt Creek Station and runs south parallel to I-25/US Highway 87 to the Casper Station.

2. Reno/Salt Creek Gathering Line

   - 31.87 mi of 10-inch pipe originating at the Reno Station and runs to the Salt Creek Station and parallels I-25/US Highway 87 (5-10 mi East).

3. North Fork/Salt Creek Gathering Line

   - 29.59 mi of 12-inch pipe originating at North Fork Station and runs SE parallel and close to I-25/US Highway 87.

4. Edgerton/Salt Creek Gathering Line

   - 4.97 mi of 6-inch pipe originating at Edgerton Station and runs SW parallel to State Hwy 387 to the Salt Creek Station.

5. Billings to Casper Trunk Line

   - Originating in Billings, through Elk Basin to Casper.

[redacted] [redacted] [redacted]

6. **Elk Basin to Silvertip**

   - **7.23 mi of 8-inch pipe originating at Elk Basin and runs north through Elk Basin field along Silvertip Creek.**

Downstream Facilities

Any and all assets downstream of the LACTS, including without limitation, pipelines, tanks, meters, measurement facilities, pumps, valves, scraper traps, fittings, connections and other appurtenances.

EXHIBIT "C"
To Assignment and Bill of Sale
by and between
Amoco Production Company
and
Howell Petroleum Corporation

EXCLUDED PROPERTIES - OTHER

op center nm	material item id	Lease name	description
SALT CREEK OC	419205	AELC - SC CNG FUELING STATION	STATION,CNG REFUELING,TWIN PACK, ELECTRIC DRIVE, 3-PHASE POWER, SEQUENTIAL PANEL, PRIORITY PANEL, METHANOL INJECTOR, CAPTIVE BLOWDOWN, FUELING HOSE ASSEMBLY W/RETRACTOR
SALT CREEK OC	423669	SALT CREEK UNIT /LIGHT OIL/	UNIT,BEAM PUMPING,CONVENTIONAL,C-320D-213-120,320000 # TORQUE,21300# LOAD,120" STROKE,W/ (2) MAIN AND (2) AUXILIARY WEIGHTS AND HIGH PRIME ELECTRIC MOTOR BASENo counterweights are currently on the
WIND RIVER OC	414869	WIND RIVER WELL & LEASE SERVICE WY	VALVE,GATE,3-1/16",10000 LB,RTJ FLANGE, API, PRODUCTION,FULL OPENING;API-AA (T-21) TRIM;PSL-0, TEMPERATURE CLASS. T, PR1603297-1/E-11
WIND RIVER OC	414943	WIND RIVER WELL & LEASE SERVICE WY	VALVE,GATE,3-1/16",10000 LB,RTJ FLANGE, ALLOY STEEL, NACE BODY,API. PRODUCTION,FULL OPENING, API-EE (T-24) TRIM,HAND,BALANCED STEM, SOUR TRIM451411-1/E-11
WIND RIVER OC	419687	FORT UNION GAS COLLECTION SYSTEM	HEATER,INDIRECT LINE,WATER BATH,24" DIA X 7.5 FT LG, 250M BTU/HR,2" TUBE,XH,8 TUBE BUNDLE,PILOT LIGHT, HOODED, W/ REGULATOR AND MIXER, FUEL GAS MANIFOLD FITTINGS, FUEL GAS THERMOSTAT TYPE XNT AND 8"
WIND RIVER OC	419727	FORT UNION GAS COLLECTION SYSTEM	KNOCKOUT,FREEWATER HORIZ,4 FT DIA,10 FT LG,125# WP,1108-T1
WIND RIVER OC	419757	FORT UNION GAS COLLECTION SYSTEM	SEPARATOR,PRODUCTION,48" DIA X 10 FT,125# WP, HORIZONTAL,3 PH,W/ STD ACCESSORIES9890
WIND RIVER OC	426286	BEAVER CREEK UNIT /MADISON/	UNIT,VAPOR RECOVERY,VARIABLE,40 PSIG DISCH,ROTARY GAS CMPRSSR,1 STAGE,W/ALLIS CHALMERS MODEL 19L ROTARY COMPRESSOR, W/250 HP,1800 RPM ELECTRIC MOTOR, C/W SCRUBBERS,COOLERS,EXCHANGERS,COALESCOR.
WIND RIVER OC	427542	BEAVER CREEK UNIT /SECOND CODY/	UNIT,LACT,2000 BPD,7733
WIND RIVER OC	427549	BEAVER CREEK UNIT /SECOND CODY/	PUMP,RECIPROCATING,PLUNGER,GENERICXN6903A2

	op center nm	material item id	Lease name	description
	WIND RIVER OC	428561	BEAVER CREEK UNIT /TENSLEEP/	HEATER,INDIRECT LINE,WATER BATH,42" DIA X 15 FT LG, 1.0MM BTU/HR,2" TUBE,XH,12 TUBE BUNDLE,PILOT LIGHT, HOODED, W/ REGULATOR AND MIXER, FUEL GAS MANIFOLD FITTINGS, FUEL GAS THERMOSTAT TYPE XNT AND 8"
	WIND RIVER OC	428699	BEAVER CREEK UNIT /TENSLEEP/	SEPARATOR,PRODUCTION,36" DIA X 15 FT,125# WP, HORIZONTAL,2 PH,W/ STD ACCESSORIEST736450101
	WIND RIVER OC	462251	WIND RIVER WELL & LEASE SERVICE WY	UNIT,PRODUCTION,20" DIA X 7 FT 6" LG,750# WP,3 PHASE, 500000 BTU/HR,(2) 2" XH COILS,HORIZONTAL UNIT HOUSING,SKID MOUNTED, W/STD. ACCESSORIES FOR H2S SERVICE1538
	WIND RIVER OC	553604	WIND RIVER WELL & LEASE SERVICE WY	VALVE,GATE,3-1/16",CLASS API 6A,10000 LB,RTJ FLANGE, CARBON OR LOW ALLOY STEEL BODY,API, PRODUCTION, API-AA (T-21) TRIM,HAND,CAMERON MODELFL 6A 16TH EDITIONCIW
	WIND RIVER OC	553605	WIND RIVER WELL & LEASE SERVICE WY	VALVE,GATE,3-1/16",CLASS API 6A,10000 LB,RTJ FLANGE, CARBON OR LOW ALLOY STEEL BODY,API, PRODUCTION, API-AA (T-21) TRIM,HAND,CAMERON MODELFL 6A 16TH EDITIONCIW
	RIVERTON	NA	RIVERTON	MICROWAVE TOWER
	BEAVER CREEK	NA	BEAVER CREEK	SURFUR RECOVERY UNIT
	BEAVER CREEK	NA	BEAVER CREEK	CRUDE TRUCK LOADING FACILITY
	BEAVER CREEK	NA	BEAVER CREEK	PHOSPHORIA PLANT INLET COMPRESSOR ("AELC")
	GENERAL	NA	GENERAL	AMOCO PIPELINE COMPANY ASSETS

68

Form 3000-3a
(October 1992)

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

97 DEC 11 AM 9:00

RECEIVED
CHEYENNE, WYOMING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0034
Expires: July 31, 1995

TRANSFER OF OPERATING RIGHTS (SUBLEASE) IN A LEASE FOR OIL AND GAS OR GEOTHERMAL RESOURCES

Lease Serial No.

WYW-97279

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.

RECEIVED
UNION PACIFIC RESOURCES COMPANY
LAND ADMINISTRATION
FEB 13 1998

PART A: TRANSFER

1. Transferee (Sublessee)*
Street
City, State, ZIP Code

Union Pacific Resources Company
801 Cherry Street
Fort Worth, TX 76102

TO

*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 28 North, Range 109 West, 6th P.M. Section 17: All Section 18: Lots 1,2,3,4, E2, E2W2 Section 19: Lots 1,2,3,4, NE4, E2W2, N2SE4 Section 20: N2, N2SW4, SE4 Section 22: All Section 27: All Section 30: Lots 1,2,3,4, E2W2, S2SE4 Containing 3921.68 acres, more or less Sublette County, Wyoming	40%	22.5%	17.5%	None	7.5%

266079

RECORDED March 3, 1998 8:00 AM
IN BOOK 107 OR PAGE 68
FEES $10.00
COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING
By Cathy Easton

FOR ASSIGNEE

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 JAN 01 1998

By /s/ Theresa M. Stevens (Authorized Officer) — LAND LAW EXAMINER (Title) — FEB 06 1998 (Date)

WY3-4647

Part A (Cont[redacted]DITIONAL SPACE for Names and addresses of addi[redacted]erees in Item No. 1, if needed, or for Land Descripti[redacted]o. 2 if needed

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 6th day of Oct., 19 97

Name of Transferor STANLEY ENERGY W., INC.
Please type or print

Transferor _____
(Signature)
or
Attorney-in-fact _____
(Signature)

1776 Lincoln Street, Suite 410
(Transferor's Address)
Denver, CO 80203
(City) (State) (Zip Code)

Executed this 25th day of November, 19 97

UNION PACIFIC RESOURCES COMPANY

Transferee _____
(Signature)
or
Attorney-in-fact Anne M. Brousseau ccd
(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 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: 1992-774-017/67023

State of Texas)
) ss.
County of Tarrant)

BEFORE ME, the undersigned authority, on this day personally appeared ANNE M. BROUSSARD, known to me to be the person whose name is subscribed to the foregoing instrument as ATTORNEY-IN-FACT of UNION PACIFIC RESOURCES COMPANY, a Delaware Corporation, and acknowledged to me that she executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS 25th DAY OF November, 1997.

NOTARY PUBLIC

ANNE M. KOHLER
Notary Public
STATE OF TEXAS
My Comm Exp. 01/10/2000

(October 1992)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-003
Expires: July 31, 199

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.

Lease Effective Date (Anniversary Date)

New Serial No.

Type or print plainly in ink and sign in ink.

PART A: ASSIGNMENT

1. Assignee* Jane Logemann Rosen
   Street 35 Bond Street
   City, State, ZIP Code New York City, NY 10012

*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
Township 28 North, Range 115 West, 6th P.M. Sublette County, Wyoming Section 15: NE/4 Containing 160 acres, more or less.	100%	100%	0%	0%	

266085
RECORDED March 3, 1998 9:10a M
IN BOOK 107046 PAGE 71
FEES $10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING
By Cathy Saxton

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)

n 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.

PART B: CERTIFICATION AND REQUEST FOR APPROVAL

The Assignor certifies as owner of an interest in the above designated lease that he/she hereby assigns to the above assignee(s) the rights specified above.

Assignee certifies as follows: (a) Assignee 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 assignment of NPR-A leases, assignee is a citizen, national, or resident alien of the United States or 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 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; (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.

Assignee's signature to this assignment constitutes acceptance of all applicable terms, conditions, stipulations and restrictions pertaining to the lease described herein.

r 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 alty due to the United States when this assignment is added to all previously created overriding royalties (43 CFR 3241).

rtify 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.

ecuted this 13 day of Feb. , 19 98 Executed this 13 day of Feb , 19 98

me of Assignor as shown on current lease Gerald L. Rosen
Please type or print

signor Gerald L. Rosen (Signature) Assignee Jane Lozeman Rosen (Signature)
or or
orney-in-fact (Signature) Attorney-in-fact (Signature)

35 Bond Street
(Assignor's Address)

New York NY 10012
(City) (State) (Zip Code)

lic reporting burden for this form is estimated to average 30 minutes per response including the time for reviewing instructions, gathering and maintaining data, 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 d Management, (Alternate) Bureau Clearance Officer, (WO-771), 1849 C Street, N.W., Washington, D.C. 20240, and the Office of Management and Budget, erwork Reduction Project (1004-0034), Washington, D.C. 20503.

: 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 ments or represenations as to any matter within its jurisdiction.

*U.S. GPO: 1992-774-017/67022

[redacted] [redacted] [redacted]

ACKNOWLEDGMENT

STATE OF New York)

COUNTY OF New York))

Subscribed and sworn to before me this 13 day of Feb., 1998 by Gerald L. Rosen

My Commission expires 8/2/99

Francis P. Karam
Notary Public

FRANCIS P. KARAM
Notary Public, State of New York
No. 02KA5016029
Qualified in New York County
Commission Expires August 2, 19 99

(October 1992)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

(NM0321)
FORM APPROVED
OMB NO. 1004-003
Expires: July 31, 199

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.

Lease Effective Date (Anniversary Date)

New Serial No.

Type or print plainly in ink and sign in ink.

PART A: ASSIGNMENT

1. Assignee* Jane Logemann Rosen
   Street 35 Bond Street
   City, State, ZIP Code New York City, NY 10012

*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
Township 28 North, Range 115 West, 6th P.M. Sublette County, Wyoming Section 10: SE/4 Section 11: S/2 Section 12: SW/4 Section 13: NW/4 Section 14: N/2 Containing 1120 acres more or less.	100%	100%	0%	0%	

266086

RECORDED March 3, 1998 9:10AM
IN BOOK 187 OF G & O, PAGE 74
FEES $ 10.00
COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING
By Cathy Soto

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)

PART B: CERTIFICATION AND REQUEST FOR APPROVAL

The Assignor certifies as owner of an interest in the above designated lease that he/she hereby assigns to the above assignee(s) the rights specified above.

Assignee certifies as follows: (a) Assignee 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 assignment of NPR-A leases, assignee is a citizen, national, or resident alien of the United States or 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 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; (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.

Assignee's signature to this assignment constitutes acceptance of all applicable terms, conditions, stipulations and restrictions pertaining to the lease described herein.

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 alty due to the United States when this assignment is added to all previously created overriding royalties (43 CFR 3241).

ertify 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 13 day of Feb. 19 98

Name of Assignor as shown on current lease Gerald L. Rosen
Please type or print

Assignor Gerald L. Rosen
(Signature)
or
Attorney-in-fact _____
(Signature)

35 Bond Street
(Assignor's Address)

New York NY 10012
(City) (State) (Zip Code)

Executed this 13 day of Feb 19 98

Assignee Jane Lyzmann Rosen
(Signature)
or
Attorney-in-fact _____
(Signature)

lic reporting burden for this form is estimated to average 30 minutes per response, including the time for reviewing instructions, gathering and maintaining data, 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 d Management, (Alternate) Bureau Clearance Officer, (WO-771), 1849 C Street, N.W., Washington, D.C. 20240, and the Office of Management and Budget, rwork Reduction Project (1004-0034), Washington, D.C. 20503.

: 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 ments or representations as to any matter within its jurisdiction.

*U.S. GPO: 1992-774-017/67002

ACKNOWLEDGMENT

STATE OF New York)

COUNTY OF New York))

Subscribed and sworn to before me this 13 day of Feb., 1998 by Gerald L. Rosen

My Commission expires 8/2/99

Francis P. Karam
Notary Public

FRANCIS P. KARAM
Notary Public, State of New York
No. 02KA5016029
Qualified in New York County
Commission Expires August 2, 19 99

Form 3000-3
(January 1996)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0034
Expires: September 30, 1998

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.
WYW-107042

Lease Effective Date
(Anniversary Date)
February 1, 1988

New Serial No.

Type or print plainly in ink and sign in ink.

PART A: ASSIGNMENT

1. Assignee* Ultra Resources, Inc.
   Street 304 Inverness Way South, Suite 295
   City, State, ZIP Code Englewood, CO 80112

*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
Situated in Sublette County, Wyoming Township 30 North, Range 108 West, 6th P.M. Sec. 30: Lots 1, 2, 3, 4, E½, E½W½ Sec. 31: Lots 1, 2, 3, 4, E½, E½W½ Sec. 32: ALL Containing 1,823.80 acres, more or less.	100%	100%	NONE	NONE	6.0% of 8/8ths

266089

RECORDED March 3, 1998 10:00AM
IN BOOK 107 of Lands PAGE 77
FEES $10.00
SUBLETTE COUNTY, PINEDALE WYOMING
COUNTY CLERK
By Cathy Scanlon

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)

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.

In the event Assignee shall at any time desire to surrender said lease or allow said lease to terminate or expire as to all or any part of the lands covered thereby, Assignee shall so notify Assignor in writing thereof at least seventy-five (75) days in advance of the surrender, termination or expiration date, and Assignor shall then have the right to reacquire said lease as to all or any part of the lands affected by such surrender, termination or expiration by notifying Assignee in writing thereof within ten (10) days after receipt by Assignor of such notice, whereupon Assignee shall forthwith reassign to Assignor all of such interest. In the event Assignor does not elect to reacquire said lease as to all or any part of the lands affected by such surrender, termination or expiration, Assignor is obligated to honor the reassignment rights of Liberty Petroleum Corporation, as provided under paragraphs two and five of Reassignment Rider attached to Assignment of Record Title Interest dated June 2, 1994, from said Liberty Petroleum Corporation, as Assignor, to Shama Zoe Limited Partnership, as Assignee.

PART B: CERTIFICATION AND REQUEST FOR APPROVAL

1. The Assignor certifies as owner of an interest in the above designated lease that he/she hereby assigns to the above assignee(s) the rights specified above.

2. Assignee certifies as follows: (a) Assignee 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 assignment of NPR-A leases, assignee is a citizen, national, or resident alien of the United States or 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 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; (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 (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 28th day of January, 19 98

Name of Assignor as shown on current lease Shama Zoe Limited Partnership
Please type or print

Assignor By Gilman A. Hill
(Signature)
or
Attorney-in-fact Gilman A. Hill, General Partner
(Signature)

6400 S. Fiddler's Green Circle, Plaza Tower One, Suite 1977
(Assignor's Address)

Englewood Colorado 80111
(City) (State) (Zip Code)

Executed this 3rd day of February, 1998

Assignee
(Signature)
or
Attorney-in-fact R. G. "Jerry" Albertus, President
(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, Bureau Clearance Officer (DW-110), Denver Federal Center, Building 40, P.O. Box 25047, Denver, CO 80225-0047 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 1997: 573-004/41047

STATE OF COLORADO)
) ss.
COUNTY OF ARAPAHOE)

The foregoing instrument was acknowledged before me by Gilman A. Hill, as General Partner of SHAMA ZOE LIMITED PARTNERSHIP, a Colorado Partnership, this 28th day of January, 1998.

WITNESS my hand and official seal.

JoAnn Sarver, Notary Public

My Commission Expires:

November 21, 1998

ADDRESS: 7663 S. Monaco Circle West
Englewood, CO 80112-2552

JOANN SARVER
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expires 11-21-98

80

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.
WYW-143642

Lease Effective Date
(Anniversary Date)
December 1, 1997

New Serial No.

Type or print plainly in ink and sign in ink.

PART A: ASSIGNMENT

1. Assignee* Ultra Resources, Inc.
   Street 304 Inverness Way South, Suite 295
   City, State, ZIP Code Englewood, Colorado 80112

*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
Township 27 North, Range 106 West, 6th P.M. Section 8: All Section 9: All Containing 1280.00 acres, more or less Sublette County, Wyoming	66.6666%	33.3334%	33.333%	None	None

266090

RECORDED March 3, 1998 10:00AM
IN BOOK 107016 PAGE 80
FEES $ 8.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING
By Cathy Scott

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)

[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 COLORADO)
CITY AND) ss.
COUNTY OF DENVER)

On this 12th day of January, 1998, before me personally appeared Patrick Lee Callahan, known to me to be the person who is described herein and who executed the within and forgoing instrument, as Attorney-in-Fact of **TEXACO EXPLORATION AND PRODUCTION INC.** and acknowledged to me that he subscribed the name of **TEXACO EXPLORATION AND PRODUCTION INC.** thereto as principal and his own name as Attorney-in-Fact.

Witness my hand and official seal.

Mary Anne Prawley, Notary Public

Residing at: 5709 South Nepal Way
Aurora, CO 80015

My Commission Expires: May 21, 1998

[redacted]

PART B: CERTIFICATION AND REQUEST FOR APPROVAL

1. The Assignor certifies as owner of an interest in the above designated lease that he/she hereby assigns to the above assignee(s) the rights specified above.

2. Assignee certifies as follows: (a) Assignee 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 assignment of NPR-A leases, assignee is a citizen, national, or resident alien of the United States or 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 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; (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 (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 12th day of January, 19 98

Name of Assignor as shown on current lease: Texaco Exploration and Production Inc.
Please type or print

Assignor or Attorney-in-fact: Patrick Lee Callahan (Signature)
(Patrick Lee Callahan)

PO Box 2100
(Assignor's Address)

Denver (City) CO (State) 80201 (Zip Code)

Executed this 19th day of January, 19 98

Assignee or Attorney-in-fact: Charlotte H. Kauffman (Signature)
Ultra Resources, Inc.

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.

82

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.
WYW-143643

Lease Effective Date
(Anniversary Date)
December 1, 1997

New Serial No.

Type or print plainly in ink and sign in ink.

PART A: ASSIGNMENT

1. Assignee*
Street
City, State, ZIP Code

Ultra Resources, Inc.
304 Inverness Way South, Suite 295
Englewood, Colorado 80112

*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
Township 28 North, Range 106 West, 6th P.M. Section 28: E/2 Containing 320.00 acres, more or less Sublette County, Wyoming	66.6666%	33.3334%	33.333%	None	None

266091

RECORDED March 3, 1998 10:00 AM
IN BOOK 107 Oil & Gas PAGE 82
FEES $8.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING
By Cathy Easton

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)

[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 COLORADO)
CITY AND) ss.
COUNTY OF DENVER)

On this 12th day of January, 1998 before me personally appeared Patrick Lee Callahan, known to me to be the person who is described herein and who executed the within and forgoing instrument, as Attorney-in-Fact of **TEXACO EXPLORATION AND PRODUCTION INC.** and acknowledged to me that he subscribed the name of **TEXACO EXPLORATION AND PRODUCTION INC.** thereto as principal and his own name as Attorney-in-Fact.

[illegible] my hand and official seal.

MaryAnne Frawley, Notary Public

Residing at: 5709 South Nepal Way
Aurora, CO 80015

My Commission Expires: May 21, 1998

PART B: CERTIFICATION AND REQUEST FOR APPROVAL

1. The Assignor certifies as owner of an interest in the above designated lease that he/she hereby assigns to the above assignee(s) the rights specified above.

2. Assignee certifies as follows: (a) Assignee 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 assignment of NPR-A leases, assignee is a citizen, national, or resident alien of the United States or 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 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; (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 (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 12th day of January, 19 98

Name of Assignor as shown on current lease: Texaco Exploration and Production Inc.
Please type or print

Assignor or Attorney-in-fact: [signature] (Signature)
(Patrick Lee Callahan)

PO Box 2100
(Assignor's Address)

Denver (City) CO (State) 80201 (Zip Code)

Executed this 19th day of January, 19 98

Assignee or Attorney-in-fact: Ultra Resources, Inc.
[signature] (Signature)
Charlotte H. Kauffman (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.

ASSIGNMENT AND BILL OF SALE

This Assignment and Bill of Sale is entered into between **BRISTOL RESOURCES CORPORATION**, an Oklahoma corporation, ("Assignor"), whose address is 6655 S. Lewis, Suite 200, Tulsa, Oklahoma 74136 and **BRISTOL RESOURCES PRODUCTION COMPANY, L.L.C.**, a Delaware limited liability company, ("Assignee"), whose address is 6655 S. Lewis, Suite 200, Tulsa, Oklahoma 74136.

WITNESSETH THAT, for and in consideration of Ten Dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Assignor does hereby grant, bargain, sell, convey, assign, transfer and set over unto Assignee an undivided ninety-nine percent (99%) of all Assignor's right title and interest in and to the oil and gas interests and lands described on Exhibit "A" (the "Leases") attached hereto and made a part hereof, together with a like portion of all of Assignor's right, title and interest in and to:

(a) All oil and gas and associated hydrocarbons and related rights titles and interests, including, but not limited to mineral interests, leasehold interests, royalty interests, overriding royalty interests, payments out of production, reversionary rights, operating rights and contractual rights to production, which are appurtenant to the Leases;
(b) All existing and valid oil and gas unitization, pooling, operating and communitization agreements, declarations, orders and units created thereby and rights to production from such pooled or unitized lands, which are appurtenant to the Leases;
(c) All existing and valid oil and gas sales, purchase, exchange and processing agreements, rights of way, easements, permits, licenses, surface leases facility agreement and other contracts, agreements and instruments, insofar as such are appurtenant to the Leases;
(d) All real, personal and mix property appurtenant to the Leases, including all wells, casing, valves, tanks, flow lines, gathering lines, power lines, gas treatment facilities, saltwater disposal wells and facilities, pumps, meters, buildings, machinery and all other personal property, fixtures and improvements thereon, appurtenant thereto or used or obtained in connection therewith;
(e) All existing and valid gas imbalances, both over and under amounts, appurtenant to the wells and Leases; and
(f) Any credit amounts and adjustments which may be due or become due, regardless of whether created before or after the effective date hereof, which are appurtenant to the Leases and other interests assigned herein;

(the undivided interests herein assigned in the Leases and in the other above described interests being hereinafter referred to as the "Properties").

The Properties are transferred subject to the terms and conditions of oil and gas leases, easements, rights of way, division orders, operating agreements, production sale agreements and such other similar oil field agreements insofar as such pertain to or affect the Properties.

TO HAVE AND TO HOLD the Properties unto Assignee and its successors and assigns forever, subject to the following:

1. This Assignment is made without warranty of title, express or implied, except by, through and under Assignor's own acts, but to the extent so transferable, with the full right of substitution and subrogation of Assignee in all prior representations, contracts, covenants and warranties given or made by Assignor's predecessors in title with respect to the interest and Properties herein assigned.

2. TO THE EXTENT THE PROPERTIES CONVEYED HEREBY CONSTITUTE PERSONAL PROPERTY OR FIXTURES, ASSIGNOR EXPRESSLY DISCLAIMS: (A) ANY IMPLIED OR EXPRESS WARRANTY OF MERCHANTABILITY; (B) ANY IMPLIED OR EXPRESS WARRANTY OF FITNESS FOR A PARTICUALR PURPOSE; AND (C) ANY IMPLIED OR EXPRESS WARRANTY OF CONFORMITY TO MODELS OR SAMPLES OF MATERIALS.

266097 March 3 1993 M 1:10p
IN BOOK 107 of Misc PAGE 184
FEES $ 10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
Sublette Co WY

3. Assignor agrees to execute and deliver any and all additional conveyances, deeds, assignments, bills of sale, certificates, instruments of transfer and other documents which Assignee deems necessary to effectuate the terms hereof.

4. The provisions of this Assignment shall bind and inure to the benefit of Assignor and Assignee and their respective successors and assigns forever.

Executed this 8th day of August, 1997, but is made effective as of January 1, 1997.

(Assignor) **BRISTOL RESOURCES CORPORATION**

By: _____
John M. Cherry, President

(Assignee) **BRISTOL RESOURCES PRODUCTION COMPANY, L.L.C.**
By: Bristol Resources Corporation, Manager

By: _____
John M. Cherry, President

ACKNOWLEDGEMENTS

STATE OF OKLAHOMA)
)
COUNTY OF TULSA)

The foregoing instrument was acknowledged before me on the 8TH day of August, 1997, by John M. Cherry, known to me to be the President of BRISTOL RESOURCES CORPORATION, an Oklahoma corporation, on behalf of said corporation.

Given under my hand and official seal of office on the above date.

Sue Rogers
NOTARY PUBLIC in and for the State of Oklahoma

Notary Public Oklahoma
OFFICIAL SEAL
SUE ROGERS
TULSA COUNTY
My Comm. Expires 04-14-2001

STATE OF OKLAHOMA)
)
COUNTY OF TULSA)

ON THIS 8th day of August, 1997, before me, appeared JOHN M. CHERRY, to me personally known, who being by me duly sworn, did say that he is the President of Bristol Resources Corporation, an Oklahoma corporation, as manager on behalf of Bristol Resources Production Company, L.L.C., a Delaware limited liability company and acknowledged such to be the free act and deed of said corporation and limited liability company.

Sue Rogers
NOTARY PUBLIC, in and for the State of Oklahoma

Notary Public Oklahoma
OFFICIAL SEAL
SUE ROGERS
TULSA COUNTY
My Comm. Expires 04-14-2001

EXHIBIT "A"

LEASE # / TRACT #	LESSOR	LESSEE	DATE	RIGHTS	RECORDING BOOK/PAGE
STATE : WY					
COUNT : SUBLETTE					
121033	USA W-54914	RAINBOW RESOURCES, INC	6/1/76	O/G	
WY5302	BIRD CANYON				
01	Twp / Ar / Ral: 027N Rng / Blk: 112W Sec / Abs / Sec: 0023 SW/4				BK 54 PG 368
121034	USA W-61473	RAINBOW RESOURCES, INC	1/1/78	O/G	
WY5302	BIRD CANYON				
01	Twp / Ar / Ral: 027N Rng / Blk: 112W Sec / Abs / Sec: 0023 S/2 SE/4				
WY5302	BIRD CANYON				
02	Twp / Ar / Ral: 027N Rng / Blk: 112W Sec / Abs / Sec: 0024 SE/4 NW/4, E/2SW/4				
121035	USA W-58384	R W ROBBINS	4/1/77	O/G	
WY5302	BIRD CANYON				
01	Twp / Ar / Ral: 027N Rng / Blk: 112W Sec / Abs / Sec: 0023 N/2SE/4				BK 54 PG 566
WY5302	BIRD CANYON				
02	Twp / Ar / Ral: 027N Rng / Blk: 112W Sec / Abs / Sec: 0023 NE/4				BK 54 PG 566
121036	USA W-67178	PHYLLIS HANSON	4/1/79	O/G	
WY5302	BIRD CANYON				
01	Twp / Ar / Ral: 027N Rng / Blk: 112W Sec / Abs / Sec: 0001 LOTS 3 (40.12), 4 (40.18), S/2NW/4				
WY5302	BIRD CANYON				
02	Twp / Ar / Ral: 027N Rng / Blk: 112W Sec / Abs / Sec: 0001 LOTS 1 (40.02), 4 (40.04), S/2NE/4				

APACHE FEDERAL #1-23

APACHE FEDERAL #1-2

APACHE FEDERAL #1-2

HANSON FEDERAL #1-20

BIRD CANYON FED #1-10

86

1 of 1

Producers 88
Rocky Mountain [redacted]
(Paid-Up Rev. 19[redacted]

PAID-UP
OIL AND GAS LEASE

[redacted]

THIS AGREEMENT, made and entered into this 23rd day of February 19 98 by and between

Marjorie Brawley, a widow

of PO Box 86, LaBarge, WY 83123, hereinafter called lessor (whether one or more), and

Hanson & Strahn, Inc., of PO Box 3020, Cheyenne, WY 82003, hereinafter called lessee:

WITNESSETH:

1. That lessor, for and in consideration of Ten & 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" attached hereto and made a part hereof

266152

RECORDED March 9 1998 M 11:15A
IN BOOK 107016 PAGE 87
FEES $ 10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
BY Debra Sacco

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.

For the purpose of calculating payments provided for herein, it shall be deemed that the lands covered by this lease contain 280.0000 acres, whether there actually be more or less.

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, a well completed for the production of coalbed methane gas shall be deemed to be producing gas under this lease at all times when dewatering of the coal seams from which the coalbed methane gas will be produced is occurring. 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; drilling operations shall be deemed to be commenced 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 drilling operations shall be deemed to be commenced 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) 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) of the gas sold or used, provided that on gas sold the royalty shall be one-eighth (1/8) 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. This is a paid-up lease and all cash consideration first recited above and annual rentals have been paid to lessor in advance to keep this lease in full force and effect throughout the primary term. In consideration of the payment of such cash consideration and advance annual rentals, 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 the land described above, and as to any strata or stratum, by delivering to lessor or by filing of record a release or releases, and be relieved of all obligations thereafter accruing to the acreage surrendered.

4. Any payments required to be made to lessors pursuant to this lease, other than the payment of royalties, may be paid by lessee to the lessor or to lessor's credit in the Community First National Bank, at 440 Budd Ave., 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 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. All such payments may be made by cash, check or draft, mailed or delivered on or before the due date for that payment. Any payments so made shall be binding on the heirs, devisees, executors, administrators, and personal representatives of lessor and on lessor's successors in interest or on lessor's assigns.

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 continuously 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, an amount equal to $1.00 per year per net mineral acre covered by the lease. Such payments shall be made on or before the shut-in royalty payment date, as defined below, next occurring 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 anniversary date of this lease. Any shut-in royalty payment may be made by cash, draft or check, mailed or tendered on or before the shut-in royalty date. Lessee's failure to pay or tender, or properly 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 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. 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 which traverse cultivated lands 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 heretofore 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 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 covenants or conditions of this lease, either express or implied. No change in ownership of the land, royalties, or other payments, 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 royalties or other payments 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.

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 leased premises, and no royalties shall be payable hereunder upon any gas used for repressuring and recycling operations benefitting 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 through lessor's bank of record for payment.

15. In the event lessor considers that lessee has not complied with all its obligations hereunder, either express or implied, lessor shall notify lessee in writing, setting out specifically in what respects lessee has breached this lease. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by lessor. The service of said notice shall be precedent to the bringing of any action by lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on lessee. Neither the service of said notice nor the doing of any acts by lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that lessee has failed to perform all its obligations hereunder. 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, wars, 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.

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 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.

Marjorie Brawley
Marjorie Brawley,
SS# 560-38-3927

STATE OF Wyoming
COUNTY OF Sublette } ss.

INDIVIDUAL

On this 23rd day of February, 19 98, before me personally appeared Marjorie Brawley, 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 as her free act and deed, including the release and waiver of the right of homestead.

Given under my hand and seal this 23rd day of February, 19 98.

My commission expires: 2-2-2000

JOYCE J. JOHNSON - NOTARY PUBLIC
County of Sublette State of Wyoming
My Commission Expires February 2, 2000

Joyce J. Johnson
Notary Public for the State of Wyoming
residing at Big Piney - Sublette County

STATE OF _____
COUNTY OF _____ } ss.

CORPORATE

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 _____ 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]

[redacted] **EXHIBIT "A"** [redacted] [redacted]

Exhibit "A" attached hereto and made a part hereof that certain Oil & Gas Lease dated February 23, 1998, by and between Marjorie Brawley, a widow, as Lessor(s), and Hanson & Strahn, Inc., as Lessee.

SUBLETTE COUNTY, WYOMING

Township 28 North, Range 112 West, 6th P.M.
Section 11: SW/4 SW/4
Section 14: W/2 NW/4
Section 15: N/2 N/2

Containing 280.0000 gross acres, more or less.

1) It is understood and agreed between the parties hereto, that wherever the term one-eighth (1/8th) appears in the subject oil & gas lease, it shall by this reference be amended to read Fifteen percent, (15.00%).

2) In the event this lease is not continued beyond its primary term by the provisions herein contained, lessee, its successors or assigns, has the option, but not the obligation, to extend this lease for an additional term of three (3) years from the date of the lease, and as long thereafter as oil and gas, or either of them, is produced from the leased premises or drilling operations are continuously prosecuted. This option to extend may be exercised by tendering to Lessor, their heirs, successors or assigns at the last known address, a net sum of Forty-five Dollars per net mineral acre, ($45.00), on or before the expiration date of the primary term of this lease. Should this option be exercised as herein provided, it shall be considered for all purposes as though this lease originally provided for a primary term of eight (8) years.

Executed this 23rd day of February, 1998.

Marjorie Brawley

Marjorie Brawley, a widow

Producers 88
Rocky Mountain 1989
(Paid-Up Rev. 1996)

90

PAID-UP
OIL AND GAS LEASE

THIS AGREEMENT, made and entered into this 23rd day of February 19 98 by and between

Aaron H. McGinnis and Caroline B. McGinnis, individually and as husband & wife

314 Fontanelle Rd., Kemmerer, WY 83103

of , hereinafter called lessor (whether one or more), and

Hanson & Strahn, Inc., of PO Box 3020, Cheyenne, WY 82941

, hereinafter called lessee:

WITNESSETH:

1. That lessor, for and in consideration of Ten & 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" attached hereto and made a part hereof

266153

RECORDED March 9 1998 M 11:15 am
IN BOOK 107 Misc PAGE 90
FEES $10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Saxton

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.

For the purpose of calculating payments provided for herein, it shall be deemed that the lands covered by this lease contain 280.0000 acres, whether there actually be more or less.

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 ~~[illegible]~~ 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, a well completed for the production of coalbed methane gas shall be deemed to be producing gas under this lease at all times when dewatering of the coal seams from which the coalbed methane gas will be produced is occurring. 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; drilling operations shall be deemed to be commenced 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 drilling operations shall be deemed to be commenced 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) 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) of the gas sold or used, provided that on gas sold the royalty shall be one-eighth (1/8) 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. This is a paid-up lease and all cash consideration first recited above and annual rentals have been paid to lessor in advance to keep this lease in full force and effect throughout the primary term. In consideration of the payment of such cash consideration and advance annual rentals, 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 the land described above, and as to any strata or stratum, by delivering to lessor or by filing of record a release or releases, and be relieved of all obligations thereafter accruing to the acreage surrendered.

4. Any payments required to be made to lessors pursuant to this lease, other than the payment of royalties, may be paid by lessee to the lessor or to lessor's credit in the Community First National Bank, at 801 Pine Ave., Kemmerer, WY 83101 (or its successor or successors, or any bank with which it may be merged or consolidated, or which succeeds to its business 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. All such payments may be made by cash, check or draft, mailed or delivered on or before the due date for that payment. Any payments so made shall be binding on the heirs, devisees, executors, administrators, and personal representatives of lessor and on lessor's successors in interest or on lessor's assigns.

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 continuously 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, an amount equal to $1.00 per year per net mineral acre covered by the lease. Such payments shall be made on or before the shut-in royalty payment date, as defined below, next occurring 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 anniversary date of this lease. Any shut-in royalty payment may be made by cash, draft or check, mailed or tendered on or before the shut-in royalty date. Lessee's failure to pay or tender, or properly 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 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. 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 which traverse cultivated lands 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 heretofore 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 unit.

[redacted] [redacted] [redacted]

11. Lessee [redacted] e right to unitize, pool, or combine all or any part of the [redacted] ibed above as to one or more of the formations thereun[redacted] r lands in the same general area by entering into a cooperative or unit plan of development or operation a[redacted] by any governmental authority and, from time to time, with [redacted] l, 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 covenants or conditions of this lease, either express or implied. No change in ownership of the land, royalties, or other payments, 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 royalties or other payments 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.

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 leased premises, and no royalties shall be payable hereunder upon any gas used for repressuring and recycling operations benefitting 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 through lessor's bank of record for payment.

15. In the event lessor considers that lessee has not complied with all its obligations hereunder, either express or implied, lessor shall notify lessee in writing, setting out specifically in what respects lessee has breached this lease. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by lessor. The service of said notice shall be precedent to the bringing of any action by lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on lessee. Neither the service of said notice nor the doing of any acts by lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that lessee has failed to perform all its obligations hereunder. 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, wars, 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.

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 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.

Aaron H. McGinnis

Aaron H. McGinnis
SS#

Caroline B. McGinnis

Caroline B. McGinnis
SS#

INDIVIDUAL

STATE OF Wyoming
COUNTY OF ~~Sublette~~ LINCOLN } ss.

On this 23rd 24th day of February, 19 98, before me personally appeared
Aaron H. McGinnis and Caroline B. McGinnis, individually and as husband & wife

to me known to be the person s described in, and who executed the foregoing instrument, and who acknowledged to me that t he 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 23rd 24th day of February, 19 98.

My commission expires: 11-16-99

Stacy A. Werner
Notary Public
Lincoln County, WY
My Commission Expires
Nov. 16, 1999

Notary Public for the State of Wyoming
residing at Kemmerer, WY

CORPORATE

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 _____ 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 _____

92

EXHIBIT "A"

Exhibit "A" attached hereto and made a part hereof that certain Oil & Gas Lease dated February 23, 1998, by and between Aaron H. McGinnis and Caroline B. McGinnis, individually and as husband and wife, as Lessor(s), and Hanson & Strahn, Inc., as Lessee.

SUBLETTE COUNTY, WYOMING

Township 28 North, Range 112 West, 6th P.M.
Section 11: SW/4 SW/4
Section 14: W/2 NW/4
Section 15: N/2 N/2

Containing 280.0000 gross acres, more or less.

1) It is understood and agreed between the parties hereto, that wherever the term one-eighth (1/8th) appears in the subject oil & gas lease, it shall by this reference be amended to read Fifteen percent, (15.00%).

2) In the event this lease is not continued beyond its primary term by the provisions herein contained, lessee, its successors or assigns, has the option, but not the obligation, to extend this lease for an additional term of three (3) years from the date of the lease, and as long thereafter as oil and gas, or either of them, is produced from the leased premises or drilling operations are continuously prosecuted. This option to extend may be exercised by tendering to Lessor, their heirs, successors or assigns at the last known address, a net sum of Forty-five Dollars per net mineral acre, ($45.00), on or before the expiration date of the primary term of this lease. Should this option be exercised as herein provided, it shall be considered for all purposes as though this lease originally provided for a primary term of eight (8) years.

Executed this 23rd day of February, 1998.

Aaron H. McGinnis

Caroline B. McGinnis

Producers 88
Rocky Mountain 1[redacted]
(Paid-Up Rev. 1996) [redacted]

PA[redacted]UP
OIL AND GAS LEASE

[redacted]

THIS AGREEMENT, made and entered into this 19th day of February 19 98 by and between

Jane McGinnis, individually and as attorney-in-fact for William J. McGinnis, also known as William J. McGinnis, Jr., her husband

of 62 Readon Draw Road, Big Piney, WY 83113, hereinafter called lessor (whether one or more), and

Hanson & Strahn, Inc., of PO Box 3020, Cheyenne, WY 82003, hereinafter called lessee:

WITNESSETH: -Ten & More- 10.00+

1. That lessor, for and in consideration of _____ dollars ($_____) 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" attached hereto and made a part hereof

266154

RECORDED March 9 1998 M 11:15a
IN BOOK 107 OF 6 PAGE 93
FEES $10.00 /s/ COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Sexton

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.

For the purpose of calculating payments provided for herein, it shall be deemed that the lands covered by this lease contain 280.0000 acres, whether there actually be more or less.

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~~ Five (5) y. m. 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, a well completed for the production of coalbed methane gas shall be deemed to be producing gas under this lease at all times when dewatering of the coal seams from which the coalbed methane gas will be produced is occurring. 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; drilling operations shall be deemed to be commenced 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 drilling operations shall be deemed to be commenced 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) 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) of the gas sold or used, provided that on gas sold the royalty shall be one-eighth (1/8) 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. This is a paid-up lease and all cash consideration first recited above and annual rentals have been paid to lessor in advance to keep this lease in full force and effect throughout the primary term. In consideration of the payment of such cash consideration and advance annual rentals, 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 the land described above, and as to any strata or stratum, by delivering to lessor or by filing of record a release or releases, and be relieved of all obligations thereafter accruing to the acreage surrendered.

4. Any payments required to be made to lessors pursuant to this lease, other than the payment of royalties, may be paid by lessee to the lessor or to lessor's credit in the CFB Bank, at Box 428, BigPiney, WY 83113 (or its successor or successors, or any bank with which it may be merged or consolidated, or which succeeds to its business 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. All such payments may be made by cash, check or draft, mailed or delivered on or before the due date for that payment. Any payments so made shall be binding on the heirs, devisees, executors, administrators, and personal representatives of lessor and on lessor's successors in interest or on lessor's assigns.

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 continuously 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, an amount equal to $1.00 per year per net mineral acre covered by the lease. Such payments shall be made on or before the shut-in royalty payment date, as defined below, next occurring 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 anniversary date of this lease. Any shut-in royalty payment may be made by cash, draft or check, mailed or tendered on or before the shut-in royalty date. Lessee's failure to pay or tender, or properly 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 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. 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 which traverse cultivated lands 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 heretofore 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 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 covenants or conditions of this lease, either express or implied. No change in ownership of the land, royalties, or other payments, 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 royalties or other payments 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.

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 leased premises, and no royalties shall be payable hereunder upon any gas used for repressuring and recycling operations benefitting 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 through lessor's bank of record for payment.

15. In the event lessor considers that lessee has not complied with all its obligations hereunder, either express or implied, lessor shall notify lessee in writing, setting out specifically in what respects lessee has breached this lease. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by lessor. The service of said notice shall be precedent to the bringing of any action by lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on lessee. Neither the service of said notice nor the doing of any acts by lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that lessee has failed to perform all its obligations hereunder. 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, wars, 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.

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 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.

Jane McGinnis

Jane McGinnis, individually and as attorney - in - fact for William J. McGinnis, aka - William J. McGinnis, Jr.

SS#

STATE OF Wyoming }
COUNTY OF Sublette } ss.

INDIVIDUAL

On this 19th day of February, 19 98, before me personally appeared Jane McGinnis, individually and as attorney - in - fact for William J. McGinnis, also known as William J. McGinnis, Jr., her husband to me known to be the person s described in, and who executed the foregoing instrument, and who acknowledged to me that t he 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 February, 19 98.

My commission expires: 2-2-2000

JOYCE J. JOHNSON - NOTARY PUBLIC
County of Sublette State of Wyoming
My Commission Expires February 2, 2000

Joyce J. Johnson

Notary Public for the State of Wyoming residing at Big Piney / Sublette County

STATE OF _____ }
COUNTY OF _____ } ss.

CORPORATE

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 _____ 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] **EXH[redacted]A"** [redacted]

Exhibit "A" attached hereto and made a part hereof that certain Oil & Gas Lease dated February 19, 1998, by and between Jane McGinnis, individually and as attorney-in-fact for William J. McGinnis, also known as William J. McGinnis, Jr., her husband, as Lessor, and Hanson & Strahn, Inc., as Lessee.

SUBLETTE COUNTY, WYOMING

Township 28 North, Range 112 West, 6th P.M.
Section 11: SW/4 SW/4
Section 14: W/2 NW/4
Section 15: N/2 N/2

Containing 280.0000 gross acres, more or less.

1) It is understood and agreed between the parties hereto, that wherever the term one-eighth (1/8th) appears in the subject oil & gas lease, it shall by this reference be amended to read Fifteen percent, (15.00%).

2) In the event this lease is not continued beyond its primary term by the provisions herein contained, lessee, its successors or assigns, has the option, but not the obligation, to extend this lease for an additional term of three (3) years from the date of the lease, and as long thereafter as oil and gas, or either of them, is produced from the leased premises or drilling operations are continuously prosecuted. This option to extend may be exercised by tendering to Lessor, their heirs, successors or assigns at the last known address, a net sum of Forty-five Dollars per net mineral acre, ($45.00), on or before the expiration date of the primary term of this lease. Should this option be exercised as herein provided, it shall be considered for all purposes as though this lease originally provided for a primary term of eight (8) years.

Executed this 19th day of February, 1998.

Jane McGinnis, individually and as
attorney-in-fact for William J. McGinnis,
also known as William J. McGinnis, Jr., her husband

96

ASSIGNMENT OF OIL AND GAS LEASE

STATE OF WYOMING

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF SUBLETTE

THAT THE UNDERSIGNED, HANSON & STRAHN, INC., whose address is P.O. Box 3020, Cheyenne, Wyoming 82003-3020, hereinafter called "Assignor", for and in consideration of One Dollar ($1.00), the receipt whereof is hereby acknowledged, does hereby sell, assign, transfer and set over to ENRON OIL & GAS COMPANY, whose address is P.O. Box 4362, Houston, Texas 77210-4362, hereinafter called "Assignee", all of Assignor's right, title and interest in and to those certain Oil and Gas Leases covering lands in Sublette County, Wyoming, set forth on the attached Exhibit "A".

This Assignment is made without warranty of title except by, through and under Assignor.

TO HAVE AND HOLD unto the said Assignee, its successors, legal representatives and assigns forever.

EXECUTED and effective this 3rd day of March, 1998.

Hanson & Strahn, Inc.

Kathi Hanson

Vice President

(NO ATTEST REQUIRED)

ACKNOWLEDGMENT

STATE OF WYOMING)

)

COUNTY OF LARAMIE)

266155

RECORDED March 9 1998 M 11:15A
IN BOOK 107 PAGE 96
FEES $8.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Saxton

On this 3rd day of March, A.D. 1998, before me personally appeared Kathi Hanson, Vice President of Hanson & Strahn, Inc., to me personally known, who, being by me duly sworn, did say that she is the Vice President of Hanson & Strahn, Inc. and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and said Vice President acknowledged said instrument to be the free act and deed of said corporation.

Witness my hand and seal this 3rd day of March, A.D. 1998.

PEGGY J. LOPEZ - NOTARY PUBLIC
COUNTY OF LARAMIE STATE OF WYOMING
MY COMMISSION EXPIRES MAR. 19, 1999

Peggy J. Lopez

Notary Public

My Commission Expires:_____

Address: Cheyenne, Wyoming

EXHIBIT A

Lessor	Lessee	Description	County	State	Dated	Effective	Recorded
Jane McGinnis, individually and as AIF for William J. McGinnis, aka William J. McGinnis, Jr., her husband	Hanson & Strahn, Inc.	Township 28 North, Range 112 West, 6th P.M. 11: SW1/4SW1/4 14: W1/2NW1/4 15: N1/2N1/2	Sublette County	Wyoming	2-19-98	2-19-98	1070+6 page 93
Aaron H. McGinnis and Caroline B. McGinnis, individually and as husband and wife	Hanson & Strahn, Inc.	Township 28 North, Range 112 West, 6th P.M. 11: SW1/4SW1/4 14: W1/2NW1/4 15: N1/2N1/2	Sublette County	Wyoming	2-23-98	2-23-98	1070+6 page 90
Marjorie Brawley, a widow	Hanson & Strahn, Inc.	Township 28 North, Range 112 West, 6th P.M. 11: SW1/4SW1/4 14: W1/2NW1/4 15: N1/2N1/2	Sublette County	Wyoming	2-23-98	2-23-98	1070+6 page 87

RATIFICATION OF OIL AND GAS LEASE

KNOW ALL MEN BY THESE PRESENTS:

That, WHEREAS, Heretofore under date of the 4th day of December 1997, a certain oil and gas lease was made, executed, and delivered by **Lester William Anderson and Grace Bodil Anderson, Trustees of the Anderson Trust dated March 1, 1997, as Lessor, to WLR, Inc., P.O. Box 4096, Casper, WY 82604, as Lessee**, covering the following described lands in Campbell County, State of Wyoming, to-wit:

Township 34 North, Range 109 West, 6th P.M.
Section 34: NESE, S2SE

266161

RECORDED March 9, 1998 2:05 PM
IN BOOK 107 Ot6 PAGE 98
FEES $ 6.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING
By Cathy Easton

said lease being recorded in Book **106 Oil and Gas** at Page **258** of the records in the office of the Register of Deeds in and for said County, reference to said lease and to the record thereof being hereby made for all purposes.

NOW, THEREFORE, In consideration of the sum of One Dollar ($1.00) and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, we, the undersigned, and each for himself and herself, as the case may be, do hereby ratify, adopt and confirm the hereinabove-described oil and gas lease in all of its terms and provisions and do hereby lease, demise and let said land and premises unto the said lessee hereinabove named, its assigns and successors in interest, as fully and completely as if we had originally been named as lessor in said lease and had executed, acknowledged and delivered the same; provided, however, that this instrument shall cover and bind all interest of the undersigned which may have been acquired subsequent to the date of the aforesaid oil and gas lease and is intended further to cover and bind any interest which undersigned may hereafter acquire by way of reversion or otherwise.

We hereby agree and declare that said oil and gas lease in all of its terms and provisions is binding on us and each of us and is a valid and subsisting oil and gas lease and that this instrument shall be binding upon the respective heirs, executors, administrators, successors or assigns of the undersigned.

EXECUTED This 3rd day of **February 1998**..

Lester William Anderson
Lester William Anderson, individually and as Trustee of the Anderson Revocable Trust dated March 1, 1997

Grace Bodil Anderson
Grace Bodil Anderson, individually and as Trustee of the Anderson Revocable Trust dated March 1, 1997

ACKNOWLEDGMENT

STATE OF WYOMING)
) SS
COUNTY OF SUBLETTE)

On the 3rd day of **February, 1998**, personally appeared before me **Lester William Anderson individually and as Trustee of the Anderson Revocable Trust dated March 1, 1997 and Grace Bodil Anderson, individually and as Trustee of the Anderson Revocable Trust dated March 1, 1997**, 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.

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

My Commission Expires: 2/21/1999

Susan Gulbrandsen
Notary Public

NOTARY PUBLIC
WY 826 LWA.RAT.wpd
PUBLIC
COUNTY, WYOMING

Susan Gulbrandsen
County of
Sublette
My Commission Expires
Notary Public
State of
Wyoming
Feb. 21, 1999

PRODUCERS 88 - PAID UP
11-57 POOLING

PAID-UP
OIL AND GAS LEASE

AGREEMENT, Made and entered into the **8th** day of **November, 1997**, by and between **Mary Lou Mariner, a single woman, P.O. Box 5065, Ruidoso, NM 88355**, hereinafter called Lessor (whether one or more) and **WLR, Inc., P.O. Box 4096, Casper, WY 82604**, hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten and More ($10.00+) Dollars 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 **WY**, described as follows, to-wit:

Township 33 North - Range 109 West, 6th P.M.
Section 6: A tract of land in the SENW of Section 6 described as follows, to-wit:

Begin at a point on the North-South center-line of said Section 6, North 00 degrees 26'38" East, a distance of 408.18 feet from the center one-quarter section corner of said Section 6; Thence proceed North 00 degrees 26'38" East a distance of 634.97 feet; Thence proceed North 89 degrees 21'20" West a distance of 686.01 feet; Thence proceed South 00 degrees 26'38" West a distance of 634.97 feet; Thence proceed South 89 degrees 21'20" East a distance of 686.01 feet to the point of beginning, and containing 10.00 acres, more or less.

and containing **10.00** acres, more or less.

1. It is agreed that this lease shall remain in force for a term of **three (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 **fifteen percent (15.00%)** part of all oil produced and saved from the leased premises.
2nd. To pay Lessor **fifteen percent (15.00%)** 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 **fifteen percent (15.00%)**, payable monthly at the prevailing market rate for gas.
3rd. To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of **fifteen percent (15.00%)** 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 Three Dollars ($3.00) 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 600 feet to the house or barn now on said premises without written consent of Lessor.

9. Lessee shall pay for damages caused by Lessee's operations on said land.

10. Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

266167

RECORDED March 9, 1998 3:10 PM
IN BOOK 107 O+G PAGE 99
FEES $ 14.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING
BY Cathy Sexton

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 where 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 of 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.

SEE PARAGRAPH 16 ON Exhibit "A" ATTACHED HERETO AND BY THIS REFERENCE MADE A PART HEREOF FOR ADDITIONAL PROVISIONS

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

Mary L. Mariner

Mary Lou Mariner

Social Security No.: 520-50-1401

520-50-1401

ACKNOWLEDGMENT

STATE OF New Mexico)
)
COUNTY OF Lea)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 5 day of January, 1997 personally appeared before me Mary Lou Mariner, a ~~married~~ woman 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 duly 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 an affixed my notarial seal the day and year last above written.

Lynn Word
Notary Public

My Commission Expires: 2-21-98

WY813.MLM.OGL

EXHIBIT "A"

This Exhibit "A" is attached to and made a part of that certain Oil & Gas Lease made and entered into by and between Mary Lou Mariner, a ~~single~~ married woman, as Lessor and WLR, Inc., as Lessee and dated November 8, 1997.

ADDITIONAL PROVISIONS

16. Notwithstanding anything herein contained to the contrary, it is herenow agreed:

(a) Lessee agrees to pay in advance, surface damages in the amount of $2,000.00 for each well location which shall include pad, pit and one tank battery and an additional $2,000.00 for each tank battery which is not placed on a well location and for all new roadways constructed with consent of Lessor, damages shall be calculated at a rate of not less than $3.00 a rod.

(b) Lessee further agrees that neither Lessee nor Lessee's employees, contractors, suppliers and agents shall bring any firearms on the leased premises, that in absence of agreement of Lessor to the contrary; all flowlines and pipelines placed by him on the leased premises shall follow, where practical, roads used by Lessee hereon; and that at such times as he is not conducting operations on the leased premises, or is not transporting oil or other liquid hydrocarbons therefrom, Lessee will keep all entry gates to the leased premises closed and locked; and that in the event of commercial production of oil and/or gas from the leased premises, that all cattleguards entering the premises shall be locked and chained.

(c) Lessee further agrees to consult with Lessor regarding location of all roads used by him, understanding that Lessor will be reasonable and practicable as to the location of any and all roads used by Lessee, that all cattleguards, fence corners and fence braces installed by Lessee will be in accordance with standard industry practices, and that all roads used by Lessee will be maintained in a good condition. Lessee shall not use water from the leased premises without first obtaining Lessor's written consent. With regard to installation of cattleguards on the leased premises, Lessee agrees that all cattleguards so installed shall be constructed as to prevent livestock from crossing said cattleguard and shall be so constructed so that there is a lockable gate. Lessee further agrees that upon cessation of production, abandonment of the lease, release or termination of the lease, whichever occurs first, that all cattleguards installed by Lessee shall be turned over to the Lessor so that the Lessor shall have full rights and title thereto. It is further agreed that all roads used by Lessee shall be and remain private roads for all purposes.

(d) Lessee shall fence out all producing well sites, drilling sites and slush pits or other pits which the Lessee may create, or cause to be located on such land, so that fluids there or damaging substances thereof shall be wholly unavailable to livestock being grazed upon the above described lands or any part thereof.

(e) Each drill site shall be cleaned and leveled by the Lessee as soon as reasonably possible after the completion of each well and in such a manner that the land will be returned to its former condition as nearly as possible under the circumstances. Lessee further agrees that residue of cuttings from the drilling of wells shall be buried and slush pits filled and closed with good top soil within 120 days of completion.

(f) No salt water produced from wells drilled under this lease shall be disposed of on the leased premises or on lands owned by Lessor without Lessor's consent.

(g) This lease covers oil, gas and all associated hydrocarbons produced from the well bore with oil and/or gas only and all references to other minerals are hereby deleted. It is hereby understood and agreed that Lessor shall receive fifteen percent (15.00%) royalty for sulphur or other components extracted from the well bore and produced by Lessee.

(h) Payment of shut-in gas royalty as provided for in Paragraph 4 hereinabove shall maintain this lease in force and effect for a period of not more than three (3) years beyond the above stated primary term of three (3) years.

(i) It is further understood and agreed that Lessee, his successors and assigns in any and all operations, working and actions taken hereunder will conduct such operations, working and actions in such a manner as to prevent soil erosion and soil loss.

(j) Notwithstanding anything herein contained to the contrary, it is understood and agreed that Lessee shall have a reasonable time, but not to exceed 180 days after expiration of the primary term or cessation of production or any other fee determinable event, in which to remove all property and fixtures placed by Lessee on said land except as provided for hereinabove.

(k) Lessee, its successors or assigns, warrant and agree that all pits used in connection with its operations hereunder shall be lined with plastic to prevent contamination of any and all waters in, or and under said lands.

(l) When this lease is abandoned by Lessee, Lessee, its successors and assigns, jointly and severally, agree to plug all wells drilled on said premises in accordance with the rules and regulations promulgated by the Wyoming Oil and Gas Conservation Commission.

(m) The terms of this lease may not be amended by any division order and the signing of a division order by any mineral owner may be made a prerequisite to payment of royalty hereunder.

(n) Lessor warrants and agrees to defend title to the leased premises unto said Lessee, its successors and assigns against every person whomsoever lawfully claiming or in claim the same or any part thereof by, through or under them, but not otherwise.

(o) Nothing anything herein contained to the contrary, it is hereby agreed that Lessee shall not be entitled to use of water, potable or nonpotable for any operations hereunder without the express written consent of the Lessor.

(p) Lessee agrees, at Lessee's expense, to update the Lessor's abstract on or before the expiration of the primary term, one time and upon the written request of Lessor, as to this lease and only as to the expense attributed to the documents filed against Lessor's title by Lessee, its successors and assigns.

(q) It is understood that if necessary Lessee shall have the right of ingress and egress across other land owned by Lessor in order to access the leased premises.

IN WITNESS WHEREOF, we sign the day and year first above written.

Mary L. Mariner

Mary Lou Mariner

104

Corrected Assignment of Overriding Royalty Affecting Oil and Gas Lease #USA Wyoming 020123A

This Corrected Assignment is recorded to correct the trust date as previously listed.

We, Charles L. Smith and Helen Virginia Smith, of Casper, Natrona County, Wyoming, ("Assignors"), for and in consideration of the sum of TEN DOLLARS ($10.00) and OTHER GOOD AND VALUABLE CONSIDERATION, in hand paid, the receipt and sufficiency of which is hereby acknowledged, hereby assign, transfer and convey to:

> Charles L. Smith and Helen Virginia Smith, Trustees, or their successors in trust, under the Smith Living Trust, dated June 27, 1994, and any amendments thereto,

herein referred to as ("Assignee") all of our right, title and interest in and to the overriding royalty on all of the oil, gas and other hydrocarbon substances that may be produced, saved and marketed from the following described lands situated in Sublette County, State of Wyoming, under the above-designated oil and gas lease and any extension or renewal thereof, for the following real property, to-wit:

Township 27 N., Range 112 W., 6th P.M., Sublette County, Wyoming:

Sec. 4: SW¼SW¼
Sec. 5: Lot 4, S½NW¼, SW¼, W½SE¼, SE¼SE¼
Sec. 8: W½NE¼, SE¼
Sec. 9: SW¼SW¼
Sec. 17: SE¼, SW¼NE¼
Sec. 20: W½NE¼

999.78 acres

Dated this 2nd day of March, 1998.

Charles L. Smith, Assignor — Witness

Helen Virginia Smith, Assignor — Witness

266168

RECORDED March 9, 1998 3:20PM
IN BOOK 107 Oto PAGE 104
FEES $8.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING
By Cathy Sexton

STATE OF WYOMING)
)ss.
COUNTY OF NATRONA)

On this 2nd day of March, 1998, before me personally appeared Charles L. Smith and Helen Virginia Smith, as Assignors, known to me to be the persons described in and who executed the foregoing Assignment, and acknowledged that they executed the same as their free act and deed and acknowledged executing the same for the purposes and consideration herein contained.

Witness my hand and official seal.

Vicki L. Villanova
Notary Public

My commission expires:

NOTARY PUBLIC
VICKI L VILLANOVA
COUNTY OF NATRONA
STATE OF WYOMING
My Commission Expires Oct 20, 2011

106

Corrected Assignment of Overriding Royalty Affecting Oil and Gas Lease #USA Wyoming 020123

This Corrected Assignment is recorded to correct the trust date as previously listed.

We, Charles L. Smith and Helen Virginia Smith, of Casper, Natrona County, Wyoming, ("Assignors"), for and in consideration of the sum of TEN DOLLARS ($10.00) and OTHER GOOD AND VALUABLE CONSIDERATION, in hand paid, the receipt and sufficiency of which is hereby acknowledged, hereby assign, transfer and convey to:

> Charles L. Smith and Helen Virginia Smith, Trustees, or their successors in trust, under the Smith Living Trust, dated June 27, 1994, and any amendments thereto,

herein referred to as ("Assignee") all of our right, title and interest in and to the overriding royalty on all of the oil, gas and other hydrocarbon substances that may be produced, saved and marketed from the following described lands situated in Sublette County, State of Wyoming, under the above-designated oil and gas lease and any extension or renewal thereof, for the following real property, to-wit:

Township 27 N., Range 112 W., 6th P.M., Sublette County, Wyoming:

Sec. 6: All
Sec. 8: W½
Sec. 17: W½NW¼, SE¼NW¼, SW¼
Sec. 20: NW¼, N½SW¼, SW¼SW¼, Lot 6

1520.60 acres, more or less.

Dated this 2nd day of March, 1998.

Charles L. Smith, Assignor

Witness

Helen Virginia Smith, Assignor

Witness

266169

RECORDED March 9, 1998 3:20pM
IN BOOK 107 Ot G PAGE 106
FEES $8.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING
By Cathy Sexton

STATE OF WYOMING)
)ss.
COUNTY OF NATRONA)

On this 2nd day of March, 1998, before me personally appeared Charles L. Smith and Helen Virginia Smith, as Assignors, known to me to be the persons described in and who executed the foregoing Assignment, and acknowledged that they executed the same as their free act and deed and acknowledged executing the same for the purposes and consideration herein contained.

Witness my hand and official seal.

Vicki L. Villanova
Notary Public

My commission expires:

NOTARY PUBLIC
VICKI L VILLANOVA
COUNTY OF NATRONA
STATE OF WYOMING
My Commission Expires Oct 29, 2001

ASSIGNMENT OF LEASEHOLD AND MINERAL INTERESTS

THIS ASSIGNMENT, dated as of December 10, 1997, is from DOLAR OIL PROPERTIES, L.C., 935 East South Union Avenue, Suite D-202, Salt Lake City, Utah 84047, hereinafter called "Assignor", to DONALD B. ANDERSON, LTD., 6400 S. Fiddlers Green Circle, Suite #1750, Englewood, Colorado 80111, hereinafter called "Assignee".

For Ten Dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Assignor, Assignor hereby transfers, sells and assigns to Assignee all of Assignor's right, title and interest under and by virtue in the following described lands located in Sublette County, Wyoming (all of which are herein called the "Interests"):

A. The oil and gas lease, licenses, permits and other agreements described in Exhibit "A" attached hereto and made a part hereof subject to existing burdens, together with any mineral, royalty, overriding royalty or other interests described in Exhibit "A" (the "Land"), together with any other right, title and interest in and to the Land;

B. The rights and obligations existing under certain contracts and agreements that benefit or burden the foregoing, including, but not limited to, operating agreements, tax partnership agreements, unitization agreements, pooling agreements, declarations of pooling or unitization, farmout agreements, assignments, gas sale contracts and gas processing contracts; and

C. Assignor herein hereby expressly excepts, reserves and retains title to an undivided two and one-half percent eight-eighths (2.50% of 8/8ths), proportionately reduced, of all oil, gas and casinghead gas produced, saved and marketed from said lands under the provisions of the aforesaid lease, or any extensions or renewal therof, as an overriding royalty, free and clear of any cost and expense of the development and operation therof, excepting taxes applicable to said interest and the production therefrom.

Assignor covenants that the Interests are free and clear of encumbrances arising by, through or under Assignor, except as indicated herein, but not otherwise, and Assignee shall have the right of full substitution and subordinate in and to any and all rights and actions of covenant or warranty that Assignor may have against any and all preceding owners and vendors of the Interests.

This Assignment shall bind and inure to the benefit of Assignor and Assignee and their respective successors and assigns.

DATED THIS 10th day of December, 1997.

DOLAR OIL PROPERTIES, L.C.

By: _____
Mark S. Dolar, Managing Member

Janet K. Dolar
Janet K. Dolar, Wife

RECORDED March 9, 1998 3:15 pM
IN BOOK 107 OF Misc PAGE 108
FEES $8.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING
By Cathy Gordon

STATE OF UTAH)
) ss. 266171
COUNTY OF SALT LAKE)

The foregoing instrument was acknowledged before me this 10th day of December, 1997, by Mark S. Dolar, Managing Member of DOLAR OIL PROPERTIES, L.C., also known as DOLAR OIL PROPERTIES, and Janet K. Dolar, husband and wife, to me personally known to be the identical persons who executed the within and foregoing instrument and acknowledged to me that they executed the same as their free and voluntary act and deed for the uses and purposes therein set forth.

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

My Commission Expires:
10/5/2000

Notary Public

Notary Public
MARY K. HECKER
1982 Viscounti Cove
Sandy, Utah 84093
My Commission Expires
October 5, 2000
State of Utah

[redacted] [redacted] [redacted]

EXHIBIT "A"

Attached to and made a part of that Assignment of Leasehold and Mineral Interests dated December 10, 1997, between Dolar Oil Properties, L.C., Assignor, and Donald B. Anderson, Ltd., Assignee.

Tract I:

LESSOR: Karen Heeren and Lynn Heeren, wife and husband
LESSEE: Dolar Oil Properties
LEASE DATED: March 26, 1997
RECORDING DATA: Book 105 ;Page 696 .
DESCRIPTION:

Township 30 North, Range 114 West, 6th P.M.
Section 12: SW¼NE¼, N½SE¼, NE¼SW¼
Containing 160.00 acres, more or less.

Tract II:

LESSOR: Keith E. McNinch and Marilyn J. McNinch, husband and wife
LESSEE: Dolar Oil Properties, L.C.
LEASE DATED: April 17, 1997
RECORDING DATA: Book 104 ;Page 436 .
DESCRIPTION:

Township 30 North, Range 114 West, 6th P.M.
Section 12: SW¼NE¼, N½SE¼, NE¼SW¼
Containing 160.00 acres, more or less.

Tract III:

LESSOR: Terry McNinch, A single woman
LESSEE: Dolar Oil Properties
LEASE DATED: March 26, 1997
RECORDING DATA: Book 104 ;Page 700 .
DESCRIPTION:

Township 30 North, Range 114 West, 6th P.M.
Section 12: SW¼NE¼, N½SE¼, NE¼SW¼
Containing 160.00 acres, more or less.

Tract IV:

LESSOR: Cherie Przymus and Mike Przymus, wife and husband
LESSEE: Dolar Oil Properties, L.C.
LEASE DATED: September 26, 1997
RECORDING DATA: Book 105 ; Page 698 .
DESCRIPTION:

Township 30 North, Range 114 West, 6th P.M.
Section 12: SW¼NE¼, N½SE¼, NE¼SW¼
Containing 160.00 acres, more or less

110

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.
WYW-144143

Lease Effective Date
(Anniversary Date)
February 1, 1998

New Serial No.

Type or print plainly in ink and sign in ink.

PART A: ASSIGNMENT

1. Assignee* Yates Drilling Company .10
   Street 105 South Fourth Street
   City, State, ZIP Code Artesia, New Mexico 88210

*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
Township 28 North, Range 110 West, 6th PM Section 5: Lots 1-4, S/2 Section 6: S/2SE/4 Section 7: E/2 Section 8: All Section 33: W/2 Sublette County, Wyoming	100%	30%	70%	-0-	-0-

266173

RECORDED March 9 1998 4:10PM
IN BOOK 107 Oil6 PAGE 110
FEES $ 8.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING
By Cathy Saxton

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 _____ _____

[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.

Myco Industries, Inc. .10
105 South Fourth Street
Artesia, New Mexico 88210

Abo Petroleum Corporation .10
105 South Fourth Street
Artesia, New Mexico 88210

STATE OF NEW MEXICO)
:ss
COUNTY OF EDDY)

The foregoing instrument was acknowledged before me this 2nd day of February, 1998 by Randy G. Patterson, Attorney-in-Fact for YATES PETROLEUM CORPORATION, a New Mexico corporation, on behalf of said corporation.

My Commission Expires:
7-23-[redacted]

Notary Public

PART B: CERTIFICATION AND REQUEST FOR APPROVAL

1. The Assignor certifies as owner of an interest in the above designated lease that he/she hereby assigns to the above assignee(s) the rights specified above.

2. Assignee certifies as follows: (a) Assignee 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 assignment of NPR-A leases, assignee is a citizen, national, or resident alien of the United States or 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 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; (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 (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 2nd day of February, 19 98

Name of Assignor as shown on current lease Yates Petroleum Corporation
Please type or print

Assignor _____ (Signature)
or
Attorney-in-fact Randy G. Patterson (Signature)
105 South Fourth Street (Assignor's Address)
Artesia, New Mexico 88210 (City) (State) (Zip Code)

Executed this _____ day of _____, 19

Assignee _____ (Signature)
or
Attorney-in-fact _____ (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.

*U.S. GPO: 1992-774-017/67022

112

Producers 88
Rocky Mountain 1989
(Paid-Up Rev. 1998)

PAID-UP
OIL AND GAS LEASE

266175

RECORDED March 9 1998 M 4:15p
IN BOOK 107 Misc PAGE 112
FEES $ 10.00
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Saxton

THIS AGREEMENT, made and entered into this 29th day of January 19 98 by and between

Daniel E. Chapel, a single man

PO Box 338, Big Piney, WY 83113

of , hereinafter called lessor (whether one or more), and

Henson & Strahn, Inc., of PO Box 3020, Cheyenne, WY 82003, hereinafter called lessee:

WITNESSETH:

1. That lessor, for and in consideration of -Ten & 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" 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.

For the purpose of calculating payments provided for herein, it shall be deemed that the lands covered by this lease contain 295.27 acres, whether there actually be more or less.

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 ~~10000~~ Three (3) 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, a well completed for the production of coalbed methane gas shall be deemed to be producing gas under this lease at all times when dewatering of the coal seams from which the coalbed methane gas will be produced is occurring. 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; drilling operations shall be deemed to be commenced 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 drilling operations shall be deemed to be commenced 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) 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) of the gas sold or used, provided that on gas sold the royalty shall be one-eighth (1/8) 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. This is a paid-up lease and all cash consideration first recited above and annual rentals have been paid to lessor in advance to keep this lease in full force and effect throughout the primary term. In consideration of the payment of such cash consideration and advance annual rentals, 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 the land described above, and as to any strata or stratum, by delivering to lessor or by filing of record a release or releases, and be relieved of all obligations thereafter accruing to the acreage surrendered.

4. Any payments required to be made to lessors pursuant to this lease, other than the payment of royalties, may be paid by lessee to the lessor or to lessor's credit in the Rock Springs National Bank, at P.O. Box 880, Rock Springs, WY 82902 (or its successor or successors, or any bank with which it may be merged or consolidated, or which succeeds to its business 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. All such payments may be made by cash, check or draft, mailed or delivered on or before the due date for that payment. Any payments so made shall be binding on the heirs, devisees, executors, administrators, and personal representatives of lessor and on lessor's successors in interest or on lessor's assigns.

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 continuously 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, an amount equal to $1.00 per year per net mineral acre covered by the lease. Such payments shall be made on or before the shut-in royalty payment date, as defined below, next occurring 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 anniversary date of this lease. Any shut-in royalty payment may be made by cash, draft or check, mailed or tendered on or before the shut-in royalty date. Lessee's failure to pay or tender, or properly 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 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. 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 which traverse cultivated lands 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 heretofore 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 unit.

11. Lessee [redacted]e right to unitize, pool, or combine all or any part of the [redacted]bed above as to one or more of the formations thereund[redacted]r 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 covenants or conditions of this lease, either express or implied. No change in ownership of the land, royalties, or other payments, 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 royalties or other payments 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.

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 leased premises, and no royalties shall be payable hereunder upon any gas used for repressuring and recycling operations benefitting 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 through lessor's bank of record for payment.

15. In the event lessor considers that lessee has not complied with all its obligations hereunder, either express or implied, lessor shall notify lessee in writing, setting out specifically in what respects lessee has breached this lease. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by lessor. The service of said notice shall be precedent to the bringing of any action by lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on lessee. Neither the service of said notice nor the doing of any acts by lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that lessee has failed to perform all its obligations hereunder. 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, wars, 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.

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 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.

Daniel E. Chapel

Daniel E. Chapel
SS#520-42-9553

STATE OF Wyoming
COUNTY OF Sublette } ss.

INDIVIDUAL

On this 29th day of January, 19 98, before me personally appeared Daniel E. Chapel, a single man

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 29th day of January, 19 98.

My commission expires: July 1, 2000

Lisa Pope

Notary Public for the State of Wyoming
residing at Pinedale, Wyoming

STATE OF _____
COUNTY OF _____ } ss.

CORPORATE

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 _____ 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"

114

Exhibit "A" attached hereto and made a part hereof that certain Oil & Gas Lease dated January 29th, 1998, by and between Daniel E. Chapel, a single man, as Lessor, and Hanson & Strahn, Inc., as Lessee.

SUBLETTE COUNTY, WYOMING

Township 28 North, Range 112 West, 6th P.M.
Section 24: Lots 9(13.79, 11(36.42), SE/4 SW/4
Section 25: Lots 2(39.91), 5(30.84), N/2 NW/4, SE/4 NW/4
Section 26: Lots 1(5.87), 7(8.44) and all that part of the Green River riparian thereto

Containing 295.2700 gross acres, more or less.

It is understood and agreed between the parties hereto, that wherever the term one-eighth (1/8th) appears in the subject oil & gas lease, it shall by this reference be amended to read one-sixth, (1/6th).

In the event this lease is not continued beyond its primary term by the provisions herein contained, lessee, its successors or assigns, has the option, but not the obligation, to extend this lease for an additional term of three (3) years from the date of the lease, and as long thereafter as oil and gas, or either of them, is produced from the leased premises or drilling operations are continuously prosecuted. This option to extend may be exercised by tendering to Lessor, their heirs, successors or assigns at the last known address, a net sum of forty Five dollars per net mineral acre, ($45.00), on or before the expiration date of the primary term of this lease. Should this option be exercised as herein provided, it shall be considered for all purposes as though this lease originally provided for a primary term of six (6) years.

Executed this 29th day of January, 1998.

Daniel E. Chapel
Daniel E. Chapel, a single man

WELLBORE ASSIGNMENT AND BILL OF SALE

WHEREAS, **TBI Exploration, Inc.** (*"Assignor"*), whose mailing address is 555 17th Street, Suite 1800, Denver, Colorado 80202, is the present Operator and partial owner of the Heron State No. 10-16 and associated appurtenances located in the NW/4 of Section 16, Township 27 North, Range 111 West, Sublette County, Wyoming; and

WHEREAS, Donald D. Thayer, an Individual (*"Assignee"*), whose mailing address is P.O. Box 143, La Barge, Wyoming 83123, desires to acquire the Heron 10-16 well bore; and

NOW, THEREFORE, in consideration of the amount of the sum of TEN DOLLARS ($10) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Assignor does hereby transfer, assign, grant and convey, without warranties whatsoever, either express or implied unto the Assignee, all of Assignor's right, title and interest in and to the Heron State No. 10-16 wellbore and any associated fixtures and personal property appurtenant thereto that may be used in connection with the well.

This Wellbore Assignment and Bill of Sale is made on an **"AS, WHEREIS"** BASIS AND **"WITH ALL FAULTS"** AND Assignees releases Assignor from any liability with respect thereto whether or not caused by or attributable to Assignor's negligence. **FURTHER, THIS ASSIGNMENT AND BILL OF SALE IS MADE WITHOUT ANY WARRANTIES WHATSOEVER, WHETHER EXPRESS OR IMPLIED, WITH RESPECT TO ANY INTEREST HEREIN CONVEYED.** In addition to the foregoing, Assignor and Assignee expressly agree that **ASSIGNOR MAKES NO WARRANTIES OR REPRESENTATION, EXPRESS OR IMPLIED, WITH RESPECT TO: (1) TITLE (WHETHER REAL OR PERSONAL); (2) ORIGIN, QUANTITY, QUALITY, CONDITION, MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE OR SAFETY OF EQUIPMENT OR ANY OTHER PERSONAL PROPERTY CONVEYED THEREIN; (3) COMPLIANCE OF THE LANDS OR RELATED FIXTURES AND PERSONAL PROPERTY WITH GOVERNMENTAL REGULATION; AND (4) THE CONDITION OF THE SURROUNDING LANDS AND RELATED FIXTURES AND IMPROVEMENTS.**

IN ADDITION TO THE FOREGOING, ASSIGNEE WAIVES ITS RIGHT TO RECOVER FROM ASSIGNOR AND HEREBY ASSUMES AND AGREES TO FOREVER RELEASE, DISCHARGE, FULLY DEFEND, PROTECT, INDEMNIFY AND HOLD HARMLESS ASSIGNOR, ITS EMPLOYEES AND AGENTS FROM AND AGAINST EACH AND EVERY CLAIM, DEMAND, PENALTY, FINE, LIEN, JUDGMENT, ACTION, CAUSE OF ACTION OR LAWSUIT, AND ANY LIABILITY, COST, EXPENSE, DAMAGE OR LOSS, INCLUDING COURT COSTS AND ATTORNEY'S FEES, THAT MAY BE ASSERTED BY ANY THIRD PARTY, INLCUDING ASSIGNEE'S EMPLOYEES AND AGENTS, AND GOVERNMENT AGENCIES, WHETHER DIRECT OR INDIRECT, KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, THAT MAY ARISE ON ACCOUNT OF OR IN ANY WAY BE CONNECTED WITH THE PAST, PRESENT OR FUTURE PHYSICAL OR ENVIRONMENTAL CONDITION OF THE LANDS OR ANY FEDERAL, STATE, TRIBAL OR LOCAL LAW OR REGULATION APPICABLE THERETO.

Assignee also expressly understands that special procedures apply as to the proper operation, plugging and abandonment and restoration of the well and its associated lands; and Assignee assumes any and all liability, cost, expense, and damage associated with the proper plugging and abandonment of such in accordance with the rules and regulations of the proper governmental authorities and agencies, including, but not limited to, the Wyoming Oil and Gas Conservation Commission.

This Assignment and Bill of Sale shall be binding on the heirs, transferees and assigns of the Assignor and Assignee.

This Assignment and Bill of Sale shall be binding upon the heirs, transferees and assigns of the Assignor and Assignee.

This instrument is executed this 18th day of November, 1997, but shall be effective as of November 1, 1997.

266207

RECORDED March 13 1998 10:10AM
IN BOOK 107 Oil & Gas PAGE 115
FEES $ 8.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING
By Cathy Saxton

"Assignor"
TBI Exploration, Inc.

BY _____
Richard B. Porter, Attorney in Fact

"Assignee"

BY Donald D. Thayer
Donald D. Thayer

CORPORATION

STATE OF COLORADO)
)§
COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this 2nd ~~18th~~ **day of** February ~~November~~, 199~~7~~8, **by Richard B. Porter, Attorney-in-Fact of TBI Exploration, Inc., a Colorado corporation, on behalf of said corporation.**

WITNESS my hand and official seal.

My Commission expires:
12-6-99

Phyllis Malisheski

Phyllis Malisheski
Notary Public
555 Seventeenth Street, Suite 1850
Denver, CO 80202-3918

INDIVIDUAL

STATE OF Wyoming)
)§
COUNTY OF Lincoln)

The foregoing instrument was acknowledged before me this 23rd **day of** January, **19**97 **by** Lowell B. Thayer.

WITNESS my hand and official seal.

My Commission expires:
8-7-98

Brenda Jacobsen

Notary Public

[redacted] [redacted] [redacted]

WY-1141

Form 3000-3
(January 1996)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0034
Expires: September 30, 1998

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.
WYW-141712

Lease Effective Date
(Anniversary Date)
May 1, 1997

New Serial No.

Type or print plainly in ink and sign in ink.

PART A: ASSIGNMENT

1. Assignee*
Street
City, State, ZIP Code

Ultra Resources, Inc.
304 Inverness Way South, Suite 295
Englewood, CO 80112

*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
Township 37 North, Range 110 West, 6th P.M. Section 14: NW4NW4 Section 15: N2, N2SW4, SW4SW4 Containing 480 acres, more or less Sublette County, Wyoming	100%	100%	-0-	-0-	-0-

266356

RECORDED March 24 1998 9:00 AM
IN BOOK 107 OR 6 & 7 PAGE 117
FEES $8.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING
By Cathy Sacton

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)

117

117A

ACKNOWLEDGMENT (CORPORATE)

STATE OF COLORADO)
) SS.
COUNTY OF DENVER)

On this 14th day of January, 19 98, before me personally Louis A. Oswald, III, to me personally known, who, being by me duly sworn, did say that he is the President of High Plains Associates, Inc. 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 Louis A. Oswald, III acknowledged said instrument to be the free act and deed of said corporation.

Witness my hand and seal this ____ day of _____, 19 __.

My Commission Expires: 2/11/2001

Notary Public

LYNN A. McBRIDE
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expires Feb. 11, 2001

1. The Assignor certifies as owner of an interest in the above designated lease that he/she hereby assigns to the above assignee(s) the rights specified above.

2. Assignee certifies as follows: (a) Assignee 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 assignment of NPR-A leases, assignee is a citizen, national, or resident alien of the United States or 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 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; (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 (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 14th day of January, 19 98

Name of Assignor as shown on current lease: High Plains Associates, Inc.
Please type or print

Assignor: Louis A. Oswald, III (Signature)
By: Louis A. Oswald, III President
Lynn M. Baalman (Signature) Secretary
1567 Ogden Street #300 (Assignor's Address)
Denver, Colorado 80218
(City) (State) (Zip Code)

Executed this 14th day of January, 19 98

Assignee: Ultra Resources, Inc.
or (Signature)
Attorney-in-fact
R. G. ALBERTUS
ULTRA RESOURCES INC
304 INVERNESS WAY SO.
ENGLEWOOD CO 80112

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, Bureau Clearance Officer (DW-110), Denver Federal Center, Building 40, P.O. Box 25047, Denver, CO 80225-0047 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.

WY-1047

Form 3000-3
(January 1996)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0034
Expires: September 30, 1998

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.
WYW-139396

Lease Effective Date
(Anniversary Date)
July 1, 1996

New Serial No.

Type or print plainly in ink and sign in ink.

PART A: ASSIGNMENT

1. Assignee*
Street
City, State, ZIP Code

Ultra Resources, Inc.
304 Inverness Way South, Suite 295
Englewood, CO 80112

*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
Township 32 North, Range 108 West, 6th P.M. Section 30: E2 Section 31: NE4, N/2SE4 Containing 560 acres, more or less Sublette County, Wyoming	100%	100%	-0-	-0-	4%

266357

RECORDED March 24, 1998 9:00A M
IN BOOK 107 Oil & Gas PAGE 118
FEES $8.00 Mary L. Lyon COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING
By Cathy Lester

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)

ACKNOWLEDGMENT (CORPORATE)

STATE OF COLORADO)
) SS.
COUNTY OF DENVER)

On this 14th day of January, 19 98, before me personally Louis A. Oswald, III, to me personally known, who, being by me duly sworn, did say that he is the President of High Plains Associates, Inc. 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 Louis A. Oswald, III acknowledged said instrument to be the free act and deed of said corporation.

Witness my hand and seal this ____ day of _____, 19 ___.

My Commission Expires: 2/11/2001

Lynn A McBride
Notary Public

LYNN A. McBRIDE
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expires Feb. 11, 2001

...NOTICE AND REQUEST FOR APPROVAL

1. The Assignor certifies as owner of an interest in the above designated lease that he/she hereby assigns to the above assignee(s) the rights specified above.

2. Assignee certifies as follows: (a) Assignee 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 assignment of NPR-A leases, assignee is a citizen, national, or resident alien of the United States or 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 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; (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 (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 14th day of January, 19 98

Name of Assignor as shown on current lease: High Plains Associates, Inc.
(Please type or print)

Assignor
or
Louis A. Oswald, III
Attorney-in-fact

L. Oswald III
(Signature)

President

Lynne M. Beallman
(Signature)

Secretary

1557 Ogden Street #300
(Assignor's Address)

Denver, Colorado 80218
(City) (State) (Zip Code)

Executed this 14th day of January, 19 98

Assignee
or
Attorney-in-fact

Ultra Resources, Inc.

(Signature)

R. G. ALBERTUS
(Signature)

ULTRA RESOURCES INC
304 INVERNESS WAY SO.
ENGLEWOOD CO 80112

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, Bureau Clearance Officer (DW-110), Denver Federal Center, Building 40, P.O. Box 25047, Denver, CO 80225-0047 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.

[redacted] [redacted] [redacted]

Effective 11-86
Form ML-2
(Revised 4-96)
Filing Fee - $25.00 - Non-Refundable

STATE OF WYOMING
BOARD OF LAND COMMISSIONERS
OIL & GAS LEASE INTEREST ASSIGNMENT

Return To -
State Land & Farm Loan Office
122 West 25th Street
Herschler Building, 3 West
Cheyenne, WY 82002-0600

Wyoming Oil & Gas Lease Serial Number 93-00415 **Assignment Approval Date -**

ASSIGNOR, with name and address at, Chevron U.S.A. Production Company, a division of Chevron U.S.A. Inc.
1301 McKinney, Houston, Texas 77010

being the owner of 100% percent Leasehold
(Type Interest: Leasehold/Operating Rights/Overriding Royalty)
interest in this lease, described in particular if less than the total leasehold as: T32N-R112W-Section 36: All; and covering 640 acres, more or less, Sublette County, Wyoming, limited in depth from the base of the Fort Union Formation and below. The Fort Union Formation being defined as 300 feet below the stratigraphic equivalent of the formation characteristics identified at the depth of 6,870' on the logs of the Chevron Billy #33-16 well located in the NE/4 SE/4 of Section 16-31N-111W, Sublette County, Wyoming.
For good and valuable consideration, hereby assigns to: **********

1) ASSIGNEE, with name and address at: Ultra Resources, Inc.
304 Inverness Way South, Suite 295
Englewood, Colorado 80112

)) 100 percent interest in the total leasehold, or as described in particular above.)
))

2) ASSIGNEE, with name and address at:

266358

RECORDED March 24, 1989 9:00 AM
IN BOOK 107 OR 6 PAGE 120
FEES $8.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING
By Cathy Sutton

percent interest in the total leasehold, or as described in particular above.

3) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

id reserving unto ASSIGNOR, an overriding royalty of 0.5% of 8/8ths (conveying an 81% NRI).

his assignment is subject to any existing overriding royalties previously reserved. Reservations of overriding interests must be approved by the irector, and any such approval is subject to the condition that overriding royalties may be cancelled by the Board of Land Commissioners if it finds at such overriding royalties create a burden on the lease which prevents or unreasonably interferes with its development.

SIGNOR certifies by signature on reverse, that ASSIGNOR is the owner of the interest above herein transferred, and ASSIGNEE(S) certify(ies) by ming on the reverse that this assignment constitutes a binding acceptance of all the terms, conditions, stipulations, restrictions and statutes governing lease described above, and of the Rules of the Board, at Chapter 6, Leasing of Subsurface Resources.

is form may be duplicated.
pace is needed for additional assignors or assignees submit copies of this form only.

Page _____ of _____ of Lease # _____ assignment dated _____

120

SIGNED AS TO TRANSFER AND ACCEPTANCE this 12th day of December 19 97.

ASSIGNOR - Chevron U.S.A. Production Company, a division of Chevron U.S.A. Inc.	Assignee (1) -
By - D. T. Berlin	By -
Title - D. T. Berlin Attorney-in-Fact	Title - R. G. ALBERTUS ULTRA RESOURCES INC
Attest - Catherine Davis	Attest - 304 INVERNESS WAY SO. ENGLEWOOD CO 80112

STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on December 12, 1997, by D. T. Berlin, as Attorney-in-Fact for Chevron U. S. A. Production Company, a division of Chevron U. S. A. Inc., on behalf of said corporation.

Given under my hand and official seal this 12 day of December, 1997 A.D.

LARRY G. STONE
Notary Public, State of Texas
My Commission Expires
NOVEMBER 17 1999

Larry G. Stone
Notary Public, State of Texas

Note: Assignments are not valid until approved by the Director, State Land and Farm Loan Office as per State Oil & Gas Lease Terms, and approval is solely for administrative purposes and should not be interpreted as warranty that any party to this assignment holds legal or equitable interest in this lease. Assignments which do not meet the requirements listed below and those in the Lease and Rules will be returned unapproved.

1) This form must be completed and submitted for any assignment of State Oil & Gas Lease leasehold interest, undivided or divided as to separate tracts, formations, zones or deposits, and for overriding royalty interest.

2) Assignments of less than a 100% leasehold interest, do not relieve the assignor of the obligations as a lessee under the terms of the lease regarding the interest conveyed unless the State first has in hand, a written agreement to be bound as lessee for all obligations under the lease for the assigned portion from the assignee. This requirement should not be construed in any way as a release or recision of the obligations of any surety bonding parties under the requirements of the State oil and gas lease, Board Rules or this assignment. (All lessees are ultimately responsible for the performance under the lease, and default subjects the entire lease to forfeiture not just the interest related to any performance obligation considered to be in default.)

3) A signed original and one copy of each assignment must be filed with the Wyoming State Land and Farm Loan Office.

4) Each assignment, if approved, is recognized by the State as effective as of the date of approval by the Director. Adequate bond must be furnished covering any and all productive zones prior to approval of any assignment of interest in an operating State oil and gas lease, whether wellbores exist on the leased lands or not, and in no case can drilling operations, including to prospectively productive zones under operating leases, begin without a bond first being in place.

5) If there is more than one party in interest to this assignment, then all such parties in interest must sign the document before assignment approval will be given.

6) The appropriate legal description of the conveyed lands interests must be given.

7) Assignments creating a separate (reissue) lease subject to the rules and regulations governing all State of Wyoming Oil & Gas Lease do not change the terms and conditions of the original lease, the lease anniversary date, nor the obligations and anniversary date of the lease created therefrom being considered as if it had been issued on the effective date of the original lease. (See Board Rules, Chapter 6, Section A.)

8) Corporations, limited liability companies, and limited partnerships must be qualified with the Wyoming Secretary of State's Office, and general partnership papers are required to be filed with the State Land and Farm Loan Office prior to, and as a condition of Board approval of any assignment.

9) Assignments will not be considered for approval where assignor or any assignee currently has a delinquent (late) royalty or rental payment obligation(s) for any State subsurface resource lease.

[redacted] [redacted] WY-13[redacted]

Effective 11-86
Form ML-2
(Revised 4-96)
Filing Fee - $25.00 - Non-Refundable

STATE OF WYOMING
BOARD OF LAND COMMISSIONERS
OIL & GAS LEASE INTEREST ASSIGNMENT

Return To -
State Land & Farm Loan Office
122 West 25th Street
Herschler Building, 3 West
Cheyenne, WY 82002-0600

Wyoming Oil & Gas Lease Serial Number 94-00163 **Assignment Approval Date -**

ASSIGNOR, with name and address at, Chevron U.S.A. Production Company, a division of Chevron U.S.A.Inc.
1301 McKinney Street, Houston, Texas 77010

being the owner of 100 **percent** Leasehold
(Type Interest: Leasehold/Operating Rights/Overriding Royalty)

interest in this lease, described in particular if less than the total leasehold as: T32N-R112W-Section 16: All; and covering 640 acres, more or less, Sublette County, Wyoming, limited in depth from the base of the Fort Union Formation and below. The Fort Union Formation being defined as 300 feet below the stratigraphic equivalent of the formation characteristics identified at the depth of 6,870' on the logs of the Chevron Billy #33-16 well located in the NE/4 SE/4 of Section 16-31N-111W, Sublette County, Wyoming.

For good and valuable consideration, hereby assigns to: **********

1) **ASSIGNEE, with name and address at:** Ultra Resources, Inc.
304 Inverness Way South, Suite 295
Englewood, Colorado 80112

100 **percent interest in the total leasehold, or as described in particular above.**

2) **ASSIGNEE, with name and address at:**

percent interest in the total leasehold, or as described in particular above.

3) **ASSIGNEE, with name and address at:**

266359

RECORDED March 24, 1989 9:00a M
IN BOOK 107 Misc PAGE 122
FEES $8.00 [signature] COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING
By Cathy Saxton

percent interest in the total leasehold, or as described in particular above.

4) **ASSIGNEE, with name and address at:**

percent interest in the total leasehold, or as described in particular above.

5) **ASSIGNEE, with name and address at:**

percent interest in the total leasehold, or as described in particular above.

and reserving unto ASSIGNOR, an overriding royalty of 2.333% of 8/8ths (conveys an 81% NRI).

This assignment is subject to any existing overriding royalties previously reserved. Reservations of overriding interests must be approved by the Director, and any such approval is subject to the condition that overriding royalties may be cancelled by the Board of Land Commissioners if it finds that such overriding royalties create a burden on the lease which prevents or unreasonably interferes with its development.

ASSIGNOR certifies by signature on reverse, that ASSIGNOR is the owner of the interest above herein transferred, and ASSIGNEE(S) certify(ies) by signing on the reverse that this assignment constitutes a binding acceptance of all the terms, conditions, stipulations, restrictions and statutes governing the lease described above, and of the Rules of the Board, at Chapter 6, Leasing of Subsurface Resources.

This form may be duplicated.
If space is needed for additional assignors or assignees submit copies of this form only.

Page _____ of _____ of Lease # _____ assignment dated _____

SIGNED AS TO TRANSFER AND ACCEPTANCE this 12th day of December 1997.

ASSIGNOR - Chevron U.S.A. Production Company a division of Chevron U.S.A. Inc.	Assignee (1) -
By - D. T. Berlin	By - R. G. Albertus
Title - D. T. Berlin Attorney-in-Fact	Title - R. G. ALBERTUS ULTRA RESOURCES INC
Attest - Catherine Carter	Attest - 304 INVERNESS WAY SO. ENGLEWOOD CO 80112

STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on December 12, 1997, by D. T. Berlin, as Attorney-in-Fact for Chevron U. S. A. Production Company, a division of Chevron U. S. A. Inc., on behalf of said corporation.

Given under my hand and official seal this 12 day of December, 1997 A.D.

LARRY G. STONE
Notary Public, State of Texas
My Commission Expires
NOVEMBER 17 1999

Larry G. Stone
Notary Public, State of Texas

Note: Assignments are not valid until approved by the Director, State Land and Farm Loan Office as per State Oil & Gas Lease Terms, and approval is solely for administrative purposes and should not be interpreted as warranty that any party to this assignment holds legal or equitable interest in this lease. Assignments which do not meet the requirements listed below and those in the Lease and Rules will be returned unapproved.

1) This form must be completed and submitted for any assignment of State Oil & Gas Lease leasehold interest, undivided or divided as to separate tracts, formations, zones or deposits, and for overriding royalty interest.

2) Assignments of less than a 100% leasehold interest, do not relieve the assignor of the obligations as a lessee under the terms of the lease regarding the interest conveyed unless the State first has in hand, a written agreement to be bound as lessee for all obligations under the lease for the assigned portion from the assignee. This requirement should not be construed in any way as a release or recision of the obligations of any surety bonding parties under the requirements of the State oil and gas lease, Board Rules or this assignment. (All lessees are ultimately responsible for the performance under the lease, and default subjects the entire lease to forfeiture not just the interest related to any performance obligation considered to be in default.)

3) A signed original and one copy of each assignment must be filed with the Wyoming State Land and Farm Loan Office.

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7) Assignments creating a separate (reissue) lease subject to the rules and regulations governing all State of Wyoming Oil & Gas Lease do not change the terms and conditions of the original lease, the lease anniversary date, nor the obligations and anniversary date of the lease created therefrom being considered as if it had been issued on the effective date of the original lease. (See Board Rules, Chapter 6, Section A.)

8) Corporations, limited liability companies, and limited partnerships must be qualified with the Wyoming Secretary of State's Office, and general partnership papers are required to be filed with the State Land and Farm Loan Office prior to, and as a condition of Board approval of any assignment.

9) Assignments will not be considered for approval where assignor or any assignee currently has a delinquent (late) royalty or rental payment obligation(s) for any State subsurface resource lease.

[redacted] [redacted] [redacted]24

Effective 11-86
Form ML-2
(Revised 4-96)
Filing Fee - $25.00 - Non-Refundable

STATE OF WYOMING
BOARD OF LAND COMMISSIONERS
OIL & GAS LEASE INTEREST ASSIGNMENT

Return To -
State Land & Farm Loan Office
122 West 25th Street
Herschler Building, 3 West
Cheyenne, WY 82002-0600

Wyoming Oil & Gas Lease Serial Number 97-00188 Assignment Approval Date - _____

ASSIGNOR, with name and address at,

High Plains Associates, Inc.
1557 Ogden Street, Suite 300
Denver, CO 80218

being the owner of 100% percent Leasehold Interest
(Type Interest: Leasehold/Operating Right/Overriding Royalty)
interest in this lease, described in particular if less than the total leasehold as:

Township 31 North, Range 109 West, 6th P.M.
Section 16: Lots 1 thru 6; W2NE4, W2, NW4SE4
Containing 611.77 acres, more or less
Sublette County, Wyoming

For good and valuable consideration, hereby assigns to: ••••••

SIGNED AS TO TRANSFER AND ACCEPTANCE this 14th day of January 19 98.

ASSIGNOR - High Plains Associates, Inc.	Assignee (1) - Ultra Resources, Inc.
By - Louis A. Oswald, III	By -
Title - President	Title - R. G. ALBERTUS
Attest - Lynne M. Baalman, Secretary	Attest - ULTRA RESOURCES INC 304 INVERNESS WAY SO. ENGLEWOOD CO 80112
Assignee (2) -	Assignee (3) -
By -	By -
Title -	Title -
Attest -	Attest -
Assignee (4) -	Assignee (5) -
By -	By -
Title -	Title -
Attest -	Attest -

ACKNOWLEDGMENT (CORPORATE)

STATE OF COLORADO)
) SS.
COUNTY OF DENVER)

On this 14th day of January, 19 98, before me personally Louis A. Oswald, III, to me personally known, who, being by me duly sworn, did say that he is the President of High Plains Associates, Inc. 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 Louis A. Oswald, III acknowledged said instrument to be the free act and deed of said corporation.

Witness my hand and seal this 14th day of January, 19 98.

My Commission Expires: 2/11/2001

Lynn A. McBride
Notary Public

LYNN A. McBRIDE
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expires Feb. 11, 2001

9) Assignments will not be considered for approval where assignor or any assignee currently has a delinquent (late) royalty or rental payment obligation(s) for any State subsurface resource lease.

Effective 11-86
Form ML-2
(Revised 4-96)
Filing Fee - $25.00 - Non-Refundable

STATE OF WYOMING
BOARD OF LAND COMMISSIONERS
OIL & GAS LEASE INTEREST ASSIGNMENT

Return To:
State Land & Farm Loan Office
122 West 25th Street
Herschler Building, 3 West
Cheyenne, WY 82002-0600

Wyoming Oil & Gas Lease Serial Number 97-00187 Assignment Approval Date:

ASSIGNOR, with name and address at,

High Plains Associates, Inc.
1557 Ogden Street, Suite 300
Denver, CO 80218

being the owner of 100% percent Leasehold Interest
(Type: Record Title/Operating Rights/Overriding Royalty)
interest in this lease, described in particular if less than the total leasehold as:

Township 31 North, Range 108 West, 6th P.M.
Section 16: All
Containing 640 acres, more or less
Sublette County, Wyoming

For good and valuable consideration, hereby assigns to:

1) ASSIGNEE, with name and address at:

Ultra Resources, Inc.
304 Inverness Way South, Suite 295
Englewood, CO 80112

100% percent interest in the total leasehold, or as described in particular above.

2) ASSIGNEE, with name and address at:

266361

RECORDED March 24 1998 9:00 AM
IN BOOK 107 MISC PAGE 126
FEES $8.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING
By Cathy Saxton

percent interest in the total leasehold, or as described in particular above.

3) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

4) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

5) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

and reserving unto ASSIGNOR, _____

This assignment is subject to any existing overriding royalties previously reserved. Reservations of overriding interests must be approved by the Director, and any such approval is subject to the condition that overriding royalties may be cancelled by the Board of Land Commissioners if it finds that such overriding royalties create a burden on the lease which prevents or unreasonably interferes with its development.

ASSIGNOR certifies by signature on reverse, that ASSIGNOR is the owner of the interest above herein transferred, and ASSIGNEE(S) certify(ies) by signing on the reverse that this assignment constitutes a binding acceptance of all the terms, conditions, stipulations, restrictions and statutes governing the lease described above, and of the Rules of the Board, at Chapter 6, Leasing of Subsurface Resources.

This form may be duplicated.
If space is needed for additional assignors or assignees submit copies of this form only.

Page 1 *of* 2 *of Lease #* 97-00187 *assignment dated* _____

SIGNED AS TO TRANSFER AND ACCEPTANCE this 14th day of January 19 98.

ASSIGNOR - High Plains Associates, Inc.	Assignee (1) - Ultra Resources, Inc.
By - Louis A. Oswald, III	By -
Title - President	Title - R. G. ALBERTUS
Attest - Secretary	Attest - ULTRA RESOURCES INC 304 INVERNESS WAY SO. ENGLEWOOD CO 80112
Assignee (2) -	Assignee (3) -
By -	By -
Title -	Title -
Attest -	Attest -
Assignee (4) -	Assignee (5) -
By -	By -
Title -	Title -
Attest -	Attest -

ACKNOWLEDGMENT (CORPORATE)

STATE OF COLORADO)
) SS.
COUNTY OF DENVER)

On this 14th day of January, 19 98, before me personally Louis A. Oswald, III, to me personally known, who, being by me duly sworn, did say that he is the President of High Plains Associates, Inc. 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 Louis A. Oswald, III acknowledged said instrument to be the free act and deed of said corporation.

Witness my hand and seal this 14th day of January, 19 98.

My Commission Expires: 2/11/2001

Lynn A. McBride
Notary Public

LYNN A. McBRIDE
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expires Feb. 11, 2001

8) Corporations, limited liability companies, and limited partnerships must be qualified with the Wyoming Secretary of State's Office, and general partnership papers are required to be filed with the State Land and Farm Loan Office prior to, and as a condition of Board approval of any assignment.

9) Assignments will not be considered for approval where assignor or any assignee currently has a delinquent (late) royalty or rental payment obligation(s) for any State subsurface resource lease.

Producers 88
Rocky Mountain 1998
(Paid-Up Rev. 1996)

PA[redacted]UP March 24

OIL AND GAS LEASE

RECORDED March [redacted] 1998 10:10 A M
IN BOOK 107 O+G PAGE 128
FEES $ 10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING

266367

THIS AGREEMENT, made and entered into this 26th day of February By Cathy Zeeck 19 98 by and between

Mary Nell (Hannon) McGinnis, a single woman

of PO Box 1341, Sequim, WA 98382, hereinafter called lessor (whether one or more), and

Hanson & Strahn, Inc., of PO Box 3020, Cheyenne, WY 82003, 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; SW1/4SW1/4
Section 14: W1/2NW1/4
Section 15: N1/2N1/2

See 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.

For the purpose of calculating payments provided for herein, it shall be deemed that the lands covered by this lease contain 280.00 acres, whether there actually be more or less.

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, a well completed for the production of coalbed methane gas shall be deemed to be producing gas under this lease at all times when dewatering of the coal seams from which the coalbed methane gas will be produced is occurring. 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; drilling operations shall be deemed to be commenced 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 drilling operations shall be deemed to be commenced 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) 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) of the gas sold or used, provided that on gas sold the royalty shall be one-eighth (1/8) 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. This is a paid-up lease and all cash consideration first recited above and annual rentals have been paid to lessor in advance to keep this lease in full force and effect throughout the primary term. In consideration of the payment of such cash consideration and advance annual rentals, 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 the land described above, and as to any strata or stratum, by delivering to lessor or by filing of record a release or releases, and be relieved of all obligations thereafter accruing to the acreage surrendered.

4. Any payments required to be made to lessors pursuant to this lease, other than the payment of royalties, may be paid by lessee to the 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 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. All such payments may be made by cash, check or draft, mailed or delivered on or before the due date for that payment. Any payments so made shall be binding on the heirs, devisees, executors, administrators, and personal representatives of lessor and on lessor's successors in interest or on lessor's assigns.

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 continuously 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, an amount equal to $1.00 per year per net mineral acre covered by the lease. Such payments shall be made on or before the shut-in royalty payment date, as defined below, next occurring 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 anniversary date of this lease. Any shut-in royalty payment may be made by cash, draft or check, mailed or tendered on or before the shut-in royalty date. Lessee's failure to pay or tender, or properly 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 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. 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 which traverse cultivated lands 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 heretofore 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 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 covenants or conditions of this lease, either express or implied. No change in ownership of the land, royalties, or other payments, 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 royalties or other payments 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.

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 leased premises, and no royalties shall be payable hereunder upon any gas used for repressuring and recycling operations benefitting 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 through lessor's bank of record for payment.

15. In the event lessor considers that lessee has not complied with all its obligations hereunder, either express or implied, lessor shall notify lessee in writing, setting out specifically in what respects lessee has breached this lease. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by lessor. The service of said notice shall be precedent to the bringing of any action by lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on lessee. Neither the service of said notice nor the doing of any acts by lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that lessee has failed to perform all its obligations hereunder. 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, wars, 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.

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 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.

Mary Nell (Hannon) McGinnis

Mary Nell (Hannon) McGinnis
SS# 351-12-4188

STATE OF WASHINGTON
COUNTY OF CLALLAM } ss.

INDIVIDUAL

On this _____ day of _____, 19 98, before me personally appeared
Mary Nell (Hannon) McGinnis, a single woman

to me known to be the person _____ described in, and who executed the foregoing instrument, and who acknowledged to me that _____ he/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 11th day of March, 19 98.

My commission expires: 8-9-99

Lonnie Forshaw
Notary Public for the State of WASHINGTON residing at SEQUIM WA

LONNIE FORSHAW NOTARY PUBLIC STATE OF WASHINGTON Commission Expires

STATE OF _____
COUNTY OF _____

CORPORATE

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 _____ 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]

[redacted] [redacted] [redacted]

EXTENSION OF LEASE TERM

Attached to and made a part of that certain Oil and Gas Lease dated February 26, 1998, by and between Mary Nell (Hannon) McGinnis, a single woman, as Lessor, and Hanson & Strahn, Inc., as Lessee.

In the event this lease is not continued beyond its primary term by the provisions herein contained, Lessee, its successors or assigns, has the option, but not the obligation, to extend this lease for an additional term of three (3) years from the 26th day of February, 2003, and as long thereafter as oil and gas or either of them is produced from said lands covered by this lease. Said extension to be under the terms and conditions as contained in this lease. This option to extend may be exercised by tendering to Lessor, their heirs, successors or assigns at the last known address, the sum of forty-five dollars and 00/100 ($45.00) dollars per net mineral acre, on or before the expiration date of the first primary term of this lease.

Notwithstanding anything herein contained, wherever the fractional interest one-eighth (1/8th) royalty appears, it shall by this reference be amended to read fifteen percent (15.00%) royalty.

Signed for Identification:

Mary Nell (Hannon) McGinnis

Mary Nell (Hannon) McGinnis

ASSIGNMENT OF OIL AND GAS LEASE

STATE OF WYOMING

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF SUBLETTE

THAT THE UNDERSIGNED, HANSON & STRAHN, INC., whose address is P.O. Box 3020, Cheyenne, Wyoming 82003-3020, hereinafter called "Assignor", for and in consideration of One Dollar ($1.00), the receipt whereof is hereby acknowledged, does hereby sell, assign, transfer and set over to ENRON OIL & GAS COMPANY, P.O. Box 4362, Houston, Texas 77210-4362, hereinafter called "Assignee", all of Assignor's right, title and interest in and to the oil and gas lease dated February 26, 1998, from Mary Nell (Hannon) McGinnis, a single woman, lessor, to Hanson & Strahn, Inc., lessee, recorded in Book 107016, Page 128 insofar as said lease covers the following described land in Sublette County, State of Wyoming:

Township 28 North, Range 112 West, 6th P.M.
Section 11: SW1/4SW1/4
Section 14: W1/2NW1/4
Section 15: N1/2N1/2

and containing 280.00 acres, more or less. This Assignment is made without warranty of title except by, through and under Assignor.

TO HAVE AND HOLD unto the said Assignee, its successors, legal representatives and assigns forever.

EXECUTED and effective this 20th day of March, 1998.

Hanson & Strahn, Inc.

Marc Randal Strahn
President

(NO ATTEST REQUIRED)

ACKNOWLEDGMENT

STATE OF WYOMING)
)
COUNTY OF LARAMIE)

266368

RECORDED March 24, 1998 10:10 A.M.
IN BOOK 107016 PAGE 131
FEES $ 6.00
SUBLETTE COUNTY, PINEDALE, WYOMING
COUNTY CLERK
By Cathy Sutton

On this 20th day of March, A.D. 1998, before me personally appeared MARC RANDAL STRAHN, President of Hanson & Strahn, Inc., to me personally known, who, being by me duly sworn, did say that he is the President of Hanson & Strahn, Inc. and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and said President acknowledged said instrument to be the free act and deed of said corporation.

Witness my hand and seal this 20th day of March, A.D. 1998.

PEGGY J. LOPEZ - NOTARY PUBLIC
COUNTY OF LARAMIE STATE OF WYOMING
MY COMMISSION EXPIRES MAR. 19, 1999

Peggy J Lopez
Notary Public

My Commission Expires: _____

Address: Cheyenne, Wyoming

Producers 88
Rocky Mountain 1988 [redacted]
(Paid-Up Rev. 1996) [redacted]

PAID UP OIL AND GAS LEASE

March 24, 10:10A

RECORDED March 24, 1998 M
IN BOOK 107 OR [redacted] PAGE 132
FEES $ 10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING

266369

By Cathy Soder

THIS AGREEMENT, made and entered into this 12th day of January 19 98 by and between

Donald M. Hopkins and Doris M. Hopkins, individually and as husband and wife, and as heirs of the Estate of George W. Hopkins, Jr., also known as George Washington Hopkins, Jr., deceased

of 521 Persons Road, Cheyenne, WY 82007, hereinafter called lessor (whether one or more), and

Hanson & Strahn, Inc., P.O. Box 3020, Cheyenne, WY 82003, 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" 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.

For the purpose of calculating payments provided for herein, it shall be deemed that the lands covered by this lease contain 160.00 acres, whether there actually be more or less.

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, a well completed for the production of coalbed methane gas shall be deemed to be producing gas under this lease at all times when dewatering of the coal seams from which the coalbed methane gas will be produced is occurring. 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; drilling operations shall be deemed to be commenced 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 drilling operations shall be deemed to be commenced 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) 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) of the gas sold or used, provided that on gas sold the royalty shall be one-eighth (1/8) 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. This is a paid-up lease and all cash consideration first recited above and annual rentals have been paid to lessor in advance to keep this lease in full force and effect throughout the primary term. In consideration of the payment of such cash consideration and advance annual rentals, 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 the land described above, and as to any strata or stratum, by delivering to lessor or by filing of record a release or releases, and be relieved of all obligations thereafter accruing to the acreage surrendered.

4. Any payments required to be made to lessors pursuant to this lease, other than the payment of royalties, may be paid by lessee to the lessor or to lessor's credit in the Western Bank, at P.O. Box 127, Cheyenne, WY 82003 (or its successor or successors, or any bank with which it may be merged or consolidated, or which succeeds to its business 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. All such payments may be made by cash, check or draft, mailed or delivered on or before the due date for that payment. Any payments so made shall be binding on the heirs, devisees, executors, administrators, and personal representatives of lessor and on lessor's successors in interest or on lessor's assigns.

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 continuously 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, an amount equal to $1.00 per year per net mineral acre covered by the lease. Such payments shall be made on or before the shut-in royalty payment date, as defined below, next occurring 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 anniversary date of this lease. Any shut-in royalty payment may be made by cash, draft or check, mailed or tendered on or before the shut-in royalty date. Lessee's failure to pay or tender, or properly 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 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. 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 which traverse cultivated lands 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 heretofore 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 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 covenants or conditions of this lease, either express or implied. No change in ownership of the land, royalties, or other payments, 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 royalties or other payments 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.

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 leased premises, and no royalties shall be payable hereunder upon any gas used for repressuring and recycling operations benefitting 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 through lessor's bank of record for payment.

15. In the event lessor considers that lessee has not complied with all its obligations hereunder, either express or implied, lessor shall notify lessee in writing, setting out specifically in what respects lessee has breached this lease. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by lessor. The service of said notice shall be precedent to the bringing of any action by lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on lessee. Neither the service of said notice nor the doing of any acts by lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that lessee has failed to perform all its obligations hereunder. 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, wars, 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.

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 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 Donald M. Hopkins
Donald M. Hopkins

x Doris M. Hopkins
Doris M. Hopkins

STATE OF Wyoming
COUNTY OF Laramie } ss.

INDIVIDUAL

On this 12TH day of MARCH, 19 98, before me personally appeared Donald M. Hopkins and Doris M. Hopkins, individually and as husband and wife, and as heirs of the Estate of George W. Hopkins, Jr., also known as George Washington Hopkins, Jr., deceased
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 MARCH, 1998.

My commission expires:
AUGUST 22, 2000

GRACE N. BROWN - NOTARY PUBLIC
COUNTY OF LARAMIE STATE OF WYOMING
My Commission Expires August 22, 2000

Grace N. Brown
Notary Public for the State of WYOMING
residing at 1525 E PERSHING BLVD, CHEYENNE, WY 82001

STATE OF _____
COUNTY OF _____ } ss.

CORPORATE

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 _____ 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]

EXHIBIT "A"

Attached to and made a part of that certain Paid Up Oil and Gas Lease dated January 12, 1998, by and between Donald M. Hopkins and Doris M. Hopkins, individually and as husband and wife, and as heirs of the Estate of George W. Hopkins, Jr., also known as George Washington Hopkins, Jr., deceased, Lessor, and Hanson & Strahn, Inc., Lessee.

Township 32 North, Range 114 West, 6th P.M.
Section 14: W1/2NE1/4, SE1/4NE1/4, SE1/4NW1/4
Containing 160.00 acres

In the event this lease is not continued beyond its primary term by the provisions herein contained, Lessee, its successors or assigns, has the option, but not the obligation, to extend this lease for an additional term of three (3) years from the 12th day of January, 2003, and as long thereafter as oil and gas or either of them is produced from said lands covered by this lease. Said extension to be under the terms and conditions as contained in this lease. This option to extend may be exercised by tendering to Lessor, its heirs, successors or assigns at the last known address, the sum of twenty-five and 00/100 ($25.00) dollars per net mineral acre covered by this lease, on or before the expiration date of the first primary term of this lease.

Signed for Identification:

x Donald M. Hopkins
Donald M. Hopkins

x Doris M. Hopkins
Doris M. Hopkins

135

Producers 88—TK
Montana 1975—ST
Rev 3-88 & 1-90

OIL AND GAS LEASE

Billings Blue Print
Billings, Montana

THIS AGREEMENT is made and entered into as of November 12, 19 97, by and between Gordon M. Mickelson, aka Gordon Mickelson and Margaret G. Mickelson, aka Margaret Mickelson, husband and wife
P.O. Box 189
Big Piney, Wyoming 83113

266370

RECORDED March 24, 1998 M 10:10A
IN BOOK 107016 PAGE 135
FEES $ 10.00 M. COOK COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Kyten

hereinafter called Lessor, and Loma Energy Corp.
P. O. Box 21395, Billings, Mt. 59104
hereinafter called Lessee.

1. Lessor, for and in consideration of Ten and More Dollars, the receipt of which is hereby acknowledged, and covenants and agreements herein contained, does grant, demise, lease and let exclusively unto Lessee, for the purpose and with exclusive right of exploring by geophysical and other methods, drilling and operating for and producing therefrom, oil, liquid hydrocarbons, all gases and their respective constituent products, with rights of way and easements for laying pipe lines, power lines, building tanks, power stations, ponds, roadways and structures thereon for producing, saving, treating and caring for such products and any and all other rights and privileges necessary or incident thereto, all that certain land and lands riparian thereto situated in the County of Sublette, State of Wyoming, described as follows (herein called "said land"):

Township 33 North, Range 113 West, 6th P.M.
Section 5: SW¼, W½SE¼
Section 6: Lot 6,7, E½SW¼, SE¼
Section 7: Lot 1, NE¼, E½NW¼, NE¼SW¼, N½SE¼
Section 8: W½NE¼, SE¼NE¼, NW¼, N½S½, SE¼SE¼
Section 9: SW¼NW¼, N½SW¼
Section 15: W½W½
Section 17: E½NE¼

Township 33 North, Range 114 West, 6th P.M.
Section 1: SW¼NW¼, SE¼SW¼, SW¼SE¼, E½SE¼
Section 12: E½NE¼, SW¼NE¼, N½NW¼, SW¼NW¼

Township 34 North, Range 114 West, 6th P.M.
Section 26: W½SW¼

See "ADDENDUM" attached hereto and made a part hereof.

For the purpose of determining the amount of any money payment hereunder, said land shall be considered to comprise 2,313.87 acres.

2. Subject to the other provisions herein contained, this lease shall be for a term of 5 years from this date (herein called "primary term") and as long thereafter as oil or gas is produced from said land or as long thereafter as Lessee is engaged in actual drilling or reworking operations on said land.

3. As royalties, Lessee covenants and agrees as follows: (a) To deliver to the credit of Lessor free of cost, on the lease or into any pipeline to which Lessee may connect its wells, the equal one-eighth part of all oil produced and saved from said land, or at the Lessee's option may pay to the Lessor for such royalty the market price for oil of like grade and gravity prevailing in the same field or area on the day such oil is run into the pipeline or the storage tanks. (b) To pay to Lessor for gas of whatsoever nature or kind produced and sold from said land or used for the manufacture of gasoline or any other products, one-eigth of the proceeds from the sale of such gas at the mouth of the well.

If a well capable of producing gas or gas and gas-condensate in paying quantities located on said land, or on acreage pooled or unitized therewith, 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 said land 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 and all other royalty owners as their interests in royalty under the well shall appear, on or before the anniversary of the date of this lease following the shutting-in of such well, and annually thereafter, while such well is so shut-in, as royalty, an amount equal to the annual delay rental herein provided for under the terms of this lease, or, if this lease does not provide for any delay rental, then the sum of $100 per well. Lessor's portion of such payment may be made or tendered to Lessor or to Lessor's credit by check or draft mailed or delivered to the depository bank designated herein. Portions of such payment payable to others may be made or tendered by check or draft, mailed or delivered, to such owners' credit in Lessor's depository bank. Royalty ownership as of the last day of each such annual period as shown by Lessee's records shall determine the amounts and the party or parties entitled to receive such payment. "Shutting-in" of a well shall be the date on which production casing in such well is perforated and a gas flow test shall disclose that the well is capable of production in paying quantities. Until such casing shall have been run and the gas flow tested, no well shall be considered "shut-in."

4. If operations for the drilling of a well for oil or gas are not commenced on said land on or before one year from the date hereof, this lease shall terminate, unless the Lessee shall on or before that date pay or tender to the Lessor or the Lessor's credit in the PAY DIRECT Bank at address listed above, or its successors, which Bank and its successors are the Lessor's agent and shall continue as the depository of any and all sums payable under this lease regardless of changes of ownership in said land or in the oil and gas or in the rentals to accrue hereunder, the sum of Two thousand three hundred thirteen and 87/100---------- Dollars, which shall operate as a rental and cover the privilege of deferring the commencement of operations for drilling for a period of one year. In like manner and upon like payments or tenders, the commencement of operations for drilling may further be deferred for like periods successively. All payments or tenders may be made by check or draft of Lessee or any assignee thereof, mailed or delivered on or before the rental date, either direct to Lessor or assigns or to said depository bank, and it is understood and agreed that the consideration first recited herein covers not only the privilege granted to the date when said first rental is payable as aforesaid, but also the Lessee's option of extending that period as aforesaid and any and all other rights conferred. Notwithstanding the death of the Lessor or his successors in interest, the payment or tender of rentals in the manner provided herein shall be binding on the heirs, devisees, executors, and administrators of such persons.

5. If Lessor owns a less interest in said land than the entire and undivided fee simple estate therein then the royalties and rentals herein provided for shall be paid Lessor only in the proportion which his interest bears to the whole and undivided fee.

6. If at any time prior to the discovery of oil or gas on said land and during the term of this lease, the Lessee shall drill a dry hole, or holes on said land, this lease shall not terminate, provided operations for the drilling of a further well shall be commenced within 12 months from the expiration of the last rental period for which rental has been paid or provided the Lessee, on or before the expiration of said 12 months begins or resumes the payment of rentals in the manner and amount hereinabove provided; and in this event the preceding section hereof governing the payment of rentals and the manner and effect thereof shall continue in force.

7. If within the primary term of this lease, production on said land shall cease from any cause, this lease shall not terminate provided operations for the drilling of a well shall be commenced on said land on or before the next ensuing rental paying date; or, provided Lessee begins or resumes the payment of rentals in the manner and amount hereinbefore provided. If, after the expiration of the primary term of this lease, production on said land shall cease from any cause, this lease shall not terminate provided Lessee resumes operations for drilling or reworking a well within sixty days from such cessation, and this lease shall remain in force during the prosecution of such operations and, if production results therefrom, then as long thereafter as production continues.

8. The Lessee shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells, springs and reservoirs of the Lessor. When required by Lessor, the Lessee shall bury its pipelines below plow depth. Lessee shall pay for damage caused by its operations on said land. No well shall be drilled nearer than 200 feet to the house or barn now on said land without written consent of the Lessor. Lessee shall have the right at any time during, or within 180 days after the expiration of this lease, to remove all machinery, fixtures, buildings and other structures placed by Lessee on said land, including the right to draw and remove all casing, but thereafter such equipment shall become the property of Lessor, unless Lessor on or before such date shall, by written request, require Lessee to remove such materiel and restore said land as nearly as possible to its original condition.

9. Lessee is hereby granted the right and power to pool or combine said land, or any portion thereof, with other land, lease or leases in the vicinity thereof at any time and from time to time, whether before or after production, when in Lessee's judgment it is necessary or advisable to do so for the prevention of waste and the conservation and greatest ultimate recovery of oil or gas. Such pooling shall be into a unit or units not exceeding in area the acreage prescribed or required in any Federal or State law, order, rule or regulation for the drilling or operation of one well, or for obtaining the maximum allowable production from one well. Such pooling shall be accomplished or terminated by filing of record in the proper county a declaration of pooling or declaration of termination of pooling, a copy of which may be mailed or tendered to Lessor. The production of pooled substances and development and operation on any portion of a unit so pooled, including the commencement, drilling, completion and operation of a well thereon, shall be considered and construed, and shall have the same effect, except for the payment of royalty, as production, development and operation on said land under the terms of this lease. The royalties herein provided shall accrue and be paid to Lessor on pooled substances produced from any unit in the proportion, but only in the proportion, that Lessor's acreage interest in the land covered hereby and placed in the unit bears to the total acreage placed in such unit.

10. If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to the heirs, devisees, executors, administrators, successors, and assigns, but no change of ownership in the land or in the rentals or royalties or any sum due under this lease shall be binding on the Lessee until 30 days after Lessee has been furnished with either the original recorded instrument of conveyance or a duly certified copy thereof and all advance payments or rentals made hereunder before receipt of said documents shall be binding on any direct or indirect assignee, grantee, devisee, administrator, executor, or heir of Lessor. An assignment of this lease, in whole or in part, shall as to the extent of such assignment relieve and discharge the lessee of all obligations hereunder.

11. Lessee may at any time surrender this lease in whole or in part by placing such release of record in the proper county. If said lease is surrendered as to only a portion of the acreage covered thereby, then all payments and liabilities thereafter accruing under the terms of said lease as to the portion surrendered shall cease and determine and any rentals thereafter paid may be apportioned on an acreage basis, but as to the portion of the acreage not released the terms and provisions of this lease shall continue and remain in full force and effect for all purposes. It is hereby agreed that in the event this lease shall be assigned as to a part or as to parts of said land and the holder or owner of any such part or parts shall make default in the payment of the monies due from him or them, such default shall not operate to defeat or affect this lease insofar as it covers the part of said land upon which the Lessee or any assignee hereof shall make proper payment of any monies due hereunder.

12. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the Lessee, at its option, may pay and discharge in whole or in part any taxes, mortgage, or other liens, existing, levied, or assessed on or against said land and, in the event it exercises such option, it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying to the discharge of any such mortgage, tax or other lien, any royalty or rentals accruing hereunder. Lessor further agrees that any interest or title to said land acquired by Lessor after the date hereof shall be subject to this lease to the same extent as if said interest or title had been held by Lessor at the date hereof. In such event the amount of rental payable hereunder shall be appropriately adjusted at the next ensuing rental date after Lessee has been furnished evidence of such after acquired title.

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. This lease shall be binding upon all who execute it, whether they are named in the granting clause and whether all parties named in the granting clause execute this lease. All provisions of this lease shall inure to the benefit of and be binding upon the heirs, executors, administrators, successors and assigns of Lessor and Lessees. Lessor hereby waives and releases all rights of dower and homestead in said lands insofar as the rights granted under this lease might be affected thereby.

X Margaret G. Mickelson
Margaret G. Mickelson, aka Margaret Mickelson
SS# 520-20-6457

X Gordon M. Mickelson
Gordon M. Mickelson, aka Gordon Mickelson
SS# 520-42-7981

[redacted] [redacted] [redacted]

[redacted] [redacted] [redacted]

ACKNOWLEDGMENT FOR INDIVIDUAL

STATE OF ...WYOMING.....
} ss.
COUNTY OF. SUBLETTE.....

On this ..... day of .....February..... 19 .98....., before me personally appeared

Gordon M. Mickelson, aka Gordon Mickelson and Margaret G. Mickelson, aka Margaret.....

Mickelson, husband and wife.....

known to me to be the person(s) described in and who executed the foregoing instrument, and who acknowledged to me that ~~he/she~~ they) executed the same.

.....Joyce J. Johnson.....
Notary Public

My commission expires:

.....2-2-2000.....

JOYCE J. JOHNSON - NOTARY PUBLIC
County of Sublette State of Wyoming
My Commission Expires February 2, 2000

Residing at Sublette County.....

ACKNOWLEDGMENT FOR INDIVIDUAL

STATE OF.....
} ss.
COUNTY OF.....

On this ..... day of ..... 19 ....., before me personally appeared

.....

.....

.....

known to me to be the person(s) described in and who executed the foregoing instrument, and who acknowledged to me that he (she, they) executed the same.

.....
Notary Public

My commission expires:

.....

Residing at .....

ACKNOWLEDGMENT FOR CORPORATION

STATE OF.....
} ss.
COUNTY OF.....

On this ..... day of ..... 19 ....., before me personally appeared

.....known to me to be the .....

of .....

the corporation that executed the within instrument, and acknowledged to me that such corporation executed the same.

.....
Notary Public

My commission expires:

.....

Residing at .....

RECORDING DATA

136

ADDENDUM TO OIL AND GAS LEASE

Attached to and made part of that certain Oil and Gas Lease dated the 12th day of November, 1997, by and between Gordon M. Mickelson, aka Gordon Mickelson and Margaret G. Mickelson, aka Margaret Mickelson, h/w as LESSOR, and Loma Energy Corp., as 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 waterflooding or other recovery operations involving the introduction of extraneous forms of energy into any pool, repressuring or pressure maintenance operations, or cycling 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 this lease, express or implied, shall be satisfied by compliance with the drilling and development requirement 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 hereunder be operated under any such agreement, and the agreement provides for allocation or 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 so allocated.

3. This lease shall terminate at the end of the primary term as to all of the leased land except those included within a production or spacing unit prescribed by law or administrative authority on which is located a well producing or capable of producing oil and/or gas or on which Lessee is engaged in drilling or reworking operations. This lease shall not terminate so long as drilling or reworking operations are being continuously prosecuted if not more than one hundred twenty (120) days shall elapse between the completion or abandonment of one well and the beginning of operations for the drilling of another well.

4. Notwithstanding any provisions herein to the contrary, it is agreed that this lease shall not be continued in force solely by reason of the shut-in well provisions for a period of more than three (3) years beyond the primary term of this lease, except where required for necessary repairs and maintenance; said times will not exceed a period of 6 months in any year.

5. Paragraph 12 shall be modified to strike the words "warrants and agrees to defend title to the lands herein described".

6. Notwithstanding anything to the contrary in the printed form of this lease, all stipulations or amendments to the lease in this Addendum shall take precedence over any conflict or ambiguities.

Signed for Identification:

Gordon M. Mickelson

Gordon M. Mickelson

Margaret G. Mickelson

Margaret G. Mickelson

Producers 88 [redacted]
Rocky Mountain 1[redacted]
(Paid-Up Rev. 1996)

P[redacted]JP March 24,

OIL AND GAS LEASE

266371

RECORDED Marc[redacted] M
IN BOOK 107 046 PAGE 138
FEES $ 10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Zuber

10:10A

THIS AGREEMENT, made and entered into this 8th day of January 19 98 by and between

Sandra E. Wohrman and Frederick R. Wohrman, individually and as wife and husband

of 17807 Joshua Circle, Fountain Valley, CA 92708, hereinafter called lessor (whether one or more), and

Hanson & Strahn, Inc., of PO Box 3020, Cheyenne, WY 82003, 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 33 North, Range 113 West, 6th P.M.
Section 10: S1/2SE1/4, NW1/4SE1/4, NE1/4SW1/4
Section 11: S1/2NW1/4, N1/2SW1/4

See 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.

For the purpose of calculating payments provided for herein, it shall be deemed that the lands covered by this lease contain 320.00 acres, whether there actually be more or less.

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, a well completed for the production of coalbed methane gas shall be deemed to be producing gas under this lease at all times when dewatering of the coal seams from which the coalbed methane gas will be produced is occurring. 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; drilling operations shall be deemed to be commenced 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 drilling operations shall be deemed to be commenced 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) 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) of the gas sold or used, provided that on gas sold the royalty shall be one-eighth (1/8) 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. This is a paid-up lease and all cash consideration first recited above and annual rentals have been paid to lessor in advance to keep this lease in full force and effect throughout the primary term. In consideration of the payment of such cash consideration and advance annual rentals, 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 the land described above, and as to any strata or stratum, by delivering to lessor or by filing of record a release or releases, and be relieved of all obligations thereafter accruing to the acreage surrendered.

4. Any payments required to be made to lessors pursuant to this lease, other than the payment of royalties, may be paid by lessee to the lessor or to lessor's credit in the Great Western Bank, at Huntington Beach, CA 92647 (or its successor or successors, or any bank with which it may be merged or consolidated, or which succeeds to its business 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. All such payments may be made by cash, check or draft, mailed or delivered on or before the due date for that payment. Any payments so made shall be binding on the heirs, devisees, executors, administrators, and personal representatives of lessor and on lessor's successors in interest or on lessor's assigns.

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 continuously 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, an amount equal to $1.00 per year per net mineral acre covered by the lease. Such payments shall be made on or before the shut-in royalty payment date, as defined below, next occurring 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 anniversary date of this lease. Any shut-in royalty payment may be made by cash, draft or check, mailed or tendered on or before the shut-in royalty date. Lessee's failure to pay or tender, or properly 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 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. 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 which traverse cultivated lands 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 heretofore 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 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 covenants or conditions of this lease, either express or implied. No change in ownership of the land, royalties, or other payments, 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 royalties or other payments 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.

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 leased premises, and no royalties shall be payable hereunder upon any gas used for repressuring and recycling operations benefitting 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 through lessor's bank of record for payment.

15. In the event lessor considers that lessee has not complied with all its obligations hereunder, either express or implied, lessor shall notify lessee in writing, setting out specifically in what respects lessee has breached this lease. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by lessor. The service of said notice shall be precedent to the bringing of any action by lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on lessee. Neither the service of said notice nor the doing of any acts by lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that lessee has failed to perform all its obligations hereunder. 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, wars, 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.

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 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.

Sandra E. Wohrman — Frederick R. Wohrman

Sandra E. Wohrman

Frederick R. Wohrman

SS# 520-42-0276

SS# 431-64-9776

STATE OF CALIFORNIA
COUNTY OF Orange } ss.

INDIVIDUAL

On this 25th day of February, 19 98, before me personally appeared Sandra E. Wohrman and Frederick R. Wohrman, individually and as wife and husband

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 25th day of February, 19 98.

My commission expires: June 3, 2001

Jodean Tierney

Notary Public for the State of California
residing at 18627 Brookhurst St Fountain Valley

JODEAN TIERNEY
Commission # 1141101
Notary Public — California
Orange County
My Comm. Expires Jun 3, 2001

STATE OF

COUNTY OF

CORPORATE

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 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]

[redacted] [redacted] [redacted]

EXTENSION OF LEASE TERM

Attached to and made a part of that certain Oil and Gas Lease dated January 8, 1998, by and between Sandra E. Wohrman and Frederick R. Wohrman, individually and as wife and husband, as Lessor, and Hanson & Strahn, Inc., as Lessee.

In the event this lease is not continued beyond its primary term by the provisions herein contained, Lessee, its successors or assigns, has the option, but not the obligation, to extend this lease for an additional term of three (3) years from the 8th day of January, 2003, and as long thereafter as oil and gas or either of them is produced from said lands covered by this lease. Said extension to be under the terms and conditions as contained in this lease. This option to extend may be exercised by tendering to Lessor, their heirs, successors or assigns at the last known address, the sum of Forty-Five dollars and 00/100 ($45.00) dollars per net mineral acre, on or before the expiration date of the first primary term of this lease.

Signed for Identification:

Sandra E. Wohrman

Frederick R. Wohrman

Producers 88
Rocky Mountain 1989
(Paid-Up Rev. 1996)

141

PAID-UP
OIL AND GAS LEASE

RECORDED March 24 1998 M 10:10a
IN BOOK 107016 PAGE 141
FEES $ 10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING

266372

THIS AGREEMENT, made and entered into this 10th day of February By Cathy Zachry 19 98 by and between Pamela C. Hamilton, formerly known as Pamela C. Ready, a married woman dealing in her sole and separate property

of PO Box 398, Big Piney, WY 83113, hereinafter called lessor (whether one or more), and Hanson & Strahn, Inc., of PO Box 3020, Cheyenne, WY 82003, 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" 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.

For the purpose of calculating payments provided for herein, it shall be deemed that the lands covered by this lease contain 470.29 acres, whether there actually be more or less.

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, a well completed for the production of coalbed methane gas shall be deemed to be producing gas under this lease at all times when dewatering of the coal seams from which the coalbed methane gas will be produced is occurring. 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; drilling operations shall be deemed to be commenced 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 drilling operations shall be deemed to be commenced 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) 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) of the gas sold or used, provided that on gas sold the royalty shall be one-eighth (1/8) 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. This is a paid-up lease and all cash consideration first recited above and annual rentals have been paid to lessor in advance to keep this lease in full force and effect throughout the primary term. In consideration of the payment of such cash consideration and advance annual rentals, 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 the land described above, and as to any strata or stratum, by delivering to lessor or by filing of record a release or releases, and be relieved of all obligations thereafter accruing to the acreage surrendered.

4. Any payments required to be made to lessors pursuant to this lease, other than the payment of royalties, may be paid by lessee to the 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 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. All such payments may be made by cash, check or draft, mailed or delivered on or before the due date for that payment. Any payments so made shall be binding on the heirs, devisees, executors, administrators, and personal representatives of lessor and on lessor's successors in interest or on lessor's assigns.

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 continuously 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, an amount equal to $1.00 per year per net mineral acre covered by the lease. Such payments shall be made on or before the shut-in royalty payment date, as defined below, next occurring 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 anniversary date of this lease. Any shut-in royalty payment may be made by cash, draft or check, mailed or tendered on or before the shut-in royalty date. Lessee's failure to pay or tender, or properly 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 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. 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 which traverse cultivated lands 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 heretofore 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 unit.

[redacted] [redacted] [redacted]

[redacted] [redacted] [redacted]

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 covenants or conditions of this lease, either express or implied. No change in ownership of the land, royalties, or other payments, 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 royalties or other payments 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.

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 leased premises, and no royalties shall be payable hereunder upon any gas used for repressuring and recycling operations benefitting 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 through lessor's bank of record for payment.

15. In the event lessor considers that lessee has not complied with all its obligations hereunder, either express or implied, lessor shall notify lessee in writing, setting out specifically in what respects lessee has breached this lease. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by lessor. The service of said notice shall be precedent to the bringing of any action by lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on lessee. Neither the service of said notice nor the doing of any acts by lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that lessee has failed to perform all its obligations hereunder. 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, wars, 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.

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 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.

Pamela C. Hamilton, formerly known as
Pamela C. Ready

SS# 530 10 8448 5

Pamela C Hamilton

STATE OF WYOMING
} ss.
COUNTY OF SUBLETTE

INDIVIDUAL

On this 2nd day of March, 19 98, before me personally appeared Pamela C. Hamilton, formerly known as Pamela C. Ready, 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 March, 19 98.

KAREN S. WENZ - NOTARY PUBLIC
County of Sublette
State of Wyoming
My Commission Expires Jan. 2, 2000

My commission expires:
Jan 2, 2000

Karen S Wenz
Notary Public for the State of Wyoming
residing at Marbleton Wy.

STATE OF
} ss.
COUNTY OF

CORPORATE

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 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

142

EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated February 10, 1998, by and between Pamela C. Hamilton, formerly known as Pamela C. Ready, a married woman dealing in her sole and separate property, as Lessor, and Hanson & Strahn, Inc., as Lessee.

Township 32 North, Range 114 West, 6th P.M.
Section 11: Lots 2(15.61), 3(15.13), SE1/4NW1/4
Township 33 North, Range 113 West, 6th P.M.
Section 30: S1/2SE1/4
Section 31: Lots 2(39.75), 3(39.85), 4(39.95),
N1/2NE1/4, SE1/4NW1/4, E1/2SW1/4

20. Lessee agrees that Lessor shall not bear any "on Lease" transportation or processing costs.

21. Prior to the construction of any roads, bridges, culverts or other access routes over the leased premises for oil, gas operations, Lessee shall consult with surface owner as to the direction and placement of same. Lessee shall also consult with surface owner as to the location of any well or wells, pipelines, tank batteries, fences or installation of other equipment on the leased premises before installing same.

22. Notwithstanding anything herein contained, wherever the fractional interest one-eighth (1/8th) royalty appears, it shall by this reference be amended to read one-sixth (1/6th) royalty.

Signed for Identification:

Pamela C. Hamilton

Pamela C. Hamilton, formerly known as Pamela C. Ready

1-23-115OC

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.
WYW-130251

Lease Effective Date
(Anniversary Date)
09/01/93

New Serial No.

Type or print plainly in ink and sign in ink.

PART A: ASSIGNMENT

1. Assignee* Celsius Energy Company - 25%
   Street 1331 - 17th Street, Suite 800
   City, State, ZIP Code Denver, CO 80202

*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
INSOFAR AS AND ONLY INSOFAR AS said lease covers the following described acreage: TOWNSHIP 30 NORTH, RANGE 113 WEST, 6th. P.M. Section 7: NE/4 Containing 160.00 acres, more or less, Sublette County, Wyoming. 266382 RECORDED March 24 1992 1:00PM IN BOOK 107 D+G PAGE 144 FEES $10.00 [illegible] COUNTY CLERK SUBLETTE COUNTY, PINEDALE WYOMING By [illegible] Dep See reverse for additional conditions.	50%	50%	- 0 -	- 0 -	As of Record

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)

144

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.

This Assignment of Record Title Interest is a counterpart assignment to that Assignment of Oil and Gas Leases and Wellbore Interest ("the Assignment") affecting the above described lands and recorded in Sublette County, Wyoming and as such conveys no additional rights. This Assignment of Record Title Interest is made specifically subject to all of the terms and conditions described in the Assignment. Further, if the terms and conditions of this Assignment of Record Title Interest are in conflict with any of the terms and conditions of the Assignment, the Assignemnt shall prevail.

ADDITIONAL ASSIGNEE:

Executed this 11 day of March, 1998.

TRUE OIL COMPANY - 25%

BY: C. F. Pickard, Manager

Address: 895 West W. River Cross Road
Casper, WY 82602

PART B: CERTIFICATION AND REQUEST FOR APPROVAL

1. The Assignor certifies as owner of an interest in the above designated lease that he/she hereby assigns to the above assignee(s) the rights specified above.

2. Assignee certifies as follows: (a) Assignee 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 assignment of NPR-A leases, assignee is a citizen, national, or resident alien of the United States or 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 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; (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 (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.

Effective with first production from the Goat Hill 44-6 Well, SESE-6-30N-113W, but

Executed this 28TH day of JAN, 19 98

Name of Assignor as shown on current lease DONALD B. ANDERSON LTD.
Please type or print

Assignor or Joseph C. Anderson (Signature) Partner

Attorney-in-fact _____ (Signature)

6400 South Fiddler's Green Circle, Suite 1750
(Assignor's Address)

Englewood, CO 80111
(City) (State) (Zip Code)

Executed this 17th day of February, 19 98

Assignee CELSIUS ENERGY COMPANY

or G. L. Nordloh (Signature) President/CEO

Attorney-in-fact _____ (Signature)

Approved:
Form
Land
Trans

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.

[redacted] [redacted] *U.S. [redacted]4-017/67022

STATE OF WYOMING)
) ss.
COUNTY OF NATRONA)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 11th day of March, 1998, personally appeared C.F. Pickard, Manager for True Oil Company, 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 he executed the same as his free and voluntary act and deed for the uses and purposes therein set forth.

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

LINDA JOSLIN
NOTARY PUBLIC
Natrona County, Wyoming
My Comm. Expires
Sept. 10, 1999

My Commission Expires: _____

Notary Public

STATE OF UTAH)
) SS.
COUNTY OF SALT LAKE)

On this 17th day of February, 1998, personally appeared before me, G. L. Nordloh, who, being by me duly sworn, did say that he is the President and CEO of Celsius Energy Company, A Nevada corporation, and that said instrument was signed in behalf of said corporation by authority of a resolution of its Board of Directors and said G. L. Nordloh acknowledged to me that said corporation executed the same.

My commission expires:

April 15, 2001

Cami Reeder
Notary Public

NOTARY PUBLIC
CAMI REEDER
79 South State
Salt Lake City, Utah 84111
My Commission Expires
April 15, 2001
STATE OF UTAH

147

1-23-11400

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.
WYW-127755

Lease Effective Date
(Anniversary Date)
11/01/92

New Serial No.

Type or print plainly in ink and sign in ink.

PART A: ASSIGNMENT

1. Assignee* Celsius Energy Company - 25%
   Street 1331 - 17th Street, Suite 800
   City, State, ZIP Code Denver, CO 80202

*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
INSOFAR AS AND ONLY INSOFAR AS said lease covers the following described acreage: TOWNSHIP 30 NORTH, RANGE 113 WEST, 6th P.M. Section 6: Lots 3-5, SE/4NW/4, W/2SE/4, SE/4SE/4 Containing 287.37 acres, more or less, Sublette County, Wyoming. 266383 RECORDED March 24 1999 1:00 PM IN BOOK 107 D-6 PAGE 147 FEES $10.00 M L L L COUNTY CLERK SUBLETTE COUNTY, PINEDALE WYOMING By: Stephi Page See reverse for additional conditions.	50%	50%	- 0 -	- 0 -	As of Record

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 _____ [redacted] (Authorized Officer) [redacted] _____ (Title) [redacted] (Date)

[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.

This Assignment of Record Title Interest is a counterpart assignment to that Assignment of Oil and Gas Leases and Wellbore Interest ("the Assignment") affecting the above described lands and recorded in Sublette County, Wyoming and as such conveys no additional rights. This Assignment of Record Title Interest is made specifically subject to all of the Terms and conditions described in the Assignment. Further, if the terms and conditions of this Assignment of Record Title Interest are in conflict with any of the terms and conditions of the Assignment, the Assignment shall prevail.

ADDITIONAL ASSIGNEE:

Executed this ~~11~~ 11th day of March, 1998.

TRUE OIL COMPANY - 25%

BY: C. F. Pickard, Manager

Address: 895 ~~West W. River~~ Cross Road
Casper, WY 82002

PART B: CERTIFICATION AND REQUEST FOR APPROVAL

1. The Assignor certifies as owner of an interest in the above designated lease that he/she hereby assigns to the above assignee(s) the rights specified above.

2. Assignee certifies as follows: (a) Assignee 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 assignment of NPR-A leases, assignee is a citizen, national, or resident alien of the United States or 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 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; (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 (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 28th day of JAN, 19 98

Name of Assignor as shown on current lease DONALD B. ANDERSON LTD.
Please type or print

Assignor
or Joseph C. Anderson, (Signature) Partner
Attorney-in-fact
(Signature)

6400 South Fiddler's Green Circle, Suite 1750
(Assignor's Address)

Englewood, CO 80111
(City) (State) (Zip Code)

Effective with first production from the Goat Hill 44-6 Well, SESE-6-30N-113W, but

Executed this 17th day of February, 19 98

CELSIUS ENERGY COMPANY

Assignee
or G. L. Nordloh (Signature) President/CEO
Attorney-in-fact
(Signature)

Celsius Energy Company Approved:
Form
Land
Trans

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.

*U.S. GPO: 1992-774-017/67022

STATE OF WYOMING)
) ss.
COUNTY OF NATRONA)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 11th day of March, 1998, personally appeared C.F. Pickard, Manager for True Oil Company, 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 he executed the same as his free and voluntary act and deed for the uses and purposes therein set forth.

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

My Commission Expires: My Com. Expires Sept. 10, 1998 Natrona County, Wyoming

Notary Public

STATE OF UTAH)
) SS.
COUNTY OF SALT LAKE)

On this 7th day of February, 1998, personally appeared before me, G. L. Nordloh, who, being by me duly sworn, did say that he is the President and CEO of Celsius Energy Company, A Nevada corporation, and that said instrument was signed in behalf of said corporation by authority of a resolution of its Board of Directors and said G. L. Nordloh acknowledged to me that said corporation executed the same.

My commission expires:

April 15, 2001

NOTARY PUBLIC
CAMI REEDER
79 South State
Salt Lake City, Utah 84111
My Commission Expires
April 15, 2001
STATE OF UTAH

Cami Reeder
Notary Public

[redacted] [redacted] 1-[redacted]-11408

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.
WYW-127755

Lease Effective Date
(Anniversary Date)
11/01/92

New Serial No.

Type or print plainly in ink and sign in ink.

PART A: ASSIGNMENT

1. Assignee* Celsius Energy Company - 25%
   Street 1331 - 17th Street, Suite 800
   City, State, ZIP Code Denver, CO 80202

*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
INSOFAR AS AND ONLY INSOFAR AS said lease covers the following described acreage: TOWNSHIP 30 NORTH, RANGE 113 WEST, 6th P.M. Section 6: Lots 3-5, SE/4NW/4, W/2SE/4, SE/4SE/4 Containing 287.37 acres, more or less, Sublette County, Wyoming. **266384** RECORDED March 24 19 98 1:00 PM IN BOOK 102 D x f PAGE 150 FEES $ 11.00 COUNTY CLERK SUBLETTE COUNTY, PINEDALE WYOMING By: Stephanie See reverse for additional conditions.	100%	50%	50%	- 0 -	As of Record

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)

150

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.

This Assignment of Record Title Interest is a counterpart assignment to that Assignment of Oil and Gas Leases and Wellbore Interest ("the Assignment") affecting the above described lands and recorded in Sublette County, Wyoming and as such conveys no additional rights. This Assignment of Record Title Interest is made specifically subject to all of the terms and conditions described in the Assignment. Furhter, if the terms and conditions of this Assignment of Record Title Interest are in conflict with any of the terms and conditions of the Assignment, the Assignment shall prevail.

ADDITIONAL ASSIGNEE:

Executed this 11 day of March, 1998.

TRUE OIL COMPANY ATTEST:

BY: C. F. Pickard, Manager

Address: 895 West W. River Cross Road
Casper, WY 82602

PART B: CERTIFICATION AND REQUEST FOR APPROVAL

The Assignor certifies as owner of an interest in the above designated lease that he/she hereby assigns to the above assignee(s) the rights specified above.

Assignee certifies as follows: (a) Assignee 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 assignment of NPR-A leases, assignee is a citizen, national, or resident alien of the United States or 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 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; (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.

Assignee's signature to this assignment constitutes acceptance of all applicable terms, conditions, stipulations and restrictions pertaining to the lease described herein.

r 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 rally due to the United States when this assignment is added to all previously created overriding royalties (43 CFR 3241).

ertify 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.

ffective with first production from the Goat Hill 44-6 Well, SESE-6-30N-113W, but

ecuted this 28TH day of JAN, 19 98 Executed this 17th day of February, 19 98

me of Assignor as shown on current lease DONALD B. ANDERSON LTD. CELSIUS ENERGY COMPANY
Please type or print

ignor Joseph C. Anderson, (Signature) Partner Assignee G. E. Nordloh (Signature) President/CEO

or Attorney-in-fact (Signature) or Attorney-in-fact (Signature)

6400 South Fiddler's Green Circle, Suite 1750
(Assignor's Address)

Englewood, CO 80111
(City) (State) (Zip Code)

Celsius Energy Company Approved:
Form
Land
Trans

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.

*U.S. GPO: 1992-774-017/67022

STATE OF WYOMING)
) ss.
COUNTY OF NATRONA)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 11th day of March, 1998, personally appeared C.F. Pickard, Manager for True Oil Company, 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 he executed the same as his free and voluntary act and deed for the uses and purposes therein set forth.

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

LINDA JULIAN NOTARY Natrona County, Wyoming My Com. Expires Sept. 10, 1998

My Commission Expires: _____

Notary Public

STATE OF UTAH)
) SS.
COUNTY OF SALT LAKE)

On this 17th day of February, 1998, personally appeared before me, G. L. Nordloh, who, being by me duly sworn, did say that he is the President and CEO of Celsius Energy Company, A Nevada corporation, and that said instrument was signed in behalf of said corporation by authority of a resolution of its Board of Directors and said G. L. Nordloh acknowledged to me that said corporation executed the same.

My commission expires:

April 15, 2001

Cami Reeder
Notary Public

NOTARY PUBLIC
CAMI REEDER
79 South State
Salt Lake City, Utah 84111
My Commission Expires
April 15, 2001
STATE OF UTAH

1-23-11500

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.
WYW-130251

Lease Effective Date
(Anniversary Date)
09/01/93

New Serial No.

Type or print plainly in ink and sign in ink.

PART A: ASSIGNMENT

1. Assignee* Celsius Energy Company - 25%
   Street 1331 - 17th Street, Suite 800
   City, State, ZIP Code Denver, CO 80202

*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
INSOFAR AS AND ONLY INSOFAR AS said lease covers the following described acreage: TOWNSHIP 30 NORTH, RANGE 113 WEST, 6th P.M. Section 7: NE/4 Containing 160.00 acres, more or less, Sublette County, Wyoming. 266385 RECORDED March 24 1999 1:00 PM IN BOOK 107 D+C PAGE 153 FEES $10.00 [illegible] COUNTY CLERK SUBLETTE COUNTY, PINEDALE WYOMING By: [illegible] See reverse for additional conditions.	100%	50%	50%	- 0 -	As of Record

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)

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.

This Assignment of Record Title Interest is a counterpart assignment to that Assignment of Oil and Gas Leases and Wellbore Interest ("the Assignment") affecting the above described lands and recorded in Sublette County, Wyoming and as such conveys no additional rights. This Assignment of Record Title Interest is made specifically subject to all of the terms and conditions described in the Assignment. Further, if the terms and conditions of this Assignment of Record Title Interest are in conflict with any of the terms and conditions of the Assignment, the Assignment shall prevail.

ADDITIONAL ASSIGNEE:

Executed this 11 day of March, 1998.

TRUE OIL COMPANY - 25%

BY: C. F. Pickard, Manager

Address: 895 West W. River Cross Road
Casper, WY 82602

PART B: CERTIFICATION AND REQUEST FOR APPROVAL

1. The Assignor certifies as owner of an interest in the above designated lease that he/she hereby assigns to the above assignee(s) the rights specified above.

2. Assignee certifies as follows: (a) Assignee 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 assignment of NPR-A leases, assignee is a citizen, national, or resident alien of the United States or 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 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; (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 (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.

Effective with first production from the Goat Hill 44-6 Well, SESE-6-30N-113W, but

Executed this 28TH day of JAN, 19 98

Name of Assignor as shown on current lease DONALD B. ANDERSON LTD.
Please type or print

Assignor _____
or Joseph C. Anderson, (Signature) Partner
Attorney-in-fact _____
(Signature)

6400 South Fiddler's Green Circle, Suite 1750
(Assignor's Address)

Englewood, CO 80111
(City) (State) (Zip Code)

Executed this 17th day of February, 19 98.

CELSIUS ENERGY COMPANY

Assignee _____
or G. L. Nordloh (Signature) President/CEO
Attorney-in-fact _____
(Signature)

Celsius Energy Company Approved.
Form _____
Land _____
Trans _____

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.

*U.S. GPO: 1992-774-017/67022

STATE OF WYOMING)
) ss.
COUNTY OF NATRONA)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 11th day of March, 1998, personally appeared C.F. Pickard, Manager for True Oil Company, 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 he executed the same as his free and voluntary act and deed for the uses and purposes therein set forth.

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

LINDA JULIAN
NOTARY PUBLIC
My Com. Expires
Sept. 10, 1998
Natrona County, Wyoming

My Commission Expires: _____

Linda Julian
Notary Public

STATE OF UTAH)
) SS.
COUNTY OF SALT LAKE)

On this 17th day of February, 1998, personally appeared before me, G. L. Nordloh, who, being by me duly sworn, did say that he is the President and CEO of Celsius Energy Company, A Nevada corporation, and that said instrument was signed in behalf of said corporation by authority of a resolution of its Board of Directors and said G. L. Nordloh acknowledged to me that said corporation executed the same.

My commission expires:

April 15, 2001

NOTARY PUBLIC
CAMI REEDER
79 South State
Salt Lake City, Utah 84111
My Commission Expires
April 15, 2001
STATE OF UTAH

Cami Reeder
Notary Public

266386

RECORDED March 24 1998 1:05 PM
IN BOOK 107 D-6 PAGE 154
FEES $ 16.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING
By: Starr Page

ASSIGNMENT OF OIL AND GAS LEASES AND WELLBORE INTEREST

KNOW ALL MEN BY THESE PRESENTS:

THAT, in consideration of the sum of One Dollar ($1.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, **DONALD B. ANDERSON LTD.** whose address is 6400 South Fiddler's Green Circle, Suite 1750, Englewood, CO 80111, hereinafter referred to as "Assignor," hereby do assign, transfer and convey unto **CELSIUS ENERGY COMPANY** whose address is 1331 - 17th Street, Suite 800, Denver, CO 80202 and **TRUE OIL COMPANY** whose address is 895 West W. River Cross Road, Casper, WY 82602, hereinafter collectively referred to as "Assignee," their respective successors and assigns, the following interests in equal proportions, subject to the exceptions and reservations described below:

A. An undivided seventy percent (70%) of all of Assignor's right, title and interest in and to the oil and gas leases described on Exhibit "A" attached hereto and made a part hereof by this referenced insofar and only insofar as they cover the lands and depths described on Exhibit "A," subject to any royalties, overriding royalties, production payments or other similar interests burdening such leases. The leases, so limited, shall be hereinafter referred to as the "Leases" and the interest in the Leases assigned herein shall be referred to as the "Lease Interests."

B. An undivided one hundred percent (100%) of Assignor's right, title and interest in and to the wellbore of the Goat Hill 44-6 Well located in the SE/4SE/4 of Section 6, Township 30 North, Range 113 West, 6th P.M., Sublette County, State of Wyoming, hereinafter referred to as the "Goat Hill 44-6 Well," together with the equipment used in conjunction therewith and the production therefrom, insofar as Assignor's interest in said wellbore is derived from the Leases, it being Assignor's intent to retain all leasehold interests created by the Leases except as assigned above in A. Said interests in the Goat Hill 44-6 Well assigned herein shall hereinafter be referred to as the "Wellbore Interest."

The above is subject to the following terms, covenants and conditions:

1. This Assignment of Oil and Gas Leases and Wellbore Interest is subject to the terms and conditions of all contracts and contractual obligations directly relating to said interests, including but not limited to the Farmout and Farmout Option Agreement dated August 1, 1997, as amended, by and between Donald B. Anderson Ltd. and Celsius Energy Company, hereinafter referred to as the "Farmout Agreement."

2. The Wellbore Interest and Lease Interests are assigned by Assignor and accepted by Assignee subject to the overriding royalties, production payments, net profits obligations, carried working interests and other payments out of or with respect to production which were of record

as of August 1, 1997 and with which said Wellbore Interest and Lease Interests are encumbered. Assignee hereby assumes and agrees to pay, perform or carry, as the case may be, each of said overriding royalties, production payments, net profits obligations, carried working interests and other payments out of or with respect to production, to the extent that it is or remains a burden on the Wellbore Interest and Lease Interests.

3. Assignor hereby excepts and reserves unto itself, its successors or assigns an overriding royalty interest equal to the difference between twenty percent (20.0%) and all existing royalty burdens, including landowner royalties, in and to all the oil, oil-well casinghead gas, gas-well gas, all other hydrocarbons in liquid or gas phase, and all gases whether or not combustible, (collectively, "oil and gas") that may be produced, saved and marketed from the Goat Hill 44-6 Well, and all oil and gas that may be in, under, attributable to or produced, saved and marketed from the Leases, hereinafter referred to as the "Convertible Overriding Royalty Interest."

The Convertible Overriding Royalty Interest is payable out of and only out of the oil and gas produced, saved and marketed pursuant to terms and provisions of the Leases. The Convertible Overriding Royalty Interest shall be free and clear of all costs of production except its share of taxes attributable thereto. The Convertible Overriding Royalty Interest shall not, in any event, be paid or accrued upon any oil and gas used for operating, development or production purposes upon the Leases or unavoidably lost, or on gas introduced into the productive formation in connection with recycling operations or pressure maintenance operations benefiting the Leases.

4. With respect to the Convertible Overriding Royalty Interest Assignor and Assignee agree as follows:

a) That the Convertible Overriding Royalty Interest shall extend to any extensions or renewals of the Leases.

b) That in the event the Wellbore Interest covers less than all the working interest in the Leases and/or if Assignor does not own all leasehold rights within the drilling block, participating area, spacing unit or other legal unit for sharing of production from the Goat Hill 44-6 Well, then the Convertible Overriding Royalty Interest shall be proportionately reduced thereby.

5. As further described in the Farmout Agreement, Assignor shall have the option to convert the Convertible Overriding Royalty Interest upon payout of the Goat Hill 44-6 Well to an after payout thirty percent (30%) working interest.

6. This Assignment is made subject to all the terms and the express and implied covenants and conditions of the Leases described in Exhibit "A" and the agreements described in paragraph one above which terms, covenants and conditions Assignee hereby assumes and agrees to perform with respect to the Lease Interests and Wellbore Interest. Said terms, covenants and conditions, insofar as the Lease Interests and Wellbore Interest are concerned, shall be binding on Assignee, not only in favor of the lessor or other parties thereto and their heirs, successors and assigns, but also in favor of Assignor and its successors and assigns.

7. THE LEASE AND WELLBORE INTEREST, THE HYDROCARBONS AND ALL OTHER PROPERTY OR RIGHTS CONVEYED HEREUNDER ARE CONVEYED WITHOUT

WARRANTY OF TITLE, EITHER EXPRESS OR IMPLIED. ALL PERSONAL PROPERTY CONVEYED HEREUNDER IS CONVEYED "AS IS," WHERE IS," "WITH ALL FAULTS" AND IN ITS PRESENT CONDITION AND STATE OF REPAIR, AND ASSIGNOR MAKES NO AND EXPRESSLY DISCLAIMS ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED WHETHER BY COMMON LAW, STATUTE OR OTHERWISE AS TO ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, CONFORMITY TO MODELS OR SAMPLES OF MATERIALS OR CONDITION, AS TO ANY CLAIM BY ASSIGNEE FOR DAMAGES BECAUSE OF DEFECTS, WHETHER KNOWN OR UNKNOWN, OR AS TO ANY OTHER REPRESENTATION OR WARRANTY.

8. The terms, covenants and conditions hereof shall be binding upon, and shall inure to the benefit of, Assignor and Assignee and their respective heirs, successors or assigns; and such terms, covenants and conditions shall be covenants running with the lands herein described and the Lease Interests and Wellbore Interest herein assigned and with each transfer or assignment of the Lease Interests and Wellbore Interest.

9. This Assignment of Oil and Gas Leases and Wellbore Interest is a counterpart assignment to the Transfer of Operating Rights and Assignment of Record Title between Assignor and Assignee filed with the Bureau of Land Management and as such conveys no additional rights. Should any information presented in either federal form assignment be in conflict with this Assignment of Oil and Gas Leases and Wellbore Interest, the terms and conditions of this agreement shall prevail.

TO HAVE AND TO HOLD the interests conveyed herein unto Assignee, their respective successors and assigns, subject to the terms, covenants and conditions herein above set forth.

EXECUTED this 28th day of JAN, 1998, but effective with first production from the Goat Hill 44-6 Well.

ASSIGNOR:

DONALD B. ANDERSON LTD.

By: _____
Joseph C. Anderson, Partner

ASSIGNEE:

ATTEST:

CELSIUS ENERGY COMPANY

_____

By: _____
Name: G. L. Nordloh
Title: President/CEO

Celsius Energy Company Approved
Form: _____
Legal: _____
Land: _____

ATTEST:

TRUE OIL COMPANY

By: C.F. Pickard
Name: C.F. Pickard
Title: Manager

STATE OF COLORADO)
)ss.
COUNTY OF ARAPAHOE)

The foregoing instrument was acknowledged before me this 28TH day of JANUARY, 1998, by Joseph C. Anderson, Partner of Donald B. Anderson Ltd.

WITNESS my hand and official seal.

My commission expires: 05/21/2001

Donna R. Covert
Notary Public

DONNA R. COVERT NOTARY PUBLIC STATE OF COLORADO

My Commission Expires 05/21/2001

STATE OF ~~COLORADO~~ Utah)
)ss.
COUNTY OF ~~DENVER~~ Salt Lake)

The foregoing instrument was acknowledged before me this 28th day of January, 1998, by G.L. Nordloh as President + CEO of Celsius Energy Company.

WITNESS my hand and official seal.

My commission expires:
3-1-99

Susan K. Stone
Notary Public

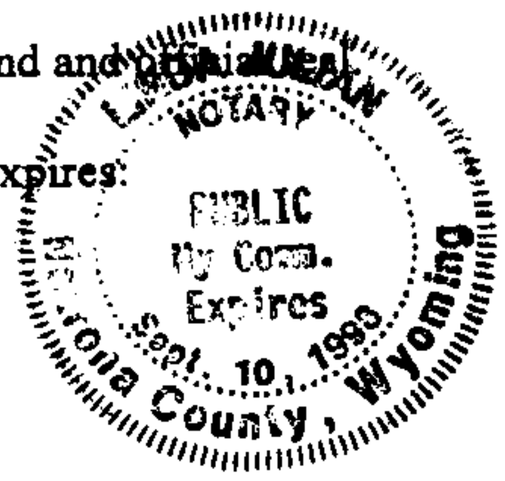
NOTARY PUBLIC
SUSAN K. STONE
Salt Lake City, Utah 84147
My Commission Expires
March 1, 1999
STATE OF UTAH

STATE OF WYOMING)
)ss.
COUNTY OF NATRONA)

The foregoing instrument was acknowledged before me this 10th day of March, 1998, by C.F. Pickard as Manager of True Oil Company.

WITNESS my hand and official seal.

My commission expires:



Notary Public

EXHIBIT "A"

ATTACHED TO AND MADE A PART OF THE ASSIGNMENT OF OIL AND GAS LEASES AND WELLBORE INTEREST FROM DONALD B. ANDERSON LTD. ("ASSIGNOR") TO CELSIUS ENERGY COMPANY AND TRUE OIL COMPANY ("ASSIGNEE").

Sublette County, Wyoming

Lease Number:	00113-U-0200-00
Lessor Name:	WYW-127755-USA/BLM
Lessee Name:	Donald B. Anderson Ltd.
Effective Date:	November 1, 1992
Gross Acres:	287.37
Legal Description:	INSOFAR AS AND ONLY INSOFAR AS said lease covers the following described acreage: **TOWNSHIP 30 NORTH, RANGE 113 WEST, 6th P.M.** Section 6: Lots 3-5, SE/4NW/4, W/2SE/4, SE/4SE/4
Lease Number:	00113-U-0400-00
Lessor Name:	WYW-130251-USA/BLM
Lessee Name:	Donald B. Anderson Ltd.
Effective Date:	September 1, 1993
Gross Acres:	160.00
Legal Description:	INSOFAR AS AND ONLY INSOFAR AS said lease covers the following described acreage: **TOWNSHIP 30 NORTH, RANGE 113 WEST, 6th P.M.** Section 7: NE/4

[redacted] [redacted] [redacted]

PRODUCERS 88 - PAID UP
11-57 POOLING

PAID

PAID-UP
OIL AND GAS LEASE

WY-0213-00
Rock Springs II

AGREEMENT, Made and entered into the **10th** day of **December**, **1997**, by and between **Wilda Kernek, a widow, Rte. 1, Box 54A, Apartment A, Heritage Village Retirement Center, Holdenville, OK 74848**, hereinafter called Lessor (whether one or more) and **WLR, Inc., P.O. Box 4096, Casper, WY 82604**, hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten and More ($10.00+) Dollars 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 **WY**, described as follows, to-wit:

Township 34 North - Range 109 West, 6th P.M.
Section 30: NWNE, NENW

and containing 80.00 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of **five (5)** 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-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor one-eighth (1/8) 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 (1/8), payable monthly at the prevailing market rate for gas.

3rd. To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of one-eighth (1/8) of the proceeds, at the mouth of the well, payable monthly at the prevailing market rate.

4. Where gas from a well 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.

266421

RECORDED March 27 1998 10:15 AM
IN BOOK 107 O&G PAGE 162
FEES $ 8.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING
By: Shari Pape

162

163

BOOK 757

BLAINE COMAL BK

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 where 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 of 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.

Wilda Kernek

Wilda Kernek

Social Security No. 520-07-2090

ACKNOWLEDGMENT

STATE OF Oklahoma)
)
COUNTY OF Kingfisher)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ day of **December, 1997**, personally appeared **Wilda Kernek, a widow** 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 **she** duly 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 an affixed my notarial seal the day and year last above written.

NOTARY PUBLIC IN AND FOR STATE OF OKLAHOMA

Kimberly Durrer

Notary Public

My Commission Expires: 09130101

WY827.WK.OGL

HS RESOURCES, INC.
1999 BROADWAY
SUITE 3600
DENVER, CO 80202

[redacted]

PRODUCERS 88 - PAID UP
11-57 POOLING
Comp. Form

266424

RE[redacted]ED March 21 19 9[redacted]M 98, 10:35am
IN BOOK 101 O&G PAGE 164
FEES $ 8.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING
PAID UP
By Shirl Pape

OIL AND GAS LEASE

AGREEMENT, made and entered into the 12th Day of February 1998, by and between Sidney A. Roberts and Linda H. Roberts, husband and wife, 3085 Cody Street, Medford, OR 87504, hereinafter called Lessor (whether one or more) and WLR, Inc. P. O. Box 4096, Casper, WY 82604, hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten and more ($10.00+) Dollars 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 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 33 North, Range 109 West, 6th P.M.
Section 5: Lot 17 of the Bloom Subdivision

and containing 1.00 acres more or less

1. It is agreed that this lease shall remain in force for a term of five (5) 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 the date of cessation of production or from the 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-eighth (1/8) part of all oil produced and saved from the leased premises.
   2nd. To pay Lessor one-eighth (1/8) 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 (1/8) payable monthly at the prevailing market rate for gas.
   3rd. To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of one-eighth (1/8) of the proceeds, at the mouth of the well, payable monthly at the prevailing market rate.

4. Where gas from a well 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 judgement 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

12: (continued) 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.

16. Surface operations shall not be conducted on the surface of leased premises without the prior written consent of the Lessor. Such consent shall not be unreasonably withheld.

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

x Sidney A. Roberts
Sidney A. Roberts

SSN 520-36-7924

x Linda H. Roberts
Linda H. Roberts

SSN. 520-50-1832

ACKNOWLEDGMENT

STATE OF OREGON)
)
COUNTY OF Jackson)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 5th day of March, 1998 personally appeared Sidney A. Roberts and Linda H. Roberts, husband and wife, to me known to be the identical persons, described in and who executed the within and foregoing instrument and acknowledged to me that they duly executed the same as their free and voluntary act and deed for the uses and purposes therein set forth.

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

My Commission Expires: 4-5-00

OFFICIAL SEAL
CINDY H. SMITH
NOTARY PUBLIC - OREGON
COMMISSION NO.051578
MY COMMISSION EXPIRES APR. 05, 2000

Cindy H. Smith
Notary Public

WY 651.SAR.OGL.wpd

[redacted] [redacted] 266434

RECORDED March 27 98 AM 3:05p
IN BOOK 107 Page 166
FEES $8.00 [redacted] COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Saxton

CONVEYANCE OF NONPARTICIPATING ROYALTY INTEREST

KNOW ALL MEN BY THESE PRESENTS:

That **Katherine Anne Broderson**, c/o Broderson & Link, P.O. Box 474, Franklin, KY 42135, hereinafter called "Grantor", for good and valuable consideration in hand paid, the receipt and sufficiency of which Grantor hereby acknowledges, does hereby grant, bargain, sell, convey, transfer, assign, and deliver unto **S T Oil Company**, 1801 Broadway, Suite 600, Denver, CO 80202 hereinafter called "Grantee", Grantor's interest of 0.2603125% of all Royalty (as hereinafter defined) on oil, gas, casinghead gas, distillate, condensate, and any and all other hydrocarbon or nonhydrocarbon substances, whether similar or dissimilar, which may be produced and saved from the following described lands situated in Sublette County, Wyoming:

Township 31 North, Range 108 West, 6th P.M.
Section 4: Lots 2, 3, 4
Section 6: Lots 5, 6, 7, 12, 13, SE/4NW/4
Section 7: Lots 1, 2, NW/4NE/4

Township 32 North, Range 108 West, 6th P.M.
Section 21: E/2
Section 28: E/2
Section 33: E/2, SW/4
Section 34: All of the SW/4 lying South and East of the East Fork River

Township 31 North, Range 109 West, 6th P.M.
Section 1: S/2NE/4, S/2SW/4, NE/4SW/4, N/2SE/4, SW/4SE/4, Lot 5
Section 11: E/2NE/4
Section 12: Lots 1, 2, 3, 4, NW/4NW/4

EXCEPTING AND RESERVING THEREFROM the following described tracts, to-wit:

(a) A parcel or tract of land, situated in the SE/4SE/4 of Section 33, Township 32 North, Range 108 West, 6th P.M., said parcel being more particularly described as follows:
Beginning at the Southeast corner of the said Section 33, thence North along the East line of the Section a distance of 295.16 feet; thence North 89° 50" West, parallel with the South line of the section, a distance of 295.16 feet; thence South parallel with the East line of the section, a distance of 295.16 feet; thence South 89° 50" East, along the South line of the section, a distance of 295.16 feet to the point of beginning. Said parcel contains 2.0 acres, more or less.

(b) A parcel or tract of land situate in the SE/4NE/4 of Section 33, Township 32 North, Range 108 West, 6th P.M., said parcel being more particularly described as follows:
Beginning at a point which bears South 139.7 feet distant from the Northeast corner of the SE/4NE/4 of Section 33; thence South 696.02 feet; thence West 208.7 feet; thence North 153.81 feet; thence West 208.7 feet; thence North 264.51 feet; thence East 208.7 feet; thence North 277.7 feet; thence East 208.7 feet to the point of beginning.

(the "Lands")

or from lands pooled, communitized or unitized therewith, together with the right of ingress and egress to the surface thereof for the purpose of taking and receiving the herein granted interest in production.

"Royalty," as used herein, shall mean: (1) Any interest in production or the proceeds therefrom in connection with any present or future lease for the production of substances from the Lands, including, but not limited to, whether similar or dissimilar, any royalty, excess royalty, overriding royalty, net profits interest,

or production payment; (2) any payment made in lieu of production, including, but not limited to, whether similar or dissimilar, any shut-in well payments or minimum royalties; and (3) in the event of the development of any portion of the Lands by owners of the mineral interest, the same interest in production of any substances, proceeds, or payment to which Grantee would have been entitled if the mineral owners, as of the date of commencement of development, had executed a lease providing for a royalty of one-eighth (1/8). As to production or extraction of substances from lands pooled or unitized with the Lands or from lands located within any governmental drilling and spacing unit which includes any portion thereof, "Royalty" shall include only that portion of said production, proceeds, or payment attributable to the Lands' interest in said production unit. "Royalty" shall not include any cash bonus received by the mineral owner at the time of executing any oil, gas, or mineral lease, nor any rental paid for the privilege of deferring commencement of development under any lease.

TO HAVE AND TO HOLD unto Grantee, its successors and assigns, forever.

EXECUTED to be effective as of this 1st day of June, 1997.

Katherine Anne Broderson
Katherine Anne Broderson

STATE OF Kentucky)
) ss.
COUNTY OF Simpson)

The foregoing instrument was acknowledged before me by Katherine Anne Broderson this 9th day of Febeuary, 1998.

Witness my hand and official seal.

Notary Public

NOTARY PUBLIC STATE AT LARGE KY

My Commission Expires:

09-10-2001

March 30, 1998
1070+G
266438

RECORDED March 30 1998 AT 2:38 PM
IN BOOK 10 [redacted] PAGE 168
FEES $ 10.00 M CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Shari Pape

ASSIGNMENT OF OVERRIDING ROYALTY

KNOW ALL MEN BY THESE PRESENTS, that ULTRA RESOURCES, INC., 304 Inverness Way South, Suite 295, Englewood, CO 80112, Assignor, for the sum of One Dollar ($1.00) 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, overriding royalty unto the following parties in the amounts shown below:

NAME	ADDRESS	PERCENT
Gasconade Oil Company	633 17th Street, Suite 1910 Denver, CO 80202	1%
The Roy H. Dubitzky Trust	6663 So. Prescott Way Littleton, CO 80120	1%
Riggs Oil & Gas Corporation	P. O. Box 711 Farmington, NM 87499	1%

BEING in all a total of an undivided 3% overriding royalty proportionately reduced by Assignor's interest therein, if less than 100%, of all of the oil, gas and other hydrocarbon substances that may be produced, saved and marketed from the oil and gas lease described as follows:

WY-1213
Lessor: USA WYW-108079
Lessee: Fossil Associates
Lease Date: 3/1/1988
Lands Covered: **INSOFAR AND ONLY INSOFAR AS SAID LEASE COVERS THE FOLLOWING LANDS:**
Township 28 North, Range 107 West
Section 28: All
Sublette County, Wyoming

WITNESS my hand on this 4th day of March, 1998.

ULTRA PETROLEUM (USA), INC.

R. G. "Jerry" Albertus, President

STATE OF COLORADO)
) SS
COUNTY OF DOUGLAS)

BE IT KNOWN, that on this 4th day of March, 1998, before me, the undersigned authority, personally came and appeared **R. G. "Jerry" Albertus**, appearing in his capacity as President of **ULTRA PETROLEUM (USA), INC.,** to me personally known to the the identical person whose name is subscribed to the foregoing instrument as the said President of said coporation, and declared and acknowledged to me, Notary, that he executed the same on behalf of said corporation with full authority of its Board of Directors, and 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.

Amy Barton
Notary Public

My commission expires:
7/18/2000

NOTARY PUBLIC AMY BARTON STATE OF COLORADO

Sublette County, Wyoming

MINERAL ASSIGNMENT, BILL OF SALE AND CONVEYANCE

THIS MINERAL ASSIGNMENT, BILL OF SALE AND CONVEYANCE (the "Assignment"), dated effective as of March 1, 1998 at 7:00 a.m., local time at the location of the properties described below (the "Effective Time"), is from **Marilyn Dymond Wagner, Trustee** of the Shirley Mae Dymond Revocable Trust under agreement dated January 24, 1997, 1540 South Center, Casper, Wyoming 82601 (hereinafter referred to as "Assignor"), to **Dymond Resources Limited Partnership**, Box 2815, 1540 South Center, Casper, WY 82602, and **Michael S. Dymond**, 7258 S. Xenia Circle, Englewood, CO 80112 (hereinafter referred to as "Assignees").

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by Assignor, Assignor hereby assigns, grants, bargains, sells and conveys to Assignees, all of Assignor's right, title and interest in and to all of the following (the following being sometimes hereinafter collectively referred to as "Interests"), in the proportions hereinafter set forth:

Assignee	Percentage of Assigned Interest
Dymond Resources Limited Partnership	90.00%
Michael S. Dymond	10.00%

(a) All oil, gas and other minerals in and under and that may be produced from lands described on Exhibit "A", attached hereto, and from any other lands lying within the boundaries of Sublette County, Wyoming in which Assignor owns oil, gas and other minerals, whether or not described on Exhibit "A" (the "Lands"), and all perpetual royalty interests in and to all oil, gas and other minerals that may be produced and saved from the Lands (collectively "Fee Mineral Interests"), and all oil, gas and other leases covering the Lands, including without limitation, the oil, gas and other leases described in Exhibit "A" (the "Leases"), and any and all interests relating thereto, including without limitation, working interests, royalties, overriding royalties, net profits interests, production payments or other payments out of production, together with all the property and rights appurtenant or incident thereto, including without limitation, the oil, gas, and associated substances and other minerals produced or producible from or attributable to the Lands, Fee Mineral Interests and Leases or to any units, pooled areas, or communitized areas that cover or include all or any portion of the same, and the rights and obligations in, to, and under all agreements affecting the Lands, Fee Mineral Interests and Leases ("Contracts"), including but not limited to all lease agreements, operating agreements, pooling agreements, declarations of pooling or unitization, farmout agreements, assignments, gas sale contracts, gas processing contracts, and all other agreements, surface leases, permits, rights-of-way, easements, licenses, and authorizations in any way relating to the Lands, Fee Mineral Interests and/or Leases;

(b) All of the wells located on the Leases and Lands (the "Wells"), and the production therefrom, together with the personal property, fixtures, improvements, and other property, whether real, personal, or mixed, on, appurtenant to, or used or obtained in connection with the Wells or with the production, treatment, sale, or disposal of hydrocarbons or water produced therefrom or attributable thereto, including without limitation, well equipment, casing, tubing, rods, tanks, tank batteries, natural gas, crude oil, condensate or products placed into storage or into pipelines, boilers, buildings, disposal facilities, field separators and liquid extractors, compressors, pumps, valves, fittings, machinery and parts, engines, meters, tools permanently on the premises, pipelines, gathering systems, power lines, telephone and telegraph lines, roads, equipment leases, and all other appurtenances thereunto belonging; and

266448

RECORDED March 30, 1998 M 11:30a
IN BOOK 107046 PAGE 169
FEES $10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Saxton

(c) All oil, gas, casinghead gas, condensate, distillate, liquid hydrocarbons, gaseous hydrocarbons, products refined and manufactured therefrom, other minerals, and the accounts and proceeds from the sale of all of the foregoing (collectively, the "Production") to the extent that such production is produced from or attributable to the Lands, Fee Mineral Interests and/or Leases after the Effective Time.

This Assignment is made and accepted expressly subject to the following:

A. After Closing, Assignor and Assignee shall execute, acknowledge, and deliver or cause to be executed, acknowledged, and delivered, such instruments and take such other action as may be necessary or advisable to carry out their obligations under this Assignment and under any document, or other instrument delivered pursuant hereto.

B. This Assignment may be executed in any number of counterparts, and each counterpart hereof shall be deemed to be an original instrument, but all such counterparts shall constitute but one assignment.

EXECUTED on the dates set forth in the acknowledgments, to be effective for all purposes as of the Effective Time.

Marilyn Dymond Wagner, Trustee of the Shirley Mae Dymond Revocable Trust U/A dated January 24, 1997

STATE OF Colorado)
) ss.
COUNTY OF Arapahoe)

The foregoing instrument was acknowledged before me this 25 day of February, 1998, by **Marilyn Dymond Wagner**, Trustee of the Shirley Mae Dymond Revocable Trust under agreement dated January 24, 1997.

Witness my hand and official seal.

Notary Public
Printed Name:
Residing at:

My Commission Expires:

My Commission Expires
06/24/2001

JENNIFER WILSON NOTARY PUBLIC STATE OF COLORADO

EXHIBIT "A"

Sublette County, Wyoming

LEASE NO.	INSTRUMENT DATE	LESSOR/GRANTOR/ASSIGNOR	DESCRIPTION	NO. OF ACRES	INSTRUMENT RECORDED BOOK PAGE
SMD-W-03	4-7-69	Thomas F. Stroock	Township 32 North, Range 114 West, 6th P.M. Section 30: E½ Section 31: Lots 1, 2, 3, 4, E½W½	618.00	Assignment of Overriding Royalty in USA oil & gas lease Wyoming 05900-B B-42 P-443
SMD-W- 03	4-7-69	Thomas F. Stroock	Township 32 North, Range 114 West, 6th P.M. Section 19: S½NE¼, SE¼ Section 30: Lots 3, 4, E½SW¼	388.74	Assignment of Overriding Royalty in USA oil and gas Lease - Wyoming 05900-C B-42 P-445

171

No. 913A.—B[redacted]inson Ptg. Co., Mfrs. Robinson's Legal Blanks, 1824 [redacted]St., Denver, Colo.

[redacted]

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

IN THE MATTER OF OIL AND GAS LEASE
WYOMING LAND OFFICE
SERIAL NO. USA-W-020-778

ASSIGNMENT OF OVERRIDING ROYALTY

KNOW ALL MEN BY THESE PRESENTS THAT:

WHEREAS, the undersigned, Dorothy A. Slingerland by virtue of an agreement or assignment dated the 19th day of February, 19 71, between Dorothy A. Slingerland and Henry F. Slingerland, and recorded in the Office of the County Clerk of the County of Sublette, State of Wyoming, is the owner of an overriding royalty of ..... per cent (.....%) of all oil, gas, casinghead gas, and other hydrocarbon substances which may be produced and saved from the following described lands situated in the County of Sublette, State of Wyoming, to-wit:

T 28 N, R 114 W, Sect 35 E½NW¼

766451

RECORDED March 30 1998 1:10 PM
IN BOOK 101 D+G PAGE 172
FEES $ 8.00 M L Gill COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING
By: Stark Pope

All of which lands are covered by and included within that certain oil and gas lease, or an application for oil and gas lease, bearing Wyoming Land Office Serial No. USA-W-020-778

NOW, THEREFORE, for and in consideration of the sum of One Dollar ($ 1.00) and other good and valuable considerations in hand paid by Henry F. Slingerland of Lander, WY, hereinafter called "Assignee," the receipt and sufficiency of which is hereby acknowledged by Dorothy A. Slingerland, hereinafter called "Assignor," Assignor has sold, assigned, transferred, and conveyed, and by these presents does sell, assign, transfer, and convey unto Assignee all Assignor's interest (.....) of the aforementioned overriding royalty, and being ..... per cent (.....%) of all oil, gas, casinghead gas, and other hydrocarbon substances which may be produced and saved from the premises hereinabove described under and pursuant to the terms of the oil and gas lease issued, or which may be issued, pursuant to the application hereinabove mentioned.

TO HAVE AND TO HOLD unto Assignee, his heirs, personal representatives, successors, and assigns, subject, however, to all of the terms and conditions of the aforementioned agreement and/or assignment.

Assignor agrees to execute such further instruments and assurances of title as Assignee may reasonably request, to properly vest in Assignee the title to the overriding royalty interest hereby transferred and assigned.

Assignor hereby represents and covenants that she is the lawful owner of the interest hereby transferred and assigned; that she has full right and authority to transfer and assign the same; that said interest is free and clear of all liens and encumbrances; and that she will warrant and forever defend the same against the lawful claims and demands of all persons whomsoever.

IN WITNESS WHEREOF, Assignor has hereunto set his hand this 19th day of February, 19 71.

WITNESS:

Dorothy A. Slingerland

172

ACKNOWLEDGMENTS

STATE OF COLORADO,
COUNTY OF.....} ss.

The foregoing instrument was acknowledged before me this.....day of.....

19....., by.....

.....

WITNESS my hand and official seal.

My commission expires:

.....

.....
Notary Public

STATE OF UTAH,
COUNTY OF.....} ss.

On the.....day of....., A. D. 19....., personally appeared before me

.....

.....

the signer.....of the above instrument, who duly acknowledged to me that .....he.....executed the same.

My commission expires:

.....

.....
Notary Public

STATE OF MONTANA,
COUNTY OF.....} ss.

On this.....day of....., in the year 19....., before me,

....., Notary Public, personally

appeared .....

.....

.....

known to me to be the person..... whose name.....subscribed to the within instrument, and acknowledged to me that .....he.....executed the same.

Witness my hand and Notarial Seal the date last aforesaid.

My commission expires on the.....day of....., 19.....

.....
Notary Public for State of Montana

Septer

[illegible] CONVEYANCE WYOMING
[illegible] COUNTY CLERK
IN BOOK [illegible] PAGE
RECORDED Residing at [illegible] M.

STATE OF WYOMING,
COUNTY OF LARAMIE } ss.

On this 19th day of February, 19 71, before me personally appeared Dorothy A. Slingerland

.....

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, the said wife having been by me fully apprised of her right and effect of signing and acknowledging the said instrument.

Given under my hand and seal this 19th day of February, 19 71

My commission expires:

Nov. 24, 1972

Paulis Swinehart
Notary Public

W. A. Swanson
2342 Carey Ave
Cheyenne, Wyo. 82001

ASSIGNMENT OF OVERRIDING ROYALTY

KNOW ALL MEN BY THESE PRESENTS, That Fred P. Blume and Gullvi L. Blume

husband and wife, P. O. Box 504, Cheyenne, Wyoming 82003-0504

Assignor (whether one or more) 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, overriding royalty unto the following party (parties) in the amounts shown:

NAME	ADDRESS	PERCENTAGE
BLU-CHIP RESOURCES, LLC	P. O. Box 504 Cheyenne, Wyoming 82003-0504	1%

Being in all a total of an undivided one per cent of 8/8ths overriding royalty on all of the oil, gas and other hydrocarbon substances that may be produced, saved and marketed from Federal Oil and Gas Lease WYW-120908, dated 8/1/90, covering the following described lands situated in Sublette County, State of Wyoming:

Township 29 North, Range 107 West, 6th P. M.
Section 17: All
Section 20: E½
Section 28: N½
containing 1,280.00 acres, m/l.

266452

RECORDED March 30 1998 1:30 PM
IN BOOK 107 O+G PAGE 174
FEES $6.00
COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING
By Cathy Sacton

Date: 10/27/97

Assignor Fred P. Blume

Assignor Gullvi L. Blume

STATE OF Wyoming)
) ss.
COUNTY OF Laramie)

The foregoing instrument was acknowledged before me by Fred P. Blume and Gullvi L. Blume, husband and wife

this 27 day of October, 19 97.

WITNESS my hand and official seal.

My commission expires:

THOMAS N. LONG - NOTARY PUBLIC
COUNTY OF LARAMIE STATE OF WYOMING
MY COMMISSION EXPIRES MAY 4, 2001

Notary Public

175

ASSIGNMENT OF OVERRIDING ROYALTY

KNOW ALL MEN BY THESE PRESENTS, That Fred P. Blume & Gullvi L. Blume, husband and wife, of P. O. Box 504, Cheyenne, Wyoming 82003-0504

Assignor (whether one or more) 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, overriding royalty unto the following party (parties) in the amounts shown:

NAME	ADDRESS	PERCENTAGE
BLU-CHIP RESOURCES, LLC	P. O. Box 504 Cheyenne, Wyoming 82003-0504	1%

Being in all a total of an undivided One Per Cent of 8/8ths overriding royalty on all of the oil, gas and other hydrocarbon substances that may be produced, saved and marketed from Federal Oil and Gas Lease WYW-141753, dated 8/1/90, covering the following described lands situated in Sublette County, State of Wyoming:

Township 29 North, Range 107 West, 6th P. M.
Section 10: S½
Section 15: All
Section 21: All
Section 22: All
Section 23: All
Section 27: All
containing 3,520.00 acres, m/l

266453

RECORDED March 30 1998 1:30 PM
IN BOOK 107 O+G PAGE 175
FEES $14.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING
By Cathy Sacken

Date: 10/27/97

Fred P. Blume
Assignor Fred P. Blume

Gullvi L. Blume
Assignor Gullvi L. Blume

STATE OF WYOMING)
) ss.
COUNTY OF LARAMIE)

The foregoing instrument was acknowledged before me by Fred P. Blume and Gullvi L. Blume, husband and wife

this 27 day of October, 19 97.

WITNESS my hand and official seal.

My [illegible]

THOMAS W. LONG II NOTARY PUBLIC
COUNTY OF LARAMIE STATE OF WYOMING
MY COMMISSION EXPIRES MAY 4, 2001

Thomas W. Long
Notary Public

[redacted] [redacted] [redacted]

ASSIGNMENT AND BILL OF SALE

FMC CORPORATION ("Grantor"), for Ten Dollars and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), hereby GRANTS, BARGAINS, SELLS, CONVEYS, ASSIGNS, TRANSFERS, SETS OVER, and DELIVERS unto CROSS TIMBERS OIL COMPANY whose address is 810 Houston Street, Suite 2000, Fort Worth, Texas 76102-6298, (herein called "Grantee") the following described properties, rights and interests (except the Excluded Assets, as that term is defined below).

(a) All rights, titles, and interests of Grantor in and to the oil, gas and mineral leases described in Exhibit "A" hereto (and any ratifications and amendments to such leases, whether or not such ratifications and amendments are described in Exhibit "A") and all of Grantor's right, title and interest in and to the fee mineral interests described in Exhibit "A", if any; and

(b) All rights, titles, and interests of Grantor in and to, or otherwise derived from, all presently existing and valid oil, gas and mineral unitization, pooling, and communitization agreements, declarations, and orders (including, without limitation, all units formed under orders, rules, regulations, or other official acts of any federal, state, or other authority having jurisdiction, and voluntary unitization agreements, designations and declarations) relating to the properties described in subsection (a) to the extent such rights, titles, and interests are attributable to the properties described in subsection (a); and

(c) All rights, titles, and interests of Grantor in and to all presently existing and valid production sales contracts, operating agreements, and other agreements and contracts that relate to any of the properties described in subsections (a) and (b) , to the extent such rights, titles, and interests are attributable to the properties described in subsections (a) and (b) but subject to the gas purchase contract to be executed simultaneous herewith between Grantor and Grantee dated even date herewith; and

(d) All rights, titles, and interests of Grantor in and to all materials, supplies, machinery, equipment, improvements, and other personal property and fixtures (including, but not limited to, all wells, wellhead equipment, pumping units, flowlines, tanks, buildings, injection facilities, saltwater disposal facilities, compression facilities, gathering systems, and other equipment) located on the properties described in subsections (a) and (b) and used in connection with the exploration, development, operation, or maintenance thereof.

The properties and interests specified in subsections (a), (b), (c), and (d), but not including the Excluded Assets, are herein sometimes collectively called the "Properties." "Excluded Assets" means the following assets: (i) any interpretations of seismic data, geological or geophysical data, or other similar data, or records related thereto, (ii) Seller's wholly owned compressor and metering station located in the Northeast quarter of Section 36, Township 26 North, Range 112 West, Lincoln County, Wyoming, and the pipeline extending from the outlet of the Fontenelle Gas Gathering System into

266465

RECORDED March 30 1998 M 4:15p
IN BOOK 107 O&G PAGE 176
FEES $18.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Saxton

Seller's metering station; (iii) Seller's pipeline systems referred to as the La Barge and Church Buttes pipeline systems as more fully described on the map in Exhibit "B" attached hereto; (iv) Seller's dehydration and metering facilities located at each of those Bird Canyon wells operated by Seller which wells are: Federal 22-31, Federal 33-24, Federal 22-25, Federal 33-25, State 33-36, and the State 41-36; (v) the office building and underlying real estate located at the Southeast corner of Northeast quarter of the Southwest quarter of Section 6, Township 26 North, Range 112 West, and any personal property, equipment, or fixtures related thereto or contained therein; (vi) any amounts refundable or credits issued with respect to royalties or taxes paid on gas produced prior to the Effective Date and (vii) the gas purchase and sales contracts related to gas produced at certain Bird Canyon, East Stead Canyon and Anderson Canyon wells identified on Exhibit "C" attached hereto.

TO HAVE AND TO HOLD the Properties unto Grantee, its successors and assigns, forever.

THIS ASSIGNMENT AND BILL OF SALE IS MADE WITHOUT WARRANTIES OR REPRESENTATIONS OF ANY KIND, ALL REPRESENTATIONS AND WARRANTIES BEING EXPRESSLY DISCLAIMED. SPECIFICALLY IN THIS CONNECTION, BUT WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, THE PROPERTIES ARE SOLD AND CONVEYED TO GRANTEE ON AN "AS IS" AND "WHERE IS" BASIS, AND GRANTOR EXPRESSLY DISCLAIMS ANY AND ALL OTHER REPRESENTATIONS AND WARRANTIES. WITHOUT LIMITATION OF THE FOREGOING, THE PROPERTIES ARE CONVEYED WITHOUT ANY WARRANTY OR REPRESENTATION, WHETHER EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, RELATING TO THE CONDITION, QUANTITY, QUALITY, FITNESS FOR A PARTICULAR PURPOSE, CONFORMITY TO THE MODELS OR SAMPLES OF MATERIALS OR MERCHANTABILITY OF ANY EQUIPMENT OR ITS FITNESS FOR ANY PURPOSE WITHOUT ANY OTHER EXPRESS, IMPLIED, STATUTORY OR OTHER WARRANTY OR REPRESENTATION WHATSOEVER. GRANTEE HAS INSPECTED OR WAIVED ITS RIGHT TO INSPECT, THE PROPERTIES FOR ALL PURPOSES AND SATISFIED ITSELF AS TO THEIR PHYSICAL AND ENVIRONMENTAL CONDITION, BOTH SURFACE AND SUBSURFACE, INCLUDING BUT NOT LIMITED TO CONDITIONS SPECIFICALLY RELATED TO THE PRESENCE, RELEASE OR DISPOSAL OF HAZARDOUS SUBSTANCES, SOLID WASTES, ASBESTOS OR OTHER MANMADE FIBERS OR NATURALLY OCCURRING RADIOACTIVE MATERIALS IN, ON OR UNDER THE PROPERTIES. GRANTEE IS RELYING SOLELY UPON ITS OWN INSPECTION OF THE PROPERTIES, AND GRANTEE, EXCEPT AS PROVIDED OTHERWISE HEREIN, ACCEPTS ALL OF THE SAME IN THEIR "AS IS, WHERE IS" CONDITION. ALSO WITHOUT LIMITATION OF THE FOREGOING, GRANTOR MAKES NO WARRANTY OR REPRESENTATION, EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, AS TO THE ACCURACY OR COMPLETENESS OF ANY DATA, REPORTS, RECORDS, PROJECTIONS, INFORMATION OR MATERIALS NOW, HERETOFORE OR HEREAFTER FURNISHED OR MADE AVAILABLE TO GRANTEE IN

CONNECTION WITH THIS ASSIGNMENT AND BILL OF SALE AND THE CONVEYANCE DESCRIBED HEREIN INCLUDING, WITHOUT LIMITATION, PRICING ASSUMPTIONS, OR QUALITY OR QUANTITY OF HYDROCARBON RESERVES (IF ANY) ATTRIBUTABLE TO THE PROPERTIES OR THE ABILITY OR POTENTIAL OF THE PROPERTIES TO PRODUCE HYDROCARBONS OR THE ENVIRONMENTAL CONDITION OF THE PROPERTIES OR ANY OTHER MATTERS CONTAINED IN THE PROPRIETARY DATA OR ANY OTHER MATERIALS FURNISHED OR MADE AVAILABLE TO GRANTEE BY GRANTOR OR BY GRANTOR'S AGENTS OR REPRESENTATIVES. ANY AND ALL SUCH DATA, RECORDS, REPORTS, PROJECTIONS, INFORMATION AND OTHER MATERIALS (WRITTEN OR ORAL) FURNISHED BY GRANTOR OR OTHERWISE MADE AVAILABLE OR DISCLOSED TO GRANTEE HAVE BEEN OR ARE PROVIDED TO GRANTEE AS A CONVENIENCE AND SHALL NOT CREATE OR GIVE RISE TO ANY LIABILITY OF OR AGAINST GRANTOR AND ANY RELIANCE ON OR USE OF THE SAME SHALL BE AT GRANTEE'S SOLE RISK TO THE MAXIMUM EXTENT PERMITTED BY LAW.

This Assignment and Bill of Sale is subject to the terms and provisions of that certain Purchase and Sale Agreement, dated January 27, 1998, between Grantor and Grantee.

This Assignment and Bill of Sale may be executed in several counterparts all of which are identical, except that, to facilitate recordation, in certain counterparts hereof only that portion of Exhibit "A" that contains specific descriptions of properties located in the recording jurisdiction in which the particular counterpart is to be recorded are included, and other portions of Exhibit "A" are included by reference only. All such counterparts together shall constitute one and the same instrument. Complete copies of this Assignment and Bill of Sale containing the entire Exhibit "A" have been retained by Grantor and Grantee.

IN WITNESS WHEREOF this Assignment and Bill of Sale has been executed and delivered on March 20, 1998, effective as to runs of oil and deliveries of gas, and for all other purposes, as of 8:00 o'clock a.m. local time at the locations of the Properties, respectively, on September 1, 1997.

FMC CORPORATION

By: _____
Lyle L. Nehls
Attorney-in-Fact

CROSS TIMBERS OIL COMPANY

By: _____
Vaughn O. Vennerberg, II
Senior Vice President - Land

ATTEST:

_____

STATE OF PENNSYLVANIA §
§
COUNTY OF PHILADELPHIA §

On this 20th day of March, 1998, before me, a Notary Public of said state, duly commissioned and sworn, appeared Lyle L. Nehls, known to me to be the person whose name is subscribed to the within instrument as Attorney-in-Fact of FMC CORPORATION, a Delaware corporation, and acknowledged to me that such corporation executed the same.

Witness my hand and official seal.

Notary Public, State of Pennsylvania

My Commission Expires: September 21, 1998

STATE OF PENNSYLVANIA §
§
COUNTY OF PHILADELPHIA §

On this 20th day of March, 1998, before me, a Notary Public of said state, duly commissioned and sworn, appeared Vaughn O. Vennerberg, II, known to me to be the person whose name is subscribed to the within instrument as Senior Vice President - Land of CROSS TIMBERS OIL COMPANY, a Delaware corporation, and acknowledged to me that such corporation executed the same.

Witness my hand and official seal.

Notary Public, State of Pennsylvania

My Commission Expires: September 21, 1998

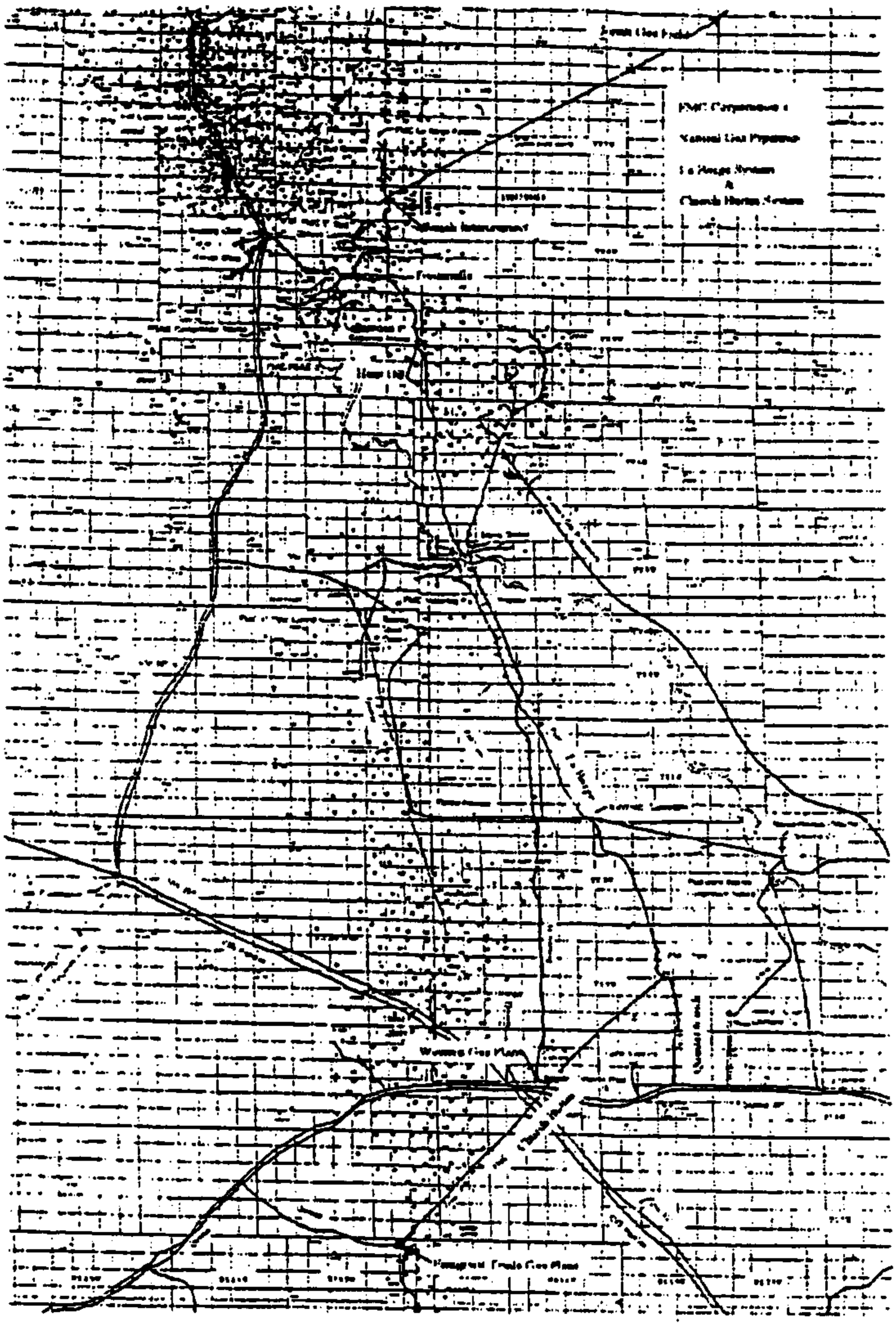
DENVER:0827135.01

EXHIBIT A
FMC CORPORATION
LEASEHOLD SUMMARY
Sublette County

LEASE NO.	LESSOR	ORIGINAL LESSEE	LEASE DATE	RECORDED BOOK	RECORDED PAGE	LAND DESCRIPTION STATE: WY
W-2108	USA	Jas. O. Breene, Jr.	11/1/66	47	373	T27N, R112W, - Sublette Sec. 24: W/2W/2 Sec. 25: W/2 480.00 acres more or less
W-2690	USA	Margaret E. Allen	12/1/66	47	447	T27N, R111W, - Sublette Sec. 31: Lot 1, 2, 3, 4, 5, 6, 7, NE/4, E/2NW/4, NE/4SW/4, N/2SE/4 Sec. 32: Lot 1 592.69 acres more or less
W-3776	USA	Josephine E. Frye	2/1/67	41	445	T27N, R112W, - Sublette Sec. 13: W/2W/2 Sec. 25: E/2 480.00 acres more or less
W-15340	USA	Ruth Fox Sears	10/1/68	47	505	T27N, R112W, - Sublette Sec. 24: E/2 320.00 acres more or less
EV-025548	USA	K. Dean Butler	1/1/48			T27N, R112W, - Sublette Sec. 26: W/2, SE/4, NE/4 640.00 acres more or less
66-15523	Wyoming	Nat Novick	10/2/66	48	143	T27N, R112W, - Sublette Sec. 36: All 640.00 acres more or less

EXHIBIT "B"

FMC Corporation's La Barge and Church Buttes pipeline systems



[redacted] [redacted] [redacted]

EXHIBIT "C"
FMC CORPORATION
EXCLUDED AGREEMENT SUMMARY

Bird Canyon Area

- Bird Canyon Gas Purchase Agreement Dated August 1, 1972 between FMC Corporation and Westrans Petroleum Inc., et al
- Bird Canyon Supplemental Gas Purchase Agreement Dated January 17, 1973 between FMC Corporation and Westrans Petroleum, Inc., et al
- Amended Gas Purchase Agreement Dated September 9, 1994 between FMC Corporation and W.P. Properties
- Amended Gas Purchase Agreement Dated February 1, 1996 between FMC Corporation and Basin Exploration, Inc. as assigned, (Ralston Living Trust)
- Amended Gas Purchase Agreement Dated August 2, 1994 between FMC Corporation and Estate of William G. Helis
- Amended Gas Purchase Agreement Dated July 12, 1994 between FMC Corporation and Estate of Yates Petroleum, Inc.

East Stead Canyon Area

- Natural Gas Purchase and Sales Agreement Dated March 1, 1996 between FMC Corporation and Enserch Exploration, as assigned (Cross Timbers Oil Company)

Anderson Canyon Area

- Letter Agreement Dated January 9, 1987 between FMC Corporation and Terra Resources, as assigned (Hunt Oil Company).

PRODUCERS 88-PAID UP
Rev. 5-60, No. 2 — 8pt.

183

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 19th day of February, 19 98, by and between
Emma Lee Hecox, a single woman

Whose post office address is P.O. Box 538, Pinedale, WY 82941, hereinafter called Lessor (whether one or more) and
Springfield Oil Company
HC 52, Box 108-F whose post office address is Hot Springs, SD 57747, hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten and more DOLLARS 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 13: W½SE¼ & SE¼SE¼ lying west of Green River Lakes Road; SW¼SW¼
Section 14: SE¼SE¼
Section 24: NW¼NE¼, N½NW¼, SW¼NW¼, W½SW¼, NE¼NE¼ lying westerly of the center line of the Green River County Road
Section 25: NW¼NW¼
Section 26: NE¼NE¼

Ed H.

and containing 497.00 acres, more or less. ending September 28, 2003

1. It is agreed that this lease shall remain in force for a term [redacted] 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-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor one-eighth (1/8) 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 (1/8), payable monthly at the prevailing market rate for gas.

3rd. To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of one-eighth (1/8) of the proceeds, at the mouth of the well, payable monthly at the prevailing market rate.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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.

3844

This lease as it covers the Section 25 & 26 lands herein is subject to a prior existing Oil and Gas Lease dated September 27, 1993 and recorded in Book OG 96 at page 27 and this lease shall become effective as to the Section 25 & 26 lands upon the expiration of the primary term thereof or such earlier date as the same may terminate by surrender, non-payment of rentals or otherwise.

266489

Emma Lee Hecox

Emma Lee Hecox
SS#520-32-6769

[redacted]

RECORDED April 1, 1998 10:45 AM
IN BOOK 107 OR 6 PAGE 183
FEES $8.00 [redacted] COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING
[redacted] By Cathy [redacted]

Printed by P&M [redacted] (303) 423-4691

[redacted] [redacted]

STATE OF Wyoming
COUNTY OF Sublette } 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 24

day of February, 19 98, personally appeared Emma Lee Hecox, a single woman

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 she duly 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.

DISNEY BRUNETTE - NOTARY PUBLIC
COUNTY OF SUBLETTE — STATE OF WYOMING
MY COMMISSION EXPIRES OCTOBER 17, 1998

My Commission Expires 10-17-98

Notary Public.

Address: Box 1255, Pinedale, WY 82941

STATE OF _____
COUNTY OF _____ } 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

day of _____, 19____, personally appeared

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 duly executed the same as free and voluntary act and deed for the uses and purposes therein set forth.

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

My Commission Expires _____

Notary Public.

Address: _____

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 free act and deed of said corporation.

Witness my hand and seal this day of , A.D. 19____.

Notary Public.

(SEAL)

My Commission expires _____

Address: _____

No. _____
FROM
TO
, 19____
Dated
No. Acres
County
Term
This instrument was filed for record on the
day of
o'clock M., and duly recorded in
Volume Page
of the records of this office.
County Clerk.
By Deputy.
When recorded return to

Producers 88
Rocky Mountain 1988
(Paid-Up Rev. 1996)

185

PAID-UP
OIL AND GAS LEASE

RECORDED April 2 1998 M 10:30 AM
IN BOOK 187 M-G PAGE 185
FEES $ 10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Shirley Pope

266501

THIS AGREEMENT, made and entered into this 23rd day of February 19 98 by and between

Brian John Maclean and Diane Godschalx Maclean, individually and as husband & wife

of Daniel, WY 83115, hereinafter called lessor (whether one or more), and

Hanson & Strahn, Inc., of PO Box 3020, Cheyenne, WY 82003, hereinafter called lessee:

WITNESSETH:

1. That lessor, for and in consideration of Ten & 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 permitees, 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" attached hereto and made a 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.

For the purpose of calculating payments provided for herein, it shall be deemed that the lands covered by this lease contain 80.0000 acres, whether there actually be more or less.

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, a well completed for the production of coalbed methane gas shall be deemed to be producing gas under this lease at all times when dewatering of the coal seams from which the coalbed methane gas will be produced is occurring. 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; drilling operations shall be deemed to be commenced 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 drilling operations shall be deemed to be commenced 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) 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) of the gas sold or used, provided that on gas sold the royalty shall be one-eighth (1/8) 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. This is a paid-up lease and all cash consideration first recited above and annual rentals have been paid to lessor in advance to keep this lease in full force and effect throughout the primary term. In consideration of the payment of such cash consideration and advance annual rentals, 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 the land described above, and as to any strata or stratum, by delivering to lessor or by filing of record a release or releases, and be relieved of all obligations thereafter accruing to the acreage surrendered.

4. Any payments required to be made to lessors pursuant to this lease, other than the payment of royalties, may be paid by lessee to the lessor or to lessor's credit in the Wells Fargo Bank, at 1448 Foothill Dr., Salt Lake City UT 84108 (or its successor or successors, or any bank with which it may be merged or consolidated, or which succeeds to its business 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. All such payments may be made by cash, check or draft, mailed or delivered on or before the due date for that payment. Any payments so made shall be binding on the heirs, devisees, executors, administrators, and personal representatives of lessor and on lessor's successors in interest or on lessor's assigns.

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 continuously 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, an amount equal to $1.00 per year per net mineral acre covered by the lease. Such payments shall be made on or before the shut-in royalty payment date, as defined below, next occurring 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 anniversary date of this lease. Any shut-in royalty payment may be made by cash, draft or check, mailed or tendered on or before the shut-in royalty date. Lessee's failure to pay or tender, or properly 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 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. 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 which traverse cultivated lands 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 heretofore 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 unit.

[redacted] [redacted] [redacted]

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 covenants or conditions of this lease, either express or implied. No change in ownership of the land, royalties, or other payments, 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 royalties or other payments 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.

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 leased premises, and no royalties shall be payable hereunder upon any gas used for repressuring and recycling operations benefitting 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 through lessor's bank of record for payment.

15. In the event lessor considers that lessee has not complied with all its obligations hereunder, either express or implied, lessor shall notify lessee in writing, setting out specifically in what respects lessee has breached this lease. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by lessor. The service of said notice shall be precedent to the bringing of any action by lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on lessee. Neither the service of said notice nor the doing of any acts by lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that lessee has failed to perform all its obligations hereunder. 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, wars, 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.

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 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.

Brian John Maclean

Brian John Maclean
SS# 554-76-0618

Diane Godschalx Maclean

Diane Godschalx Maclean
SS# 396 54 4244
INDIVIDUAL

STATE OF Wyoming
COUNTY OF Sublette
} ss.

On this 23rd day of February, 19 98, before me personally appeared Brian John Maclean and Diane Godschalx Maclean, individually and as husband & wife

to me known to be the person(s) described in, and who executed the foregoing instrument, and who acknowledged to me that he/she 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 23rd day of February, 19 98.

My commission expires: February 7, 2000

Notary Public for the State of Wyoming
residing at Pinedale, Wyoming

STATE OF _____
COUNTY OF _____
} ss.

CORPORATE

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 _____ 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 _____

187

EXHIBIT "A"

Exhibit "A" attached hereto and made a part hereof that certain Oil & Gas Lease dated February 23, 1998, by and between Brian John Maclean and Diane Godschalx Maclean, individually, and as husband & wife, as Lessors, and Hanson & Strahn, Inc., as Lessee.

SUBLETTE COUNTY, WYOMING

Township 34 North, Range 113 West, 6th P.M.
Section 9: N//2 N/2 N/2

Containing 80.0000 gross acres, more or less.

1) It is understood and agreed between the parties hereto, that prior to entering said lands for the purpose of drilling operations, Lessee, its assignees or successors in interest, will negotiate in good faith, surface damages with said surface owner.

2) In the event this lease is not continued beyond its primary term by the provisions herein contained, lessee, its successors or assigns, has the option, but not the obligation, to extend this lease for an additional term of three (3) years from the date of the lease, and as long thereafter as oil and gas, or either of them, is produced from the leased premises or drilling operations are continuously prosecuted. This option to extend may be exercised by tendering to Lessor, their heirs, successors or assigns at the last known address, a net sum of forty Five dollars per net mineral acre, ($45.00), on or before the expiration date of the primary term of this lease. Should this option be exercised as herein provided, it shall be considered for all purposes as though this lease originally provided for a primary term of eight (8) years.

Executed this 23rd day of February, 1998.

Brian John Maclean
Brian John Maclean

Diane Godschalx Maclean
Diane Godschalx Maclean

Producers 88 [redacted]
Rocky Mountain [redacted]
(Paid-Up Rev. 1996)

[redacted]-UP

OIL AND GAS LEASE

[redacted]

THIS AGREEMENT, made and entered into this 14th day of February 19 98 by and between
Stella June Mays, a widow,

of PO Box 2132, Jackson, WY 83001, hereinafter called lessor (whether one or more), and
Hanson & Strahn, Inc., PO Box 3020, Cheyenne, WY 82003, hereinafter called lessee:

WITNESSETH:

1. That lessor, for and in consideration of -Ten & 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" Attached hereto and made a part hereof

266502

RECORDED April 2 1998 AM 10:35 AM
IN BOOK 107 Misc PAGE 188
FEES $ 10.00
SUBLETTE COUNTY, [redacted], WYOMING

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.

For the purpose of calculating payments provided for herein, it shall be deemed that the lands covered by this lease contain 160.00 acres, whether there actually be more or less.

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 ~~200 000~~ Five (5) S J M 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, a well completed for the production of coalbed methane gas shall be deemed to be producing gas under this lease at all times when dewatering of the coal seams from which the coalbed methane gas will be produced is occurring. 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; drilling operations shall be deemed to be commenced 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 drilling operations shall be deemed to be commenced 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) 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) of the gas sold or used, provided that on gas sold the royalty shall be one-eighth (1/8) 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. This is a paid-up lease and all cash consideration first recited above and annual rentals have been paid to lessor in advance to keep this lease in full force and effect throughout the primary term. In consideration of the payment of such cash consideration and advance annual rentals, 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 the land described above, and as to any strata or stratum, by delivering to lessor or by filing of record a release or releases, and be relieved of all obligations thereafter accruing to the acreage surrendered.

4. Any payments required to be made to lessors pursuant to this lease, other than the payment of royalties, may be paid by lessee to the lessor or to lessor's credit in the Jackson State Bank Bank, at PO Box 1788, Jackson, WY 83001 (or its successor or successors, or any bank with which it may be merged or consolidated, or which succeeds to its business 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. All such payments may be made by cash, check or draft, mailed or delivered on or before the due date for that payment. Any payments so made shall be binding on the heirs, devisees, executors, administrators, and personal representatives of lessor and on lessor's successors in interest or on lessor's assigns.

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 continuously 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, an amount equal to $1.00 per year per net mineral acre covered by the lease. Such payments shall be made on or before the shut-in royalty payment date, as defined below, next occurring 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 anniversary date of this lease. Any shut-in royalty payment may be made by cash, draft or check, mailed or tendered on or before the shut-in royalty date. Lessee's failure to pay or tender, or properly 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 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. 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 which traverse cultivated lands 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 heretofore 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 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 covenants or conditions of this lease, either express or implied. No change in ownership of the land, royalties, or other payments, 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 royalties or other payments 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.

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 leased premises, and no royalties shall be payable hereunder upon any gas used for repressuring and recycling operations benefitting 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 through lessor's bank of record for payment.

15. In the event lessor considers that lessee has not complied with all its obligations hereunder, either express or implied, lessor shall notify lessee in writing, setting out specifically in what respects lessee has breached this lease. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by lessor. The service of said notice shall be precedent to the bringing of any action by lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on lessee. Neither the service of said notice nor the doing of any acts by lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that lessee has failed to perform all its obligations hereunder. 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, wars, 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.

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 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.

Stella June Mays
Stella June Mays
SS# 520-38-7866

STATE OF Wyoming
COUNTY OF Sublette } ss.

INDIVIDUAL

On this 14th day of February, 19 98, before me personally appeared Stella June Mays, 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 as her free act and deed, including the release and waiver of the right of homestead.

Given under my hand and seal this 14th day of February, 19 98.

My commission expires: 3/3/00

LONNIE KAWA NOTARY PUBLIC SUBLETTE COUNTY, WY My Commission Expires 3/3/00

Lonnie Kawa
Notary Public for the State of Wyoming
residing at 35 1/2 S. TYLER, PINEDALE

STATE OF
COUNTY OF } ss.

CORPORATE

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 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]

EXHIBIT "A"

Exhibit "A" attached hereto and made a part hereof that certain Oil & Gas Lease dated February 14th, 1998, by and between Stella June Mays, a widow, as Lessor, and Hanson & Strahn, Inc., as Lessee.

SUBLETTE COUNTY, WYOMING

Township 34 North, Range 113 West, 6th P.M.
Section 9: N/2 N/2

Containing 160.0000 gross acres, more or less.

In the event this lease is not continued beyond its primary term by the provisions herein contained, lessee, its successors or assigns, has the option, but not the obligation, to extend this lease for an additional term of three (3) years from the date of the lease, and as long thereafter as oil and gas, or either of them, is produced from the leased premises or drilling operations are continuously prosecuted. This option to extend may be exercised by tendering to Lessor, their heirs, successors or assigns at the last known address, a net sum of forty Five dollars per net mineral acre, ($45.00), on or before the expiration date of the primary term of this lease. Should this option be exercised as herein provided, it shall be considered for all purposes as though this lease originally provided for a primary term of eight (8) years.

Executed this 14th day of February, 1998.

Stella June Mays
Stella June Mays

191

Producers 88
Rocky Mountain 1989
(Paid-Up Rev. 1996)

PAID-UP
OIL AND GAS LEASE

THIS AGREEMENT, made and entered into this 20th day of February 19 98 by and between

Bobby Joe Brewer, a married man dealing in his sole and separate property

of 106 Rolette Rd., Greenbriar, AR 72058, hereinafter called lessor (whether one or more), and

Hanson & Strahn, INc., of PO Box 3020, Cheyenne, WY 82003, hereinafter called lessee:

WITNESSETH:

1. That lessor, for and in consideration of -Ten & 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" attached hereto and made a part hereof

266503

RECORDED April 2 19 98 M 10:35 AM
IN BOOK 184 Mtg PAGE 191
FEES $ 10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING By Shan Pepe

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.

For the purpose of calculating payments provided for herein, it shall be deemed that the lands covered by this lease contain 160.0000 acres, whether there actually be more or less.

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, a well completed for the production of coalbed methane gas shall be deemed to be producing gas under this lease at all times when dewatering of the coal seams from which the coalbed methane gas will be produced is occurring. 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; drilling operations shall be deemed to be commenced 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 drilling operations shall be deemed to be commenced 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) 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) of the gas sold or used, provided that on gas sold the royalty shall be one-eighth (1/8) 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. This is a paid-up lease and all cash consideration first recited above and annual rentals have been paid to lessor in advance to keep this lease in full force and effect throughout the primary term. In consideration of the payment of such cash consideration and advance annual rentals, 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 the land described above, and as to any strata or stratum, by delivering to lessor or by filing of record a release or releases, and be relieved of all obligations thereafter accruing to the acreage surrendered.

4. Any payments required to be made to lessors pursuant to this lease, other than the payment of royalties, may be paid by lessee to the lessor or to lessor's credit in the Direct to lessor Bank, at _____ (or its successor or successors, or any bank with which it may be merged or consolidated, or which succeeds to its business 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. All such payments may be made by cash, check or draft, mailed or delivered on or before the due date for that payment. Any payments so made shall be binding on the heirs, devisees, executors, administrators, and personal representatives of lessor and on lessor's successors in interest or on lessor's assigns.

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 continuously 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, an amount equal to $1.00 per year per net mineral acre covered by the lease. Such payments shall be made on or before the shut-in royalty payment date, as defined below, next occurring 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 anniversary date of this lease. Any shut-in royalty payment may be made by cash, draft or check, mailed or tendered on or before the shut-in royalty date. Lessee's failure to pay or tender, or properly 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 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. 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 which traverse cultivated lands 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 heretofore 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 unit.

[redacted] [redacted] [redacted]

[redacted] [redacted] [redacted]

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 covenants or conditions of this lease, either express or implied. No change in ownership of the land, royalties, or other payments, 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 royalties or other payments 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.

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 leased premises, and no royalties shall be payable hereunder upon any gas used for repressuring and recycling operations benefitting 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 through lessor's bank of record for payment.

15. In the event lessor considers that lessee has not complied with all its obligations hereunder, either express or implied, lessor shall notify lessee in writing, setting out specifically in what respects lessee has breached this lease. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by lessor. The service of said notice shall be precedent to the bringing of any action by lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on lessee. Neither the service of said notice nor the doing of any acts by lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that lessee has failed to perform all its obligations hereunder. This lease shall never be forfeited or canceled 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, wars, 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.

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 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.

Bobby Joe Brewer
SS# 493-34-5416

STATE OF Wyoming
COUNTY OF Sublette } ss.

INDIVIDUAL

On this 20th day of February, 19 98, before me personally appeared Bobby Joe Brewer, a married man dealing in 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 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 20th day of February, 19 98.

My commission expires: Aug 7, 2000

Notary Public for the State of Wyoming
residing at Pinedale, Wyoming

STATE OF
COUNTY OF } ss.

CORPORATE

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 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

193

EXHIBIT "A"

Exhibit "A" attached hereto and made a part hereof that certain Oil & Gas Lease dated February 20th, 1998, by and between Bobby Joe Brewer, a married man dealing in his sole and separate property, as Lessors, and Hanson & Strahn, Inc., as Lessee.

SUBLETTE COUNTY, WYOMING

Township 34 North, Range 113 West, 6th P.M.
Section 9: N/2 N/2

Containing 160.0000 gross acres, more or less.

In the event this lease is not continued beyond its primary term by the provisions herein contained, lessee, its successors or assigns, has the option, but not the obligation, to extend this lease for an additional term of three (3) years from the date of the lease, and as long thereafter as oil and gas, or either of them, is produced from the leased premises or drilling operations are continuously prosecuted. This option to extend may be exercised by tendering to Lessor, their heirs, successors or assigns at the last known address, a net sum of forty Five dollars per net mineral acre, ($45.00), on or before the expiration date of the primary term of this lease. Should this option be exercised as herein provided, it shall be considered for all purposes as though this lease originally provided for a primary term of eight (8) years.

Executed this 20th day of February, 1998.

Bobby Joe Brewer

Bobby Joe Brewer

Producers 88 [redacted]
Rocky Mountain [redacted]
(Paid-Up Rev. 1996)

[redacted]

[redacted]-UP
OIL AND GAS LEASE

[redacted]

THIS AGREEMENT, made and entered into this 14th day of February 19 98 by and between

Clifford C. Brewer, a married man dealing in his sole and separate property

Box 807, Pinedale, WY 82941

of , hereinafter called lessor (whether one or more), and

Hanson & Strahn, Inc., of PO Box 3020, Cheyenne, WY 82003

, hereinafter called lessee:

WITNESSETH:

1. That lessor, for and in consideration of -Ten & 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" attached hereto and made a part hereof

266504

RECORDED April 2 1998 M 10:40 Am
IN BOOK 187 & 6 PAGE 194
FEES $ 10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Sheri Pape

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.

For the purpose of calculating payments provided for herein, it shall be deemed that the lands covered by this lease contain 160.0000 acres, whether there actually be more or less.

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) CCB 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, a well completed for the production of coalbed methane gas shall be deemed to be producing gas under this lease at all times when dewatering of the coal seams from which the coalbed methane gas will be produced is occurring. 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; drilling operations shall be deemed to be commenced 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 drilling operations shall be deemed to be commenced 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) 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) of the gas sold or used, provided that on gas sold the royalty shall be one-eighth (1/8) 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. This is a paid-up lease and all cash consideration first recited above and annual rentals have been paid to lessor in advance to keep this lease in full force and effect throughout the primary term. In consideration of the payment of such cash consideration and advance annual rentals, 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 the land described above, and as to any strata or stratum, by delivering to lessor or by filing of record a release or releases, and be relieved of all obligations thereafter accruing to the acreage surrendered.

4. Any payments required to be made to lessors pursuant to this lease, other than the payment of royalties, may be paid by lessee to the lessor or to lessor's credit in the 1st National Bank of Pinedale Bank, at PO Box 519, Pinedale, WY 82941 (or its successor or successors, or any bank with which it may be merged or consolidated, or which succeeds to its business 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. All such payments may be made by cash, check or draft, mailed or delivered on or before the due date for that payment. Any payments so made shall be binding on the heirs, devisees, executors, administrators, and personal representatives of lessor and on lessor's successors in interest or on lessor's assigns.

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 continuously 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, an amount equal to $1.00 per year per net mineral acre covered by the lease. Such payments shall be made on or before the shut-in royalty payment date, as defined below, next occurring 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 anniversary date of this lease. Any shut-in royalty payment may be made by cash, draft or check, mailed or tendered on or before the shut-in royalty date. Lessee's failure to pay or tender, or properly 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 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. 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 which traverse cultivated lands 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 heretofore 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 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 covenants or conditions of this lease, either express or implied. No change in ownership of the land, royalties, or other payments, 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 royalties or other payments 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.

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 leased premises, and no royalties shall be payable hereunder upon any gas used for repressuring and recycling operations benefitting 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 through lessor's bank of record for payment.

15. In the event lessor considers that lessee has not complied with all its obligations hereunder, either express or implied, lessor shall notify lessee in writing, setting out specifically in what respects lessee has breached this lease. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by lessor. The service of said notice shall be precedent to the bringing of any action by lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on lessee. Neither the service of said notice nor the doing of any acts by lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that lessee has failed to perform all its obligations hereunder. 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, wars, 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.

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 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.

Clifford C Brewer

Clifford C. Brewer

SS# 520-30-2502

INDIVIDUAL

STATE OF Wyoming

COUNTY OF Sublette } ss.

On this 14th day of February, 19 98, before me personally appeared Clifford C. Brewer, a married man dealing in his 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 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 14th day of February, 19 98.

My commission expires:

3/31/00

Notary Public for the State of WYOMING

residing at 35 1/2 S. TYLER, PINEDALE

My Commission Expires 3/31/00 SUBLETTE COUNTY, WYO. PUBLIC

CORPORATE

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 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]

EXHIBIT "A"

Exhibit "A" attached hereto and made a part hereof that certain Oil & Gas Lease dated February 14th, 1998, by and between Clifford C. Brewer, a married man dealing in his sole and separate property, as Lessor, and Hanson & Strahn, Inc., as Lessee.

SUBLETTE COUNTY, WYOMING

Township 34 North, Range 113 West, 6th P.M.
Section 9: N/2 N/2

Containing 160.0000 gross acres, more or less.

In the event this lease is not continued beyond its primary term by the provisions herein contained, lessee, its successors or assigns, has the option, but not the obligation, to extend this lease for an additional term of three (3) years from the date of the lease, and as long thereafter as oil and gas, or either of them, is produced from the leased premises or drilling operations are continuously prosecuted. This option to extend may be exercised by tendering to Lessor, their heirs, successors or assigns at the last known address, a net sum of forty Five dollars per net mineral acre, ($45.00), on or before the expiration date of the primary term of this lease. Should this option be exercised as herein provided, it shall be considered for all purposes as though this lease originally provided for a primary term of eight (8) years.

Executed this 14th day of February, 1998.

Clifford C Brewer
Clifford C. Brewer

Producers 88
Rocky Mountain 1989
(Paid-Up Rev. 1996)

197

PAID-UP
OIL AND GAS LEASE

THIS AGREEMENT, made and entered into this 14th day of February 19 98 by and between
Jean Rahm, also known as Laura Jean Rahm, and George Rahm, wife and husband

of Box 222, Daniel, WY 83115
Hanson & Strahn, Inc., of PO Box 3020 Cheyenne, wy 82003
, hereinafter called lessor (whether one or more), and
, hereinafter called lessee:

WITNESSETH: -Ten & More- -Ten & More- 10.00+

1. That lessor, for and in consideration of dollars ($) 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 permitees, 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:

RECORDED April 2 19 98 M 10:40 AM
IN BOOK 147 O+G PAGE 197
FEES $ 10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Shelia Pape

See Exhibit "A" attached hereto and made a part hereof

266505

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.

For the purpose of calculating payments provided for herein, it shall be deemed that the lands covered by this lease contain 160.00 acres, whether there actually be more or less.

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, a well completed for the production of coalbed methane gas shall be deemed to be producing gas under this lease at all times when dewatering of the coal seams from which the coalbed methane gas will be produced is occurring. 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; drilling operations shall be deemed to be commenced 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 drilling operations shall be deemed to be commenced 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) 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) of the gas sold or used, provided that on gas sold the royalty shall be one-eighth (1/8) 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. This is a paid-up lease and all cash consideration first recited above and annual rentals have been paid to lessor in advance to keep this lease in full force and effect throughout the primary term. In consideration of the payment of such cash consideration and advance annual rentals, 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 the land described above, and as to any strata or stratum, by delivering to lessor or by filing of record a release or releases, and be relieved of all obligations thereafter accruing to the acreage surrendered.

4. Any payments required to be made to lessors pursuant to this lease, other than the payment of royalties, may be paid by lessee to the lessor or to lessor's credit in the 1st National Bank of Pinedale Bank, at PO Box 519, Pinedale, WY 82941 (or its successor or successors, or any bank with which it may be merged or consolidated, or which succeeds to its business 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. All such payments may be made by cash, check or draft, mailed or delivered on or before the due date for that payment. Any payments so made shall be binding on the heirs, devisees, executors, administrators, and personal representatives of lessor and on lessor's successors in interest or on lessor's assigns.

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 continuously 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, an amount equal to $1.00 per year per net mineral acre covered by the lease. Such payments shall be made on or before the shut-in royalty payment date, as defined below, next occurring 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 anniversary date of this lease. Any shut-in royalty payment may be made by cash, draft or check, mailed or tendered on or before the shut-in royalty date. Lessee's failure to pay or tender, or properly 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 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. 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 which traverse cultivated lands 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 heretofore 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 unit.

[redacted] [redacted] [redacted]

[redacted] [redacted] [redacted]

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 covenants or conditions of this lease, either express or implied. No change in ownership of the land, royalties, or other payments, 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 royalties or other payments 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.

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 leased premises, and no royalties shall be payable hereunder upon any gas used for repressuring and recycling operations benefitting 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 through lessor's bank of record for payment.

15. In the event lessor considers that lessee has not complied with all its obligations hereunder, either express or implied, lessor shall notify lessee in writing, setting out specifically in what respects lessee has breached this lease. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by lessor. The service of said notice shall be precedent to the bringing of any action by lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on lessee. Neither the service of said notice nor the doing of any acts by lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that lessee has failed to perform all its obligations hereunder. 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, wars, 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.

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 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.

Laura Jean Rahm
Jean Rahm, aka Laura Jean Rahm
SS# 520-42-4282

George Rahm
George Rahm
SS# 520-16-5322
INDIVIDUAL

STATE OF Wyoming
} ss.
COUNTY OF Sublette

On this 14th day of February, 19 98, before me personally appeared Jean Rahm, also known as Laura Jean Rahm, & George Rahm, wife & husband

to me known to be the person s described in, and who executed the foregoing instrument, and who acknowledged to me that t he 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 14th day of February, 19 98.

My commission expires:
3/31/00

Notary Public for the State of WYOMING
residing at 25½ S. TYLER, PINEDALE

STATE OF _____
} ss.
COUNTY OF _____

CORPORATE

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 _____ 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 _____

198

EXHIBIT "A"

Exhibit "A" attached hereto and made a part hereof that certain Oil & Gas Lease dated February 14th, 1998, by and between Jean Rahm, also known as Laura Jean Rahm, and George Rahm, as wife and husband, as Lessors, and Hanson & Strahn, Inc., as Lessee.

SUBLETTE COUNTY, WYOMING

Township 34 North, Range 113 West, 6th P.M.
Section 9: N/2 N/2

Containing 160.0000 gross acres, more or less.

In the event this lease is not continued beyond its primary term by the provisions herein contained, lessee, its successors or assigns, has the option, but not the obligation, to extend this lease for an additional term of three (3) years from the date of the lease, and as long thereafter as oil and gas, or either of them, is produced from the leased premises or drilling operations are continuously prosecuted. This option to extend may be exercised by tendering to Lessor, their heirs, successors or assigns at the last known address, a net sum of forty Five dollars per net mineral acre, ($45.00), on or before the expiration date of the primary term of this lease. Should this option be exercised as herein provided, it shall be considered for all purposes as though this lease originally provided for a primary term of eight (8) years.

Executed this 14th day of February, 1998.

Laura Jean Rahm
Jean Rahm, also known as Laura Jean Rahm

George Rahm
George Rahm

Producers 88 [redacted]
Rocky Mountain [redacted]
(Paid-Up Rev. 1996)

[redacted]UP

[redacted]

OIL AND GAS LEASE

THIS AGREEMENT, made and entered into this 18th day of February 19 98 by and between

James Michael Huntley & Julie Jones Huntley, individually and as husband & wife

80 Roberts, Daniel, WY 83115

of , hereinafter called lessor (whether one or more), and

Hanson & Strahn, Inc., of PO Box 3020, Cheyenne, WY 82003

, hereinafter called lessee:

WITNESSETH: -Ten & More-

1. That lessor, for and in consideration of 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" attached hereto and made a part hereof

266506

RECORDED April 2 1998 M 10:40 AM
IN BOOK 107 N+G PAGE 200
FEES $ 10.00
SUBLETTE COUNTY, PINEDALE, WYOMING
By Shari Pape

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.

For the purpose of calculating payments provided for herein, it shall be deemed that the lands covered by this lease contain 80.0000 acres, whether there actually be more or less.

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, a well completed for the production of coalbed methane gas shall be deemed to be producing gas under this lease at all times when dewatering of the coal seams from which the coalbed methane gas will be produced is occurring. 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; drilling operations shall be deemed to be commenced 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 drilling operations shall be deemed to be commenced 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) 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) of the gas sold or used, provided that on gas sold the royalty shall be one-eighth (1/8) 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. This is a paid-up lease and all cash consideration first recited above and annual rentals have been paid to lessor in advance to keep this lease in full force and effect throughout the primary term. In consideration of the payment of such cash consideration and advance annual rentals, 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 the land described above, and as to any strata or stratum, by delivering to lessor or by filing of record a release or releases, and be relieved of all obligations thereafter accruing to the acreage surrendered.

4. Any payments required to be made to lessors pursuant to this lease, other than the payment of royalties, may be paid by lessee to the lessor or to lessor's credit in the 1st National Bank of Pinedale Bank, at PO Box 519, Pinedale, WY 82941 (or its successor or successors, or any bank with which it may be merged or consolidated, or which succeeds to its business 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. All such payments may be made by cash, check or draft, mailed or delivered on or before the due date for that payment. Any payments so made shall be binding on the heirs, devisees, executors, administrators, and personal representatives of lessor and on lessor's successors in interest or on lessor's assigns.

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 continuously 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, an amount equal to $1.00 per year per net mineral acre covered by the lease. Such payments shall be made on or before the shut-in royalty payment date, as defined below, next occurring 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 anniversary date of this lease. Any shut-in royalty payment may be made by cash, draft or check, mailed or tendered on or before the shut-in royalty date. Lessee's failure to pay or tender, or properly 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 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. 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 which traverse cultivated lands 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 heretofore 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 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 covenants or conditions of this lease, either express or implied. No change in ownership of the land, royalties, or other payments, 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 royalties or other payments 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.

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 leased premises, and no royalties shall be payable hereunder upon any gas used for repressuring and recycling operations benefitting 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 through lessor's bank of record for payment.

15. In the event lessor considers that lessee has not complied with all its obligations hereunder, either express or implied, lessor shall notify lessee in writing, setting out specifically in what respects lessee has breached this lease. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by lessor. The service of said notice shall be precedent to the bringing of any action by lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on lessee. Neither the service of said notice nor the doing of any acts by lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that lessee has failed to perform all its obligations hereunder. 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, wars, 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.

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 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.

James Michael Huntley
James Michael Huntley
SS# 078 42 1999

Julie Jones Huntley
Julie Jones Huntley
SS# 298-54-7170

INDIVIDUAL

STATE OF Wyoming
} ss.
COUNTY OF Sublette

On this 19th day of February 19 98, before me personally appeared James Michael Huntley and Julie Jones Huntley, individually, and as husband & wife

to me known to be the person s described in, and who executed the foregoing instrument, and who acknowledged to me that t he 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 18th day of February 19 98

My commission expires: 8/8/98

TRACEY L FIELDS NOTARY PUBLIC SUBLETTE CO. WYO

Tracey L Fields Horner
Notary Public for the State of Wyoming
residing at Cora WY 82925

STATE OF
} ss.
COUNTY OF

CORPORATE

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 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]

EXHIBIT "A"

Exhibit "A" attached hereto and made a part hereof that certain Oil & Gas Lease dated February 18th, 1998, by and between James Michael Huntley and Julie Jones Huntley, individually, and as husband & wife, as Lessors, and Hanson & Strahn, Inc., as Lessee.

SUBLETTE COUNTY, WYOMING

Township 34 North, Range 113 West, 6th P.M.
Section 9: S/2N/2 N/2

Containing 80.0000 gross acres, more or less.

1) It is understood and agreed between the parties hereto, that prior to entering said lands for the purpose of drilling operations, Lessee, its assignees or successors in interest, will negotiate in good faith, surface damages with said surface owner.

2) In the event this lease is not continued beyond its primary term by the provisions herein contained, lessee, its successors or assigns, has the option, but not the obligation, to extend this lease for an additional term of three (3) years from the date of the lease, and as long thereafter as oil and gas, or either of them, is produced from the leased premises or drilling operations are continuously prosecuted. This option to extend may be exercised by tendering to Lessor, their heirs, successors or assigns at the last known address, a net sum of forty Five dollars per net mineral acre, ($45.00), on or before the expiration date of the primary term of this lease. Should this option be exercised as herein provided, it shall be considered for all purposes as though this lease originally provided for a primary term of eight (8) years.

Executed this 18th day of February, 1998.

James Michael Huntley

James Michael Huntley

Julie Jones Huntley

Julie Jones Huntley

203

ASSIGNMENT OF OVERRIDING ROYALTY

KNOW ALL MEN BY THESE PRESENTS, that ULTRA RESOURCES, INC., 304 Inverness Way South, Suite 295, Englewood, CO 80112, Assignor, for the sum of One Dollar ($1.00) 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, overriding royalty unto the following parties in the amounts shown below:

NAME	ADDRESS	PERCENT
John E. Lucken Trust UTA dated March 17, 1979, John E. and Mary T. Lucken, TTEES	12404 E. Vassar Drive Aurora, CO 80014	0.25%
Melange Associates, Inc.	821 17th Street Denver, CO 80202-3021	0.25%
Patricia Granger Hughes	2681 South Chase Lane Lakewood, CO 80227	0.25%
Leah Rachael Hughes	2681 South Chase Lane Lakewood, CO 80227	0.083333%
Marcus Garrett Hughes	2681 South Chase Lane Lakewood, CO 80227	0.083333%
Alexander Drake Hughes	2681 South Chase Lane Lakewood, CO 80227	0.083334%

BEING in all a total of an undivided 1% overriding royalty proportionately reduced by Assignor's interest therein, if less than 100%, of all of the oil, gas and other hydrocarbon substances that may be produced, saved and marketed from the oil and gas leases described on Exhibit "A" attached hereto and by reference made a part hereof.

WITNESS my hand on this 25th day of March, 1998.

266521

RECORDED April 3 19 98 M 1:15p
IN BOOK 107 Pg 46 PAGE 203
FEES $ 24.50 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Shirley Pyle

ULTRA RESOURCES, INC.

R. G. "Jerry" Albertus, President

STATE OF COLORADO)
) SS
COUNTY OF DOUGLAS)

BE IT KNOWN, that on this 25th day of March, 1998, before me, the undersigned authority, personally came and appeared **R. G. "Jerry" Albertus**, appearing in his capacity as President of **ULTRA RESOURCES, INC.**, to me personally known to the the identical person whose name is subscribed to the foregoing instrument as the said President of said coporation, and declared and acknowledged to me, Notary, that he executed the same on behalf of said corporation with full authority of its Board of Directors, and 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.

Amy Barton
Notary Public

My commission expires:
7/18/2000

NOTARY PUBLIC AMY BARTON STATE OF COLORADO

WY-1123	USA WYW-015314	EDWIN L. GUENZEL	6/1/52	T30N-R108W, 6TH PM SEC. 8: S/2 SEC. 9: S/2 SEC. 10: NE/4, S/2 SEC. 14: SW/4 SEC. 15: ALL SEC. 17: N/2 SEC. 22: NE/4 SEC. 23: NW/4
WY-1124	USA WYW-06269	DONALD B. ANDERSON	6/1/52	T31N-R109W, 6TH PM SEC. 13: ALL SEC. 14: E/2 SEC. 24: E/2SW/4, N/2, SE/4 SEC. 25: ALL SEC. 35: W/2, S/2NE/4
WY-1125	USA WYW-06270	DONALD B. ANDERSON	6/1/51	T31N-R109W, 6TH PM SEC. 1: LOTS 1,2,3,4, S/2NW/4, NW/4SW/4 SEC. 2: ALL SEC. 3: ALL SEC. 9: S/2SE/4 SEC. 10: NE/4, NW/4SE/4, W/2 SEC. 11: N/2NW/4 SEC. 12: LOTS 6, 7,8,10, S/2SE/4, NE/4SE/4, SE/4SW/4
WY-1126	USA WYW-06283	FLOYD H. SCHROEDER	6/1/51	T30N-R108W, 6TH P.M. SEC. 6: LOTS 3,4,5,6,7, E/2SW/4, SE/4NW/4 SEC. 7: LOTS 1, 2, E/2NW/4 T31N-R108W, 6TH PM SEC. 19: LOTS 1-4, E/2NW/4, E/2SW/4 SEC. 30: LOTS 1-4 E/2W/2 SEC. 31: LOTS 1-4, E/2W/2

Exhibit "A" to Assignment of Overriding Royalty from Ultra Resources, Inc. to John E. Lucken Trust, etal

WY-1127	USA WYW-06286	DONALD B. ANDERSON	6/1/51	T32N-R109W, 6TH P.M. SEC. 27: S/2, NW/4 SEC. 28: SE/4, NE/4 SEC. 33: E/2 SEC. 34: ALL SEC. 35: ALL
WY-1128	USA WYW-06933	S. J. JELSO	7/1/51	T30N-R108W, 6TH P.M. SEC. 5: ALL SEC. 7: NE/4 SEC. 8: N/2 T31N-R108W, 6TH PM SEC. 17: SW/4 SEC. 18: E/2 SEC. 20: W/2 SEC. 30: E/2 SEC. 32: W/2
WY-1146	USA WYW-06934	R. A. TROMBLEY	7/1/51	T30N-R108W, 6TH PM SEC. 6: LOTS 1,2,S/2NE/4, SE/4 SEC. 7: LOTS 3, 4, E/2SW/4, SE/4 T31N-R108W, 6TH PM SEC. 19: E/2 SEC. 29: W/2 SEC. 31: E/2 T30N-R109W, 6TH PM SEC. 11: SE/4 SEC. 12: S/2
WY-1129	USA WYW-015315	MARY A. GUENZEL	6/1/52	T32N-R109W, 6TH PM SEC. 7: LOTS 1,2,5,6,7,8,11,12 SEC. 18: E/2 SEC. 19: E/2 SEC. 20: ALL

205

				SEC. 21: W/2 T33N-R109W, 6TH PM SEC. 32: SW/4, S/2NW/4, NE/4NW/4
WY-1130	USA WYW-015316	FRED M. MANNING, JR	6/1/52	T30N-R108W, 6TH PM SEC. 3: SW/4 SEC. 4: ALL SEC. 9: N/2 SEC. 10: NW/4 T31N-R108W, 6TH PM SEC. 29: E/2 SEC. 32: E/2 SEC. 33: W/2
WY-1131	USA WYW-015317	R. L. MANNING	6/1/52	T32N-R109W, 6TH PM SEC. 4: LOTS 8,9,10,15,16 SEC. 9: ALL SEC. 15: W/2 SEC. 21: NE/4 SEC. 22: N/2 T33N-R109W, 6TH PM SEC. 34: W/2E/2, E/2W/2
WY-1147	USA WYW-016155	ROBERT O. ANDERSON	7/1/52	T30N-R107W, 6TH PM SEC. 7: W/2SE/4 SEC. 18: ALL SEC. 19: ALL SEC. 20: E/2SE/4, W/2E/2, W/2 SEC. 30: LOTS 1-4, E/2W/2, W/2NE/4
WY-1132	USA WYW-016158	PHIL D. HELMIG	7/1/52	T30N-R107W, 6TH PM SEC. 7: LOTS 1-4, E/2W/2 T30N-R108W, 6TH PM SEC. 25: ALL SEC. 26: ALL

206

				SEC. 34: NE/4, N/2SE/4, N/2NW/4 SEC. 35: N/2S/2, N/2, S/2SE/4
WY-1133	USA WYW-016161	PHIL D. HELMIG	7/1/52	T30N-R108W, 6TH PM SEC. 11: E/2E/2 SEC. 12: ALL SEC. 13: ALL SEC. 14: NE/4, N/2SE/4, SE/4SE/4, NE/4NW/4, S/2NW/4 SEC. 24: ALL
WY-1134	USA WYW-016162	PHIL D. HELMIG	7/1/52	T30N-R108W, 6TH PM SEC. 1: LOTS 2-4, SW/4NE/4, S/2, S/2NW/4 SEC. 2: ALL SEC. 3: LOTS 1-4, S/2N/2, N/2SE/4, SE/4SE/4 SEC. 11: W/2E/2, W/2 SEC. 27: E/2, E/2W/2
WY-1148	USA WYW-016167	H. E. HARRINGTON	7/1/52	T32N-R109W, 6TH PM SEC. 3: LOT 4, SW/4NW/4, W/2SW/4, SE/4SW/4 T33N-R109W, 6TH PM SEC. 19: LOTS 1-4, E/2W/2 SEC. 27: SW/4, SW/4NW/4, SW/4SE/4 SEC. 30: ALL SEC. 31: ALL SEC. 34: E/2E/2 SEC. 35: SW/4, SW/4NW/4
WY-1135	USA WYW-018039	MORRIS KLINE	10/1/52	T30N-R108W, 6TH PM SEC. 3: SW/4SE/4 SEC. 14: SW/4SE/4, NW/4NW/4 SEC. 17: SE/4SE/4 SEC. 18: NE/4NE/4 SEC. 22: NE/4SW/4 SEC. 23: SW/4NE/4 T31N-R108W, 6TH PM

207

				SEC. 33: NW/4NE/4, SW/4SE/4
WY-1136	USA WYW-026025	GRISELDA M. BENNETT	4/1/50	T31N-R109W, 6TH PM SEC. 14: S/2NW/4, SW/4 SEC. 15: LOTS 7, 8, E/2SW/4, SE/4 SEC. 22: E/2, NW/4 SEC. 23: ALL SEC. 24: W/2SW/4 SEC. 26: ALL SEC. 27: E/2NE/4 SEC. 35: N/2NE/4
WY-1137	USA WYW-026026	ELIZABETH RAWSON	4/1/50	T31N-R109W, 6TH PM SEC. 11: LOT 1 SEC. 12: LOTS 5 & 9 (MORE FULLY DESCRIBED IN LEASE) SEC. 15: LOTS 7 & 8 IN RIVER BED
WY-1138	USA WYW-08589	JEAN HARMON	10/1/51	T32N-R109W, 6TH PM SEC. 5: LOTS 2-4, S/2 SEC. 6: LOTS 1-10, SE/4 SEC. 7: E/2 SEC. 8: ALL SEC. 17: ALL
WY-1139	USA WYW-08592	GWEN KEIF	11/1/51	T33N-R109W, 6TH PM SEC. 21: S/2S/2 SEC. 28: ALL SEC. 29: ALL SEC. 32: E/2 SEC. 33: ALL SEC. 34: W/2W/2
WY-1140	USA WYW-08593	GWEN KEIF	10/1/51	T33N-R109W, 6TH PM SEC. 17: S/2NE/4, W/2, SE/4 SEC. 18: LOTS 1-4, E/2W/2, E/2

208

				SEC. 19: E/2 SEC. 20: ALL SEC. 21: W/2NE/4, NW/4, N/2S/2
WY-1141	USA WYW-114051	SHAMA KAFAR LIMITED PARTNERSHIP	12/1/88	T33N-R110W, 6TH PM SEC. 23: ALL
WY-1142	USA WYW-113418	SHAMA KAFAR LTD PARTNERSHIP	10/1/88	T33N-R110W, 6TH PM SEC. 22: E/2E/2, NW/4NE/4 SEC. 26: ALL SEC. 27: E/2E/2 SEC. 34: E/2NE/4, NE/4SE/4 SEC. 35: ALL
WY-1143	USA WYW-113417	SHAMA KAFAR LTD PARTNERSHIP	10/1/88	T32N-R110W, 6TH PM SEC. 2: LOTS 1,2,3,4, S/2S/2 SEC. 3: LOTS 1,2,3,4, S/2S/2 SEC. 4: LOTS 1, 2, S/2SE/4 SEC. 11: E/2NE/4
WY-1144	USA WYW-133768	LCM LTD LLC	10/1/94	T30N-R109W, 6TH PM SEC. 13: S/2NW/4, S/2 SEC. 14: ALL
WY-1145	USA WYW-135124	MERIDIAN OIL	2/1/95	T32N-R109W, 6TH PM SEC. 21: SE/4 SEC. 22: S/2 SEC. 23: ALL SEC. 24: W/2NW/4, SE/4NW/4, S/2

209

11202

PRODUCERS 88-PAID [redacted]

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 23rd day of December, 19 97, by and between Bettie V. Harris, a single woman whose post office address is 831 South 3rd Street #15 Las Vegas, NV 89101 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden St., Suite 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten or more DOLLARS 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 along with all hydrocarbons and non-hydrocarbon substances produced in association therewith, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, helium, carbon dioxide, sulfur compounds and all other commercial gases (collectively "oil and gas" or "Hydrocarbons") 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:

266524

RECORDED April 3 1998 2:00 PM
IN BOOK 107 OR 6 PAGE 210
FEES $10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Booker

Please see Exhibit "A" for the Legal Description attached to and made a part of this lease.

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing 853.83 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of 5 years from this date and as long thereafter as Hydrocarbons are produced from said leased premises or on acreage pooled communitized or unitized therewith, or drilling operations are continued as hereinafter provided. If, at the expiration of the primary term of this lease, Hydrocarbons are not being produced on the leased premises or on acreage pooled, communitized or unitized therewith but Lessee is then engaged in drilling or reworking for other operations or restoring production on the lease premises or then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises or on acreage pooled communitized or unitized therewith; and operations shall be considered to be continuously prosecuted if Lessee diligently prosecutes operations for obtaining or restoring production on the lease premises or, 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 Hydrocarbons on said land or on acreage pooled, communitized or unitized therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or reworking for other operations for obtaining or restoring production on the lease premises or operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If Hydrocarbons 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 Hydrocarbons are produced from the leased premises or on acreage pooled, communitized or unitized therewith.

2. This is a PAID-UP LEASE. For the consideration set forth above, 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. Royalty Payment. Royalties on Hydrocarbons shall be paid by Lessee to Lessor as follows:

(a) for oil and other liquid Hydrocarbons separated at Lessee's separator facilities, the royalty shall be one-eighth of such production, to be delivered at Lessee's option to Lessor at the wellhead or to the Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to sell such production to itself or an affiliate at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similarly grade and gravity;

(b) for gas (including casinghead gas) and all other gaseous Hydrocarbons, the royalty shall be one-eighth of the proceeds realized by the Lessee from the sale thereof, provided, that Lessee shall have the continuing right to sell such production to itself or an affiliate at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase agreements entered into on the same or in the nearest preceding date as the date on which the Lessee or its affiliate commences its purchases hereunder; and

(c) in calculating the royalties on production hereunder, Lessee may deduct Lessor's proportionate part of any ad valorem, production and excise taxes and any costs incurred by Lessee in treating, processing, delivering and otherwise marketing such production.

4. If after the primary term one or more wells on the lease premises or lands pooled to unitize therewith are capable of producing Hydrocarbons in paying quantities, but the other wells are either shut-in or production therefrom is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing in paying quantities for the purposes of maintaining this lease. If for a period of 120 consecutive days, such well or wells are shut-in or production therefrom is not sold by Lessee, then Lessee shall pay an aggregate shut-in royalty of $1.00 per acre then covered by this lease, with such payment to be made to Lessor or to Lessor's credit in a depository designated in this lease, on or before the end of said 120-day period and thereafter on or before the anniversary of the end of said 120-day period while the well or wells are shut-in or production therefrom is not being sold by Lessee; provided that if this lease is otherwise being maintained by the payment of rental or operations, or if production is being sold by Lessee from another well or wells on the lease premises or lands pooled to unitize therewith, no shut-in royalty shall be due until the end of the 120-day period following the end of the rental period or cessation of such operations or production, as the case may be. Lessee's failure to properly pay shut-in royalty hereunder shall render Lessee liable in the amount due, but shall not operate to terminate this lease.

5. If said Lessor owns less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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, communitize 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 Hydrocarbons, individually or in the aggregate, when in Lessee's judgment it is necessary or advisable to do so, and irrespective of whether authority similar to this exists with respect to such other land, lease or leases. Likewise, units previously formed to include formations not producing oil or gas may be reformed to exclude such non-producing formations. The forming or reforming of any unit shall be accomplished by Lessee executing and filing of record a declaration of such unitization or reformation, which declaration shall describe the unit. Any unit may include land upon which a well has theretofore been completed or upon which operations for drilling have theretofore been commenced. Production, drilling or reworking operations or a well shut-in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut-in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total

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, communitize, 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. Pooling, communitization, unitization or otherwise combining all or any portion of the above described lands shall not constitute a cross conveyance of interests.

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, an event of "force majeure" or if such failure is the result of, any such Law, Order, Rule or Regulation. "Force majeure" shall mean an event causing a delay in drilling, reworking, production or other operations which are prevented or delayed by laws, rules, regulations or orders, or by an inability to obtain necessary permits, equipment, services, materials, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike, or labor disputes, or by an inability to obtain a satisfactory market for production or a failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control. If Lessee's performance is affected by an event of force majeure, this lease shall not terminate and, at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall take all reasonable and necessary actions to remedy the event of force majeure. Lessee shall not be liable for breach of any provisions, either express or implied, to this lease during the continuance of an event of force majeure.

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. Preferential Right. If, during the term of this lease (but not more than 20 years after the date hereof), Lessor receives a bona fide offer from any party to purchase a new lease covering all or any part of the lands or substances covered hereby, and if Lessor is willing to accept such offer, then Lessor shall promptly notify Lessee in writing of the name and address of the offeror, and of all pertinent terms and conditions of the offer, including any lease bonus offered. Lessee shall have a period of 30 days after receipt of such notice to exercise a preferential right to purchase a new lease from Lessor in accordance with the terms and conditions of the offer, by giving Lessor written notice of such exercise. Promptly thereafter, Lessee shall furnish to Lessor the new lease for execution, along with a time draft for the lease bonus conditioned upon execution and delivery of the lease by Lessor and approval of title by Lessee, all in accordance with the terms of said draft. Whether or not Lessee exercises its preferential right hereunder, then as long as this lease remains in effect, any new lease from Lessor shall be subordinate to this lease and shall not be construed as replacing or adding to Lessee's obligations hereunder.

16. Extension of Primary Term. For the consideration herein recited, Lessor hereby grants to Lessee the exclusive right and option to extend the primary term of this lease for five (5) additional years by mailing to Lessor at the address listed on this lease, on or before the end of the primary term, a bonus consideration equal to one hundred fifty percent (150%) of the bonus consideration originally paid for this lease, which payment shall represent payment in full of consideration for this extension.

17. 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.

x Bettie V. Harris — S.S.# 491-32-4368

Bettie V. Harris, a single woman

STATE OF Nevada

COUNTY OF _____

ss.

ACKNOWLEDGMENT–INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____, 19____,

personally appeared Bettie V. Harris

and _____ to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires _____

_____
Notary Public
Address: _____

STATE OF Nevada

COUNTY OF Clark

ss.

CORPORATE
(For use in all states)

On this 9th day of January, A.D. 19 98, before me personally appeared Bettie V. Harris 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.

Witness my hand and seal this 9th day of January AD., 1998.

My Commission Expires June 24, 2000.

NOTARY PUBLIC
STATE OF NEVADA
County of Clark
E. TROTTER
Appt. No. 97-0518-1
My Appointment Expires June 24, 2000

E. Trotter
Notary Public
Address: 1077 E. Sahara, W NV 89104

[redacted] [redacted]

[redacted] [redacted] [redacted]

Exhibit "A"

Attached to and made a part of a certain Oil & Gas Lease dated December 23, 1997 by and between Bettie V. Harris, a single woman, as Lessor, and High Plains Associates, Inc., as Lessee.

Legal Description

Township 34 North, Range 111 West, 6th P.M.
Section 34: S/2NE/4, SE/4
Section 35: SW/4NW/4, W/2SW/4

Township 33 North, Range 111 West, 6th P.M.
Section 2: Lot 4 (40.04) less and except
Township of Daniels 2nd Plat:
Lot 1-3.75 acres
Lots 2 & 10-2.28 acres
Lot 3-4.77 acres
Lot 6-1.05 acres
Lot 7-1.11 acres
Lot 8-9.79 acres

Second Subdivision Lot 9- .12 acres, metes/bounds descrip.
QCD Book 10 Page 111- .55 acres totaling .67 acres

Township of Daniels 3rd Plat:
Lot 1 previously described as Lots 2,3,4 Block 1- .2465 acres
Lot 1 previously described as Lots 5,6 Block 1- .1435 acres
Lot 2 (resurveyed)- 1.75 acres
Lot 3 (resurveyed)- 1.50 acres

metes/bounds descrip. QCD Book 6 Pages 162 & 421- .69 acres

metes/bounds description QCD Book 8 Page 583- .69 acres

Section 2: SW/4NW/4, NW/4SW/4, and S/2SW/4
metes/bounds descrip. in NW/4 WD Bk 37 Page 223- 2.00 acres

Section 3: Lot 1(40.10), Lot 2(40.13), S/2NE/4 and SE/4

Containing 853.83 Acres, more or less.

B.V.H.
B.V.H.

PRODUCERS 88-PAID UP

213

110240

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 25th day of August, 19 97, by and between

1st Interstate Bank, Trustee of the Margaret E. Conwell Trust

whose post office address is P.O. Box 3004, Gillette, WY 82717 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden, Suite 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten ($10.00) and more DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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:

See Exhibit "A" for Land description.

See Exhibit "B" for additional and ~~amended lease~~ provisions.

266525

RECORDED April 3 1998 M 2:00 p
IN BOOK 107 Of 6 PAGE 213
FEES $ 20.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Locke

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing 2547.30 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of Five (5) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises ~~or on acreage pooled therewith~~.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor for gas of whatsoever nature or kind (with all of its constituents) produced and sold or used off the leased premises, or used in the manufacture of products therefrom, one-eighth (1/8th) of the actual amount received by the Lessee, said payments to be made monthly.

4. During any period (whether before or after expiration of the primary term hereof) when gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or operations on said leased premises sufficient to keep this lease in force, Lessee shall pay or tender a royalty of One Dollar ($1.00) per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut in and thereafter on the anniversary date of this lease during the period such well is shut in, to the royalty owners. When such payment or tender is made, it will be considered that gas is being produced within the meaning of the entire lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut-in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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.

[redacted] [redacted] [redacted]

14. Lessor [redacted] DW [redacted] and agrees that the Lessee shall have the ri[redacted]me 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.

DW Not withstanding anything contained herein, this lease cannot be extended beyond 3 years past the primary term without production in commercial quantities sufficient for Lessor to participate in the royalty benefits.

1st Interstate Bank, Trustee
Margaret E. Conwell Trust

Tax ID#

STATE OF _____ } ss
COUNTY OF _____ }

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 _____ day of _____, 19 ____ personally appeared _____

and _____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires _____

Notary Public.

Address: _____

STATE OF _____ } ss
COUNTY OF _____ }

INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____, 19 ____ personally appeared _____

and _____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires _____

Notary Public.

Address: _____

STATE OF Wyoming } ss
COUNTY OF Campbell }

CORPORATE
(For use in all states)

On this 30 day of October, A.D. 1997, before me personally appeared Delores Warfield to me personally known, who, being by me duly sworn, did say that he is the AVP & Trust Officer, Trustee of Margaret E. Conwell Trust 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 30 day of October A.D., 1997

My Commission Expires April 23, 2000

ESTHER D. MOSER NOTARY PUBLIC MY COMMISSION EXPIRES APRIL 23, 2000 CAMPBELL COUNTY, WYOMING

Esther D Moser
Notary Public.

Address: Gillette, Wy

214

EXHIBIT "A"

Attached to and made apart of that certain Oil and Gas Lease dated October 9, 1997, between Douglas J. Vickery or Lynda Vickery, husband and wife, as Lessors, and High Plains Associates, Inc., as Lessee, covering Lease premises described as follows, to wit:

Township 35 North, Range 111 West, 6th P.M.

Section 28: SW/4, less and except the East 30 feet of the SW/4

Section 29: E/2SW/4, SE/4, less and except that tract of land located in the NE/4SW/4 and the NW/4SE/4 of Section 29, being more particularly described as follows; Beginning at a point on the north line of S/2 of Section 29, South 89 degrees 45 minutes 43 seconds West, 2056.39 feet from the east one-quarter of Section 29; thence continuing South 89 degrees 45 minutes 43 seconds West, a distance of 1432.52 feet to a point; thence South 89 degrees 57 minutes 44 seconds West, a distance of 119.84 feet; thence South 03 degrees 12 minutes 24 seconds East, a distance of 113.12 feet; thence South 13 degrees 46 minutes 44 seconds East, a distance of 199.87 feet to a point; thence South 28 degrees 29 minutes 27 seconds East, a distance of 340.25 feet; thence South 41 degrees 07 minutes 36 seconds East, a distance of 448.51 feet thence South 71 degrees 34 minutes 01 seconds East, a distance of 1074.74 feet to a point; thence North 00 degrees 55 minutes 15 seconds East, a distance of 1290.02 feet to the point of beginning.

Section 32: NE/4, NW/4SE/4

Section 33: W/2NW/4, E/2W/2, less and except the East 30 feet of the E/2W/2

Sublette County, Wyoming

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 referred to herein as one-eight (1/8) shall be amended to read 15.00%.

2) Lessee is hereby granted the right and power at any time and from time to time to pool only those portions of said lease with land or leases adjacent to said lands or premises and only the prescribed or required acreage necessary to abide by the State law, order, rule or regulation prescribed by statewide spacing or special spacing order, whichever is applicable.

3) 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, excepts 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 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 year (1) period subsequent to the end of the primary term hereof and Lessee likewise engages in or commences actual drilling operations on at least one (1) test well during succeeding one (1) year period.

4) Lessee shall notify Lessor in advance of staking and building a location upon said lands.

[redacted] [redacted] [redacted]

EXHIBIT "A"

Attached to and made a part of that Oil and Gas Lease dated August 25, 1997, between Margaret E. Conwell Trust, 1st Interstate Bank, Trustee, Lessor, and High Plains Associates, Inc., Lessee.

LAND DESCRIPTION:

<u>Township 33 North, Range 113 West, 6th P.M.</u>
Section 3: Lots 3(39.18), 4(39.01), SW/4NW/4, NW/4SW/4
Section 4: Lots 1(38.83), 2(38.65), S/2NE/4
Section 10: NE/4SW/4, W/2SE/4, SE/4SE/4
Section 11: S/2NW/4, N/2SW/4

<u>Township 34 North, Range 113 West, 6th P.M.</u>
Section 15: S/2SW/4, W/2SE/4
Section 17: SW/4NW/4, N/2SW/4
Section 18: Lots 3(35.77), 4(35.86), E/2NW/4, SE/4SW/4, NW/4NE/4, S/2NE/4, NE/4SE/4, SW/4SE/4
Section 20: SW/4NE/4, SE/4, E/2SW/4
Section 21: N/2SW/4, SW/4SW/4, NW/4SE/4, SE/4NE/4
Section 22: N/2NW/4, SW/4NW/4
Section 29: NW/4NE/4, SW/4SE/4
Section 32: NE/4, N/2SE/4, SE/4SE/4
Section 33: SW/4, SW/4SE/4
Section 34: E/2SW/4

Sublette County, WY
2547.30 acres, more or less.

Exhibit "A"
Page 2

5) On or before the time of any construction of road or location on any lands described herein, Lessor and Lessee shall agree on right of way, location, and damage payments. Payment to be received by Lessor prior to any construction.

6) On or before the time of staking the location Lessee shall pay to Lessor the estimated loss to agriculture for roadway right-of-way and location site.

7) If a location site is on irrigated meadow land, drilling will be permitted only from October 15 to March 1; however, Lessor will not unreasonably withhold granting exceptions to this time constraint in order that Lessee may comply with the other terms hereunder.

8) If any irrigation ditches or canals are disturbed during construction, drilling or completion operations hereunder, all ditches and canals will be reconstructed immediately by Lessee at their sole expense so as not to impede the carrying capacity of the irrigation water as to the original contour of the land.

9) In the event Lessee's operations cause damage to bridges, ditch crossings, culverts, fences, or any other improvements on said leased land, it will be immediately repaired by and at the sole expense of Lessee.

10) All mud pits must be lined before use.

11) Upon completion of drilling any and all wells, location and access road, if not used for subsequent operation, shall be restored as near as possible to their original state and reseeded. All seed used for reseeding must have the prior approval of Lessor. On any well drilled on meadow lands, the drilling mud shall be removed. On any well drilled on higher locations, the drilling mud shall be allowed to dry and covered with top soil.

12) If livestock is present during drilling operations, pits will be fenced. If death of livestock is determined to be caused by operations of the Lessee, then Lessor shall be compensated at fair market value for said livestock.

13) Lessee shall be required to consult with Lessor and to use all reasonable and prudent effort to protect and to prevent loss to Lessor's ranching operations in the construction of pipelines, locations, telephone lines, powerlines, tanks, ponds, roadways, plants or any other such construction.

14) If any water well is damaged by drilling, Lessee shall replace said water well at its sole expense.

15) If there is any conflict between the terms and conditions of this Exhibit and the text of the Lease, this Exhibit shall take precedence.

Signed for Identification:

Douglas J. Vickery

Lynda Vickery

Louis Oswald, III, President
High Plains Associates, Inc.

[redacted] [redacted] [redacted]

EXHIBIT "B"

Attached to and made apart of the Oil and Gas Lease dated August 25, 1997, between Margaret E. Conwell Trust, 1st Interstate Bank, Trustee, Lessor, and High Plains Associates, Inc., Lessee.

This Exhibit is specifically incorporated by this reference into the attached Lease. In the event of any conflict between the terms and conditions of the attached Lease and this Exhibit, the terms and conditions of this Exhibit will be deemed to prevail and control.

Notwithstanding anything to the contrary contained in the attached Lease, it is agreed:

1. 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, excepts as to such leands 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 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 (1) test well during each succeeding one (1) year period.

2. There shall be no surface occupancy rights granted for oil and gas operations of any nature on the Leased Premises within 500 feet from each bank of Horse Creek which traverse the Leased Premises. Nothing contained herein shall prevent lessee form directional drilling from portions of the Leased Premises not affected by this condition to explore or capture the oil and gas underlying the lands affected by this restriction.

3. With respect to Paragraph 4 of the lease relating to shut-in gas well payments, it is provided that, in addition to the terms and conditions stated therein, all such shut-in payments shall be paid or tendered to Lessor as provided therein in the proper amount and that any failure to timely pay or tender on or before the specified date(s) shall result in this lease being automatically terminated without further action on the part of Lessor. Moreover, shut-in payments, if properly made, will only extend this Lease for a period of three years beyond the primary term opf this lease and after this period the Lease cannot in any circumstances be extended by the payment of the shut-in gas well payments provided for herein.

4. Lessee shall not use, nor permit any tenant, occupant or any other party or entity to use, the Leased Premises, or any part thereof, for the purpose of generating, treating, producing, storing, handling, transferring, processing, transporting, desposing or otherwise releasing "hazardous substances," as hereinafter defined, either on, in, from or about the Leased Premises which:

(a.) create or cause a contamination either on the Leased Premises or elsewhere which is required by any governmental authority to be removed, remediated, or otherwise cleaned up under any applicable "Environmental Law," as defined below;

(b.) creates any form of liability, civil or criminal, direct or indirect, due to such contamination; or

(c.) is in contravention of any Environmental Law.

That the terms "Environmental Law" and Environmental Laws" as used in this Lease include any and all current and future federal, state, and local environmental laws, statutes, rules, regulations and ordinances, as the same shall be amended and modified from time to time, including, but not limited to, "common law," the Clean Water Act, as amended from time to time, the Clean Air Act, as amended from time to time, the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), as amended from time to time, the Resource Conservation and Recovery Act (RCRA), as amended from time to time, and the Toxic Substances Control Act (TSCA), as amended from time to time.

That "hazardous substances" as used in this Lease includes any and all "hazardous substances" as defined in CERCLA, any and all "hazardous wastes" as defined in RCRA, any and all "toxic substances" as defined in TSCA, petroleum products, asbestos or asbestos-containing materials, polychlorinated biphenyls (PCB's), radon gas, urea formaldehyde foam insulation (UFFI) and any and all other hazardous substances, hazardous wastes, pollutants and contaminants regulated or controlled by any of the Environmental Laws.

That Lessee shall, in the event of any discharge, spill, injection, escape, emission, disposal, leak or other release of hazardous substances on, in, under, onto or from the Leased Premises, which is not authorized by currently valid permit or other approval issued by the appropriate governmental agencies:

(a.) promptly notify Lessor, the Environmental Protection Agency National Response Center and the appropriate State Department of Environmental Quality;

(b.) take all steps necessary to promptly clean up such discharge, spill, injection, escape, emission, disposal, leak or another release in accordance with the provisions of all applicable Environmental Laws; and

(c.) receive certification from the appropriate State Department of Environmental Quality or Federal Environmental Protection Agency that the Leased Premises, and any other property affected, has been cleaned up to the satisfaction of those agencies.

That Lessee shall and does hereby grant Lessor and Lessor's agents, employees, contractors and designees an irrevocable license (coupled with an interest) to enter the Leased Premises from time to time:

(a.) evaluate and monitor the Leased Premises for compliance with all Environmental Laws and the terms of this Lease;

(b.) evaluate the presence of hazardous substances; and

(c.) perform appropriate tests and test borings, including taking soil and ground water samples.

That Lessee shall provide Lessor with all notices and other communications received from federal, state and local agencies and departments which enforce and administer the Environmental Laws. From time to time Lessee shall provide Lessor, upon request, any and all information requested by Lessor concerning the use of the Leased Premises and Lessee's compliance with the Environmental Laws and the terms of this Lease, including, but not limited to, all licenses, permits and certificates, and the books and records pertaining to the Leased Premises.

That Lessee shall require that all tenants, subtenants, undertenants and other occupants of the Leased Premises to use and occupy the Leased Premises in strict compliance with the Environmental Laws and the terms of this Lease.

That Lessor, shall, in addition to those notifications required elsewhere in this lease, notify Lessor of:

(a.) the presence of any visible asbestos or asbestos-containing materials, PCB's (except as shown on the Environmental Certificate), radon gas beyond acceptable limits, or urea formaldehyde foam insulation at, in, on, under, onto or from the Leased Premises; and

(b.) the receipt by Lessee of any notice or other communication from any governmental entity or authority or from any tenant or other occupany or from any other event involving a hazardous substance on, in, under, onto or from the Leased Premises or any violation of an Environmental Law.

Lessee, its assigns or successors, shall indemnify and hold Lessor harmless against any and all liabilities, costs and expenses that occur or results from Lessee's, its assigns or successors, possession or operations conducted on the Leased Premises. This shall include the presence of any or threatened migration or release of any hazardous materials or substances. In the event Lessor receives notice that hazordous material or substances. In the event Lessor receives notice that hazardous material or substances are present or pose a problem, and time permits, Lessor or their agent shall immediately notify Lessee, its assigns or successors of any problem or pending problem. In this situation, Lessee, its assigns or successors, shall have sixty (60) days to rectify the problem. If the urgency of the problem, or Federal, State or Local law requires that immediate action be taken, and Lessee, its assigns or successors, can not immediately respond, then Lessor may take the necessary action to rectify the problem and Lessee, it assigns or successors, will reimburse Lessor for all reasonable expenses, including liability costs and expenses as well as fees and expenses of attorneys and other professional consultants and experts.

This indemnification, as it pertains to Lessee's, its successor's or assign's possession and operations on said lands, shall survive any termination or cancellation of this Lease and shall be applicable to any assignee, sublessee or operator of the Leased Premises.

Signed for Identification

1st Interstate Bank, Trustee
Margaret E. Conwell Trust

High Plains Associates, Inc.

PRODUCERS 88-PAID UP

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112674

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 19th day of December, 19 97, by and between Floyd L. Briggs, Jr. and Kathryn J. Briggs, husband and wife

whose post office address is 523 Ehmen Lane, Pinedale, WY 82941 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is Suite 300, 1557 Ogden Street, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten and more ($10.00) DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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:

See Exhibit "A" for land description and additional and amended lease provisions.

266526

RECORDED April 3 1998 M 2:00p
IN BOOK 107 Misc PAGE 221
FEES $ 12.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Boston

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and

containing 160.00 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of Five (5) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor for gas of whatsoever nature or kind (with all of its constituents) produced and sold or used off the leased premises, or used in the manufacture of products therefrom, one-eighth (1/8th) of the actual amount received by the Lessee, said payments to be made monthly.

4. During any period (whether before or after expiration of the primary term hereof) when gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or operations on said leased premises sufficient to keep this lease in force, Lessee shall pay or tender a royalty of One Dollar ($1.00) per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut in and thereafter on the anniversary date of this lease during the period such well is shut in, to the royalty owners. When such payment or tender is made, it will be considered that gas is being produced within the meaning of the entire lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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 L[redacted] Rule or Regulation.

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 th[redacted] the undersigned Lessors, for themselves and th[redacted] successors and assigns, hereby surrender and rele[redacted] of dower and homestead in the [redacted] escribed herein, insofar as said right of dower a[redacted] and may in any way affect the purposes for whic[redacted] 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.

Floyd L. Briggs Jr.
Floyd L. Briggs, Jr.
Soc. Sec. No.: 480-32-9488

Kathryn J. Briggs
Kathryn J. Briggs

STATE OF WYOMING
COUNTY OF SUBLETTE

} 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 12th day of February, 19 98

personally appeared Floyd L. Briggs, Jr. and Kathryn J. Briggs, husband and wife

and

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that they duly executed the same [redacted] free and voluntary act and deed for the purposes therein set forth.

IN W[redacted] I have hereunto set my hand and affixed my notarial seal the day and year last above written.

My Commission [redacted] 8198

TRACEY L FIELDS NOTARY PUBLIC SUBLETTE CO WYO

Tracey L Fields Hoare
Notary Public

Address: Cora WY 82925

STATE OF _____
COUNTY OF _____

} ss

INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____, 19 ____

personally appeared _____

and _____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires _____

_____
Notary Public.

Address: _____

STATE OF _____
COUNTY OF _____

} ss

CORPORATE
(For use in all states)

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_____.

My Commission Expires _____

_____
Notary Public.

Address: _____

EXHIBIT "A"

Attached hereto and made a part of that certain oil and gas lease dated December 19, 1997, by and between Floyd L. Briggs, Jr. And Kathryn J. Briggs, husband and wife, as Lessors and High Plains Associates, Inc., as Lessee.

Township 34 North, Range 113 West, 6th P.M.
Section 2: SE/4

Containing 160.00 acres, M/L
Sublette County, Wyoming

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 referred to herein as one-eighth shall be amended to read 16.00%

2. Lessee is hereby granted the right and power at any time and from time to time to pool only those portions of said lease with lands or leases adjacent to said lands or premises to a spacing unit of 160 acres or that prescribed or required acreage necessary to abided by the State law, order, rule, or regulation prescribed by statewide spacing or special spacing order, whichever is applicable.

3. Production from any well or wells 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 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 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 (1) test well during succeeding one year periods.

4. Lessee shall notify Lessor in advance of staking and building a location upon said lands.

5. Location site for any well or wells on leased premises shall not exceed two (2) acres unless agreed upon before construction of location.

6. Lessee, will indemnify and hold Lessor harmless from all liability to or claims of others, should any claims result from OPERATOR's operations on the property of Lessor.

7. Lessee shall indemnify and hold Lessor harmless from any damages occasioned by Lessee's activities and shall be responsible to the Lessor for all damages done to houses, fences, gates, livestock, tanks, and other improvements which may be damaged by Lessor's operations and use hereunder.

8. On or before the time of any construction or location on any lands described herein, Lessor and Lessee shall agree on right of way, location and damage payments. Payment to be received by lessor prior to any construction. Lessee agrees to work with Lessor to minimize loss to any Agricultural Operations due to road, pipeline or location construction and placement.

9. If a location site is on irrigated meadow land, drilling will be permitted only from October 15 to March 1; however, Lessor will not unreasonably withhold granting exceptions to this time constraint in order that Lessee amy comply with the other terms hereunder.

10. If any irrigation ditches or canals are disturbed during construction, drilling or completion operations hereunder, all ditches and canals will be reconstructed

immediately by Lessee at their sole expense so as not to impede the carrying capacity of the irrigation water as to the original contour of the land.

11. In the event Lessee's operations cause damage to bridges, ditch crossings, culverts, fences or any other improvements on said leased land, it will be immediately repaired by and at the sole expense of Lessee.

12. All mud pits must be lined before use.

13. Upon completion of drilling any and all wells, location and access roads, if not used for subsequent operation, shall be restored to their original state and reseeded. All seed used for reseeding must have the prior approval of Lessor.

14. If any livestock is present during drilling operations, pits will be fenced. If death of livestock is determined to be caused by operations of the Lessee, then Lessor shall be compensated at fair market value for said livestock.

15. If any water well is drilled to provide water for drilling operations, at the written request of Lessor, said well will be left for Lessor's use.

16. If at the termination of the primary term of this Lease, gas from a well capable of producing gas in commercial quantities is not being sold or used, whether such well be on the leased lands or contained in within a unit containing a tract or tracts of the leased lands, the Lessee may pay or tender as royalty to the OWNER Five Dollars ($5.00) per year royalty acre retained hereunder for each such well, such payment to be made not less than thirty (30) days prior to the expiration of the primary term of this Lease and thereafter on or before succeeding anniversary dates of this Lease, and if such payments are made it will be considered that gas is being produced in commercial quantities within the meaning of this lease; provided that payment of such shut-in royalty shall not maintain this Lease in effect for a period in excess of three (3) years from the expiration of the primary term of the Lease.

17. OPERATOR agrees to pay all costs and expenses including attorney's fees, incurred by OWNER in the enforcement of any portion of this agreement against OPERATOR or incurred in the recovery of any damage for any breach hereof by OPERATOR.

18. If there is any conflict between this Exhibit "A" and the text of the Lease, this Exhibit "A" shall take precedence.

Signed for Identification:

Floyd L. Briggs, Jr.

Kathryn J. Briggs

Louis Oswald, III, President
High Plains Associates, Inc.

PRODUCERS 88-PAID UP

225

110490

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 19th day of December 19 97 by and between Floyd L. Briggs, Jr. and Kathryn J. Briggs, husband and wife

whose post office address is 523 Elwen Lane, Pinedale, WY 82941 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is Suite 300, 1557 Ogden Street, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten and more ($10.00) DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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:

See Exhibit "A" for land description and additional and amended lease provisions.

266527

RECORDED April 3 1998 M 2:00P
IN BOOK 107 Q16 PAGE 225
FEES $12.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Scott

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and

containing 320.00 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of Five (5) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor for gas of whatsoever nature or kind (with all of its constituents) produced and sold or used off the leased premises, or used in the manufacture of products therefrom, one-eighth (1/8th) of the actual amount received by the Lessee, said payments to be made monthly.

4. During any period (whether before or after expiration of the primary term hereof) when gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or operations on said leased premises sufficient to keep this lease in force, Lessee shall pay or tender a royalty of One Dollar ($1.00) per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut in and thereafter on the anniversary date of this lease during the period such well is shut in, to the royalty owners. When such payment or tender is made, it will be considered that gas is being produced within the meaning of the entire lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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 [redacted]er, 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 [redacted], 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.

Floyd L. Briggs Jr.
Floyd L. Briggs, Jr.
Soc. Sec. No.: 480-32-9488

Kathryn J. Briggs
Kathryn J. Briggs

STATE OF WYOMING
COUNTY OF SUBLETTE
} 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 12th day of February, 19 98

personally appeared Floyd L. Briggs, Jr. and Kathryn J. Briggs, husband and wife

and

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that they duly executed the same as their free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires 2/8/98

NOTARY PUBLIC SUBLETTE CO. WYOMING

Tracey L Fields Hoover
Notary Public.
Address: Cora Wy 82925

STATE OF _____
COUNTY OF _____
} ss

INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____, 19 ____

personally appeared _____

and _____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires _____

Notary Public.

Address: _____

STATE OF _____
COUNTY OF _____
} ss

CORPORATE
(For use in all states)

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_____.

My Commission Expires _____

Notary Public.

Address: _____

EXHIBIT "A"

Attached hereto and made a part of that certain oil and gas lease dated December 19, 1997, by and between Floyd L. Briggs, Jr. And Kathryn J. Briggs, husband and wife, as Lessors and High Plains Associates, Inc., as Lessee.

Township 34 North, Range 113 West, 6th P.M.
Section 1: SW/4

Township 35 North, Range 113 West, 6th P.M.
Section 34: S/2S/2

Containing 320.00 acres, M/L
Sublette County, Wyoming

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 referred to herein as one-eighth shall be amended to read 16.00%

2. Lessee is hereby granted the right and power at any time and from time to time to pool only those portions of said lease with lands or leases adjacent to said lands or premises to a spacing unit of 160 acres or that prescribed or required acreage necessary to abided by the State law, order, rule, or regulation prescribed by statewide spacing or special spacing order, whichever is applicable.

3. Production from any well or wells 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 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 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 (1) test well during succeeding one year periods.

4. Lessee shall notify Lessor in advance of staking and building a location upon said lands.

5. Location site for any well or wells on leased premises shall not exceed two (2) acres unless agreed upon before construction of location.

6. Lessee, will indemnify and hold Lessor harmless from all liability to or claims of others, should any claims result from OPERATOR's operations on the property of Lessor.

7. Lessee shall indemnify and hold Lessor harmless from any damages occasioned by Lessee's activities and shall be responsible to the Lessor for all damages done to houses, fences, gates, livestock, tanks, and other improvements which may be damaged by Lessor's operations and use hereunder.

8. On or before the time of any construction or location on any lands described herein, Lessor and Lessee shall agree on right of way, location and damage payments. Payment to be received by lessor prior to any construction. Lessee agrees to work with Lessor to minimize loss to any Agricultural Operations due to road, pipeline or location construction and placement.

9. If a location site is on irrigated meadow land, drilling will be permitted only from October 15 to March 1; however, Lessor will not unreasonably withhold granting exceptions to this time constraint in order that Lessee amy comply with the other terms hereunder.

10. If any irrigation ditches or canals are disturbed during construction, drilling or completion operations hereunder, all ditches and canals will be reconstructed immediately by Lessee at their sole expense so as not to impede the carrying capacity of the irrigation water as to the original contour of the land.

11. In the event Lessee's operations cause damage to bridges, ditch crossings, culverts, fences or any other improvements on said leased land, it will be immediately repaired by and at the sole expense of Lessee.

12. All mud pits must be lined before use.

13. Upon completion of drilling any and all wells, location and access roads, if not used for subsequent operation, shall be restored to their original state and reseeded. All seed used for reseeding must have the prior approval of Lessor.

14. If any livestock is present during drilling operations, pits will be fenced. If death of livestock is determined to be caused by operations of the Lessee, then Lessor shall be compensated at fair market value for said livestock.

15. If any water well is drilled to provide water for drilling operations, at the written request of Lessor, said well will be left for Lessor's use.

16. If at the termination of the primary term of this Lease, gas from a well capable of producing gas in commercial quantities is not being sold or used, whether such well be on the leased lands or contained in within a unit containing a tract or tracts of the leased lands, the Lessee may pay or tender as royalty to the OWNER Five Dollars ($5.00) per year royalty acre retained hereunder for each such well, such payment to be made not less than thirty (30) days prior to the expiration of the primary term of this Lease and thereafter on or before succeeding anniversary dates of this Lease, and if such payments are made it will be considered that gas is being produced in commercial quantities within the meaning of this lease; provided that payment of such shut-in royalty shall not maintain this Lease in effect for a period in excess of three (3) years from the expiration of the primary term of the Lease.

17. OPERATOR agrees to pay all costs and expenses including attorney's fees, incurred by OWNER in the enforcement of any portion of this agreement against OPERATOR or incurred in the recovery of any damage for any breach hereof by OPERATOR.

18. If there is any conflict between this Exhibit "A" and the text of the Lease, this Exhibit "A" shall take precedence.

Signed for Identification:

Floyd L. Briggs, Jr.

Kathryn J. Briggs

Louis Oswald, III, President
High Plains Associates, Inc.

PRODUCERS 88-PAID UP

229

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 22nd day of November, 19 97, by and between Alvin B. Pearson, Jr. and Lillian I. Pearson, Trustees of The Pearson Revocable Trust dated January 24, 1991

whose post office address is 344 Highway 354, Daniel, WY 83115 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden, Suite 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten ($10.00) and more DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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:

See Exhibit "A" for land description and amended and additional lease provisions.

RECORDED April 3 1998 M 2:00 p
IN BOOK 107016 PAGE 229
FEES $ 11.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Easton

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together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing 2328.27 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of Three (3) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor for gas of whatsoever nature or kind (with all of its constituents) produced and sold or used off the leased premises, or used in the manufacture of products therefrom, one-eighth (1/8th) of the actual amount received by the Lessee, said payments to be made monthly.

4. During any period (whether before or after expiration of the primary term hereof) when gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or operations on said leased premises sufficient to keep this lease in force, Lessee shall pay or tender a royalty of One Dollar ($1.00) per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut in and thereafter on the anniversary date of this lease during the period such well is shut in, to the royalty owners. When such payment or tender is made, it will be considered that gas is being produced within the meaning of the entire lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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.

[redacted] [redacted] [redacted]

14. Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the Lessee shall have the right [redacted]e to redeem for Lessor, by pay[redacted]nortgages, taxes or other liens on the above desc[illegible], in the event of default of payment by Lessor an[redacted]gated to the rights of the holde[redacted]nd the undersigned Lessors, for themselves and [redacted], successors and assigns, hereby surrender and r[redacted]ght 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 wh[redacted]e 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.

X Alvin B. Pearson, Jr.
Alvin B. Pearson, Jr., Trustee

X Lillian I. Pearson
Lillian I. Pearson, Trustee

STATE OF Wyoming
COUNTY OF Sublette

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 _____ day of _____, 19 97

personally appeared Alvin B. Pearson, Jr. and Lillian I. Pearson, Trustee of the Pearson Revocable Trust dated January 24, 1991

and

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that they duly executed the same as their free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires 10-31-2001

RAYMOND C. MUNSON NOTARY PUBLIC
COUNTY OF SUBLETTE STATE OF WYOMING
MY COMMISSION EXPIRES OCT. 31, 2001

Raymond C. Munson
Notary Public.

Address: Pinedale, Wyoming

STATE OF _____
COUNTY OF _____

INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____, 19 ____

personally appeared _____

and _____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires _____

Notary Public.

Address: _____

STATE OF _____
COUNTY OF _____

CORPORATE
(For use in all states)

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____.

My Commission Expires _____

Notary Public.

Address: _____

EXHIBIT "A"

Attached to and made apart of that certain Oil and Gas Lease dated November 24, 1997, between Alvin B. Pearson, Jr. and Lillian I. Pearson, Trustees of The Pearson Revocable Trust dated January 24, 1991, as Lessors, and High Plains Associates, Inc., as Lessee, covering Lease premises described as follows, to wit:

PARCEL #1

Township 34 North, Range 110 West, 6th P.M.
Section 13: W/2E/2, N/2NW/4, NE/4SW/4, SE/4NW/4, less and except an 11.9 acre tract more fully described in QCD Book 5, Page 358.
Section 24: NW/4NE/4

Township 34 North, Range 111 West, 6th P.M.
Section 19: Lots 1(38.05), 2(38.15), 3(38.25), E/2SW/4, W/2SE/4, SE/4SE/4, less and except an 85.35 acre tract more fully describe in Warranty Deed Book 15, Page 362.
Section 30: NE/4, N/2SE/4

PARCEL #2

Township 34 North, Range 112 West, 6th P.M.
Section 25: S/2SW/4

PARCEL #3

Township 33 North, Range 111 West, 6th P.M.
Section 5: Lots 1(39.96), 2(39.98), 3(39.98), 4(40.00), S/2N/2, NE/4SW/4, N/2SE/4, SE/4SE/4

Township 34 North, Range 111 West, 6th P.M.
Section 31: E/2SE/4
Section 32: SW/4, S/2SE/4

PARCEL #4

Township 35 North, Range 111 West, 6th P.M.
Section 5: SW/4, SW/4NW/4
Section 6: Lots 1(39.37), 2(39.55), 3(39.73), 4(36.24), SE/4NW/4, S/2NE/4, NE/4SE/4

Township 36 North, Range 111 West, 6th P.M.
Section 31: Lot 4(36.26), SE/4SW/4, SW/4SE/4

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 referred to herein as one-eight (1/8) shall be amended to read 16.00%.

2) Lessee is hereby granted the right and power at any time and from time to time to pool only those portions of said lease with land or leases adjacent to said lands or premises to a spacing unit of 160 acres or that prescribed or required acreage necessary to abide by the State law, order, rule or regulation prescribed by statewide spacing or special spacing order, whichever is applicable.

3) 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, excepts 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 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 year (1) period subsequent to the end of the primary term hereof and Lessee likewise engages in or commences actual drilling operations on at least on (1) test well during succeeding one (1) year period.

4) Lessee shall notify Lessor in advance of staking and building a location upon said lands.

5) Location site for any well or wells on leased premises shall not exceed two acres unless agreed upon before construction of location.

6) On or before the time of any construction of road or location on any lands described herein, Lessor and Lessee shall agree on right of way, location and damage payments. Payment to be received by Lessor prior to any construction. Lessee agrees to work with Lessor to minimize loss to any Ag Operations due to road, pipeline or location construction and placement.

7) If a location site is on irrigated meadow land, drilling will be permitted only from October 15 to March 1; however, Lessor will not unreasonably withhold granting exceptions to this time constraint in order that Lessee may comply with the other terms hereunder.

8) If any irrigation ditches or canals are disturbed during construction, drilling or completion operations hereunder, all ditches and canals will be reconstructed immediately by Lessee at their sole expense so as not to impede the carrying capacity of the irrigation water as to the original contour of the land.

9) In the event Lessee's operations cause damage to bridges, ditch crossings, culverts, fences, or any other improvements on said leased land, it will be immediately repaired by and at the sole expense of Lessee.

10) All mud pits must be lined before use.

11) Upon completion of drilling any and all wells, location and access road, if not used for subsequent operation, shall be restored as near as possible to their original state and reseeded. All seed used for reseeding must have the prior approval of Lessor.

12) If livestock is present during drilling operations, pits will be fenced. If death of livestock is determined to be caused by operations of the Lessee, then Lessor shall be compensated at fair market value for said livestock.

13) If any water well is drilled to provide water for drilling operations, at the written request of Lessor, said well will be left for Lessors use.

Exhibit "A"
Page 3

14) With respect to Paragraph 4 of the lease relating to shut-in gas well payments, it is provided that, in addition to the terms and conditions stated therein, all shut-in payments shall be tendered in the amount or $5.00 per net mineral acre.

16) If there is any conflict between this Exhibit "A" and the text of the Lease, this Exhibit "A" shall take precedence.

Signed for Identification:

Alvin B. Pearson, Jr., Trustee

Lillian I. Pearson, Trustee

Louis Oswald, III, President
High Plains Associates, Inc.

PRODUCERS 88 [redacted]

[redacted]

[redacted]

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 10th **day of** October **, 19** 97 **by and between**

Kenneth C. James and Jannean M. James, husband and wife

whose post office address is 399 Highway 354, Daniel, WY 83115 **hereinafter called Lessor (whether one or more) and** High Plains Associates, Inc. **whose post office address is** 1557 Ogden, Suite 300, Denver, CO 80218 **hereinafter called Lessee:**

WITNESSETH, That the Lessor, for and in consideration of Ten ($10.00) and more **DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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:**

See EXHIBIT "A" for Land Description and amended and additional Lease provisions

266529

RECORDED April 3, 1998 M 2:00p
IN BOOK 107 pg6 PAGE 234
FEES $ 12.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Sooter

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing 953.54 **acres, more or less.**

1. It is agreed that this lease shall remain in force for a term of Five (5) **years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.**

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor for gas of whatsoever nature or kind (with all of its constituents) produced and sold or used off the leased premises, or used in the manufacture of products therefrom, one-eighth (1/8th) of the actual amount received by the Lessee, said payments to be made monthly.

4. During any period (whether before or after expiration of the primary term hereof) when gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or operations on said leased premises sufficient to keep this lease in force, Lessee shall pay or tender a royalty of One Dollar ($1.00) per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut in and thereafter on the anniversary date of this lease during the period such well is shut in, to the royalty owners. When such payment or tender is made, it will be considered that gas is being produced within the meaning of the entire lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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.

KJ
JMJ

~~14. Lessor hereby warrants and agree 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.

x Kenneth C. James
Kenneth C. James
SS# 520 72 9045

x Jannean M. James
Jannean M. James
520 70 6438

STATE OF Wyoming
COUNTY OF Sublette

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 14th day of November, 19 97 personally appeared Kenneth C. James and Jannean M. James, husband and wife

and

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that they duly executed the same as their free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires SHARON LEE ZAGLER-NOTARY PUBLIC
County of Sublette — State of Wyoming
My Commission Expires 10-25-2001

Notary Public.

Address: Box 549 Pinedale Wyo 82941

STATE OF _____
COUNTY OF _____

ss

INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____ ____, 19 ____ personally appeared _____ _____

and _____ _____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires _____

Notary Public.

Address: _____

STATE OF _____
COUNTY OF _____

ss

CORPORATE
(For use in all states)

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____.

My Commission Expires _____

Notary Public.

Address: _____

EXHIBIT "A"

Attached to and made apart of that certain Oil and Gas Lease dated October 10, 1997, between Kenneth C.James and Jannean M. James, husband and wife, as Lessors, and High Plains Associates, Inc., as Lessee, covering Lease premises described as follows, to wit:

Township 34 North, Range 111 West, 6th P.M.
Section 19: Lot 4(38.30)
Section 30: Lots 1(38.40), 2(38.42), 3(38.42), E/2NW/4, NE/4SW/4

Township 34 North, Range 112 West, 6th P.M.
Section 24: W/2SW/4, S/2SE/4
Section 25: N/2S/2, SW/4SE/4, N/2
Sublette County, Wyoming

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 referred to herein as one-eight (1/8) shall be amended to read 15.00%.

2) Lessee is hereby granted the right and power at any time and from time to time to pool only those portions of said lease with land or leases adjacent to said lands or premises and only the prescribed or required acreage necessary to abide by the State law, order, rule or regulation prescribed by statewide spacing or special spacing order, whichever is applicable.

3) 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, excepts 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 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 year (1) period subsequent to the end of the primary term hereof and Lessee likewise engages in or commences actual drilling operations on at least on (1) test well during succeeding one (1) year period.

4) Lessee shall notify Lessor in advance of staking and building a location upon said lands.

5) Location site for any well or wells on leased premises shall not exceed two acres unless agreed upon before construction of location.

6) On or before the time of any construction of road or location on any lands described herein, Lessor and Lessee shall agree on right of way, location and damage payments. Payment to be received by Lessor prior to any construction.

7) If a location site is on irrigated meadow land, drilling will be permitted only from October 15 to March 1; however, Lessor will not unreasonably withhold granting exceptions to this time constraint in order that Lessee may comply with the other terms hereunder.

8) If any irrigation ditches or canals are disturbed during construction, drilling or completion operations hereunder, all ditches and canals will be reconstructed immediately by Lessee at their sole expense so as not to impede the carrying capacity of the irrigation water as to the original contour of the land.

Exhibit "A"
Page 2

9) In the event Lessee's operations cause damage to bridges, ditch crossings, culverts, fences, or any other improvements on said leased land, it will be immediately repaired by and at the sole expense of Lessee.

10) All mud pits must be lined before use.

11) Upon completion of drilling any and all wells, location and access road, if not used for subsequent operation, shall be restored as near as possible to their original state and reseeded. All seed used for reseeding must have the prior approval of Lessor. On any well drilled on meadow lands, the drilling mud shall be removed. On any well drilled on higher location, the drilling mud shall be allowed to dry and covered with top soil.

12) If livestock is present during drilling operations, pits will be fenced. If death of livestock is determined to be caused by operations of the Lessee, then Lessor shall be compensated at fair market value for said livestock.

13) Lessee shall be required to consult with Lessor and to use all reasonable and prudent effort to protect and to prevent loss to Lessor's ranching operations in the construction of pipelines, locations, telephone lines, powerlines, tanks, ponds, roadways, plants or any other such construction.

14) If any water well is damaged by drilling, Lessee shall replace said water well at its sole expense.

15) If there is any conflict between this Exhibit "A" and the text of the Lease, this Exhibit "A" shall take precedence.

Signed for Identification:

Kenneth C. James

Kenneth C. James

Jannean M. James

Jannean M. James

Louis Oswald, III, President
High Plains Associates, Inc.

PRODUCERS 88 PAID UP [redacted]

11264 [redacted]

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 22 day of November 19 97 by and between Carroll L. Noble, aka Mike Noble, and Ruth A. Noble, husband and wife

whose post office address is P. O. Box 36, Cora, WY 82925 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden, Suite 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten ($10.00) and more DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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:

RECORDED April 3 1998 M 8:00
IN BOOK 107 OF S PAGE 238
FEES $ 12.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Seaton

266530

See EXHIBIT "A" for land description and additional and amended lease provisions.

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and

containing 713.10 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of ~~Five (5)~~ Three 3 Row years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor for gas of whatsoever nature or kind (with all of its constituents) produced and sold or used off the leased premises, or used in the manufacture of products therefrom, one-eighth (1/8th) of the actual amount received by the Lessee, said payments to be made monthly.

4. During any period (whether before or after expiration of the primary term hereof) when gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or operations on said leased premises sufficient to keep this lease in force, Lessee shall pay or tender a royalty of One Dollar ($1.00) per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut in and thereafter on the anniversary date of this lease during the period such well is shut in, to the royalty owners. When such payment or tender is made, it will be considered that gas is being produced within the meaning of the entire lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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 mortgage, 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.~~

239

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.

x Carroll L. Noble
Carroll L. Noble

520-32-2029

x Ruth A. Noble
Ruth A. Noble

562-40-0486

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

STATE OF Wyoming
COUNTY OF Sublette } ss

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____, 1997

personally appeared Carroll L. Noble, aka Mike Noble, and Ruth A. Noble, husband and wife

and

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that they duly executed the same as their free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires 10-31-2001

RAYMOND C. MUNSON NOTARY PUBLIC
COUNTY OF SUBLETTE STATE OF WYOMING
MY COMMISSION EXPIRES OCT. 31, 2001

Raymond C. Munson
Notary Public

Address: Pinedale, Wyoming

INDIVIDUAL
(For use in all states)

STATE OF _____
COUNTY OF _____ } ss

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____, 19____

personally appeared _____

and _____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires _____

Notary Public.

Address: _____

CORPORATE
(For use in all states)

STATE OF _____
COUNTY OF _____ } ss

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____

My Commission Expires _____

Notary Public.

Address: _____

[redacted] [redacted] [redacted]

[redacted] [redacted] [redacted]

EXHIBIT "A"

Attached to and made apart of that certain Oil and Gas Lease dated November 22, 1997, between Carroll L. Noble, aka Mike Noble and Ruth A. Noble, husband and wife, as Lessors, and High Plains Associates, Inc., as Lessee, covering Lease premises described as follows, to wit:

Township 34 North, Range 110 West, 6th P.M.
Section 3: Lots 3(36.72), 4(36.38), S/2NW/4

Township 35 North, Range 110 West, 6th P.M.
Section 34: S/2
Section 35: S/2SW/4

Township 36 North, Range 110 West, 6th P.M.
Section 20: E/2NW/4, NW/4NE/4, NE/4SW/4

Sublette County, Wyoming

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 referred to herein as one-eight (1/8) shall be amended to read 16.00%.

2) Lessee is hereby granted the right and power at any time and from time to time to pool only those portions of said lease with land or leases adjacent to said lands or premises to a spacing unit of 160 acres or that prescribed or required acreage necessary to abide by the State law, order, rule or regulation prescribed by statewide spacing or special spacing order, whichever is applicable.

3) 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, excepts 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 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 year (1) period subsequent to the end of the primary term hereof and Lessee likewise engages in or commences actual drilling operations on at least on (1) test well during succeeding one (1) year period.

4) Lessee shall notify Lessor in advance of staking and building a location upon said lands.

5) Location site for any well or wells on leased premises shall not exceed two acres unless agreed upon before construction of location.

6) On or before the time of any construction of road, pipeline or location on any lands described herein, Lessor and Lessee shall agree on right of way, location and damage payments. Payment to be received by Lessor prior to any construction. Lessee agrees to work with Lessor to minimize loss to any Ag Operations due to road, pipeline or location construction and placement.

7) If a location site is on irrigated meadow land, drilling will be permitted only from October 15 to March 1; however, Lessor will not unreasonably withhold granting exceptions to this time constraint in order that Lessee may comply with the other terms hereunder.

Exhibit "A"
Page 2

8) If any irrigation ditches or canals are disturbed during construction, drilling or completion operations hereunder, all ditches and canals will be reconstructed immediately by Lessee at their sole expense so as not to impede the carrying capacity of the irrigation water as to the original contour of the land.

9) In the event Lessee's operations cause damage to bridges, ditch crossings, culverts, fences, or any other improvements on said leased land, it will be immediately repaired by and at the sole expense of Lessee.

10) All mud pits must be lined before use.

11) Upon completion of drilling any and all wells, location and access road or pipeline right of way, if not used for subsequent operation, shall be restored as near as possible to their original state and reseeded. All seed used for reseeding must have the prior approval of Lessor.

12) If livestock is present during drilling operations, pits will be fenced. If death of livestock is determined to be caused by operations of the Lessee, then Lessor shall be compensated at fair market value for said livestock.

13) If any water well is drilled to provide water for drilling operations, at the written request of Lessor, said well will be left for Lessors use.

14) With respect to Paragraph 4 of the lease relating to shut-in gas well payments, it is provided that, in addition to the terms and conditions stated therein, all shut-in payments shall be tendered in the amount or $5.00 per net mineral acre.

15) Lessee agrees that no drilling activity will take place within 1320 feet of the center line of the New Fork River or any buildings or structures on the lessors property, without the prior written consent of lessor.

16) Lessee shall indemnify and hold Lessor harmless from any damages occasioned by Lessee's activities and shall be responsible to the Lessor for all the damages done to houses, fences, gates, livestock, tanks and other improvements which may be damaged by Permittee's operations and use hereunder.

17) If there is any conflict between this Exhibit "A" and the text of the Lease, this Exhibit "A" shall take precedence.

Signed for Identification:

Carroll L. Noble
Carroll L. Noble

Ruth Noble
Ruth Noble

Louis Oswald, III, President
High Plains Associates, Inc.

PRODUCERS 88 PAID UP [redacted]

[redacted]

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 22 **day of** November **, 19** 97 **, by and between**
Carroll D. Noble, aka Dave Noble, and Ann Noble, husband and wife

whose post office address is P.O. Box 36, Cora, WY 82925 **hereinafter called Lessor (whether one or more) and** High Plains Associates, Inc. **whose post office address is** 1557 Ogden, Suite 300, Denver, CO 80218 **hereinafter called Lessee:**

WITNESSETH, That the Lessor, for and in consideration of Ten ($10.00) and more **DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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:**

266531

RECORDED April 3, 1998 M 2:00p
IN BOOK 107 Misc PAGE 242
FEES $ 12.00 [illegible] COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Saxton

See EXHIBIT "A" for land description and additional and amended lease provisions.

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing 1541.85 **acres, more or less.** ~~Five~~ Three (3) CDT 10Yr Rm

1. It is agreed that this lease shall remain in force for a term of ~~Five~~ (5) Three (3) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor for gas of whatsoever nature or kind (with all of its constituents) produced and sold or used off the leased premises, or used in the manufacture of products therefrom, one-eighth (1/8th) of the actual amount received by the Lessee, said payments to be made monthly.

4. During any period (whether before or after expiration of the primary term hereof) when gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or operations on said leased premises sufficient to keep this lease in force, Lessee shall pay or tender a royalty of One Dollar ($1.00) per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut in and thereafter on the anniversary date of this lease during the period such well is shut in, to the royalty owners. When such payment or tender is made, it will be considered that gas is being produced within the meaning of the entire lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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.

CDN

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Ran

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 Lessor, 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.

x Carroll D Noble
Carroll D. Noble

x Ann Noble
Ann Noble

520-64-5082

528-74-1601

STATE OF Wyoming
COUNTY OF Sublette } 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 _____ day of _____, 19 97
personally appeared Carroll D. Noble, aka Dave Noble and Ann Noble, husband and wife

and

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that they duly executed the same as their free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires 10-31-2001

RAYMOND C. MUNSON NOTARY PUBLIC
COUNTY OF SUBLETTE STATE OF WYOMING
COMMISSION EXPIRES OCT. 31, 2001

Raymond C. Munson
Notary Public.

Address: Pinedale, Wyoming

STATE OF _____
COUNTY OF _____ } ss

INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____ ____, 19 ____
personally appeared _____

and

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires _____

_____
Notary Public.

Address: _____

STATE OF _____
COUNTY OF _____ } ss

CORPORATE
(For use in all states)

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____.

My Commission Expires _____

_____
Notary Public.

Address: _____

[redacted] [redacted] [redacted]

EXHIBIT "A"

Attached to and made apart of that certain Oil and Gas Lease dated November 22, 1997, between Carroll D. Noble, aka Dave Noble and Antonette C. Noble, husband and wife, as Lessors, and High Plains Associates, Inc., as Lessee, covering Lease premises described as follows, to wit:

<u>Township 34 North, Range 110 West, 6th P.M.</u>	
Section 1:	Lot 4(37.67), SW/4NE/4, S/2NW/4, SW/4, NE/4SE/4, SW/4SE/4
Section 2:	Lots 1(37.36), 2(37.42), 3(37.46), 4(37.52), S/2NW/4, SE/4NE/4, E/2SE/4
Section 3:	Lots 1(37.38), 2(37.04), S/2NE/4
Section 11:	E/2E/2
Section 12:	W/2E/2, W/2

Sublette County, Wyoming

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 referred to herein as one-eight (1/8) shall be amended to read 16.00%.

2) Lessee is hereby granted the right and power at any time and from time to time to pool only those portions of said lease with land or leases adjacent to said lands or premises to a spacing unit of 160 acres or that prescribed or required acreage necessary to abide by the State law, order, rule or regulation prescribed by statewide spacing or special spacing order, whichever is applicable.

3) 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, excepts 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 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 year (1) period subsequent to the end of the primary term hereof and Lessee likewise engages in or commences actual drilling operations on at least on (1) test well during succeeding one (1) year period.

4) Lessee shall notify Lessor in advance of staking and building a location upon said lands.

5) Location site for any well or wells on leased premises shall not exceed two acres unless agreed upon before construction of location.

6) On or before the time of any construction of road, pipeline or location on any lands described herein, Lessor and Lessee shall agree on right of way, location and damage payments. Payment to be received by Lessor prior to any construction. Lessee agrees to work with Lessor to minimize loss to any Ag Operations due to road, pipeline or location construction and placement.

7) If a location site is on irrigated meadow land, drilling will be permitted only from October 15 to March 1; however, Lessor will not unreasonably withhold granting exceptions to this time constraint in order that Lessee may comply with the other terms hereunder.

Exhibit "A"
Page 2

8) If any irrigation ditches or canals are disturbed during construction, drilling or completion operations hereunder, all ditches and canals will be reconstructed immediately by Lessee at their sole expense so as not to impede the carrying capacity of the irrigation water as to the original contour of the land.

9) In the event Lessee's operations cause damage to bridges, ditch crossings, culverts, fences, or any other improvements on said leased land, it will be immediately repaired by and at the sole expense of Lessee.

10) All mud pits must be lined before use.

11) Upon completion of drilling any and all wells, location and access road or pipeline right of way, if not used for subsequent operations, shall be restored as near as possible to their original state and reseeded. All seed used for reseeding must have the prior approval of Lessor.

12) If livestock is present during drilling operations, pits will be fenced. If death of livestock is determined to be caused by operations of the Lessee, then Lessor shall be compensated at fair market value for said livestock.

13) If any water well is drilled to provide water for drilling operations, at the written request of Lessor, said well will be left for Lessors use.

14) With respect to Paragraph 4 of the lease relating to shut-in gas well payments, it is provided that, in addition to the terms and conditions stated therein, all shut-in payments shall be tendered in the amount or $5.00 per net mineral acre.

15) Lessee agrees that no drilling activity will take place within 1320 feet of the center line of the New Fork River or any buildings or structures on the lessors property, without the prior written consent of lessor.

16) Lessee shall indemnify and hold Lessee or harmless from any damages occasioned by Lessee's activities and shall be responsible to the Lessor for all the damages done to houses, fences, gates, livestock, tanks, and other improvements which may be damaged by Permittee's operations and use hereunder.

17) If there is any conflict between this Exhibit "A" and the text of the Lease, this Exhibit "A" shall take precedence.

Signed for Identification:

Carroll D. Noble

Antonette C. Noble

Louis Oswald, III, President
High Plains Associates, Inc.

PRODUCERS 88-PAID UP

[redacted]

11019B

[redacted]

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 13th day of November, 19 97, by and between Elizabeth A. Ellis, Trustee of the Trust I Estate

whose post office address is 1511 Albany, Rock Springs, Wyoming 82901 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden Street, Denver, Colorado 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten and more (10.00) DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 32 NORTH, RANGE 108 WEST
Section 20: NE¼NE¼
Section 21: NW¼NW¼

266532

RECORDED April 3, 1998 M 2:00
IN BOOK 107 OR 6, PAGE 246
FEES $ 10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Soaton

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and

containing 80.00 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of Five (5) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor one-eighth (1/8) 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 (1/8), payable monthly at the well head price.

3rd. To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of one-eighth (1/8) of the proceeds, at the mouth of the well, payable monthly at the well head price.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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.

Elizabeth A. Ellis, Trustee of the Trust I Estate

STATE OF WYOMING
COUNTY OF SUBLETTE } ss

SC 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 13th day of November, 19 97 personally appeared Elizabeth A. Ellis, Trustee of the Trust I Estate

and

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that she duly executed the same as her free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires 10-31-2001

RAYMOND C. MUNSON NOTARY PUBLIC
COUNTY OF SUBLETTE STATE OF WYOMING
MY COMMISSION EXPIRES OCT. 31, 2001

Raymond C. Munson
Notary Public.

Address: Pinedale, Wyoming

STATE OF _____
COUNTY OF _____ } ss

ACKNOWLEDGMENT—INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____, 19 ____ personally appeared _____

and _____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires _____

Notary Public.

Address: _____

STATE OF _____
COUNTY OF _____ } ss

CORPORATE
(For use in all states)

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_____.

My Commission Expires _____

Notary Public.

Address: _____

[redacted] [redacted] [redacted]

[redacted] [redacted] [redacted]

EXHIBIT "A"

Attached hereto and made a part of that certain Oil and Gas Lease dated November 13, 1997, by and between Elizabeth A. Ellis, Trustee of the Trust I Estate, Lessor and High Plains Associates, Inc., as Lessee.

Notwithstanding anything to the contrary in printed form of the lease, all stipulations in this exhibit or amendments to the lease shall take precedence over any conflicts or ambiguities.

1. If this lease is beyond the primary term and would expire by its terms except for the fact that acreage subject to the lease is pooled, communitized or unitized for production or that Lessee is engaged in drilling or reworking operations on the leased premises, then upon written request by Lessor, Lessee shall release all acreage subject to the lease which is not pooled, communitized or unitized for production or upon which Lessee is not engaged in drilling or reworking operations.

   This lease shall not terminate so long as drilling or reworking operations are being continuously prosecuted if not more than 180 days shall elapse between the completion or abandonment of one well and the beginning of operations for drilling of another well.

2. All references herein made to a 1/8th royalty, are hereby amended to read 15% royalty.

Signed For Identification

Elizabeth A. Ellis

Elizabeth A. Ellis, Trustee of the
Trust I Estate

249

1105 SW

RECORDED April 3 1998 M 9:00p
IN BOOK 107 Q46 PAGE 249
FEES $ 10.00 COUNTY CLERK
SUBLETTE COUNTY KEMMERER, WYOMING
Cathy Souder

PRODUCERS 88-PAID UP

266533
OIL AND GAS LEASE

AGREEMENT, Made and entered into the 19th day of December, 19 97, by and between Heidi J. Bayer, a married woman dealing in her sole and separate property whose post office address is 4454 Gainsborough Ave. Los Angeles, CA 90027 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden St., Suite 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten or more DOLLARS 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 along with all hydrocarbons and non-hydrocarbon substances produced in association therewith, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, helium, carbon dioxide, sulfur compounds and all other commercial gases (collectively "oil and gas" or "Hydrocarbons") 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 34 North, Range 109 West, 6th P.M.
Section 6: Lot 1(40.64), SE¼NE¼, E½SE¼
Section 7: E½
Section 8: SW¼NW¼
Section 21: SW¼, W½SE¼
Section 27: N½SW¼
Section 28: SE¼, E½SW¼, NW¼SW¼, S½NW¼
NW¼NW¼, SW¼NE¼

Township 35 North, Range 109 West, 6th P.M.
Section 31: E½SE¼
Section 32: W½NW¼, NW¼SW¼

H.O.B.

Wherever the term one-eighth (1/8) royalty appears, this lease is hereby amended to read 15% royalty. See attached Exhibit "A"

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing 1480.64 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of Five years from this date and as long thereafter as Hydrocarbons are produced from said leased premises or on acreage pooled communitized or unitized therewith, or drilling operations are continued as hereinafter provided. If, at the expiration of the primary term of this lease, Hydrocarbons are not being produced on the leased premises or on acreage pooled, communitized or unitized therewith but Lessee is then engaged in drilling or reworking for other operations or restoring production on the lease premises or then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises or on acreage pooled communitized or unitized therewith; and operations shall be considered to be continuously prosecuted if Lessee diligently prosecutes operations for obtaining or restoring production on the lease premises or, 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 Hydrocarbons on said land or on acreage pooled, communitized or unitized therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or reworking for other operations for obtaining or restoring production on the lease premises or operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If Hydrocarbons 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 Hydrocarbons are produced from the leased premises or on acreage pooled, communitized or unitized therewith.

2. This is a PAID-UP LEASE. For the consideration set forth above, 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. Royalty Payment. Royalties on Hydrocarbons shall be paid by Lessee to Lessor as follows:

(a) for oil and other liquid Hydrocarbons separated at Lessee's separator facilities, the royalty shall be one-eighth of such production, to be delivered at Lessee's option to Lessor at the wellhead or to the Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to sell such production to itself or an affiliate at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similarly grade and gravity;

(b) for gas (including casinghead gas) and all other gaseous Hydrocarbons, the royalty shall be one-eighth of the proceeds realized by the Lessee from the sale thereof, provided, that Lessee shall have the continuing right to sell such production to itself or an affiliate at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase agreements entered into on the same or in the nearest preceding date as the date on which the Lessee or its affiliate commences its purchases hereunder; and

(c) in calculating the royalties on production hereunder, Lessee may deduct Lessor's proportionate part of any ad valorem, production and excise taxes and any costs incurred by Lessee in treating, processing, delivering and otherwise marketing such production.

4. If after the primary term one or more wells on the lease premises or lands pooled to unitize therewith are capable of producing Hydrocarbons in paying quantities, but the other wells are either shut-in or production therefrom is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing in paying quantities for the purposes of maintaining this lease. If for a period of 120 consecutive days, such well or wells are shut-in or production therefrom is not sold by Lessee, then Lessee shall pay an aggregate shut-in royalty of $1.00 per acre then covered by this lease, with such payment to be made to Lessor or to Lessor's credit in a depository designated in this lease, on or before the end of said 120-day period and thereafter on or before the anniversary of the end of said 120-day period while the well or wells are shut-in or production therefrom is not being sold by Lessee; provided that if this lease is otherwise being maintained by the payment of rental or operations, or if production is being sold by Lessee from another well or wells on the lease premises or lands pooled to unitize therewith, no shut-in royalty shall be due until the end of the 120-day period following the end of the rental period or cessation of such operations or production, as the case may be. Lessee's failure to properly pay shut-in royalty hereunder shall render Lessee liable in the amount due, but shall not operate to terminate this lease.

5. If said Lessor owns less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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, communitize 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 Hydrocarbons, individually or in the aggregate, when in Lessee's judgment it is necessary or advisable to do so, and irrespective of whether authority similar to this exists with respect to such other land, lease or leases. Likewise, units previously formed to include formations not producing oil or gas may be reformed to exclude such non-producing formations. The forming or reforming of any unit shall be accomplished by Lessee executing and filing of record a declaration of such unitization or reformation, which declaration shall describe the unit. Any unit may include land upon which a well has theretofore been completed or upon which operations for drilling have theretofore been commenced. Production, drilling or reworking operations or a well shut-in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut-in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total

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, communitize, 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. Pooling, communitization, unitization or otherwise combining all or any portion of the above described lands shall not constitute a cross conveyance of interests.

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, an event of "force majeure" or if such failure is the result of, any such Law, Order, Rule or Regulation. "Force majeure" shall mean an event causing a delay in drilling, reworking, production or other operations which are prevented or delayed by laws, rules, regulations or orders, or by an inability to obtain necessary permits, equipment, services, materials, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike, or labor disputes, or by an inability to obtain a satisfactory market for production or a failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control. If Lessee's performance is affected by an event of force majeure, this lease shall not terminate and, at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall take all reasonable and necessary actions to remedy the event of force majeure. Lessee shall not be liable for breach of any provisions, either express or implied, to this lease during the continuance of an event of force majeure.

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. Preferential Right. If, during the term of this lease (but not more than 20 years after the date hereof), Lessor receives a bona fide offer from any party to purchase a new lease covering all or any part of the lands or substances covered hereby, and if Lessor is willing to accept such offer, then Lessor shall promptly notify Lessee in writing of the name and address of the offeror, and of all pertinent terms and conditions of the offer, including any lease bonus offered. Lessee shall have a period of 30 days after receipt of such notice to exercise a preferential right to purchase a new lease from Lessor in accordance with the terms and conditions of the offer, by giving Lessor written notice of such exercise. Promptly thereafter, Lessee shall furnish to Lessor the new lease for execution, along with a time draft for the lease bonus conditioned upon execution and delivery of the lease by Lessor and approval of title by Lessee, all in accordance with the terms of said draft. Whether or not Lessee exercises its preferential right hereunder, then as long as this lease remains in effect, any new lease from Lessor shall be subordinate to this lease and shall not be construed as replacing or adding to Lessee's obligations hereunder.

16. Extension of Primary Term. For the consideration herein recited, Lessor hereby grants to Lessee the exclusive right and option to extend the primary term of this lease for five (5) additional years by mailing to Lessor at the address listed on this lease, on or before the end of the primary term, a bonus consideration equal to one hundred fifty percent (150%) of the bonus consideration originally paid for this lease, which payment shall represent payment in full of consideration for this extension.

17. 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.

X Heidi J. Bayer S.S.# 506-04-7406

Heidi J. Bayer, a married woman dealing in her sole and separate property

STATE OF California

COUNTY OF Los Angeles ss.

ACKNOWLEDGMENT–INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 22 day of December, 19 97

personally appeared Heidi J. Bayer, a married woman dealing in her sole and separate property

and n/a to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that She duly executed the same as her free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires Oct. 10, 2000

MICHAEL ZOUAIN
Commission # 1113421
Notary Public — California
Los Angeles County
My Comm. Expires Oct 10, 2000

Notary Public
Address: 4724 Lincoln Blvd, Marina del Rey CA 90291

STATE OF _____

COUNTY OF _____ ss.

CORPORATE
(For use in all states)

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.

Witness my hand and seal this _____ day of _____ A.D., 19___.

My Commission Expires _____

Notary Public
Address: _____

EXHIBIT "A"

Attached to and made a part of a certain Oil & Gas Lease dated December 19, 1997 by and between Heidi J. Bayer, a married woman dealing in her sole and separate property, as Lessor, and High Plains Associates, Inc., as Lessee.

At the end of the primary term of this lease, and any extensions thereof under the continuous drilling provisions of Article 1, hereof, Lessee shall release from this lease all those lands which are not contained within a spacing unit which has been approved by the proper governmental authorities for a producing well.

11058E

[redacted]

PRODUCERS 88-PAID UP

[redacted]

266534

OIL AND GAS LEASE

RECORDED April 3 1978 M 9:00
IN BOOK 107 OF 6 PAGE 252
FEES $10.00
SUBLETTE COUNTY, WYOMING
By Cathy Sack

AGREEMENT, Made and entered into the 19th day of December 1977 by and between Mary B. Young aka Mary C. Bayer and R. Todd Young, wife and husband whose post office address is "see address below" hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden St., Suite 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten or more DOLLARS 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 along with all hydrocarbons and non-hydrocarbon substances produced in association therewith, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, helium, carbon dioxide, sulfur compounds and all other commercial gases (collectively "oil and gas" or "Hydrocarbons") 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 34 North, Range 109 West, 6th P.M.
Section 6: Lot 1(40.64), SE¼NE¼, E½SE¼
Section 7: E½
Section 8: SW¼NW¼
Section 21: SW¼, W½SE¼
Section 27: N½SW¼
Section 28: SE¼, E½SW¼, NW¼SW¼, S½NW¼
NW¼NW¼, SW¼NE¼

Township 35 North, Range 109 West, 6th P.M.
Section 31: E½SE¼
Section 32: W½NW¼, NW¼SW¼

M.B.Y. R.T.Y.

Wherever the term one-eighth (1/8) royalty appears, this lease is hereby amended to read 15% royalty.

Lessor's address: 1909 Honey Mesquite Lane
Flower Mount, TX 75028

See attached Exhibit "A"

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing 1480.64 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of Five years from this date and as long thereafter as Hydrocarbons are produced from said leased premises or on acreage pooled communitized or unitized therewith, or drilling operations are continued as hereinafter provided. If, at the expiration of the primary term of this lease, Hydrocarbons are not being produced on the leased premises or on acreage pooled, communitized or unitized therewith but Lessee is then engaged in drilling or reworking for other operations or restoring production on the lease premises or then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises or on acreage pooled communitized or unitized therewith; and operations shall be considered to be continuously prosecuted if Lessee diligently prosecutes operations for obtaining or restoring production on the lease premises or, 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 Hydrocarbons on said land or on acreage pooled, communitized or unitized therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or reworking for other operations for obtaining or restoring production on the lease premises or operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If Hydrocarbons 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 Hydrocarbons are produced from the leased premises or on acreage pooled, communitized or unitized therewith.

2. This is a PAID-UP LEASE. For the consideration set forth above, 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. Royalty Payment. Royalties on Hydrocarbons shall be paid by Lessee to Lessor as follows:

(a) for oil and other liquid Hydrocarbons separated at Lessee's separator facilities, the royalty shall be one-eighth of such production, to be delivered at Lessee's option to Lessor at the wellhead or to the Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to sell such production to itself or an affiliate at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similarly grade and gravity;

(b) for gas (including casinghead gas) and all other gaseous Hydrocarbons, the royalty shall be one-eighth of the proceeds realized by the Lessee from the sale thereof, provided, that Lessee shall have the continuing right to sell such production to itself or an affiliate at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase agreements entered into on the same or in the nearest preceding date as the date on which the Lessee or its affiliate commences its purchases hereunder; and

(c) in calculating the royalties on production hereunder, Lessee may deduct Lessor's proportionate part of any ad valorem, production and excise taxes and any costs incurred by Lessee in treating, processing, delivering and otherwise marketing such production.

4. If after the primary term one or more wells on the lease premises or lands pooled to unitize therewith are capable of producing Hydrocarbons in paying quantities, but the other wells are either shut-in or production therefrom is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing in paying quantities for the purposes of maintaining this lease. If for a period of 120 consecutive days, such well or wells are shut-in or production therefrom is not sold by Lessee, then Lessee shall pay an aggregate shut-in royalty of $1.00 per acre then covered by this lease, with such payment to be made to Lessor or to Lessor's credit in a depository designated in this lease, on or before the end of said 120-day period and thereafter on or before the anniversary of the end of said 120-day period while the well or wells are shut-in or production therefrom is not being sold by Lessee; provided that if this lease is otherwise being maintained by the payment of rental or operations, or if production is being sold by Lessee from another well or wells on the lease premises or lands pooled to unitize therewith, no shut-in royalty shall be due until the end of the 120-day period following the end of the rental period or cessation of such operations or production, as the case may be. Lessee's failure to properly pay shut-in royalty hereunder shall render Lessee liable in the amount due, but shall not operate to terminate this lease.

5. If said Lessor owns less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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, communitize 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 Hydrocarbons, individually or in the aggregate, when in Lessee's judgment it is necessary or advisable to do so, and irrespective of whether authority similar to this exists with respect to such other land, lease or leases. Likewise, units previously formed to include formations not producing oil or gas may be reformed to exclude such non-producing formations. The forming or reforming of any unit shall be accomplished by Lessee executing and filing of record a declaration of such unitization or reformation, which declaration shall describe the unit. Any unit may include land upon which a well has theretofore been completed or upon which operations for drilling have theretofore been commenced. Production, drilling or reworking operations or a well shut-in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut-in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total

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, communitize, 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. Pooling, communitization, unitization or otherwise combining all or any portion of the above described lands shall not constitute a cross conveyance of interests.

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, an event of "force majeure" or if such failure is the result of, any such Law, Order, Rule or Regulation. "Force majeure" shall mean an event causing a delay in drilling, reworking, production or other operations which are prevented or delayed by laws, rules, regulations or orders, or by an inability to obtain necessary permits, equipment, services, materials, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike, or labor disputes, or by an inability to obtain a satisfactory market for production or a failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control. If Lessee's performance is affected by an event of force majeure, this lease shall not terminate and, at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall take all reasonable and necessary actions to remedy the event of force majeure. Lessee shall not be liable for breach of any provisions, either express or implied, to this lease during the continuance of an event of force majeure.

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. Preferential Right. If, during the term of this lease (but not more than 20 years after the date hereof), Lessor receives a bona fide offer from any party to purchase a new lease covering all or any part of the lands or substances covered hereby, and if Lessor is willing to accept such offer, then Lessor shall promptly notify Lessee in writing of the name and address of the offeror, and of all pertinent terms and conditions of the offer, including any lease bonus offered. Lessee shall have a period of 30 days after receipt of such notice to exercise a preferential right to purchase a new lease from Lessor in accordance with the terms and conditions of the offer, by giving Lessor written notice of such exercise. Promptly thereafter, Lessee shall furnish to Lessor the new lease for execution, along with a time draft for the lease bonus conditioned upon execution and delivery of the lease by Lessor and approval of title by Lessee, all in accordance with the terms of said draft. Whether or not Lessee exercises its preferential right hereunder, then as long as this lease remains in effect, any new lease from Lessor shall be subordinate to this lease and shall not be construed as replacing or adding to Lessee's obligations hereunder.

16. Extension of Primary Term. For the consideration herein recited, Lessor hereby grants to Lessee the exclusive right and option to extend the primary term of this lease for five (5) additional years by mailing to Lessor at the address listed on this lease, on or before the end of the primary term, a bonus consideration equal to one hundred fifty percent (150%) of the bonus consideration originally paid for this lease, which payment shall represent payment in full of consideration for this extension.

17. 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.

x Mary B. Young — S.S.# 524-31-1118
Mary B. Young aka Mary C. Bayer, wife

x R. Todd Young — S.S.# 459-67-9439
R. Todd Young, Husband

STATE OF Texas
COUNTY OF Denton

ss.

ACKNOWLEDGMENT-INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 3 day of January, 1998

personally appeared Mary B. Young aka Mary C. Bayer, wife

and R. Todd Young, husband to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that ____ duly executed the same as ____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires 3-24-01

NOTARY PUBLIC
STATE OF TEXAS
My Comm. Exp. 03-24-01

Notary Public
Address: 2800 Flower Mound Tx 75028

STATE OF _____
COUNTY OF _____

ss.

CORPORATE
(For use in all states)

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.

Witness my hand and seal this ____ day of _____ AD., 19___,

My Commission Expires _____

Notary Public
Address: _____

[redacted] [redacted] [redacted]

EXHIBIT "A"

Attached to and made a part of a certain Oil & Gas Lease dated December 19, 1997 by and between Mary B. Young aka Mary C. Bayer and R. Todd Young, wife and husband, as Lessor, and High Plains Associates, Inc., as Lessee.

At the end of the primary term of this lease, and any extensions thereof under the continuous drilling provisions of Article 1, hereof, Lessee shall release from this lease all those lands which are not contained within a spacing unit which has been approved by the proper governmental authorities for a producing well.

PRODUCERS 88-PAID UP

265

111410

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 19th day of January 19 98, by and between Clifton Bruce Alexander and Bonnie Jean Alexander, as Trustees of The Alexander Family Living Trust, under declaration of trust dated November 24, 1993 Revocable

whose post office address is P. O. Box 35, Cora, Wyoming 82941 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden Street, Denver, Colorado 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten and More ($10.00) DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 34 NORTH, RANGE 110 WEST, 6th P.M.
Section 2: SW¼NE¼, SW¼, W½SE¼
Section 3: NW¼NE¼SE¼, S½NE¼SE¼

TOWNSHIP 35 NORTH, RANGE 110 WEST, 6th P.M.
Section 5: W½SE¼
Section 8: NW¼NE¼, E½NE¼ & NE¼SE¼
Section 9: SW¼SW¼

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.

266535

RECORDED April 3 1998 M 9:00 A
IN BOOK 107 OIG PAGE 265
FEES $ 12.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Saxton

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing 590.00 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of three (3) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor for gas of whatsoever nature or kind (with all of its constituents) produced and sold or used off the leased premises, or used in the manufacture of products therefrom, one-eighth (1/8th) of the actual amount received by the Lessee, said payments to be made monthly.

4. During any period (whether before or after expiration of the primary term hereof) when gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or operations on said leased premises sufficient to keep this lease in force, Lessee shall pay or tender a royalty of One Dollar ($1.00) per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut in and thereafter on the anniversary date of this lease during the period such well is shut in, to the royalty owners. When such payment or tender is made, it will be considered that gas is being produced within the meaning of the entire lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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.

[redacted] [redacted] [redacted]

14. Lessor warrants and agrees to defend the title to the land described, and agrees that the Lessee shall have the [redacted] 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 Lessor, 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.

Clifton B. Alexander
Clifton Bruce Alexander, as Trustee of The Alexander Family Revocable Living Trust

Bonnie Jean Alexander
Bonnie Jean Alexander, as Trustee of The Alexander Family Revocable Living Trust

STATE OF WYOMING
COUNTY OF SUBLETTE } 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 19th day of January, 19 98 personally appeared Clifton Bruce Alexander and Bonnie Jean Alexander, as Trustees of The Alexander Family Revocable Living Trust, under declaration of trust dated November 24, 1993 and

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that they duly executed the same as their free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires 10-31-2001

RAYMOND C. MUNSON NOTARY PUBLIC
COUNTY OF SUBLETTE STATE OF WYOMING
MY COMMISSION EXPIRES OCT. 31, 2001

Raymond C. Munson
Notary Public.

Address: Pinedale, Wyoming

STATE OF _____
COUNTY OF _____ } ss

INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____, 19 ____ personally appeared _____ and _____ to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires _____

_____
Notary Public.

Address: _____

STATE OF _____
COUNTY OF _____ }

CORPORATE
(For use in all states)

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____.

My Commission Expire _____

_____
Notary Public.

Address: _____

257

EXIBIT "A"

Attached hereto and made a part of that certain oil and gas lease dated January 19, 1998, by and between Clifton Bruce Alexander and Bonnie Jean Alexander, as Trustees of The Alexander Family Revocable Living Trust, under Declaration of Trust dated November 24, 1993 and High Plains Associates, Inc., as Lessee.

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 referred to herein as one-eighth shall be amended to read 16.00%

2. Lessee is hereby granted the right and power at any time and from time to time to pool only those portions of said lease with lands or leases adjacent to said lands or premises to a spacing unit of 160 acres or that prescribed or required acreage necessary to abided by the State law, order, rule, or regulation prescribed by statewide spacing or special spacing order, whichever is applicable.

3. Lessee shall notify Lessor in advance of staking and building a location upon said lands.

4. Location site for any well or wells on leased premises shall not exceed two (2) acres unless agreed upon before construction of location.

5. Lessee agrees that no drilling activity will take place within 1320 feet of any buildings or structures of the lessor's property, without the prior written consent of lessor.

6. On or before the time of any construction or location on any lands described herein, Lessor and Lessee shall agree on right of way, location and damage payments. Payment to be received by lessor prior to any construction. Lessee agrees to work with Lessor to minimize loss to any Agricultural Operations due to road, pipeline or location construction and placement.

7. If a location site is on irrigated meadow land, drilling will be permitted only from October 15 to March 1; however, Lessor will not unreasonably withhold granting exceptions to this time constraint in order that Lessee any comply with the other terms hereunder.

8. If any irrigation ditches or canals are disturbed during construction, drilling or completion operations hereunder, all ditches and canals will be reconstructed immediately by Lessee at their sole expense so as not to impede the carrying capacity of the irrigation water as to the original contour of the land.

9. In the event Lessee's operations cause damage to bridges, ditch crossings, culverts, fences or any other improvements on said leased land, it will be immediately repaired by and at the sole expense of Lessee.

10. All mud pits must be lined before use.

11. Upon completion of drilling any and all wells, location and access roads, if not used for subsequent operation, shall be restored to their original state and reseeded. All seed used for reseeding must have the prior approval of Lessor.

12. If any livestock is present during drilling operations, pits will be fenced. If death of livestock is determined to be caused by operations of the Lessee, then Lessor shall be compensated at fair market value for said livestock.

13. If any water well is drilled to provide water for drilling operations, at the written request of Lessor, said well will be for Lessor's use.

[redacted] [redacted] [redacted]

[redacted] [redacted] [redacted]

14. With respect to Paragraph 4 of the lease relating to shut-in gas well payments, it is provided that, in addition to the terms and conditions stated therein, all shut-in payments shall be tendered in the amount of $5.00 per net mineral acre.

15. If there is any conflict between this Exhibit "A" and the text of the Lease, this Exhibit "A" shall take precedence.

Signed for Identification:

Clifton Bruce Alexander, Trustee

Bonnie Jean Alexander, Trustee

PRODUCERS 88-PAID UP

259

111854

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 25 day of October, 19 97, by and between Finis N. Mitchell and Emma N. Mitchell, husband and wife whose post office address is X 3890 S. Nellis Blvd, Las Vegas, NV 89121 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden St., Suite 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of ten and more ($10.00+) DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 32 North, Range 108 West, 6th P.M.
Section 26: N2S2
Section 27: SE, S2NE

266536

2:00p

RECORDED April 3 1998 M
IN BOOK 107 OR 3 PAGE 259
FEES $ 10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Sader

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing 400.00 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of five (5) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor one-eighth (1/8) 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 (1/8), payable monthly at the well head price.

3rd. To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of one-eighth (1/8) of the proceeds, at the mouth of the well, payable monthly at the well head price.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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.

[redacted] [redacted] [redacted]

[redacted] [redacted] [redacted]

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.

X Deceased
Finis N. Mitchell — SSN - X

X Emma N. Mitchell
Emma N. Mitchell — SSN - X 520-38-6081

STATE OF Wyoming
COUNTY OF X Sweetwater } 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 X 15th day of X December, 19 97 personally appeared Finis N. Mitchell - Deceased and Emma N. Mitchell - appeared before me this day to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that she/they duly executed the same as her/their free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires X 10-06-2000

X Linda Sundeen
Notary Public.

Address: X 1445 Wintz Dr.
Green River, WY 82935

STATE OF _____
COUNTY OF _____ } ss

ACKNOWLEDGMENT—INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____, 19 ____ personally appeared _____ and _____ to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires _____

Notary Public.

Address: _____

STATE OF _____
COUNTY OF _____ } ss

CORPORATE
(For use in all states)

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____

My Commission Expires _____

Notary Public.

Address: _____

Proof of Death, Heirship, ect.

STATE OF ARIZONA
COUNTY OF Maricopa

William Mitchell, of lawful age, being first duly sworn states:

That he was well acquainted with Finis N. Mitchell, and his family, having known them more than thirty years prior to the death of said Finis N. Mitchell, who was the owner of the following described land, situated in Sublette County, State of Wyoming, to wit:

Township 32 North, Range 108 West, 6th P.M., Section 26: N2S2, Section 27: SE, S2NE;

That said Finis N. Mitchell died, ~~leaving a will and testament~~, on or about the 13th day of Nov, 1995;

That said Finis N. Mitchell was married but once; and then to Emma N. Mitchell who survives the death of said Finis N. Mitchell (If married more than once, this fact should be stated, setting out the details below):

That the following named were the only children born to said Finis N. Mitchell;

Name	Date of Birth	Date of Death
William Mitchell	Oct 11 1935	N/A
Anna M. Dew	Jun 17 1927	N/A

All those children shown as dead were unmarried and left no children except:

That said Finis N. Mitchell had no child or children by adoption and left survivivg him the following named persons as his sole and only heirs at law, to-wit:

Affiant further states the he was well acquainted with the financial condition of said Finis N. Mitchell and knows that he died solvent and that all debts against his estate were paid in full.

And further affiant saith not.

Signed : William R. Mitchell
William R. Mitchell

Subscribed and sworn to before me this 13 day of January, 1998

My commission expires June 9, 2000

Notary Public.

OFFICIAL SEAL
CINDY R. LOVE
Notary Public - State of Arizona
MARICOPA COUNTY
My Comm. Expires June 9, 2000

PRODUCERS 88 [redacted]

[redacted] 112054

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 14th day of January, 19 98, by and between

Gordon Steele Living Trust, dated 1-26-95, Donna M. Steele, Trustee and Rhonda F. Steele, Trustee

whose post office address is P.O. Box 25, Boulder, WY 82923 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden, Suite 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten ($10.00) and more DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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:

266537

RECORDED April 3 19 98 M 2:00p
IN BOOK 107 Misc PAGE 262
FEES $10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING By Cathy Saxton

SEE EXHIBIT "A" for LAND DESCRIPTION AND AMENDED AND ADDITIONAL LEASE PROVISIONS.

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing 99.00 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of Five (5) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor for gas of whatsoever nature or kind (with all of its constituents) produced and sold or used off the leased premises, or used in the manufacture of products therefrom, one-eighth (1/8th) of the actual amount received by the Lessee, said payments to be made monthly.

4. During any period (whether before or after expiration of the primary term hereof) when gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or operations on said leased premises sufficient to keep this lease in force, Lessee shall pay or tender a royalty of One Dollar ($1.00) per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut in and thereafter on the anniversary date of this lease during the period such well is shut in, to the royalty owners. When such payment or tender is made, it will be considered that gas is being produced within the meaning of the entire lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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.

x Donna M. Steele
Donna M. Steele, Trustee
Gordon Steele Living Trust dated 1-26-95

x Rhonda F. Swain
Rhonda F. Swain, Trustee
Gordon Steele Living Trust dated 1-26-95

STATE OF Wyoming
COUNTY OF Sublette } 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 ____ day of January, 19 98 personally appeared Donna M. Steele, Trustee and Rhonda F. Swain, Trustee of the Gordon Steele Living Trust dated 1-26-95

and

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that they duly executed the same as their free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires Aug 7, 2000

SHARI PAPE
County of
Sublette
My Commission Expires
Notary Public
State of
Wyoming
Aug. 7, 2000

Notary Public.

Address: Pinedale, Wyoming

STATE OF _____
COUNTY OF _____ } ss

INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this ____ day of _____, 19 ____ personally appeared _____

and _____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires _____

Notary Public.

Address: _____

STATE OF _____
COUNTY OF _____ } ss

CORPORATE
(For use in all states)

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____.

My Commission Expires _____

Notary Public.

Address: _____

[redacted] [redacted] [redacted]

EXHIBIT "A"

Attached to and made a part of that Oil and Gas Lease dated January 14, 1998, between Gordon Steele Living Trust, dated 1-26-95, Donna M. Steele, Trustee and Rhonda F. Swain, Trustee, Lessor, and High Plains Associates, Inc., Lessee.

LAND DESCRIPTION:

<u>Township 32 North, Range 108 West, 6th P.M.</u>
Section 16: A tract in the NE/4, NE/4NW/4, and NE/4SE/4, more fully described as follows: Beginning on the northeast corner of Section 16, Township 32 North, Range 108 West, and running thence South a distance of 2869.79 feet to Station No. 2; thence North 40 degrees 10.5' West a distance of 465.40 feet to Station No. 3; thence North 49 degrees 42' West a distance of 1878.52 feet to Station No. 4; thence North 49 degrees 04' West a distance of 642.31 feet to Station No. 5; thence North 59 degrees 30' West a distance of 624.19 feet to Station No. 6; thence North 50 degrees 45.5' East a distance of 912.63 feet to Station No. 7; thence 89 degrees 34' East a distance of 2049 feet to Station No. 1, the point of beginning, containing 99.00 acres, more or less, EXCEPTING THEREFROM the following:

A) That portion of the above lands conveyed by Earl E. Steele and Thelma Steele, husband and wife, to Zeda Roop by Warranty Deed dated March, 23, 1953, and recorded March 26, 1953, in the office of the County Clerk and Ex-Officio Register of Deeds within and for Sublette County, Wyoming, in Book 7 of Deeds on Page 263.

B) That portion of the above lands conveyed by Earl E. Steele and Thelma Steele, husband and wife, to Henry J. Mitchell and Mary Kay Mitchell, husband and wife, by Warranty Deed dated January 22, 1960 and recorded January 26, 1960 in the office of the County Clerk and Ex-Officio Register of Deeds within and for Sublette County, Wyoming in Book 10 of Deeds on Page 179.

C) That portion of the above lands conveyed by Earl Steele and Thelma Steele, husband and wife, to Wyoming Telephone Company, Incorporated, by Quit-Claim Deed dated April 23, 1976 and recorded April 23, 1976 in the office of the County Clerk and Ex-Officio Register of Deeds within and for Sublette County, Wyoming, in Book 5 of Quit-Claim Deed on Page 570.

ADDITIONAL AND AMENDED LEASE PROVISIONS:

1) Notwithstanding anything contained in paragraph #4 of the attached lease, this lease can not be extended beyond three years past the primary term without production in commercial quantities sufficient for lessor to participate in the royalty benefits.

2) Without Lessors written permission, there shall be no surface occupancy or trespass on producing meadows on the lands described herein.

Signed for identification:

Donna M. Steele
Donna M. Steele, Trustee
Gordon Steele Living Trust

Rhonda F. Swain
Rhonda F. Swain, Trustee
Gordon Steele Living Trust

PRODUCERS 88-PAID UP

265

1120SR

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 14th day of January, 19 98, by and between

Donna M. Steele, Trustee of the Donna M. Steele Living Trust dated 1-26-95

whose post office address is P.O. Box 25, Boulder, WY 82923 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden, Suite 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten ($10.00) and more DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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:

SEE EXHIBIT "A" FOR LAND DESCRIPTION AND AMENDED AND ADDITIONAL LEASE PROVISIONS.

266538

RECORDED April 3 1998 M 9:000
IN BOOK 107 Oil & Gas PAGE 265
FEES $ 10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Burton

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing 99.00 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of Five (5) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor for gas of whatsoever nature or kind (with all of its constituents) produced and sold or used off the leased premises, or used in the manufacture of products therefrom, one-eighth (1/8th) of the actual amount received by the Lessee, said payments to be made monthly.

4. During any period (whether before or after expiration of the primary term hereof) when gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or operations on said leased premises sufficient to keep this lease in force, Lessee shall pay or tender a royalty of One Dollar ($1.00) per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut in and thereafter on the anniversary date of this lease during the period such well is shut in, to the royalty owners. When such payment or tender is made, it will be considered that gas is being produced within the meaning of the entire lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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.

[redacted] [redacted] [redacted]

~~Lessee hereby warrants and agrees to defend the title to the lands described herein, and agrees that the Lessee shall have the [redacted] for Lessor, by [redacted] any mortgage, taxes or other liens on the above [redacted] lands, in the event of default of payment by Lessor and be subrogated to the rights of the holder thereof, and the undersigned Lessor, 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.

X Donna M. Steele

Donna M. Steele, Trustee
Donna M. Steele Living Trust dated 1-26-96

STATE OF Wyoming
COUNTY OF Sublette } 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 _____ day of January, 19 98 personally appeared Donna M. Steele, Trustee of the Donna M. Steele Living Trust dated 1-26-96

and [redacted]

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires Aug 7, 2000

SHARI PAPE
County of
Sublette
My Commission Expires:
Notary Public
State of
Wyoming
Aug. 7, 2000

Shari Pape
Notary Public.

Address: Pinedale, Wyoming

STATE OF _____
COUNTY OF _____ } ss

INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____ 19 ____ personally appeared _____

and _____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires _____

_____
Notary Public.

Address: _____

STATE OF _____
COUNTY OF _____ } ss

CORPORATE
(For use in all states)

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____.

My Commission Expires _____

_____
Notary Public.

Address: _____

EXHIBIT "A"

Attached to and made a part of that Oil and Gas Lease dated January 14, 1998, between Donna M. Steele Living Trust, dated 1-26-95, Donna M. Steele, Trustee, Lessor, and High Plains Associates, Inc., Lessee.

LAND DESCRIPTION:

<u>Township 32 North, Range 108 West, 6th P.M.</u>
Section 16: A tract in the NE/4, NE/4NW/4, and NE/4SE/4, more fully described as follows: Beginning on the northeast corner of Section 16, Township 32 North, Range 108 West, and running thence South a distance of 2869.79 feet to Station No. 2; thence North 40 degrees 10.5' West a distance of 465.40 feet to Station No. 3; thence North 49 degrees 42' West a distance of 1878.52 feet to Station No. 4; thence North 49 degrees 04' West a distance of 642.31 feet to Station No. 5; thence North 59 degrees 30' West a distance of 624.19 feet to Station No. 6; thence North 50 degrees 45.5' East a distance of 912.63 feet to Station No. 7; thence 89 degrees 34' East a distance of 2049 feet to Station No. 1, the point of beginning, containing 99.00 acres, more or less, EXCEPTING THEREFROM the following:

A) That portion of the above lands conveyed by Earl E. Steele and Thelma Steele, husband and wife, to Zeda Roop by Warranty Deed dated March, 23, 1953, and recorded March 26, 1953, in the office of the County Clerk and Ex-Officio Register of Deeds within and for Sublette County, Wyoming, in Book 7 of Deeds on Page 263.

B) That portion of the above lands conveyed by Earl E. Steele and Thelma Steele, husband and wife, to Henry J. Mitchell and Mary Kay Mitchell, husband and wife, by Warranty Deed dated January 22, 1960 and recorded January 26, 1960 in the office of the County Clerk and Ex-Officio Register of Deeds within and for Sublette County, Wyoming in Book 10 of Deeds on Page 179.

C) That portion of the above lands conveyed by Earl Steele and Thelma Steele, husband and wife, to Wyoming Telephone Company, Incorporated, by Quit-Claim Deed dated April 23, 1976 and recorded April 23, 1976 in the office of the County Clerk and Ex-Officio Register of Deeds within and for Sublette County, Wyoming, in Book 5 of Quit-Claim Deed on Page 570.

ADDITIONAL AND AMENDED LEASE PROVISIONS:

1) Notwithstanding anything contained in paragraph #4 of the attached lease, this lease can not be extended beyond three years past the primary term without production in commercial quantities sufficient for lessor to participate in the royalty benefits.

2) Without Lessors written permission, there shall be no surface occupancy or trespass on producing meadows on the lands described herein.

Signed for identification:

Donna M. Steele

Donna M. Steele, Trustee
Donna M. Steele Living Trust

[redacted] [redacted] [redacted]

[redacted] [redacted]

April 3 1998

172854

RECORDED April [redacted] M 2:00p
IN BOOK 107 OR 6 PAGE 268
FEES $10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING

PRODUCERS 88-PAID UP

266539

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 21st day of November, 19 97, by and between Leo Moran, a married man dealing in his sole and separate property whose post office address is 115 North State Street Milan, Missouri 63556 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden St., Suite 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten or more DOLLARS 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 along with all hydrocarbons and non-hydrocarbon substances produced in association therewith, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, helium, carbon dioxide, sulfur compounds and all other commercial gases (collectively "oil and gas" or "Hydrocarbons") 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 34 North, Range 111 West, 6th P.M.
Section 34: S½NE¼, SE¼
Section 35: SW¼NW¼, W½SW¼, [redacted]

Township 33 North, Range 111 West, 6th P.M.
Section 2: Lot 4, Less and Except Tracts See attached Exhibit "A"
SW¼NW¼, NW¼SW¼, S½SW¼, One Tract in the NW¼ See Exhibit "A"
Section 3: Lot 1 and 2, S½NE¼, SE¼, [redacted]

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing [redacted] acres, more or less.

1. It is agreed that this lease shall remain in force for a term of Five years from this date and as long thereafter as Hydrocarbons are produced from said leased premises or on acreage pooled communitized or unitized therewith, or drilling operations are continued as hereinafter provided. If, at the expiration of the primary term of this lease, Hydrocarbons are not being produced on the leased premises or on acreage pooled, communitized or unitized therewith but Lessee is then engaged in drilling or reworking for other operations or restoring production on the lease premises or then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises or on acreage pooled communitized or unitized therewith; and operations shall be considered to be continuously prosecuted if Lessee diligently prosecutes operations for obtaining or restoring production on the lease premises or, 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 Hydrocarbons on said land or on acreage pooled, communitized or unitized therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or reworking for other operations for obtaining or restoring production on the lease premises or operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If Hydrocarbons 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 Hydrocarbons are produced from the leased premises or on acreage pooled, communitized or unitized therewith.

2. This is a PAID-UP LEASE. For the consideration set forth above, 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. Royalty Payment. Royalties on Hydrocarbons shall be paid by Lessee to Lessor as follows:

(a) for oil and other liquid Hydrocarbons separated at Lessee's separator facilities, the royalty shall be one-eighth of such production, to be delivered at Lessee's option to Lessor at the wellhead or to the Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to sell such production to itself or an affiliate at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similarly grade and gravity;

(b) for gas (including casinghead gas) and all other gaseous Hydrocarbons, the royalty shall be one-eighth of the proceeds realized by the Lessee from the sale thereof, provided, that Lessee shall have the continuing right to sell such production to itself or an affiliate at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase agreements entered into on the same or in the nearest preceding date as the date on which the Lessee or its affiliate commences its purchases hereunder; and

(c) in calculating the royalties on production hereunder, Lessee may deduct Lessor's proportionate part of any ad valorem, production and excise taxes and any costs incurred by Lessee in treating, processing, delivering and otherwise marketing such production.

4. If after the primary term one or more wells on the lease premises or lands pooled to unitize therewith are capable of producing Hydrocarbons in paying quantities, but the other wells are either shut-in or production therefrom is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing in paying quantities for the purposes of maintaining this lease. If for a period of 120 consecutive days, such well or wells are shut-in or production therefrom is not sold by Lessee, then Lessee shall pay an aggregate shut-in royalty of $1.00 per acre then covered by this lease, with such payment to be made to Lessor or to Lessor's credit in a depository designated in this lease, on or before the end of said 120-day period and thereafter on or before the anniversary of the end of said 120-day period while the well or wells are shut-in or production therefrom is not being sold by Lessee; provided that if this lease is otherwise being maintained by the payment of rental or operations, or if production is being sold by Lessee from another well or wells on the lease premises or lands pooled to unitize therewith, no shut-in royalty shall be due until the end of the 120-day period following the end of the rental period or cessation of such operations or production, as the case may be. Lessee's failure to properly pay shut-in royalty hereunder shall render Lessee liable in the amount due, but shall not operate to terminate this lease.

5. If said Lessor owns less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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, communitize 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 Hydrocarbons, individually or in the aggregate, when in Lessee's judgment it is necessary or advisable to do so, and irrespective of whether authority similar to this exists with respect to such other land, lease or leases. Likewise, units previously formed to include formations not producing oil or gas may be reformed to exclude such non-producing formations. The forming or reforming of any unit shall be accomplished by Lessee executing and filing of record a declaration of such unitization or reformation, which declaration shall describe the unit. Any unit may include land upon which a well has theretofore been completed or upon which operations for drilling have theretofore been commenced. Production, drilling or reworking operations or a well shut-in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut-in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total

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, communitize, 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. Pooling, communitization, unitization or otherwise combining all or any portion of the above described lands shall not constitute a cross conveyance of interests.

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, an event of "force majeure" or if such failure is the result of, any such Law, Order, Rule or Regulation. "Force majeure" shall mean an event causing a delay in drilling, reworking, production or other operations which are prevented or delayed by laws, rules, regulations or orders, or by an inability to obtain necessary permits, equipment, services, materials, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike, or labor disputes, or by an inability to obtain a satisfactory market for production or a failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control. If Lessee's performance is affected by an event of force majeure, this lease shall not terminate and, at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall take all reasonable and necessary actions to remedy the event of force majeure. Lessee shall not be liable for breach of any provisions, either express or implied, to this lease during the continuance of an event of force majeure.

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. Preferential Right. If, during the term of this lease (but not more than 20 years after the date hereof), Lessor receives a bona fide offer from any party to purchase a new lease covering all or any part of the lands or substances covered hereby, and if Lessor is willing to accept such offer, then Lessor shall promptly notify Lessee in writing of the name and address of the offeror, and of all pertinent terms and conditions of the offer, including any lease bonus offered. Lessee shall have a period of 30 days after receipt of such notice to exercise a preferential right to purchase a new lease from Lessor in accordance with the terms and conditions of the offer, by giving Lessor written notice of such exercise. Promptly thereafter, Lessee shall furnish to Lessor the new lease for execution, along with a time draft for the lease bonus conditioned upon execution and delivery of the lease by Lessor and approval of title by Lessee, all in accordance with the terms of said draft. Whether or not Lessee exercises its preferential right hereunder, then as long as this lease remains in effect, any new lease from Lessor shall be subordinate to this lease and shall not be construed as replacing or adding to Lessee's obligations hereunder.

16. Extension of Primary Term. For the consideration herein recited, Lessor hereby grants to Lessee the exclusive right and option to extend the primary term of this lease for five (5) additional years by mailing to Lessor at the address listed on this lease, on or before the end of the primary term, a bonus consideration equal to one hundred fifty percent (150%) of the bonus consideration originally paid for this lease, which payment shall represent payment in full of consideration for this extension.

17. 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.

x Leo Moran S.S.# 478-03-8492-A

Leo Moran, a married man dealing in his sole and separate property

---

STATE OF Missouri
COUNTY OF Sullivan
ss.

ACKNOWLEDGMENT–INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 21st day of November, 19 97, personally appeared Leo Moran and to me known to be the identical person(s) described in and who executed the within and foregoing instrument and acknowledged to me that 12th duly executed the same as free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires Dec. 17, 1999

Notary Public
Address: 101 S Market, Milan, Mo. 63556

STATE OF _____
COUNTY OF _____
ss.

CORPORATE
(For use in all states)

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.

Witness my hand and seal this _____ day of _____ AD., 19___.

My Commission Expires _____

Notary Public
Address: _____

[redacted] [redacted] [redacted]

Exhibit "A"

Attached to and made a part of a certain Oil & Gas Lease dated November 21, 1997 by and between Leo Moran, a married man dealing in his sole and separate property, as Lessor, High Plains Associates, Inc., as Lessee.

Legal Description

Township 33 North, Range 111 West, 6th P.M.
Section 2: Lot 4 (40.04) less and except
Township of Daniels 2nd Plat:
Lot 1-3.75 acres
Lots 2 & 10-2.28 acres
Lot 3-4.77 acres
Lot 6-1.05 acres
Lot 7-1.11 acres
Lot 8-9.79 acres

Second Subdivision Lot 9- .12 acres, metes/bounds descrip.
QCD Book 10 Page 111- .55 acres totaling .67 acres

Township of Daniels 3rd Plat:
Lot 1 previously described as Lots 2,3,4 Block 1- .2465 acres
Lot 1 previously described as Lots 5,6 Block 1- .1435 acres
Lot 2 (resurveyed)- 1.75 acres
Lot 3 (resurveyed)- 1.50 acres

metes/bounds descrip. QCD Book 6 Pages 162 & 421- .69 acres

metes/bounds description QCD Book 8 Page 583- .69 acres

Section 2: SW/4NW/4, NW/4SW/4, and S/2SW/4
metes/bounds descrip. in NW/4 WD Bk 37 Page 223- 2.00 acres

Section 3: Lot 1(40.10), Lot 2(40.13), S/2NE/4 and SE/4

Containing 853.83 Acres, more or less.

[redacted]

271

RS $8-PAID UP

266540

OIL AND GAS LEASE

RECORDED April 9 1998 at 2:00p
IN BOOK 107016 PAGE 271
FEES $ 10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Baden

AGREEMENT, Made and entered into the 21st **day of** November **, 19** 97 **, by and between**
Leo Moran, administrator of the Estate of Francis Moran, deceased
whose post office address is 115 North State Street Milan, MO 63556 **hereinafter called Lessor (whether one or more) and**
High Plains Associates, Inc. **whose post office address is** 1557 Ogden St., Suite 300, Denver, CO 80218
hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten or more **DOLLARS 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 along with all hydrocarbons and non-hydrocarbon substances produced in association therewith, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, helium, carbon dioxide, sulfur compounds and all other commercial gases (collectively "oil and gas" or "Hydrocarbons") 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 34 North, Range 111 West, 6th P.M.
Section 34: S½NE¼, SE¼
Section 35: SW¼NW¼, W½SW¼, [redacted]

Township 33 North, Range 111 West, 6th P.M.
Section 2: Lot 4, Less and Except Tracts See Attached Exhibit "A"
SW¼NW¼, NW¼SW¼, S½SW¼, One Tract in the NW¼ See Exbibit "A"
Section 3: Lot 1 and 2, S½NE¼, SE¼, [redacted]

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing [redacted] **acres, more or less.**

1. It is agreed that this lease shall remain in force for a term of Five **years from this date and as long thereafter as Hydrocarbons are produced from said leased premises or on acreage pooled communitized or unitized therewith, or drilling operations are continued as hereinafter provided. If, at the expiration of the primary term of this lease, Hydrocarbons are not being produced on the leased premises or on acreage pooled, communitized or unitized therewith but Lessee is then engaged in drilling or reworking for other operations or restoring production on the lease premises or then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises or on acreage pooled communitized or unitized therewith; and operations shall be considered to be continuously prosecuted if Lessee diligently prosecutes operations for obtaining or restoring production on the lease premises or, 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 Hydrocarbons on said land or on acreage pooled, communitized or unitized therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or reworking for other operations for obtaining or restoring production on the lease premises or operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If Hydrocarbons 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 Hydrocarbons are produced from the leased premises or on acreage pooled, communitized or unitized therewith.**

2. This is a PAID-UP LEASE. For the consideration set forth above, 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. Royalty Payment. Royalties on Hydrocarbons shall be paid by Lessee to Lessor as follows:

(a) for oil and other liquid Hydrocarbons separated at Lessee's separator facilities, the royalty shall be one-eighth of such production, to be delivered at Lessee's option to Lessor at the wellhead or to the Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to sell such production to itself or an affiliate at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similarly grade and gravity;

(b) for gas (including casinghead gas) and all other gaseous Hydrocarbons, the royalty shall be one-eighth of the proceeds realized by the Lessee from the sale thereof, provided, that Lessee shall have the continuing right to sell such production to itself or an affiliate at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase agreements entered into on the same or in the nearest preceding date as the date on which the Lessee or its affiliate commences its purchases hereunder; and

(c) in calculating the royalties on production hereunder, Lessee may deduct Lessor's proportionate part of any ad valorem, production and excise taxes and any costs incurred by Lessee in treating, processing, delivering and otherwise marketing such production.

4. If after the primary term one or more wells on the lease premises or lands pooled to unitize therewith are capable of producing Hydrocarbons in paying quantities, but the other wells are either shut-in or production therefrom is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing in paying quantities for the purposes of maintaining this lease. If for a period of 120 consecutive days, such well or wells are shut-in or production therefrom is not sold by Lessee, then Lessee shall pay an aggregate shut-in royalty of $1.00 per acre then covered by this lease, with such payment to be made to Lessor or to Lessor's credit in a depository designated in this lease, on or before the end of said 120-day period and thereafter on or before the anniversary of the end of said 120-day period while the well or wells are shut-in or production therefrom is not being sold by Lessee; provided that if this lease is otherwise being maintained by the payment of rental or operations, or if production is being sold by Lessee from another well or wells on the lease premises or lands pooled to unitize therewith, no shut-in royalty shall be due until the end of the 120-day period following the end of the rental period or cessation of such operations or production, as the case may be. Lessee's failure to properly pay shut-in royalty hereunder shall render Lessee liable in the amount due, but shall not operate to terminate this lease.

5. If said Lessor owns less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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, communitize 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 Hydrocarbons, individually or in the aggregate, when in Lessee's judgment it is necessary or advisable to do so, and irrespective of whether authority similar to this exists with respect to such other land, lease or leases. Likewise, units previously formed to include formations not producing oil or gas may be reformed to exclude such non-producing formations. The forming or reforming of any unit shall be accomplished by Lessee executing and filing of record a declaration of such unitization or reformation, which declaration shall describe the unit. Any unit may include land upon which a well has theretofore been completed or upon which operations for drilling have theretofore been commenced. Production, drilling or reworking operations or a well shut-in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut-in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total

[redacted] [redacted] [redacted]

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, communitize, 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. Pooling, communitization, unitization or otherwise combining all or any portion of the above described lands shall not constitute a cross conveyance of interests.

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, an event of "force majeure" or if such failure is the result of, any such Law, Order, Rule or Regulation. "Force majeure" shall mean an event causing a delay in drilling, reworking, production or other operations which are prevented or delayed by laws, rules, regulations or orders, or by an inability to obtain necessary permits, equipment, services, materials, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike, or labor disputes, or by an inability to obtain a satisfactory market for production or a failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control. If Lessee's performance is affected by an event of force majeure, this lease shall not terminate and, at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall take all reasonable and necessary actions to remedy the event of force majeure. Lessee shall not be liable for breach of any provisions, either express or implied, to this lease during the continuance of an event of force majeure.

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. Preferential Right. If, during the term of this lease (but not more than 20 years after the date hereof), Lessor receives a bona fide offer from any party to purchase a new lease covering all or any part of the lands or substances covered hereby, and if Lessor is willing to accept such offer, then Lessor shall promptly notify Lessee in writing of the name and address of the offeror, and of all pertinent terms and conditions of the offer, including any lease bonus offered. Lessee shall have a period of 30 days after receipt of such notice to exercise a preferential right to purchase a new lease from Lessor in accordance with the terms and conditions of the offer, by giving Lessor written notice of such exercise. Promptly thereafter, Lessee shall furnish to Lessor the new lease for execution, along with a time draft for the lease bonus conditioned upon execution and delivery of the lease by Lessor and approval of title by Lessee, all in accordance with the terms of said draft. Whether or not Lessee exercises its preferential right hereunder, then as long as this lease remains in effect, any new lease from Lessor shall be subordinate to this lease and shall not be construed as replacing or adding to Lessee's obligations hereunder.

16. Extension of Primary Term. For the consideration herein recited, Lessor hereby grants to Lessee the exclusive right and option to extend the primary term of this lease for five (5) additional years by mailing to Lessor at the address listed on this lease, on or before the end of the primary term, a bonus consideration equal to one hundred fifty percent (150%) of the bonus consideration originally paid for this lease, which payment shall represent payment in full of consideration for this extension.

17. 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.

X Leo Moran — S.S.# (Leo's) 478-03-8492-A

Leo Moran, administrator of the estate of Francis Moran, deceased — 493-42-3880

(Francis's SSN)

STATE OF Missouri

COUNTY OF Sullivan

ss.

ACKNOWLEDGMENT-INDIVIDUAL
(For use in all states)

On this 12th day of December, 19 97, before me, the undersigned, a Notary Public, in and for said County and State, personally appeared Leo Moran, administrator of the estate of Francis Moran, deceased and _____ to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that 12t duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires May 17, 1999

Notary Public
Address: 101 S Marekt, Milan, Mo. 63556

STATE OF _____

COUNTY OF _____

ss.

CORPORATE
(For use in all states)

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.

Witness my hand and seal this _____ day of _____ AD., 19___.

My Commission Expires _____

Notary Public
Address: _____

Exhibit "A"

Attached to and made a part of a certain Oil & Gas Lease dated November 21, 1997 by and between Leo Moran, administrator to the estate of Francis Moran, deceased, as Lessor, High Plains Associates, Inc., as Lessee.

Legal Description

Township 33 North, Range 111 West, 6th P.M.
Section 2: Lot 4 (40.04) less and except
Township of Daniels 2nd Plat:
Lot 1-3.75 acres
Lots 2 & 10-2.28 acres
Lot 3-4.77 acres
Lot 6-1.05 acres
Lot 7-1.11 acres
Lot 8-9.79 acres

Second Subdivision Lot 9- .12 acres, metes/bounds descrip.
QCD Book 10 Page 111- .55 acres totaling .67 acres

Township of Daniels 3rd Plat:
Lot 1 previously described as Lots 2,3,4 Block 1- .2465 acres
Lot 1 previously described as Lots 5,6 Block 1- .1435 acres
Lot 2 (resurveyed)- 1.75 acres
Lot 3 (resurveyed)- 1.50 acres

metes/bounds descrip. QCD Book 6 Pages 162 & 421- .69 acres

metes/bounds description QCD Book 8 Page 583- .69 acres

Section 2: SW/4NW/4, NW/4SW/4, and S/2SW/4
metes/bounds descrip. in NW/4 WD Bk 37 Page 223- 2.00 acres

Section 3: Lot 1(40.10), Lot 2(40.13), S/2NE/4 and SE/4

Containing 853.83 Acres, more or less.

PRODUCERS 88-[redacted]

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 23rd day of December, 19 97, by and between Beatrice Bowman, a married woman dealing in her sole and separate property whose post office address is 408 North 18th St. Unionville, MO 63365 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden St., Suite 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten or more DOLLARS 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 along with all hydrocarbons and non-hydrocarbon substances produced in association therewith, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, helium, carbon dioxide, sulfur compounds and all other commercial gases (collectively "oil and gas" or "Hydrocarbons") 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:

266541

RECORDED April 3 1998 2:00 PM
IN BOOK 107 of 6 PAGE 274
FEES $ 10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Saxton

Please see Exhibit "A" for the Legal Description attached to and made a part of this lease.

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing 853.83 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of 5 years from this date and as long thereafter as Hydrocarbons are produced from said leased premises or on acreage pooled communitized or unitized therewith, or drilling operations are continued as hereinafter provided. If, at the expiration of the primary term of this lease, Hydrocarbons are not being produced on the leased premises or on acreage pooled, communitized or unitized therewith but Lessee is then engaged in drilling or reworking for other operations or restoring production on the lease premises or then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises or on acreage pooled communitized or unitized therewith; and operations shall be considered to be continuously prosecuted if Lessee diligently prosecutes operations for obtaining or restoring production on the lease premises or, 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 Hydrocarbons on said land or on acreage pooled, communitized or unitized therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or reworking for other operations for obtaining or restoring production on the lease premises or operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If Hydrocarbons 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 Hydrocarbons are produced from the leased premises or on acreage pooled, communitized or unitized therewith.

2. This is a PAID-UP LEASE. For the consideration set forth above, 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. Royalty Payment. Royalties on Hydrocarbons shall be paid by Lessee to Lessor as follows:

(a) for oil and other liquid Hydrocarbons separated at Lessee's separator facilities, the royalty shall be one-eighth of such production, to be delivered at Lessee's option to Lessor at the wellhead or to the Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to sell such production to itself or an affiliate at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similarly grade and gravity;

(b) for gas (including casinghead gas) and all other gaseous Hydrocarbons, the royalty shall be one-eighth of the proceeds realized by the Lessee from the sale thereof, provided, that Lessee shall have the continuing right to sell such production to itself or an affiliate at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase agreements entered into on the same or in the nearest preceding date as the date on which the Lessee or its affiliate commences its purchases hereunder; and

(c) in calculating the royalties on production hereunder, Lessee may deduct Lessor's proportionate part of any ad valorem, production and excise taxes and any costs incurred by Lessee in treating, processing, delivering and otherwise marketing such production.

4. If after the primary term one or more wells on the lease premises or lands pooled to unitize therewith are capable of producing Hydrocarbons in paying quantities, but the other wells are either shut-in or production therefrom is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing in paying quantities for the purposes of maintaining this lease. If for a period of 120 consecutive days, such well or wells are shut-in or production therefrom is not sold by Lessee, then Lessee shall pay an aggregate shut-in royalty of $1.00 per acre then covered by this lease, with such payment to be made to Lessor or to Lessor's credit in a depository designated in this lease, on or before the end of said 120-day period and thereafter on or before the anniversary of the end of said 120-day period while the well or wells are shut-in or production therefrom is not being sold by Lessee; provided that if this lease is otherwise being maintained by the payment of rental or operations, or if production is being sold by Lessee from another well or wells on the lease premises or lands pooled to unitize therewith, no shut-in royalty shall be due until the end of the 120-day period following the end of the rental period or cessation of such operations or production, as the case may be. Lessee's failure to properly pay shut-in royalty hereunder shall render Lessee liable in the amount due, but shall not operate to terminate this lease.

5. If said Lessor owns less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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, communitize 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 Hydrocarbons, individually or in the aggregate, when in Lessee's judgment it is necessary or advisable to do so, and irrespective of whether authority similar to this exists with respect to such other land, lease or leases. Likewise, units previously formed to include formations not producing oil or gas may be reformed to exclude such non-producing formations. The forming or reforming of any unit shall be accomplished by Lessee executing and filing of record a declaration of such unitization or reformation, which declaration shall describe the unit. Any unit may include land upon which a well has theretofore been completed or upon which operations for drilling have theretofore been commenced. Production, drilling or reworking operations or a well shut-in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut-in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total

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, communitize, 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. Pooling, communitization, unitization or otherwise combining all or any portion of the above described lands shall not constitute a cross conveyance of interests.

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, an event of "force majeure" or if such failure is the result of, any such Law, Order, Rule or Regulation. "Force majeure" shall mean an event causing a delay in drilling, reworking, production or other operations which are prevented or delayed by laws, rules, regulations or orders, or by an inability to obtain necessary permits, equipment, services, materials, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike, or labor disputes, or by an inability to obtain a satisfactory market for production or a failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control. If Lessee's performance is affected by an event of force majeure, this lease shall not terminate and, at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall take all reasonable and necessary actions to remedy the event of force majeure. Lessee shall not be liable for breach of any provisions, either express or implied, to this lease during the continuance of an event of force majeure.

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 mortgage, 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. Preferential Right. If, during the term of this lease (but not more than 20 years after the date hereof), Lessor receives a bona fide offer from any party to purchase a new lease covering all or any part of the lands or substances covered hereby, and if Lessor is willing to accept such offer, then Lessor shall promptly notify Lessee in writing of the name and address of the offeror, and of all pertinent terms and conditions of the offer, including any lease bonus offered. Lessee shall have a period of 30 days after receipt of such notice to exercise a preferential right to purchase a new lease from Lessor in accordance with the terms and conditions of the offer, by giving Lessor written notice of such exercise. Promptly thereafter, Lessee shall furnish to Lessor the new lease for execution, along with a time draft for the lease bonus conditioned upon execution and delivery of the lease by Lessor and approval of title by Lessee, all in accordance with the terms of said draft. Whether or not Lessee exercises its preferential right hereunder, then as long as this lease remains in effect, any new lease from Lessor shall be subordinate to this lease and shall not be construed as replacing or adding to Lessee's obligations hereunder.

16. Extension of Primary Term. For the consideration herein recited, Lessor hereby grants to Lessee the exclusive right and option to extend the primary term of this lease for five (5) additional years by mailing to Lessor at the address listed on this lease, on or before the end of the primary term, a bonus consideration equal to one hundred fifty percent (150%) of the bonus consideration originally paid for this lease, which payment shall represent payment in full of consideration for this extension.

17. 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.

x Beatrice Bowman S.S.# 487-74-1085

Beatrice Bowman, a married woman dealing in her sole and separate property

---

STATE OF Missouri

COUNTY OF _____ ss.

ACKNOWLEDGMENT–INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 30th day of December, 19 97

personally appeared Beatrice Bowman, a married woman dealing in her sole and separate property

and _____ to me known to be the identical person(s) described in and who executed the

within and foregoing instrument of writing and acknowledged to me that She duly 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.

My Commission Expires 7-12-2000

Notary Public
Address: Rt 5 Box 21, Anderson

SUSAN R. FLESHMAN
NOTARY PUBLIC STATE OF MISSOURI
McDONALD COUNTY
MY COMMISSION EXPIRES 7-12-2000

STATE OF _____

COUNTY OF _____ ss.

CORPORATE
(For use in all states)

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.

Witness my hand and seal this _____ day of _____ AD., 19____.

My Commission Expires _____

Notary Public
Address: _____

[redacted] [redacted] [redacted]

Exhibit "A"
Attached to and made a part of a certain Oil & Gas Lease dated December 23, 1997 by and between Beatrice Bowman, a married woman dealing in her sole and separate property, and High Plains Associates, Inc., as Lessee.

Legal Description

Township 34 North, Range 111 West, 6th P.M.
Section 34: S/2NE/4, SE/4
Section 35: SW/4NW/4, W/2SW/4

Township 33 North, Range 111 West, 6th P.M.
Section 2: Lot 4 (40.04) less and except
Township of Daniels 2nd Plat:
Lot 1-3.75 acres
Lots 2 & 10-2.28 acres
Lot 3-4.77 acres
Lot 6-1.05 acres
Lot 7-1.11 acres
Lot 8-9.79 acres

Second Subdivision Lot 9- .12 acres, metes/bounds descrip.
QCD Book 10 Page 111- .55 acres totaling .67 acres

Township of Daniels 3rd Plat:
Lot 1 previously described as Lots 2,3,4 Block 1- .2465 acres
Lot 1 previously described as Lots 5,6 Block 1- .1435 acres
Lot 2 (resurveyed)- 1.75 acres
Lot 3 (resurveyed)- 1.50 acres

metes/bounds descrip. QCD Book 6 Pages 162 & 421- .69 acres

metes/bounds description QCD Book 8 Page 583- .69 acres

Section 2: SW/4NW/4, NW/4SW/4, and S/2SW/4
metes/bounds descrip. in NW/4 WD Bk 37 Page 223- 2.00 acres

Section 3: Lot 1(40.10), Lot 2(40.13), S/2NE/4 and SE/4

Containing 853.83 Acres, more or less.

Beatrice Bowman
B.B

277 112080

PRODUCERS 88-PAID UP

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 23rd day of December, 19 97, by and between Jean C. Willour, a single woman whose post office address is 4821 Roanoke Pkwy #602 Kansas City, MO 64112 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden St., Suite 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten or more DOLLARS 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 along with all hydrocarbons and non-hydrocarbon substances produced in association therewith, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, helium, carbon dioxide, sulfur compounds and all other commercial gases (collectively "oil and gas" or "Hydrocarbons") 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:

266542

RECORDED April 3 1998 8:00A M
IN BOOK 107 OR5 PAGE 277
FEES $ 10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cath Sexton

Please see Exhibit "A" for the Legal Description attached to and made a part of this lease.

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing 853.83 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of 5 years from this date and as long thereafter as Hydrocarbons are produced from said leased premises or on acreage pooled communitized or unitized therewith, or drilling operations are continued as hereinafter provided. If, at the expiration of the primary term of this lease, Hydrocarbons are not being produced on the leased premises or on acreage pooled, communitized or unitized therewith but Lessee is then engaged in drilling or reworking for other operations or restoring production on the lease premises or then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises or on acreage pooled communitized or unitized therewith; and operations shall be considered to be continuously prosecuted if Lessee diligently prosecutes operations for obtaining or restoring production on the lease premises or, 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 Hydrocarbons on said land or on acreage pooled, communitized or unitized therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or reworking for other operations for obtaining or restoring production on the lease premises or operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If Hydrocarbons 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 Hydrocarbons are produced from the leased premises or on acreage pooled, communitized or unitized therewith.

2. This is a PAID-UP LEASE. For the consideration set forth above, 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. Royalty Payment. Royalties on Hydrocarbons shall be paid by Lessee to Lessor as follows:

(a) for oil and other liquid Hydrocarbons separated at Lessee's separator facilities, the royalty shall be one-eighth of such production, to be delivered at Lessee's option to Lessor at the wellhead or to the Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to sell such production to itself or an affiliate at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similarly grade and gravity;

(b) for gas (including casinghead gas) and all other gaseous Hydrocarbons, the royalty shall be one-eighth of the proceeds realized by the Lessee from the sale thereof, provided, that Lessee shall have the continuing right to sell such production to itself or an affiliate at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase agreements entered into on the same or in the nearest preceding date as the date on which the Lessee or its affiliate commences its purchases hereunder; and

(c) in calculating the royalties on production hereunder, Lessee may deduct Lessor's proportionate part of any ad valorem, production and excise taxes and any costs incurred by Lessee in treating, processing, delivering and otherwise marketing such production.

4. If after the primary term one or more wells on the lease premises or lands pooled to unitize therewith are capable of producing Hydrocarbons in paying quantities, but the other wells are either shut-in or production therefrom is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing in paying quantities for the purposes of maintaining this lease. If for a period of 120 consecutive days, such well or wells are shut-in or production therefrom is not sold by Lessee, then Lessee shall pay an aggregate shut-in royalty of $1.00 per acre then covered by this lease, with such payment to be made to Lessor or to Lessor's credit in a depository designated in this lease, on or before the end of said 120-day period and thereafter on or before the anniversary of the end of said 120-day period while the well or wells are shut-in or production therefrom is not being sold by Lessee; provided that if this lease is otherwise being maintained by the payment of rental or operations, or if production is being sold by Lessee from another well or wells on the lease premises or lands pooled to unitize therewith, no shut-in royalty shall be due until the end of the 120-day period following the end of the rental period or cessation of such operations or production, as the case may be. Lessee's failure to properly pay shut-in royalty hereunder shall render Lessee liable in the amount due, but shall not operate to terminate this lease.

5. If said Lessor owns less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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.

[redacted] caused by Lessee's operations to growing crops on said land.

[redacted] right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

[redacted] Lessor and Lessee hereunder may be assigned in whole or part. No change in ownership of Lessor's interest (by assignment or otherwise) binding on Lessee until Lessee has been furnished with notice, consisting of certified copies of all recorded instruments or documents and [redacted] 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, communitize 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 Hydrocarbons, individually or in the aggregate, when in Lessee's judgment it is necessary or advisable to do so, and irrespective of whether authority similar to this exists with respect to such other land, lease or leases. Likewise, units previously formed to include formations not producing oil or gas may be reformed to exclude such non-producing formations. The forming or reforming of any unit shall be accomplished by Lessee executing and filing of record a declaration of such unitization or reformation, which declaration shall describe the unit. Any unit may include land upon which a well has theretofore been completed or upon which operations for drilling have theretofore been commenced. Production, drilling or reworking operations or a well shut-in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut-in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total

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, communitize, 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. Pooling, communitization, unitization or otherwise combining all or any portion of the above described lands shall not constitute a cross conveyance of interests.

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, an event of "force majeure" or if such failure is the result of, any such Law, Order, Rule or Regulation. "Force majeure" shall mean an event causing a delay in drilling, reworking, production or other operations which are prevented or delayed by laws, rules, regulations or orders, or by an inability to obtain necessary permits, equipment, services, materials, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike, or labor disputes, or by an inability to obtain a satisfactory market for production or a failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control. If Lessee's performance is affected by an event of force majeure, this lease shall not terminate and, at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall take all reasonable and necessary actions to remedy the event of force majeure. Lessee shall not be liable for breach of any provisions, either express or implied, to this lease during the continuance of an event of force majeure.

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. Preferential Right. If, during the term of this lease (but not more than 20 years after the date hereof), Lessor receives a bona fide offer from any party to purchase a new lease covering all or any part of the lands or substances covered hereby, and if Lessor is willing to accept such offer, then Lessor shall promptly notify Lessee in writing of the name and address of the offeror, and of all pertinent terms and conditions of the offer, including any lease bonus offered. Lessee shall have a period of 30 days after receipt of such notice to exercise a preferential right to purchase a new lease from Lessor in accordance with the terms and conditions of the offer, by giving Lessor written notice of such exercise. Promptly thereafter, Lessee shall furnish to Lessor the new lease for execution, along with a time draft for the lease bonus conditioned upon execution and delivery of the lease by Lessor and approval of title by Lessee, all in accordance with the terms of said draft. Whether or not Lessee exercises its preferential right hereunder, then as long as this lease remains in effect, any new lease from Lessor shall be subordinate to this lease and shall not be construed as replacing or adding to Lessee's obligations hereunder.

16. Extension of Primary Term. For the consideration herein recited, Lessor hereby grants to Lessee the exclusive right and option to extend the primary term of this lease for five (5) additional years by mailing to Lessor at the address listed on this lease, on or before the end of the primary term, a bonus consideration equal to one hundred fifty percent (150%) of the bonus consideration originally paid for this lease, which payment shall represent payment in full of consideration for this extension.

17. 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.

x Jean C. Willour — S.S.# 493-30-2406

Jean C. Willour, a single woman

STATE OF Missouri
COUNTY OF Jackson
ss.

ACKNOWLEDGMENT–INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 10th day of January, 19 98,

personally appeared Jean C. Willour, a single woman

and _____ to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that she duly executed the same as her free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires July 13, 2001

MAUREEN A. EUSTON
Notary Public - Notary Seal
STATE OF MISSOURI
My Commission Expires: July 13, 2001

Maureen A Euston
Notary Public
Address: 4741 Central

NOTARY SEAL
STATE OF MISSOURI

---

ss.

CORPORATE
(For use in all states)

MAUREEN A. EUSTON
Notary Public - Notary Seal
STATE OF MISSOURI
Jackson County
My Commission Expires July 13, 2001

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.

Witness my hand and seal this _____ day of _____ AD., 19___.

My Commission Expires _____

_____
Notary Public
Address: _____

278

Exhibit "A"

Attached to and made a part of a certain Oil & Gas Lease dated December 23, 1997 by and between Jean C. Willour, a single woman, as Lessor, and High Plains Associates, Inc., as Lessee.

Legal Description

Township 34 North, Range 111 West, 6th P.M.
Section 34: S/2NE/4, SE/4
Section 35: SW/4NW/4, W/2SW/4

Township 33 North, Range 111 West, 6th P.M.
Section 2: Lot 4 (40.04) less and except
Township of Daniels 2nd Plat:
Lot 1-3.75 acres
Lots 2 & 10-2.28 acres
Lot 3-4.77 acres
Lot 6-1.05 acres
Lot 7-1.11 acres
Lot 8-9.79 acres

Second Subdivision Lot 9- .12 acres, metes/bounds descrip.
QCD Book 10 Page 111- .55 acres totaling .67 acres

Township of Daniels 3rd Plat:
Lot 1 previously described as Lots 2,3,4 Block 1- .2465 acres
Lot 1 previously described as Lots 5,6 Block 1- .1435 acres
Lot 2 (resurveyed)- 1.75 acres
Lot 3 (resurveyed)- 1.50 acres

metes/bounds descrip. QCD Book 6 Pages 162 & 421- .69 acres

metes/bounds description QCD Book 8 Page 583- .69 acres

Section 2: SW/4NW/4, NW/4SW/4, and S/2SW/4
metes/bounds descrip. in NW/4 WD Bk 37 Page 223- 2.00 acres

Section 3: Lot 1(40.10), Lot 2(40.13), S/2NE/4 and SE/4

Containing 853.83 Acres, more or less.

JCW
J.C.W.

11208E

[redacted] [redacted] [redacted]

PRODUCERS 88-PAID OF

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 23rd day of December, 19 97, by and between Mildred Wilson, a widow whose post office address is 311 South Main St. Milan, MO 63556 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden St., Suite 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten or more DOLLARS 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 along with all hydrocarbons and non-hydrocarbon substances produced in association therewith, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, helium, carbon dioxide, sulfur compounds and all other commercial gases (collectively "oil and gas" or "Hydrocarbons") 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:

266543

RECORDED April 3 1998 M
IN BOOK 107 OF 6 PAGE 280
FEES $ 10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cath Seaton

Please see Exhibit "A" for the Legal Description attached to and made a part of this lease.

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing 853.83 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of 5 years from this date and as long thereafter as Hydrocarbons are produced from said leased premises or on acreage pooled communitized or unitized therewith, or drilling operations are continued as hereinafter provided. If, at the expiration of the primary term of this lease, Hydrocarbons are not being produced on the leased premises or on acreage pooled, communitized or unitized therewith but Lessee is then engaged in drilling or reworking for other operations or restoring production on the lease premises or then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises or on acreage pooled communitized or unitized therewith; and operations shall be considered to be continuously prosecuted if Lessee diligently prosecutes operations for obtaining or restoring production on the lease premises or, 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 Hydrocarbons on said land or on acreage pooled, communitized or unitized therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or reworking for other operations for obtaining or restoring production on the lease premises or operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If Hydrocarbons 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 Hydrocarbons are produced from the leased premises or on acreage pooled, communitized or unitized therewith.

2. This is a PAID-UP LEASE. For the consideration set forth above, 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. Royalty Payment. Royalties on Hydrocarbons shall be paid by Lessee to Lessor as follows:

(a) for oil and other liquid Hydrocarbons separated at Lessee's separator facilities, the royalty shall be one-eighth of such production, to be delivered at Lessee's option to Lessor at the wellhead or to the Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to sell such production to itself or an affiliate at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similarly grade and gravity;

(b) for gas (including casinghead gas) and all other gaseous Hydrocarbons, the royalty shall be one-eighth of the proceeds realized by the Lessee from the sale thereof, provided, that Lessee shall have the continuing right to sell such production to itself or an affiliate at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase agreements entered into on the same or in the nearest preceding date as the date on which the Lessee or its affiliate commences its purchases hereunder; and

(c) in calculating the royalties on production hereunder, Lessee may deduct Lessor's proportionate part of any ad valorem, production and excise taxes and any costs incurred by Lessee in treating, processing, delivering and otherwise marketing such production.

4. If after the primary term one or more wells on the lease premises or lands pooled to unitize therewith are capable of producing Hydrocarbons in paying quantities, but the other wells are either shut-in or production therefrom is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing in paying quantities for the purposes of maintaining this lease. If for a period of 120 consecutive days, such well or wells are shut-in or production therefrom is not sold by Lessee, then Lessee shall pay an aggregate shut-in royalty of $1.00 per acre then covered by this lease, with such payment to be made to Lessor or to Lessor's credit in a depository designated in this lease, on or before the end of said 120-day period and thereafter on or before the anniversary of the end of said 120-day period while the well or wells are shut-in or production therefrom is not being sold by Lessee; provided that if this lease is otherwise being maintained by the payment of rental or operations, or if production is being sold by Lessee from another well or wells on the lease premises or lands pooled to unitize therewith, no shut-in royalty shall be due until the end of the 120-day period following the end of the rental period or cessation of such operations or production, as the case may be. Lessee's failure to properly pay shut-in royalty hereunder shall render Lessee liable in the amount due, but shall not operate to terminate this lease.

5. If said Lessor owns less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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, communitize 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 Hydrocarbons, individually or in the aggregate, when in Lessee's judgment it is necessary or advisable to do so, and irrespective of whether authority similar to this exists with respect to such other land, lease or leases. Likewise, units previously formed to include formations not producing oil or gas may be reformed to exclude such non-producing formations. The forming or reforming of any unit shall be accomplished by Lessee executing and filing of record a declaration of such unitization or reformation, which declaration shall describe the unit. Any unit may include land upon which a well has theretofore been completed or upon which operations for drilling have theretofore been commenced. Production, drilling or reworking operations or a well shut-in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut-in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total

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, communitize, 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. Pooling, communitization, unitization or otherwise combining all or any portion of the above described lands shall not constitute a cross conveyance of interests.

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, an event of "force majeure" or if such failure is the result of, any such Law, Order, Rule or Regulation. "Force majeure" shall mean an event causing a delay in drilling, reworking, production or other operations which are prevented or delayed by laws, rules, regulations or orders, or by an inability to obtain necessary permits, equipment, services, materials, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike, or labor disputes, or by an inability to obtain a satisfactory market for production or a failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control. If Lessee's performance is affected by an event of force majeure, this lease shall not terminate and, at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall take all reasonable and necessary actions to remedy the event of force majeure. Lessee shall not be liable for breach of any provisions, either express or implied, to this lease during the continuance of an event of force majeure.

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. Preferential Right. If, during the term of this lease (but not more than 20 years after the date hereof), Lessor receives a bona fide offer from any party to purchase a new lease covering all or any part of the lands or substances covered hereby, and if Lessor is willing to accept such offer, then Lessor shall promptly notify Lessee in writing of the name and address of the offeror, and of all pertinent terms and conditions of the offer, including any lease bonus offered. Lessee shall have a period of 30 days after receipt of such notice to exercise a preferential right to purchase a new lease from Lessor in accordance with the terms and conditions of the offer, by giving Lessor written notice of such exercise. Promptly thereafter, Lessee shall furnish to Lessor the new lease for execution, along with a time draft for the lease bonus conditioned upon execution and delivery of the lease by Lessor and approval of title by Lessee, all in accordance with the terms of said draft. Whether or not Lessee exercises its preferential right hereunder, then as long as this lease remains in effect, any new lease from Lessor shall be subordinate to this lease and shall not be construed as replacing or adding to Lessee's obligations hereunder.

16. Extension of Primary Term. For the consideration herein recited, Lessor hereby grants to Lessee the exclusive right and option to extend the primary term of this lease for five (5) additional years by mailing to Lessor at the address listed on this lease, on or before the end of the primary term, a bonus consideration equal to one hundred fifty percent (150%) of the bonus consideration originally paid for this lease, which payment shall represent payment in full of consideration for this extension.

17. 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.

x Mildred Wilson — S.S.# 487-01-3317

Mildred Wilson, a widow

STATE OF Missouri
COUNTY OF Sullivan
ss.

ACKNOWLEDGMENT–INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 3rd day of January, 19 98, personally appeared Mildred Wilson, a widow and _____ to me known to be the identical person(s) described in and who executed the within and foregoing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires May 17, 1999

Notary Public
Address: 101 S Market, Milan, Mo. 63556

STATE OF _____
COUNTY OF _____
ss.

CORPORATE
(For use in all states)

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.

Witness my hand and seal this _____ day of _____ AD., 19___.

My Commission Expires _____

Notary Public
Address: _____

Exhibit "A"
Attached to and made a part of a certain Oil & Gas Lease dated
December 23, 1997 by and between Mildred Wilson, a widow,
and High Plains Associates, Inc., as Lessee.

Legal Description

Township 34 North, Range 111 West, 6th P.M.
Section 34: S/2NE/4, SE/4
Section 35: SW/4NW/4, W/2SW/4

Township 33 North, Range 111 West, 6th P.M.
Section 2: Lot 4 (40.04) less and except
Township of Daniels 2nd Plat:
Lot 1-3.75 acres
Lots 2 & 10-2.28 acres
Lot 3-4.77 acres
Lot 6-1.05 acres
Lot 7-1.11 acres
Lot 8-9.79 acres

Second Subdivision Lot 9- .12 acres, metes/bounds descrip.
QCD Book 10 Page 111- .55 acres totaling .67 acres

Township of Daniels 3rd Plat:
Lot 1 previously described as Lots 2,3,4 Block 1- .2465 acres
Lot 1 previously described as Lots 5,6 Block 1- .1435 acres
Lot 2 (resurveyed)- 1.75 acres
Lot 3 (resurveyed)- 1.50 acres

metes/bounds descrip. QCD Book 6 Pages 162 & 421- .69 acres

metes/bounds description QCD Book 8 Page 583- .69 acres

Section 2: SW/4NW/4, NW/4SW/4, and S/2SW/4
metes/bounds descrip. in NW/4 WD Bk 37 Page 223- 2.00 acres

Section 3: Lot 1(40.10), Lot 2(40.13), S/2NE/4 and SE/4

Containing 853.83 Acres, more or less.

283

11208F

PRODUCERS 88-PAID UP

266544

OIL AND GAS LEASE

RECORDED April 3 1998 M 2:00p
IN BOOK 102 ONG PAGE 283
FEES $10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING

AGREEMENT, Made and entered into the 21st day of November, 19 97, by and between Anna Lee Moran, a single woman whose post office address is Datab Apartments Milan, Missouri 63566 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden St., Suite 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten or more DOLLARS 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 along with all hydrocarbons and non-hydrocarbon substances produced in association therewith, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, helium, carbon dioxide, sulfur compounds and all other commercial gases (collectively "oil and gas" or "Hydrocarbons") 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 34 North, Range 111 West, 6th P.M.
Section 34: S½NE¼, SE¼
Section 35: SW¼NW¼, W½SW¼, [illegible]

Township 33 North, Range 111 West, 6th P.M.
Section 2: Lot 4, Less and Except Tracts See Attached Exhibit "A"
SW¼NW¼, NW¼SW¼, S½SW¼ One Tract in the NW¼ See Exhibit "A"
Section 3: Lot 1 and 2, S½NE¼, SE¼, Less and Except 1 Tract

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing [illegible] acres, more or less.

1. It is agreed that this lease shall remain in force for a term of Five years from this date and as long thereafter as Hydrocarbons are produced from said leased premises or on acreage pooled communitized or unitized therewith, or drilling operations are continued as hereinafter provided. If, at the expiration of the primary term of this lease, Hydrocarbons are not being produced on the leased premises or on acreage pooled, communitized or unitized therewith but Lessee is then engaged in drilling or reworking for other operations or restoring production on the lease premises or then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises or on acreage pooled communitized or unitized therewith; and operations shall be considered to be continuously prosecuted if Lessee diligently prosecutes operations for obtaining or restoring production on the lease premises or, 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 Hydrocarbons on said land or on acreage pooled, communitized or unitized therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or reworking for other operations for obtaining or restoring production on the lease premises or operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If Hydrocarbons 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 Hydrocarbons are produced from the leased premises or on acreage pooled, communitized or unitized therewith.

2. This is a PAID-UP LEASE. For the consideration set forth above, 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. Royalty Payment. Royalties on Hydrocarbons shall be paid by Lessee to Lessor as follows:

(a) for oil and other liquid Hydrocarbons separated at Lessee's separator facilities, the royalty shall be one-eighth of such production, to be delivered at Lessee's option to Lessor at the wellhead or to the Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to sell such production to itself or an affiliate at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similarly grade and gravity;

(b) for gas (including casinghead gas) and all other gaseous Hydrocarbons, the royalty shall be one-eighth of the proceeds realized by the Lessee from the sale thereof, provided, that Lessee shall have the continuing right to sell such production to itself or an affiliate at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase agreements entered into on the same or in the nearest preceding date as the date on which the Lessee or its affiliate commences its purchases hereunder; and

(c) in calculating the royalties on production hereunder, Lessee may deduct Lessor's proportionate part of any ad valorem, production and excise taxes and any costs incurred by Lessee in treating, processing, delivering and otherwise marketing such production.

4. If after the primary term one or more wells on the lease premises or lands pooled to unitize therewith are capable of producing Hydrocarbons in paying quantities, but the other wells are either shut-in or production therefrom is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing in paying quantities for the purposes of maintaining this lease. If for a period of 120 consecutive days, such well or wells are shut-in or production therefrom is not sold by Lessee, then Lessee shall pay an aggregate shut-in royalty of $1.00 per acre then covered by this lease, with such payment to be made to Lessor or to Lessor's credit in a depository designated in this lease, on or before the end of said 120-day period and thereafter on or before the anniversary of the end of said 120-day period while the well or wells are shut-in or production therefrom is not being sold by Lessee; provided that if this lease is otherwise being maintained by the payment of rental or operations, or if production is being sold by Lessee from another well or wells on the lease premises or lands pooled to unitize therewith, no shut-in royalty shall be due until the end of the 120-day period following the end of the rental period or cessation of such operations or production, as the case may be. Lessee's failure to properly pay shut-in royalty hereunder shall render Lessee liable in the amount due, but shall not operate to terminate this lease.

5. If said Lessor owns less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe lins 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, communitize 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 Hydrocarbons, individually or in the aggregate, when in Lessee's judgment it is necessary or advisable to do so, and irrespective of whether authority similar to this exists with respect to such other land, lease or leases. Likewise, units previously formed to include formations not producing oil or gas may be reformed to exclude such non-producing formations. The forming or reforming of any unit shall be accomplished by Lessee executing and filing of record a declaration of such unitization or reformation, which declaration shall describe the unit. Any unit may include land upon which a well has theretofore been completed or upon which operations for drilling have theretofore been commenced. Production, drilling or reworking operations or a well shut-in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut-in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total

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, communitize, pool, or combine all or any part of the above described lands as to one or more of the formations hereunder 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. Pooling, communitization, unitization or otherwise combining all or any portion of the above described lands shall not constitute a cross conveyance of interests.

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, an event of "force majeure" or if such failure is the result of, any such Law, Order, Rule or Regulation. "Force majeure" shall mean an event causing a delay in drilling, reworking, production or other operations which are prevented or delayed by laws, rules, regulations or orders, or by an inability to obtain necessary permits, equipment, services, materials, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike, or labor disputes, or by an inability to obtain a satisfactory market for production or a failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control. If Lessee's performance is affected by an event of force majeure, this lease shall not terminate and, at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall take all reasonable and necessary actions to remedy the event of force majeure. Lessee shall not be liable for breach of any provisions, either express or implied, to this lease during the continuance of an event of force majeure.

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. Preferential Right. If, during the term of this lease (but not more than 20 years after the date hereof), Lessor receives a bona fide offer from any party to purchase a new lease covering all or any part of the lands or substances covered hereby, and if Lessor is willing to accept such offer, then Lessor shall promptly notify Lessee in writing of the name and address of the offeror, and of all pertinent terms and conditions of the offer, including any lease bonus offered. Lessee shall have a period of 30 days after receipt of such notice to exercise a preferential right to purchase a new lease from Lessor in accordance with the terms and conditions of the offer, by giving Lessor written notice of such exercise. Promptly thereafter, Lessee shall furnish to Lessor the new lease for execution, along with a time draft for the lease bonus conditioned upon execution and delivery of the lease by Lessor and approval of title by Lessee, all in accordance with the terms of said draft. Whether or not Lessee exercises its preferential right hereunder, then as long as this lease remains in effect, any new lease from Lessor shall be subordinate to this lease and shall not be construed as replacing or adding to Lessee's obligations hereunder.

16. Extension of Primary Term. For the consideration herein recited, Lessor hereby grants to Lessee the exclusive right and option to extend the primary term of this lease for five (5) additional years by mailing to Lessor at the address listed on this lease, on or before the end of the primary term, a bonus consideration equal to one hundred fifty percent (150%) of the bonus consideration originally paid for this lease, which payment shall represent payment in full of consideration for this extension.

17. 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.

x Anna Lee Moran S.S.# 488-14-7625

Anna Lee Moran, a single woman

STATE OF Missouri

COUNTY OF Sullivan

ss.

ACKNOWLEDGMENT--INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 21st day of November, 1997,

personally appeared Anna Lee Moran

and _____ to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that She duly executed the same as her free and voluntary act and deed for the purposes therein set forth.

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

My [illegible] Aug 15, 2000

Notary Public
Address: 103 N Mkt Milan Mo 63552

STATE OF _____

COUNTY OF _____

ss.

CORPORATE
(For use in all states)

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.

Witness my hand and seal this _____ day of _____ AD., 19___.

My Commission Expires _____

_____
Notary Public
Address: _____

Exhibit "A"

Attached to and made a part of a certain Oil & Gas Lease dated November 21, 1997 by and between Anna Lee Moran, a single woman, as Lessor, and High Plains Associates, Inc., as Lessee.

Legal Description

Township 33 North, Range 111 West, 6th P.M.
Section 2: Lot 4 (40.04) less and except
Township of Daniels 2nd Plat:
Lot 1-3.75 acres
Lots 2 & 10-2.28 acres
Lot 3-4.77 acres
Lot 6-1.05 acres
Lot 7-1.11 acres
Lot 8-9.79 acres

Second Subdivision Lot 9- .12 acres, metes/bounds descrip.
QCD Book 10 Page 111- .55 acres totaling .67 acres

Township of Daniels 3rd Plat:
Lot 1 previously described as Lots 2,3,4 Block 1- .2465 acres
Lot 1 previously described as Lots 5,6 Block 1- .1435 acres
Lot 2 (resurveyed)- 1.75 acres
Lot 3 (resurveyed)- 1.50 acres

metes/bounds descrip. QCD Book 6 Pages 162 & 421- .69 acres

metes/bounds description QCD Book 8 Page 583- .69 acres

Section 2: SW/4NW/4, NW/4SW/4, and S/2SW/4
metes/bounds descrip. in NW/4 WD Bk 37 Page 223- 2.00 acres

Section 3: Lot 1(40.10), Lot 2(40.13), S/2NE/4 and SE/4

Containing 853.83 Acres, more or less.

11208

[redacted] [redacted] [redacted]

PRODUCERS 88-PAID OF

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 23rd **day of** December **, 19** 97 **, by and between** Nancy A. Weddle, a married woman dealing in her sole and separate property **whose post office address is** 12713 Portland Ave. South, Burnsville, MN 55337 **hereinafter called Lessor (whether one or more) and** High Plains Associates, Inc. **whose post office address is** 1557 Ogden St., Suite 300, Denver, CO 80218 **hereinafter called Lessee:**

WITNESSETH, That the Lessor, for and in consideration of Ten or more **DOLLARS 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 along with all hydrocarbons and non-hydrocarbon substances produced in association therewith, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, helium, carbon dioxide, sulfur compounds and all other commercial gases (collectively "oil and gas" or "Hydrocarbons") 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:**

266545

RECORDED April 3, 1998 M 2:00p
IN BOOK 107 ORG PAGE 2210
FEES $ 10.00 M COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Sexton

Please see Exhibit "A" for the Legal Description attached to and made a part of this lease.

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing 853.83 **acres, more or less.**

1. It is agreed that this lease shall remain in force for a term of 5 **years from this date and as long thereafter as Hydrocarbons are produced from said leased premises or on acreage pooled communitized or unitized therewith, or drilling operations are continued as hereinafter provided. If, at the expiration of the primary term of this lease, Hydrocarbons are not being produced on the leased premises or on acreage pooled, communitized or unitized therewith but Lessee is then engaged in drilling or reworking for other operations or restoring production on the lease premises or then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises or on acreage pooled communitized or unitized therewith; and operations shall be considered to be continuously prosecuted if Lessee diligently prosecutes operations for obtaining or restoring production on the lease premises or, 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 Hydrocarbons on said land or on acreage pooled, communitized or unitized therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or reworking for other operations for obtaining or restoring production on the lease premises or operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If Hydrocarbons 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 Hydrocarbons are produced from the leased premises or on acreage pooled, communitized or unitized therewith.**

2. This is a PAID-UP LEASE. For the consideration set forth above, 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. Royalty Payment. Royalties on Hydrocarbons shall be paid by Lessee to Lessor as follows:

(a) for oil and other liquid Hydrocarbons separated at Lessee's separator facilities, the royalty shall be one-eighth of such production, to be delivered at Lessee's option to Lessor at the wellhead or to the Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to sell such production to itself or an affiliate at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similarly grade and gravity;

(b) for gas (including casinghead gas) and all other gaseous Hydrocarbons, the royalty shall be one-eighth of the proceeds realized by the Lessee from the sale thereof, provided, that Lessee shall have the continuing right to sell such production to itself or an affiliate at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase agreements entered into on the same or in the nearest preceding date as the date on which the Lessee or its affiliate commences its purchases hereunder; and

(c) in calculating the royalties on production hereunder, Lessee may deduct Lessor's proportionate part of any ad valorem, production and excise taxes and any costs incurred by Lessee in treating, processing, delivering and otherwise marketing such production.

4. If after the primary term one or more wells on the lease premises or lands pooled to unitize therewith are capable of producing Hydrocarbons in paying quantities, but the other wells are either shut-in or production therefrom is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing in paying quantities for the purposes of maintaining this lease. If for a period of 120 consecutive days, such well or wells are shut-in or production therefrom is not sold by Lessee, then Lessee shall pay an aggregate shut-in royalty of $1.00 per acre then covered by this lease, with such payment to be made to Lessor or to Lessor's credit in a depository designated in this lease, on or before the end of said 120-day period and thereafter on or before the anniversary of the end of said 120-day period while the well or wells are shut-in or production therefrom is not being sold by Lessee; provided that if this lease is otherwise being maintained by the payment of rental or operations, or if production is being sold by Lessee from another well or wells on the lease premises or lands pooled to unitize therewith, no shut-in royalty shall be due until the end of the 120-day period following the end of the rental period or cessation of such operations or production, as the case may be. Lessee's failure to properly pay shut-in royalty hereunder shall render Lessee liable in the amount due, but shall not operate to terminate this lease.

5. If said Lessor owns less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said premises for Lessee's operations thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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, communitize 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 Hydrocarbons, individually or in the aggregate, when in Lessee's judgment it is necessary or advisable to do so, and irrespective of whether authority similar to this exists with respect to such other land, lease or leases. Likewise, units previously formed to include formations not producing oil or gas may be reformed to exclude such non-producing formations. The forming or reforming of any unit shall be accomplished by Lessee executing and filing of record a declaration of such unitization or reformation, which declaration shall describe the unit. Any unit may include land upon which a well has theretofore been completed or upon which operations for drilling have theretofore been commenced. Production, drilling or reworking operations or a well shut-in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut-in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total

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, communitize, 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. Pooling, communitization, unitization or otherwise combining all or any portion of the above described lands shall not constitute a cross conveyance of interests.

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, an event of "force majeure" or if such failure is the result of, any such Law, Order, Rule or Regulation. "Force majeure" shall mean an event causing a delay in drilling, reworking, production or other operations which are prevented or delayed by laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, materials, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike, or labor disputes, or by an inability to obtain a satisfactory market for production or a failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control. If Lessee's performance is affected by an event of force majeure, this lease shall not terminate and, at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall take all reasonable and necessary actions to remedy the event of force majeure. Lessee shall not be liable for breach of any provisions, either express or implied, to this lease during the continuance of an event of force majeure.

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. Preferential Right. If, during the term of this lease (but not more than 20 years after the date hereof), Lessor receives a bona fide offer from any party to purchase a new lease covering all or any part of the lands or substances covered hereby, and if Lessor is willing to accept such offer, then Lessor shall promptly notify Lessee in writing of the name and address of the offeror, and of all pertinent terms and conditions of the offer, including any lease bonus offered. Lessee shall have a period of 30 days after receipt of such notice to exercise a preferential right to purchase a new lease from Lessor in accordance with the terms and conditions of the offer, by giving Lessor written notice of such exercise. Promptly thereafter, Lessee shall furnish to Lessor the new lease for execution, along with a time draft for the lease bonus conditioned upon execution and delivery of the lease by Lessor and approval of title by Lessee, all in accordance with the terms of said draft. Whether or not Lessee exercises its preferential right hereunder, then as long as this lease remains in effect, any new lease from Lessor shall be subordinate to this lease and shall not be construed as replacing or adding to Lessee's obligations hereunder.

16. Extension of Primary Term. For the consideration herein recited, Lessor hereby grants to Lessee the exclusive right and option to extend the primary term of this lease for five (5) additional years by mailing to Lessor at the address listed on this lease, on or before the end of the primary term, a bonus consideration equal to one hundred fifty percent (150%) of the bonus consideration originally paid for this lease, which payment shall represent payment in full of consideration for this extension.

17. 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.

x Nancy A. Weddle S.S.# 497-36-2328

Nancy A. Weddle, a married woman dealing in her sole and separate property

STATE OF Minnesota

COUNTY OF Ramsey ss.

ACKNOWLEDGMENT–INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 24th day of Jan, 19 98, personally appeared Nancy A. Weddle, a married woman dealing in her sole and separate property and _____ to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires _____

JACQUELINE J. BARRETT
NOTARY PUBLIC-MINNESOTA
RAMSEY COUNTY
My Commission Expires Jan. 31, 2000

Jacqueline J. Barrett
Notary Public
Address: Ramsey County

STATE OF _____

COUNTY OF _____ ss.

CORPORATE
(For use in all states)

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.

Witness my hand and seal this _____ day of _____ AD., 19___.

My Commission Expires _____

_____
Notary Public
Address: _____

Exhibit "A"

Attached to and made a part of a certain Oil & Gas Lease dated December 23, 1997 by and between Nancy A. Weddle, as Lessor, and High Plains Associates, Inc., as Lessee.

Legal Description

Township 34 North, Range 111 West, 6th P.M.
Section 34: S/2NE/4, SE/4
Section 35: SW/4NW/4, W/2SW/4

Township 33 North, Range 111 West, 6th P.M.
Section 2: Lot 4 (40.04) less and except
Township of Daniels 2nd Plat:
Lot 1-3.75 acres
Lots 2 & 10-2.28 acres
Lot 3-4.77 acres
Lot 6-1.05 acres
Lot 7-1.11 acres
Lot 8-9.79 acres

Second Subdivision Lot 9- .12 acres, metes/bounds descrip.
QCD Book 10 Page 111- .55 acres totaling .67 acres

Township of Daniels 3rd Plat:
Lot 1 previously described as Lots 2,3,4 Block 1- .2465 acres
Lot 1 previously described as Lots 5,6 Block 1- .1435 acres
Lot 2 (resurveyed)- 1.75 acres
Lot 3 (resurveyed)- 1.50 acres

metes/bounds descrip. QCD Book 6 Pages 162 & 421- .69 acres

metes/bounds description QCD Book 8 Page 583- .69 acres

Section 2: SW/4NW/4, NW/4SW/4, and S/2SW/4
metes/bounds descrip. in NW/4 WD Bk 37 Page 223- 2.00 acres

Section 3: Lot 1(40.10), Lot 2(40.13), S/2NE/4 and SE/4

Containing 853.83 Acres, more or less.

N.A.W.
N.A.W.

289

PRODUCERS 88-PAID UP

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 23rd day of December, 19 97, by and between Albert E. Grande, a widower whose post office address is 1211 Ridgeview Heights Novato, CA 94947 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden St., Suite 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten or more DOLLARS 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 along with all hydrocarbons and non-hydrocarbon substances produced in association therewith, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, helium, carbon dioxide, sulfur compounds and all other commercial gases (collectively "oil and gas" or "Hydrocarbons") 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:

266546 2:00p

RECORDED April 3 1998 M
IN BOOK 107 OR PAGE 265
FEES $ 10.00
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Baxter

Please see Exhibit "A" for the Legal Description attached to and made a part of this lease.

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing 853.83 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of 5 years from this date and as long thereafter as Hydrocarbons are produced from said leased premises or on acreage pooled communitized or unitized therewith, or drilling operations are continued as hereinafter provided. If, at the expiration of the primary term of this lease, Hydrocarbons are not being produced on the leased premises or on acreage pooled, communitized or unitized therewith but Lessee is then engaged in drilling or reworking for other operations or restoring production on the lease premises or then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises or on acreage pooled communitized or unitized therewith; and operations shall be considered to be continuously prosecuted if Lessee diligently prosecutes operations for obtaining or restoring production on the lease premises or, 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 Hydrocarbons on said land or on acreage pooled, communitized or unitized therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or reworking for other operations for obtaining or restoring production on the lease premises or operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If Hydrocarbons 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 Hydrocarbons are produced from the leased premises or on acreage pooled, communitized or unitized therewith.

2. This is a PAID-UP LEASE. For the consideration set forth above, 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. Royalty Payment. Royalties on Hydrocarbons shall be paid by Lessee to Lessor as follows:

(a) for oil and other liquid Hydrocarbons separated at Lessee's separator facilities, the royalty shall be one-eighth of such production, to be delivered at Lessee's option to Lessor at the wellhead or to the Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to sell such production to itself or an affiliate at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similarly grade and gravity;

(b) for gas (including casinghead gas) and all other gaseous Hydrocarbons, the royalty shall be one-eighth of the proceeds realized by the Lessee from the sale thereof, provided, that Lessee shall have the continuing right to sell such production to itself or an affiliate at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase agreements entered into on the same or in the nearest preceding date as the date on which the Lessee or its affiliate commences its purchases hereunder; and

(c) in calculating the royalties on production hereunder, Lessee may deduct Lessor's proportionate part of any ad valorem, production and excise taxes and any costs incurred by Lessee in treating, processing, delivering and otherwise marketing such production.

4. If after the primary term one or more wells on the lease premises or lands pooled to unitize therewith are capable of producing Hydrocarbons in paying quantities, but the other wells are either shut-in or production therefrom is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing in paying quantities for the purposes of maintaining this lease. If for a period of 120 consecutive days, such well or wells are shut-in or production therefrom is not sold by Lessee, then Lessee shall pay an aggregate shut-in royalty of $1.00 per acre then covered by this lease, with such payment to be made to Lessor or to Lessor's credit in a depository designated in this lease, on or before the end of said 120-day period and thereafter on or before the anniversary of the end of said 120-day period while the well or wells are shut-in or production therefrom is not being sold by Lessee; provided that if this lease is otherwise being maintained by the payment of rental or operations, or if production is being sold by Lessee from another well or wells on the lease premises or lands pooled to unitize therewith, no shut-in royalty shall be due until the end of the 120-day period following the end of the rental period or cessation of such operations or production, as the case may be. Lessee's failure to properly pay shut-in royalty hereunder shall render Lessee liable in the amount due, but shall not operate to terminate this lease.

5. If said Lessor owns less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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, communitize 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 Hydrocarbons, individually or in the aggregate, when in Lessee's judgment it is necessary or advisable to do so, and irrespective of whether authority similar to this exists with respect to such other land, lease or leases. Likewise, units previously formed to include formations not producing oil or gas may be reformed to exclude such non-producing formations. The forming or reforming of any unit shall be accomplished by Lessee executing and filing of record a declaration of such unitization or reformation, which declaration shall describe the unit. Any unit may include land upon which a well has theretofore been completed or upon which operations for drilling have theretofore been commenced. Production, drilling or reworking operations or a well shut-in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut-in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total

[redacted] [redacted] [redacted]

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, communitize, 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. Pooling, communitization, unitization or otherwise combining all or any portion of the above described lands shall not constitute a cross conveyance of interests.

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, an event of "force majeure" or if such failure is the result of, any such Law, Order, Rule or Regulation. "Force majeure" shall mean an event causing a delay in drilling, reworking, production or other operations which are prevented or delayed by laws, rules, regulations or orders, or by an inability to obtain necessary permits, equipment, services, materials, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike, or labor disputes, or by an inability to obtain a satisfactory market for production or a failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control. If Lessee's performance is affected by an event of force majeure, this lease shall not terminate and, at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall take all reasonable and necessary actions to remedy the event of force majeure. Lessee shall not be liable for breach of any provisions, either express or implied, to this lease during the continuance of an event of force majeure.

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. Preferential Right. If, during the term of this lease (but not more than 20 years after the date hereof), Lessor receives a bona fide offer from any party to purchase a new lease covering all or any part of the lands or substances covered hereby, and if Lessor is willing to accept such offer, then Lessor shall promptly notify Lessee in writing of the name and address of the offeror, and of all pertinent terms and conditions of the offer, including any lease bonus offered. Lessee shall have a period of 30 days after receipt of such notice to exercise a preferential right to purchase a new lease from Lessor in accordance with the terms and conditions of the offer, by giving Lessor written notice of such exercise. Promptly thereafter, Lessee shall furnish to Lessor the new lease for execution, along with a time draft for the lease bonus conditioned upon execution and delivery of the lease by Lessor and approval of title by Lessee, all in accordance with the terms of said draft. Whether or not Lessee exercises its preferential right hereunder, then as long as this lease remains in effect, any new lease from Lessor shall be subordinate to this lease and shall not be construed as replacing or adding to Lessee's obligations hereunder.

16. Extension of Primary Term. For the consideration herein recited, Lessor hereby grants to Lessee the exclusive right and option to extend the primary term of this lease for five (5) additional years by mailing to Lessor at the address listed on this lease, on or before the end of the primary term, a bonus consideration equal to one hundred fifty percent (150%) of the bonus consideration originally paid for this lease, which payment shall represent payment in full of consideration for this extension.

17. 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.

x Albert E Grande — S.S.# 077051362

Albert E. Grande, a widower

STATE OF California

COUNTY OF Sonoma ss.

ACKNOWLEDGMENT–INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 6th day of January, 1998

personally appeared Albert E. Grande, a widower

and _____ to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that he duly executed the same as his free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires 1/14/98

ELIZABETH B. NICHOLSON
COMM. # 1013522
NOTARY PUBLIC - CALIFORNIA
SONOMA COUNTY
My Comm. Expires Jan. 14, 1998

Notary Public
Address: 100 Petaluma Blvd.
Petaluma California
94952

STATE OF _____

COUNTY OF _____ ss.

CORPORATE
(For use in all states)

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.

Witness my hand and seal this _____ day of _____ AD., 19___.

My Commission Expires _____

Notary Public
Address: _____

Exhibit "A"

Attached to and made a part of a certain Oil & Gas Lease dated December 23, 1997 by and between Albert E. Grande, a widower, as Lessor, and High Plains Associates, Inc., as Lessee.

Legal Description

Township 34 North, Range 111 West, 6th P.M.
Section 34: S/2NE/4, SE/4
Section 35: SW/4NW/4, W/2SW/4

Township 33 North, Range 111 West, 6th P.M.
Section 2: Lot 4 (40.04) less and except
Township of Daniels 2nd Plat:
Lot 1-3.75 acres
Lots 2 & 10-2.28 acres
Lot 3-4.77 acres
Lot 6-1.05 acres
Lot 7-1.11 acres
Lot 8-9.79 acres
Second Subdivision Lot 9- .12 acres, metes/bounds descrip.
QCD Book 10 Page 111- .55 acres totaling .67 acres

Township of Daniels 3rd Plat:
Lot 1 previously described as Lots 2,3,4 Block 1- .2465 acres
Lot 1 previously described as Lots 5,6 Block 1- .1435 acres
Lot 2 (resurveyed)- 1.75 acres
Lot 3 (resurveyed)- 1.50 acres

metes/bounds descrip. QCD Book 6 Pages 162 & 421- .69 acres

metes/bounds description QCD Book 8 Page 583- .69 acres

Section 2: SW/4NW/4, NW/4SW/4, and S/2SW/4
metes/bounds descrip. in NW/4 WD Bk 37 Page 223- 2.00 acres

Section 3: Lot 1(40.10), Lot 2(40.13), S/2NE/4 and SE/4

Containing 853.83 Acres, more or less.

A.E.B.
A.E.G.

PRODUCERS 88-PAI [redacted] [redacted] [redacted]

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 23rd day of December, 19 97, by and between Patrick R. Ryan, a married man dealing in his sole and separate property whose post office address is 9825 Russell Overland Park, KS 66212-1551 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden St., Suite 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten or more DOLLARS 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 along with all hydrocarbons and non-hydrocarbon substances produced in association therewith, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, helium, carbon dioxide, sulfur compounds and all other commercial gases (collectively "oil and gas" or "Hydrocarbons") 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:

266547

RECORDED April 3 1998 M
IN BOOK 107 OR PAGE 292
FEES $10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
Mary Lou Bishop
Roy Cathy Easton

2:00p

Please see Exhibit "A" for the Legal Description attached to and made a part of this lease.

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing 853.83 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of 5 years from this date and as long thereafter as Hydrocarbons are produced from said leased premises or on acreage pooled communitized or unitized therewith, or drilling operations are continued as hereinafter provided. If, at the expiration of the primary term of this lease, Hydrocarbons are not being produced on the leased premises or on acreage pooled, communitized or unitized therewith but Lessee is then engaged in drilling or reworking for other operations or restoring production on the lease premises or then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises or on acreage pooled communitized or unitized therewith; and operations shall be considered to be continuously prosecuted if Lessee diligently prosecutes operations for obtaining or restoring production on the lease premises or, 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 Hydrocarbons on said land or on acreage pooled, communitized or unitized therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or reworking for other operations for obtaining or restoring production on the lease premises or operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If Hydrocarbons 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 Hydrocarbons are produced from the leased premises or on acreage pooled, communitized or unitized therewith.

2. This is a PAID-UP LEASE. For the consideration set forth above, 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. Royalty Payment. Royalties on Hydrocarbons shall be paid by Lessee to Lessor as follows:

(a) for oil and other liquid Hydrocarbons separated at Lessee's separator facilities, the royalty shall be one-eighth of such production, to be delivered at Lessee's option to Lessor at the wellhead or to the Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to sell such production to itself or an affiliate at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similarly grade and gravity;

(b) for gas (including casinghead gas) and all other gaseous Hydrocarbons, the royalty shall be one-eighth of the proceeds realized by the Lessee from the sale thereof, provided, that Lessee shall have the continuing right to sell such production to itself or an affiliate at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase agreements entered into on the same or in the nearest preceding date as the date on which the Lessee or its affiliate commences its purchases hereunder; and

(c) in calculating the royalties on production hereunder, Lessee may deduct Lessor's proportionate part of any ad valorem, production and excise taxes and any costs incurred by Lessee in treating, processing, delivering and otherwise marketing such production.

4. If after the primary term one or more wells on the lease premises or lands pooled to unitize therewith are capable of producing Hydrocarbons in paying quantities, but the other wells are either shut-in or production therefrom is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing in paying quantities for the purposes of maintaining this lease. If for a period of 120 consecutive days, such well or wells are shut-in or production therefrom is not sold by Lessee, then Lessee shall pay an aggregate shut-in royalty of $1.00 per acre then covered by this lease, with such payment to be made to Lessor or to Lessor's credit in a depositary designated in this lease, on or before the end of said 120-day period and thereafter on or before the anniversary of the end of said 120-day period while the well or wells are shut-in or production therefrom is not being sold by Lessee; provided that if this lease is otherwise being maintained by the payment of rental or operations, or if production is being sold by Lessee from another well or wells on the lease premises or lands pooled to unitize therewith, no shut-in royalty shall be due until the end of the 120-day period following the end of the rental period or cessation of such operations or production, as the case may be. Lessee's failure to properly pay shut-in royalty hereunder shall render Lessee liable in the amount due, but shall not operate to terminate this lease.

5. If said Lessor owns less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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, communitize 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 Hydrocarbons, individually or in the aggregate, when in Lessee's judgment it is necessary or advisable to do so, and irrespective of whether authority similar to this exists with respect to such other land, lease or leases. Likewise, units previously formed to include formations not producing oil or gas may be reformed to exclude such non-producing formations. The forming or reforming of any unit shall be accomplished by Lessee executing and filing of record a declaration of such unitization or reformation, which declaration shall describe the unit. Any unit may include land upon which a well has theretofore been completed or upon which operations for drilling have theretofore been commenced. Production, drilling or reworking operations or a well shut-in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut-in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total

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, communitize, 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. Pooling, communitization, unitization or otherwise combining all or any portion of the above described lands shall not constitute a cross conveyance of interests.

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, an event of "force majeure" or if such failure is the result of, any such Law, Order, Rule or Regulation. "Force majeure" shall mean an event causing a delay in drilling, reworking, production or other operations which are prevented or delayed by laws, rules, regulations or orders or by an inability to obtain necessary permits, equipment, services, materials, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike, or labor disputes, or by an inability to obtain a satisfactory market for production or a failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control. If Lessee's performance is affected by an event of force majeure, this lease shall not terminate and, at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall take all reasonable and necessary actions to remedy the event of force majeure. Lessee shall not be liable for breach of any provisions, either express or implied, to this lease during the continuance of an event of force majeure.

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. Preferential Right. If, during the term of this lease (but not more than 20 years after the date hereof), Lessor receives a bona fide offer from any party to purchase a new lease covering all or any part of the lands or substances covered hereby, and if Lessor is willing to accept such offer, then Lessor shall promptly notify Lessee in writing of the name and address of the offeror, and of all pertinent terms and conditions of the offer, including any lease bonus offered. Lessee shall have a period of 30 days after receipt of such notice to exercise a preferential right to purchase a new lease from Lessor in accordance with the terms and conditions of the offer, by giving Lessor written notice of such exercise. Promptly thereafter, Lessee shall furnish to Lessor the new lease for execution, along with a time draft for the lease bonus conditioned upon execution and delivery of the lease by Lessor and approval of title by Lessee, all in accordance with the terms of said draft. Whether or not Lessee exercises its preferential right hereunder, then as long as this lease remains in effect, any new lease from Lessor shall be subordinate to this lease and shall not be construed as replacing or adding to Lessee's obligations hereunder.

16. Extension of Primary Term. For the consideration herein recited, Lessor hereby grants to Lessee the exclusive right and option to extend the primary term of this lease for five (5) additional years by mailing to Lessor at the address listed on this lease, on or before the end of the primary term, a bonus consideration equal to one hundred fifty percent (150%) of the bonus consideration originally paid for this lease, which payment shall represent payment in full of consideration for this extension.

17. 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.

X _____ S.S.# 490-48-2195

Patrick R. Ryan, a married man dealing in his sole and separate property

---

STATE OF Kansas

COUNTY OF _____

ss.

ACKNOWLEDGMENT-INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 9th day of Jan, 19 98, personally appeared Patick R. Ryan, a married man dealing in his sole and separate property and _____ to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires 5/3/99

HEATHER WIEBE
My Appt. Exp. 5/3/99

Heather Wiebe
Notary Public
Address: 8695 College Blvd

STATE OF _____

COUNTY OF _____

ss.

CORPORATE
(For use in all states)

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.

Witness my hand and seal this _____ day of _____ AD., 19___.

My Commission Expires _____

_____
Notary Public
Address: _____

[redacted] [redacted] [redacted]

Exhibit "A"

Attached to and made a part of a certain Oil & Gas Lease dated December 23, 1997 by and between Patrick R. Ryan, as Lessor, and High Plains Associates, Inc., as Lessee.



Legal Description

Township 34 North, Range 111 West, 6th P.M.
Section 34: S/2NE/4, SE/4
Section 35: SW/4NW/4, W/2SW/4

Township 33 North, Range 111 West, 6th P.M.
Section 2: Lot 4 (40.04) less and except
Township of Daniels 2nd Plat:
Lot 1-3.75 acres
Lots 2 & 10-2.28 acres
Lot 3-4.77 acres
Lot 6-1.05 acres
Lot 7-1.11 acres
Lot 8-9.79 acres

Second Subdivision Lot 9- .12 acres, metes/bounds descrip.
QCD Book 10 Page 111- .55 acres totaling .67 acres

Township of Daniels 3rd Plat:
Lot 1 previously described as Lots 2,3,4 Block 1- .2465 acres
Lot 1 previously described as Lots 5,6 Block 1- .1435 acres
Lot 2 (resurveyed)- 1.75 acres
Lot 3 (resurveyed)- 1.50 acres

metes/bounds descrip. QCD Book 6 Pages 162 & 421- .69 acres

metes/bounds description QCD Book 8 Page 583- .69 acres

Section 2: SW/4NW/4, NW/4SW/4, and S/2SW/4
metes/bounds descrip. in NW/4 WD Bk 37 Page 223- 2.00 acres

Section 3: Lot 1(40.10), Lot 2(40.13), S/2NE/4 and SE/4

Containing 853.83 Acres, more or less.

P.R.R.
P.R.R.

PRODUCERS 88-PAID UP

295

10417 M

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 22nd day of November 19 97 by and between James T. Noble and Margret Noble, husband and wife

whose post office address is 644 Highway 352, Cora, WY 82925 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden, Suite 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten ($10.00) and more DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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:

266548

RECORDED April 3 1998 M 2:00p
IN BOOK 107 Misc PAGE 295
FEES $ 14.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING By Cathy Saxton

See Exhibit "A" for land description and additional and amended lease provisions.

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing 2342.74 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of Three (3) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor for gas of whatsoever nature or kind (with all of its constituents) produced and sold or used off the leased premises, or used in the manufacture of products therefrom, one-eighth (1/8th) of the actual amount received by the Lessee, said payments to be made monthly.

4. During any period (whether before or after expiration of the primary term hereof) when gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or operations on said leased premises sufficient to keep this lease in force, Lessee shall pay or tender a royalty of One Dollar ($1.00) per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut in and thereafter on the anniversary date of this lease during the period such well is shut in, to the royalty owners. When such payment or tender is made, it will be considered that gas is being produced within the meaning of the entire lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operations thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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 executes 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.

x James T. Noble
James T. Noble

x Margret Noble
Margret Noble

STATE OF Wyoming
COUNTY OF Sublette } 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 18th day of December, 19 97

personally appeared James T. Noble and Margret Noble, husband and wife

and

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that they duly executed the same as their free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires 10-31-2001

RAYMOND C. MUNSON NOTARY PUBLIC
COUNTY OF SUBLETTE
STATE OF WYOMING
MY COMMISSION EXPIRES OCT. 31, 2001

Raymond C. Munson
Notary Public.

Address: Pinedale, Wyoming

STATE OF _____
COUNTY OF _____ } ss

INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____ ___, 19 ____

personally appeared _____

and _____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires _____

Notary Public.

Address: _____

STATE OF _____
COUNTY OF _____ } ss

CORPORATE
(For use in all states)

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_____.

My Commission Expires _____

Notary Public.

Address: _____

EXHIBIT "A"

Attached to and made apart of that certain Oil and Gas Lease dated November 22, 1997, between James T. Noble and Margret Noble, husband and wife, as Lessors, and High Plains Associates, Inc., as Lessee, covering Lease premises described as follows, to wit:

Township 34 North, Range 110 West, 6th P.M.
Section 4: Lot 1(36.34), SE/4NE/4, SE/4SW/4, SW/4SE/4
Section 9: E/2, NE/4NW/4
Section 10: that part of SW/4SW/4 containing 31.8 acres and that part of NW/4NW/4 containing 6.6 acres both more fully described in Deed Book 26, Page 276.
Section 29: SW/4SW/4, W/2NW/4, and that part of N/2SW/4 and NW/4SE/4 lying north of U.S. Highway 191 more fully described in Quit Claim Deed Book 1, Page 276.
Section 30: That part of SE/4NE/4 lying north of U.S. Highway 191 more fully described in Quit Claim Book 1, Page 547.

Township 35 North, Range 110 West, 6th P.M.
Section 27: S/2SW/4, NW/4SW/4, SW/4SE/4
Section 28: N/2SE/4, SE/4SE/4
Section 33: E/2
Section 34: NW/4, S/2NE/4, NW/4NE/4
Section 35: N/2SW/4, S/2SE/4, NW/4SE/4, S/2NW/4
Section 36: S/2

Township 36 North, Range 110 West, 6th P.M.
Section 9: N/2SE/4, SE/4NE/4
Section 10: SW/4NW/4
containing 2342.74 acres, more or less.
Sublette County, Wyoming

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 referred to herein as one-eight (1/8) shall be amended to read 16.00%.

2) Lessee is hereby granted the right and power at any time and from time to time to pool only those portions of said lease with land or leases adjacent to said lands or premises to a spacing unit of 160 acres or that prescribed or required acreage necessary to abide by the State law, order, rule or regulation prescribed by statewide spacing or special spacing order, whichever is applicable.

3) 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, excepts 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 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 year (1) period subsequent to the end of the primary term hereof and Lessee likewise engages in or commences actual drilling operations on at least on (1) test well during succeeding one (1) year period.

4) Lessee shall notify Lessor in advance of staking and building a location upon said lands.

[redacted] [redacted] [redacted]

5) Location site for any well or wells on leased premises shall not exceed two acres unless agreed upon before construction of location.

6) Lessee agrees that no drilling activity will take place within 1320 feet of any buildings or structures of the lessors property, without prior written consent of Lessor.

7) In the event that a well is drilled and it is determined by Lessee to be non-commercial, then Lessee shall plug the well unless requested in writing by Lessor to be assigned the well bore. Such assignment shall be at Lessors sole risk and liability and conditioned on the approval of the Wyoming Oil and Gas Commission.

8) On or before the time of any construction of road or location on any lands described herein, Lessor and Lessee shall agree on right of way, location and damage payments. Payment to be received by Lessor prior to any construction. Lessee agrees to work with Lessor to minimize loss to any Ag Operations due to road, pipeline or location construction and placement.

9) If a location site is on irrigated meadow land, drilling will be permitted only from October 15 to March 1; however, Lessor will not unreasonably withhold granting exceptions to this time constraint in order that Lessee may comply with the other terms hereunder.

10) If any irrigation ditches or canals are disturbed during construction, drilling or completion operations hereunder, all ditches and canals will be reconstructed immediately by Lessee at their sole expense so as not to impede the carrying capacity of the irrigation water as to the original contour of the land.

11) In the event Lessee's operations cause damage to bridges, ditch crossings, culverts, fences, or any other improvements on said leased land, it will be immediately repaired by and at the sole expense of Lessee.

12) All mud pits must be lined before use.

13) Upon completion of drilling any and all wells, location and access road, if not used for subsequent operation, shall be restored as near as possible to their original state and reseeded. All seed used for reseeding must have the prior approval of Lessor.

14) If livestock is present during drilling operations, pits will be fenced. If death of livestock is determined to be caused by operations of the Lessee, then Lessor shall be compensated at fair market value for said livestock.

15) If any water well is drilled to provide water for drilling operations, at the written request of Lessor, said well will be left for Lessors use.

16) With respect to Paragraph 4 of the lease relating to shut-in gas well payments, it is provided that, in addition to the terms and conditions stated therein, all shut-in payments shall be tendered in the amount or $5.00 per net mineral acre.

17) Lessee, or it successors or assigns, agrees to solicit bids from Noble Construction, Inc. on any water hauling and dirt work required on the leased lands described herein. Lessee, its successors or assigns, reserve the right to accept the most reasonable bid.

Exhibit "A"
Page 3

18) If there is any conflict between this Exhibit "A" and the text of the Lease, this Exhibit "A" shall take precedence.

Signed for Identification:

James T. Noble
James T. Noble

Margret Noble
Margret Noble

Louis Oswald, III, President
High Plains Associates, Inc.

PRODUCERS 88-PAID UP [redacted]

11267

OIL AND GAS [redacted]LEASE

AGREEMENT, Made and entered into the 29th day of January, 1998, by and between

Barber Creek Estates, LLC., a Wyoming Limited Liability Company

whose post office address is P.O. Box 3, Daniel, WY 83115 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden, Suite 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten ($10.00) and more DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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:

See Exhibit "A" for land description

266549

RECORDED April 3 1998 M 2:00p
IN BOOK 107 OR 6 PAGE 300
FEES $ 12.00 [illegible] COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Saxton

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and

containing 138.50 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of Five(5) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor for gas of whatsoever nature or kind (with all of its constituents) produced and sold or used off the leased premises, or used in the manufacture of products therefrom, one-eighth (1/8th) of the actual amount received by the Lessee, said payments to be made monthly.

4. During any period (whether before or after expiration of the primary term hereof) when gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or operations on said leased premises sufficient to keep this lease in force, Lessee shall pay or tender a royalty of One Dollar ($1.00) per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut in and thereafter on the anniversary date of this lease during the period such well is shut in, to the royalty owners. When such payment or tender is made, it will be considered that gas is being produced within the meaning of the entire lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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 Lessor, 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.

X _____

Melvin L. McLoughlin, General Partner
Barber Creek Estates, LLC, a Wyoming Limited Liability Company

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STATE OF WYOMING
COUNTY OF SUBLETTE } 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 9th day of February, 19 97 personally appeared Barber Creek Estates, LLC, a Wyoming Limited Liability Company, by Melvin L. McLoughlin, General Partner

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that he duly executed the same as his free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires 10-31-2001

Raymond C. Munson
Notary Public.

Address: Pinedale, Wyoming

STATE OF _____
COUNTY OF _____ } ss

INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____ 19 ____ personally appeared _____

and _____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires _____

Notary Public.

Address: _____

STATE OF Wyoming
COUNTY OF Sublette } ss

CORPORATE
(For use in all states)

On this 9th day of February, A.D. 19 98, before me personally appeared Melvin L. McLoughlin to me personally known, who, being by me duly sworn, did say that he is the Wyoming Limited Liability Company of Barber Creek Estates, LLC., a Wyoming Limited Liability Company 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 Melvin L. McLoughlin acknowledged said instrument to be the free act and deed of said corporation.

Witness my hand and seal this 9th day of February A.D., 19 98

My Commission Expires 10-31-2001

RAYMOND C. MUNSON NOTARY PUBLIC
COUNTY OF SUBLETTE
STATE OF WYOMING
MY COMMISSION EXPIRES OCT. 31, 2001

Raymond C. Munson
Notary Public.

Address: Pinedale, Wyoming

EXHIBIT "A"

Attached to and made a part of Oil and Gas Lease dated January 29, 1998, between Barber Creek Estates, LLC., a Wyoming Limited Liability Company, Lessor, and High Plains Associates, Inc., Lessee.

Township 34 North, Range 109 West, 6th P.M.
Section 28: SW/4SW/4, LESS AND EXCEPT the lands described in Exceptions 1 and 2 below.
Section 29: S/2SE/4, LESS AND EXCEPT the lands described in Exceptions 1, 2, 3 and 4 below.
Section 32: NE/4NE/4, LESS AND EXCEPT the lands described in Exception 3 below.
Section 33: A tract of land located in the N/2NW/4 & SW/4NW/4 of Section 33-T34N-R109W of the 6th P.M., as described in Book 4 of Deeds, Page 367 and recorded in the Sublette County Courthouse and more particularly described as follows: Beginning at the NW corner of said Section 33-T34N-R109W, thence East along the North boundary of said Section 33 a distance of 1700.00 feet; thence leaving the North boundary of said Section 33, S. 03 degrees, 24 minutes, 00 seconds W., 210.00 feet; thence S. 86 degrees, 54 minutes, 00 seconds W., 800.00 feet; thence S. 84 degrees, 19 minutes, 00 seconds W., 616.00 feet; thence S. 08 degrees, 33 minutes, 00 seconds W., 856.00 feet; thence S. 37 degrees, 08 minutes, 00 seconds W., 216.00 feet, more or less, to a point on the West boundary of said Section 33; thence North along the West boundary of said Section 33, a distance of 1326.00 feet, more or less, to the point of beginning.

EXCEPTIONS:

Exception 1: That land described in that certain Quitclaim Deed recorded at Book 11 of QuitClaim Deeds, Page 693 in the office of the Sublette County Clerk and more particularly described as follows: Located partially in the SW/4SW/4 of Section 28, and primarily in the SE/4SE/4 of Section 29-T34N-R109W of the 6th P.M., Sublette County, Wyoming, more particularly described as a parcel: Beginning at a point which bears N. 00 degrees W., a distance of 551.60 feet from the SW corner of said SW/4SW/4; thence N. 90 degrees E., a distance of 50.00 feet, more or less, to a point; thence N. 00 degrees E., a distance of 651.20 feet, more or less, to a point; thence N. 90 degrees W., a distance of 675.00 feet, more or less, to a point; thence S. 00 degrees W., a distance of 651.20 feet, more or less, to a point; thence S. 90 degrees E., a distance of 625.00 feet, more or less, to the point of beginning.

Exception 2: That land described in that certain Quitclaim Deed recorded at Book 11 of Quitclaim Deeds, Page 695 in the office of the Sublette County Clerk and more particularly described as follows: Located partially in the SW/4SW/4 of Section 28, and primarily in the SE/4SE/4 of Section 29-T34N-R109W, 6th P.M., Sublette County, Wyoming, more particularly described as a parcel: Beginning at a point which bears N. 00 degrees W., a distance of 43.00 feet from the SW corner of said SW/4SW/4; thence from said point of beginning N. 90 degrees E., a distance of 50.00 feet, more or less, to a point; thence N. 00 degrees W., a distance of 508.60 feet, more or less, to a point; thence N. 90 degrees W., a distance of 856.40 feet, more or less, to a point; thence S. 00 degrees W., a distance of 508.60 feet, more or less, to a point; thence S. 90 degrees E., a distance of 806.40 feet, more or less, to the point of beginning.

EXHIBIT "A"
Page 2

Exception 3: That land described in that certain Quitclaim Deed recorded at Book 11 of Quitclaim Deed, Page 697 in the office of the Sublette County Clerk and more particularly described as follows: Located partially in the SE/4SE/4 of Section 29, and primarily in the NE/4NE/4 of Section 32, Township 34 North, Range 109 West of the 6th P.M., Sublette County, Wyoming, more particularly described as a parcel:
Beginning at a point which bears N. 90 degrees W., a distance of 1286.3 feet from the NE corner of said NE/4NE/4; thence from said point of beginning S. 00 degrees W., a distance of 880 feet, more or less, to a point; thence S. 78 degrees 43 minutes 31 seconds E., a distance of 364.85 feet, more or less, to a point; thence S. 07 degrees E., a distance of 1001.8 feet, more or less, to point; thence N. 90 degrees W., a distance of 479.9 feet, more or less, to a point thence S. 00 degrees W., a distance of 43 feet, more or less, to the point of beginning.

Exception 4: That land described in that certain Quitclaim Deed recorded at Book 3 of Quitclaim Deed, Page 425 in the office of the Sublette County Clerk and more particularly described as follows:
Beginning at the S 1/4 corner of Section 29, Township 34 North, Range 109 West of the 6th P.M., thence from said point of beginning, North along the West boundary of the SW/4SE/4 of said Section 29, Township 34 North, Range 109 West a distance of 887.00 feet to a point on the South side of the county road right of way; thence along the right of way fence S. 36 degrees 06 minutes, 00 seconds E., a distance of 1100.00 feet, more or less, to a point on the South boundary of the SE/4 of said Section 29; thence West along the South boundary of the SE/4 of said Section 29 a distance of 658.00 feet, more or less, to the point of beginning.

Melvin L. McLoughlin, General Partner
Barber Creek Estates, LLC

PRODUCERS 88-PAID UP [redacted] [redacted] [redacted]

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 18th day of September, 19 97, by and between Michael R. Nystrom, by Donna Grace Nystrom, Attorney In Fact whose post office address is P. O. Box 9, Pinedale, Wyoming 82941 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden Street, Denver, Colorado 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of TEN AND MORE DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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:

266550

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.

RECORDED April 3 1998 M 0:00
IN BOOK 107 Misc PAGE 304
FEES $ 10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Souter

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and

containing 1394.67 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of Five (5) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor one-eighth (1/8) 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 (1/8), payable monthly at the well head price.

3rd. To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of one-eighth (1/8) of the proceeds, at the mouth of the well, payable monthly at the well head price.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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.

Michael R. Nystrom, by Donna Grace Nystrom, Attorney in Fact

Michael R. Nystrom, by Donna Grace Nystrom,
Attorney In Fact

SSN: 547-52-8704

STATE OF WYOMING
COUNTY OF SUBLETTE } 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 18th day of September, 19 97 personally appeared Michael R. Nystrom, by Donna Grace Nystrom, Attorney In Fact

and

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that she duly executed the same as her free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires 4/24/2000

NOTARY PUBLIC SUBLETTE COUNTY, WY.

Bethany A. Boris
Notary Public.

Address: Pinedale, WY

STATE OF _____
COUNTY OF _____ } ss

ACKNOWLEDGMENT—INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____, 19 __ personally appeared _____

and _____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires _____

Notary Public.

Address: _____

STATE OF _____
COUNTY OF _____ } ss

CORPORATE
(For use in all states)

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_____.

My Commission Expires _____

Notary Public.

Address: _____

[redacted] [redacted] [redacted]

EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated September 17, 1997, between Nystrom, as Lessor and High Plains Associates, Inc., as Lessee.

DESCRIPTION OF LEASED ACREAGE:

TOWNSHIP 34 NORTH, RANGE 110 WEST, 6TH P.M.

Section 4: W/2SW/4
Section 5: Lot 4([illegible].02), S/2NW/4, SW/4NE/4, N/2SE/4 & SE/4SE/4
Section 6: Lots 1(38.39), 2(38.88), 3(39.38), S/2NE/4, SE/4NW/4, NE/4SW/4 & N/2SE/4
Section 8: N/2NE/4
Section 9: NW/4NW/4, SE/4NW/4 & E/2SW/4
Section 17: SE/4NE/4

TOWNSHIP 35 NORTH, RANGE 110 WEST, 6TH P.M.

Section 31: SE/4 & E/2W/2
Section 32: W/2SW/4

Sublette County, Wyoming
Containing 1394.67 Acres, M/L

ADDITIONAL OR AMENDING LEASE PROVISIONS:

1. **All references herein made to a one-eight (1/8th) royalty, are hereby amended to read 15% royalty.**

2. **Notwithstanding the provisions of this lease to the contrary, this lease shall terminate at the end of the primary term as to the leased lands, except the tracts within a production or spacing unit prescribed by law or administrative authority on which is located a well producing or capable of producing oil and/or gas or on which Lessee is engaged in drilling or reworking operations. This lease shall not terminate so long as drilling or reworking operations are being continuously prosecutedif not more than one (1) year shall elapse between completion or abnadoment of one well and the beginning of operations for the drilling of another.**

3. **Paragraph 14 shall be modified to strike the words "warrants and agrees to defend title to the lands herein described."**

4. **Notwithstanding anything to the contrary in the printed form of the lease all stipulations in this exhibit or amendments to the lease shall take precedence over any conflict or ambiguities.**

Signed For Identification

Michael R. Nystrom by Donna Grace Nystrom Attorney in Fact

Michael R. Nystrom, by Donna Grace Nystrom, Attorney In Fact

PRODUCERS 88-PAID UP

307

11298

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 19th day of December, 19 97, by and between Floyd L. Briggs, Jr. and Kathryn Briggs, husband and wife

whose post office address is 523 Ehman Lane, Pinedale, WY 82941 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden, Suite 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten ($10.00) and more DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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:

See Exhibit "A" for land description and additional and amended lease provisions.

266551

RECORDED April 9 1998 M 8:00 a
IN BOOK 107 MISC PAGE 307
FEES $ 12.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Sacken

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing 687.50 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of Three (3) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor for gas of whatsoever nature or kind (with all of its constituents) produced and sold or used off the leased premises, or used in the manufacture of products therefrom, one-eighth (1/8th) of the actual amount received by the Lessee, said payments to be made monthly.

4. During any period (whether before or after expiration of the primary term hereof) when gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or operations on said leased premises sufficient to keep this lease in force, Lessee shall pay or tender a royalty of One Dollar ($1.00) per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut in and thereafter on the anniversary date of this lease during the period such well is shut in, to the royalty owners. When such payment or tender is made, it will be considered that gas is being produced within the meaning of the entire lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operations thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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.

[redacted] [redacted] [redacted]

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 pay for Lessor, by payment [redacted] mortgages, taxes or other liens on the above described land [redacted] 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.

X Floyd L. Briggs Jr.
Floyd L. Briggs, Jr.
SS# 480-32-9488

X Kathryn Briggs
Kathryn Briggs

STATE OF Wyoming
COUNTY OF Sublette } 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 13 day of February, 19 98 personally appeared Floyd L. Briggs, Jr. and Kathryn Briggs, husband and wife

and [redacted]

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that they duly executed the same as their free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires Jan 2, 2000

KAREN S. WEINZ - NOTARY PUBLIC
County of Sublette State of Wyoming
My Commission Expires Jan. 2, 2000

Karen S Weinz
Notary Public.

Address: Box 4375 Marbleton WY 83113

STATE OF _____
COUNTY OF _____ } ss

INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____, 19 ____ personally appeared _____

and _____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires _____

_____
Notary Public.

Address: _____

STATE OF _____
COUNTY OF _____ } ss

CORPORATE
(For use in all states)

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____.

My Commission Expires _____

_____
Notary Public.

Address: _____

EXHIBIT "A"

Attached hereto and made a part of that certain oil and gas lease dated December 19, 1997, by and between Floyd L. Briggs, Jr. And Kathryn J. Briggs, husband and wife, as Lessors and High Plains Associates, Inc., as Lessee.

Township 34 North, Range 110 West, 6th P.M.
Section 22: N/2SE/4, SE/4SE/4, S/2SW/4SW/4, S/2NW/4SW/4SW/4, NE/4SW/4SW/4, SE/4SW/4 & S/2S/2NE/4SW/4 & NE/4SE/4NE/4SW/4
Section 23: S/2NE/4, W/2 & NW/4SE/4
Section 24: SW/4NW/4

Containing 687.50 acres, M/L
Sublette County, Wyoming

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 referred to herein as one-eighth shall be amended to read 16.00%

2. Lessee is hereby granted the right and power at any time and from time to time to pool only those portions of said lease with lands or leases adjacent to said lands or premises to a spacing unit of 160 acres or that prescribed or required acreage necessary to abided by the State law, order, rule, or regulation prescribed by statewide spacing or special spacing order, whichever is applicable.

3. Production from any well or wells 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 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 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 (1) test well during succeeding one year periods.

4. Lessee shall notify Lessor in advance of staking and building a location upon said lands.

5. Location site for any well or wells on leased premises shall not exceed two (2) acres unless agreed upon before construction of location.

6. Lessee, will indemnify and hold Lessor harmless from all liability to or claims of others, should any claims result from OPERATOR's operations on the property of Lessor.

7. Lessee shall indemnify and hold Lessor harmless from any damages occasioned by Lessee's activities and shall be responsible to the Lessor for all damages done to houses, fences, gates, livestock, tanks, and other improvements which may be damaged by Lessor's operations and use hereunder.

8. On or before the time of any construction or location on any lands described herein, Lessor and Lessee shall agree on right of way, location and damage payments. Payment to be received by lessor prior to any construction. Lessee agrees to work with Lessor to minimize loss to any Agricultural Operations due to road, pipeline or location construction and placement.

9. If a location site is on irrigated meadow land, drilling will be permitted only from October 15 to March 1; however, Lessor will not unreasonably withhold granting exceptions to this time constraint in order that Lessee amy comply with the other terms hereunder.

[redacted] [redacted] [redacted]

10. If any irrigation ditches or canals are disturbed during construction, drilling or completion operations hereunder, all ditches and canals will be reconstructed immediately by Lessee at their sole expense so as not to impede the carrying capacity of the irrigation water as to the original contour of the land.

11. In the event Lessee's operations cause damage to bridges, ditch crossings, culverts, fences or any other improvements on said leased land, it will be immediately repaired by and at the sole expense of Lessee.

12. All mud pits must be lined before use.

13. Upon completion of drilling any and all wells, location and access roads, if not used for subsequent operation, shall be restored to their original state and reseeded. All seed used for reseeding must have the prior approval of Lessor.

14. If any livestock is present during drilling operations, pits will be fenced. If death of livestock is determined to be caused by operations of the Lessee, then Lessor shall be compensated at fair market value for said livestock.

15. If any water well is drilled to provide water for drilling operations, at the written request of Lessor, said well will be left for Lessor's use.

16. If at the termination of the primary term of this Lease, gas from a well capable of producing gas in commercial quantities is not being sold or used, whether such well be on the leased lands or contained in within a unit containing a tract or tracts of the leased lands, the Lessee may pay or tender as royalty to the OWNER Five Dollars ($5.00) per year royalty acre retained hereunder for each such well, such payment to be made not less than thirty (30) days prior to the expiration of the primary term of this Lease and thereafter on or before succeeding anniversary dates of this Lease, and if such payments are made it will be considered that gas is being produced in commercial quantities within the meaning of this lease; provided that payment of such shut-in royalty shall not maintain this Lease in effect for a period in excess of three (3) years from the expiration of the primary term of the Lease.

17. OPERATOR agrees to pay all costs and expenses including attorney's fees, incurred by OWNER in the enforcement of any portion of this agreement against OPERATOR or incurred in the recovery of any damage for any breach hereof by OPERATOR.

18. OPERATOR shall not locate any road, drill site, location or operations requiring disturbance of surface within 1000 feet of a water well, natural springs creek, river, dam or building or within one-fourth (1/4th) mile or any home sites on subject lands without the prior written consent from OWNER.

19. If there is any conflict between this Exhibit "A" and the text of the Lease, this Exhibit "A" shall take precedence.

Signed for Identification:

Floyd L. Briggs, Jr.

Kathryn J. Briggs

Louis Oswald, III, President
High Plains Associates, Inc.

PRODUCERS 88-PAID UP

311

11268

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 29th day of January, 19 98, by and between

Betty Lou McLoughlin, a married woman dealing in her sole and separate property

whose post office address is P.O. Box 3, Daniel, WY 83115 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden, Suite 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten ($10.00) and more DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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:

266552

RECORDED April 3, 1998 2:00 PM
IN BOOK 107 OF 6 PAGE 311
FEES $ 10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Seaton

See Exhibit "A" for land description.

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing 9.4 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of Five (5) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor for gas of whatsoever nature or kind (with all of its constituents) produced and sold or used off the leased premises, or used in the manufacture of products therefrom, one-eighth (1/8th) of the actual amount received by the Lessee, said payments to be made monthly.

4. During any period (whether before or after expiration of the primary term hereof) when gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or operations on said leased premises sufficient to keep this lease in force, Lessee shall pay or tender a royalty of One Dollar ($1.00) per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut in and thereafter on the anniversary date of this lease during the period such well is shut in, to the royalty owners. When such payment or tender is made, it will be considered that gas is being produced within the meaning of the entire lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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 [redacted] for Lessor, by payment [redacted] ages, taxes or other liens on the above described land [redacted] nt of default of payment by Lessor and be subrogated [redacted] rights of the holder th[redacted] e undersigned Lessors, for themselves and their heirs, [redacted] 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.

X Betty Lou McLoughlin
Betty Lou McLoughlin

520-38-8692

STATE OF Wyoming
COUNTY OF Sublette } 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 _____ day of _____, 1998 personally appeared Betty Lou McLoughlin, a married woman dealing in her sole and separate property

and

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that she duly executed the same as her free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires 10-31-2001

RAYMOND C. MUNSON NOTARY PUBLIC
COUNTY OF SUBLETTE STATE OF WYOMING
MY COMMISSION EXPIRES OCT. 31, 2001

Raymond C. Munson
Notary Public.

Address: Pinedale, Wyoming

STATE OF _____
COUNTY OF _____ } ss

INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____, 19____ personally appeared _____

and _____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires _____

Notary Public.

Address: _____

STATE OF _____
COUNTY OF _____ } ss

CORPORATE
(For use in all states)

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_____.

My Commission Expires _____

Notary Public.

Address: _____

EXHIBIT "A"

Attached to and made a part of Oil and Gas Lease dated January 29, 1998, between Betty Lou McLoughlin, Lessor, and High Plains Associates, Inc., Lessee.

LAND DESCRIPTION:

Township 34 North, Range 109 West, 6th P.M.
A tract of land described in that certain Quitclaim Deed recorded at Book 11 of Quitclaim Deed, Page 697 in the office of the Sublette County Clerk and more particularly described as follows:
Located partially in the SE/4SE/4 of Section 29, and primarily in the NE/4NE/4 of Section 32, Township 34 North, Range 109 West of the 6th P.M., Sublette County, Wyoming, more particularly described as a parcel:
Beginning at a point which bears N.90 degrees W., a distance of 1286.3 feet from the NE corner of said NE/4NE/4; thence from said point of beginning S.00 degrees W., a distance of 880 feet, more or less, to a point; thence S.78 degrees 43 minutes 31 seconds E., a distance of 364.85 feet, more or less, to a point; thence N.07 degrees E., a distance of 1001.8 feet, more or less, to a point; thence N.90 degrees W., a distance 479.9 feet, more or less, to a point; thence S.00 degrees W., a distance of 43 feet, more or less, to the point of beginning.

Containing 9.4 acres, more or less, Sublette County, WY

Betty Lou McLoughlin
Betty Lou McLoughlin

PRODUCERS 88-PAID UP

[redacted]

[redacted]

1121

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 22nd day of November, 19 97, by and between William Wesley Bloom as Trustee for the Benefit of Magdaline Georgia Bloom whose post office address is 546 West Sierra Vista, Mesquite, Nevada 89027 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden Street, Denver, Colorado 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten and more ($10.00) DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 33 NORTH, RANGE 109 WEST

Section 5: Lot 2

266553

RECORDED April 3 1998 M 2:00 P
IN BOOK 107 OR6 PAGE 314
FEES $ 10.00
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Sooter

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and

containing 39.66 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of three (3) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor one-eighth (1/8) 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 (1/8), payable monthly at the well head price.

3rd. To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of one-eighth (1/8) of the proceeds, at the mouth of the well, payable monthly at the well head price.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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, least or leases. Likewise, units previously formed to include formations not producing oil or gas may be reformed to exclude such non-producing formations. The forming or reforming of any unit shall be accomplished by Lessee executing and filing of record a declaration of such unitization or reformation, which declaration shall describe the unit. Any unit may include land upon which a well has theretofore been completed or upon which operations for drilling have theretofore been commenced. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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.

x William Wesley Bloom
William Wesley Bloom as Trustee for the benefit of Magdeline Georgia Bloom

TAX ID No x 520-60-1532

STATE OF NEVADA
COUNTY OF _____ } 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 22nd day of November, 19 97 personally appeared William Wesley Bloom as Trustee for the Benefit of Magdeline Georgia Bloom

and _____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that he duly executed the same as his free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires _____

_____
Notary Public.

Address: _____

STATE OF WYOMING
COUNTY OF SWEETWATER } ss

ACKNOWLEDGMENT—INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 8th day of January, 19 98 personally appeared MAGDELINE G. BLOOM

and _____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that SHE duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires 3-5-00

NOTARY PUBLIC — STATE OF WYOMING — VICKIE L. SMITH

Notary Public

Address: Rock Springs, WY 82941

STATE OF _____
COUNTY OF _____ } ss

CORPORATE
(For use in all states)

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_____.

My Commission Expires _____

_____
Notary Public.

Address: _____

[redacted] [redacted] [redacted]

EXHIBIT "A"

Attached hereto and made a part of that certain oil and gas lease dated November 22, 1997, by and between William Wesley Bloom, as Trustee for the Benefit of Magdeline Georgia Bloom, as Lessor and High Plains Associates, Inc., as Lessee.

1. Without Lessor's written consent, Lessee is prohibited from drilling on the above property, and Lessee shall have no right of ingress or access thereto for any purpose whatsoever.

2. All references herein made to a 1/8th royalty, are hereby amended to read 16%.

Signed for Identification

William Wesley Bloom

x Magdeline Bloom

William Wesley Bloom, as Trustee for the
Benefit of Magdeline Georgia Bloom

PRODUCERS 88-PAID UP

317

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 22nd day of November, 19 97, by and between Ruth E. Wilson, now Oliver, a married woman dealing in her sole and separate property and Gary S.Wilson, a single man whose post office address is 474 Onyx, Pinedale, Wyoming 82941 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Cordon Street, Pinedale, Wyoming 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten and more ($10.00) DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.

RECORDED April 3 1998 M 2:00p
IN BOOK 107 Misc PAGE 317
FEES $ 10.00 County Clerk
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Saxton

266554

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing ~~200.00~~ 196.27 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of three (3) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor one-eighth (1/8) 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 (1/8), payable monthly at the well head price.

3rd. To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of one-eighth (1/8) of the proceeds, at the mouth of the well, payable monthly at the well head price.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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 e 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 provisio 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.

Ruth E. Oliver

Ruth E. Wilson, now Oliver

~~720-58-1362~~

529-16-4803

Gary S. Wilson

Gary S. Wilson

STATE OF WYOMING }
COUNTY OF SUBLETTE } 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 22nd day of November, 19 97 personally appeared Gary S. Wilson, a single man

and

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that he duly executed the same as his free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires 10-31-2001

RAYMOND C. MUNSON NOTARY PUBLIC
COUNTY OF SUBLETTE STATE OF WYOMING
MY COMMISSION EXPIRES OCT. 31, 2001

Raymond C. Munson
Notary Public.

Address: Pinedale, WY

STATE OF Wyoming }
COUNTY OF Sublette } ss

ACKNOWLEDGMENT—INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 22nd day of November, 19 97 personally appeared Ruth E. Wilson, now Oliver, a married woman dealing in her sole and separate property

and

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that she duly executed the same as her free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires 10-31-2001

RAYMOND C. MUNSON NOTARY PUBLIC
COUNTY OF SUBLETTE STATE OF WYOMING
MY COMMISSION EXPIRES OCT. 31, 2001

Raymond C. Munson
Notary Public.

Address: Pinedale, Wyoming

STATE OF _____ }
COUNTY OF _____ } ss

CORPORATE
(For use in all states)

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_____.

My Commission Expires _____

Notary Public.

Address: _____

EXHIBIT "A"

Attached hereto and made a part of that certain Oil and Gas Lease dated November 22, 1997, by and between Ruth E. Wilson, now Oliver, a married woman dealing in her sole and separate property and Gary S. Wilson, a single man , as Lessors and High Plains Associates, Inc., as Lessee.

TOWNSHIP 34 NORTH, RANGE 109 WEST, 6th PM

Section 16: A parcel of land comprising portions of Sections 9 and 16, which said parcel of land is embraced within the following traverse; the initial point whereof is the West quarter corner of said Section 9, from whence proceed Easterly 772 feet on the North line of the South one-half of said Section 9 to a point;

thence proceed South06degrees30minutes East, 3918 feet to a point;
thence proceed South 19degrees00minutes, East 1484 feet to a point;
thence proceed South 08degrees47minutes, East 2725 feet to a point of the South Line of Section 16; thence proceed Westerly 2095 feet on the South line of said Section 16 to the Southwest corner of said Section 16; thence proceed Northerly 7980 feet on the West line of said Sections 9 and 16 to the initial point of this traverse, Less and Except all of those lands in Section 9.

Containing 196.277 (GW ROW) Acres, More or Lesee
Sublette County, Wyoming

Signed For Identification

Ruth E. Oliver
Ruth E. Wilson

Gary S. Wilson
Gary S. Wilson

112080

PRODUCERS 88-PAID [redacted] [redacted] [redacted]

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 23rd day of December, 19 97, by and between Harry Paul Smith, a married man dealing in his sole and separate property whose post office address is 33121 Agua Dulce Cyn Rd. Saugus, CA 91350 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden St., Suite 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten or more DOLLARS 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 along with all hydrocarbons and non-hydrocarbon substances produced in association therewith, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, helium, carbon dioxide, sulfur compounds and all other commercial gases (collectively "oil and gas" or "Hydrocarbons") 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:

266558 2:00p

RECORDED April 3 1998 M
IN BOOK 107 PAGE 320
FEES $10.00
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Euston

Please see Exhibit "A" for the Legal Description attached to and made a part of this lease.

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing 853.83 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of 5 years from this date and as long thereafter as Hydrocarbons are produced from said leased premises or on acreage pooled communitized or unitized therewith, or drilling operations are continued as hereinafter provided. If, at the expiration of the primary term of this lease, Hydrocarbons are not being produced on the leased premises or on acreage pooled, communitized or unitized therewith but Lessee is then engaged in drilling or reworking for other operations or restoring production on the lease premises or then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises or on acreage pooled communitized or unitized therewith; and operations shall be considered to be continuously prosecuted if Lessee diligently prosecutes operations for obtaining or restoring production on the lease premises or, 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 Hydrocarbons on said land or on acreage pooled, communitized or unitized therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or reworking for other operations for obtaining or restoring production on the lease premises or operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If Hydrocarbons 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 Hydrocarbons are produced from the leased premises or on acreage pooled, communitized or unitized therewith.

2. This is a PAID-UP LEASE. For the consideration set forth above, 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. Royalty Payment. Royalties on Hydrocarbons shall be paid by Lessee to Lessor as follows:

(a) for oil and other liquid Hydrocarbons separated at Lessee's separator facilities, the royalty shall be one-eighth of such production, to be delivered at Lessee's option to Lessor at the wellhead or to the Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to sell such production to itself or an affiliate at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similarly grade and gravity;

(b) for gas (including casinghead gas) and all other gaseous Hydrocarbons, the royalty shall be one-eighth of the proceeds realized by the Lessee from the sale thereof, provided, that Lessee shall have the continuing right to sell such production to itself or an affiliate at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase agreements entered into on the same or in the nearest preceding date as the date on which the Lessee or its affiliate commences its purchases hereunder; and

(c) in calculating the royalties on production hereunder, Lessee may deduct Lessor's proportionate part of any ad valorem, production and excise taxes and any costs incurred by Lessee in treating, processing, delivering and otherwise marketing such production.

4. If after the primary term one or more wells on the lease premises or lands pooled to unitize therewith are capable of producing Hydrocarbons in paying quantities, but the other wells are either shut-in or production therefrom is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing in paying quantities for the purposes of maintaining this lease. If for a period of 120 consecutive days, such well or wells are shut-in or production therefrom is not sold by Lessee, then Lessee shall pay an aggregate shut-in royalty of $1.00 per acre then covered by this lease, with such payment to be made to Lessor or to Lessor's credit in a depositary designated in this lease, on or before the end of said 120-day period and thereafter on or before the anniversary of the end of said 120-day period while the well or wells are shut-in or production therefrom is not being sold by Lessee; provided that if this lease is otherwise being maintained by the payment of rental or operations, or if production is being sold by Lessee from another well or wells on the lease premises or lands pooled to unitize therewith, no shut-in royalty shall be due until the end of the 120-day period following the end of the rental period or cessation of such operations or production, as the case may be. Lessee's failure to properly pay shut-in royalty hereunder shall render Lessee liable in the amount due, but shall not operate to terminate this lease.

5. If said Lessor owns less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced from 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, communitize 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 Hydrocarbons, individually or in the aggregate, when in Lessee's judgment it is necessary or advisable to do so, and irrespective of whether authority similar to this exists with respect to such other land, lease or leases. Likewise, units previously formed to include formations not producing oil or gas may be reformed to exclude such non-producing formations. The forming or reforming of any unit shall be accomplished by Lessee executing and filing of record a declaration of such unitization or reformation, which declaration shall describe the unit. Any unit may include land upon which a well has theretofore been completed or upon which operations for drilling have theretofore been commenced. Production, drilling or reworking operations or a well shut-in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut-in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total

320

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, communitize, 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. Pooling, communitization, unitization or otherwise combining all or any portion of the above described lands shall not constitute a cross conveyance of interests.

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, an event of "force majeure" or if such failure is the result of, any such Law, Order, Rule or Regulation. "Force majeure" shall mean an event causing a delay in drilling, reworking, production or other operations which are prevented or delayed by laws, rules, regulations or orders, or by an inability to obtain necessary permits, equipment, services, materials, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike, or labor disputes, or by an inability to obtain a satisfactory market for production or a failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control. If Lessee's performance is affected by an event of force majeure, this lease shall not terminate and, at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall take all reasonable and necessary actions to remedy the event of force majeure. Lessee shall not be liable for breach of any provisions, either express or implied, to this lease during the continuance of an event of force majeure.

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. Preferential Right. If, during the term of this lease (but not more than 20 years after the date hereof), Lessor receives a bona fide offer from any party to purchase a new lease covering all or any part of the lands or substances covered hereby, and if Lessor is willing to accept such offer, then Lessor shall promptly notify Lessee in writing of the name and address of the offeror, and of all pertinent terms and conditions of the offer, including any lease bonus offered. Lessee shall have a period of 30 days after receipt of such notice to exercise a preferential right to purchase a new lease from Lessor in accordance with the terms and conditions of the offer, by giving Lessor written notice of such exercise. Promptly thereafter, Lessee shall furnish to Lessor the new lease for execution, along with a time draft for the lease bonus conditioned upon execution and delivery of the lease by Lessor and approval of title by Lessee, all in accordance with the terms of said draft. Whether or not Lessee exercises its preferential right hereunder, then as long as this lease remains in effect, any new lease from Lessor shall be subordinate to this lease and shall not be construed as replacing or adding to Lessee's obligations hereunder.

16. Extension of Primary Term. For the consideration herein recited, Lessor hereby grants to Lessee the exclusive right and option to extend the primary term of this lease for five (5) additional years by mailing to Lessor at the address listed on this lease, on or before the end of the primary term, a bonus consideration equal to one hundred fifty percent (150%) of the bonus consideration originally paid for this lease, which payment shall represent payment in full of consideration for this extension.

17. 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.

X _____ S.S.# 520-46-8060

Harry Paul Smith, a married man dealing in his sole and separate property

---

STATE OF California

COUNTY OF Los Angeles ss.

ACKNOWLEDGMENT-INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 31 day of December, 19 97, personally appeared Harry Paul Smith, a married man dealing in his sole and separate property and _____ to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that he duly executed the same as A free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires 2/2/2001

ROBERT CORVERA
Commission # 1126301
Notary Public — California
Los Angeles County
My Comm. Expires Feb 2, 2001

Robert Corvera
Notary Public
Address: Chino, Calif.

STATE OF _____

COUNTY OF _____ ss.

CORPORATE
(For use in all states)

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.

Witness my hand and seal this _____ day of _____ AD., 19___.

My Commission Expires _____

Notary Public
Address: _____

[redacted] [redacted] [redacted]

Exhibit "A"

Attached to and made a part of a certain Oil & Gas Lease dated December 23, 1997 by and between Harry Paul Smith, as Lessor, and High Plains Associates, Inc., as Lessee.

Legal Description

Township 34 North, Range 111 West, 6th P.M.
Section 34: S/2NE/4, SE/4
Section 35: SW/4NW/4, W/2SW/4

Township 33 North, Range 111 West, 6th P.M.
Section 2: Lot 4 (40.04) less and except
Township of Daniels 2nd Plat:
Lot 1-3.75 acres
Lots 2 & 10-2.28 acres
Lot 3-4.77 acres
Lot 6-1.05 acres
Lot 7-1.11 acres
Lot 8-9.79 acres

Second Subdivision Lot 9- .12 acres, metes/bounds descrip.
QCD Book 10 Page 111- .55 acres totaling .67 acres

Township of Daniels 3rd Plat:
Lot 1 previously described as Lots 2,3,4 Block 1- .2465 acres
Lot 1 previously described as Lots 5,6 Block 1- .1435 acres
Lot 2 (resurveyed)- 1.75 acres
Lot 3 (resurveyed)- 1.50 acres

metes/bounds descrip. QCD Book 6 Pages 162 & 421- .69 acres

metes/bounds description QCD Book 8 Page 583- .69 acres

Section 2: SW/4NW/4, NW/4SW/4, and S/2SW/4
metes/bounds descrip. in NW/4 WD Bk 37 Page 223- 2.00 acres

Section 3: Lot 1(40.10), Lot 2(40.13), S/2NE/4 and SE/4

Containing 853.83 Acres, more or less.

323

PRODUCERS 88-PAID UP

OIL AND GAS LEASE

Jan 2-98

AGREEMENT, Made and entered into the 23rd day of December, 19 97, by and between Verona Travelute Wisnewski, a single woman whose post office address is 45340 Inverness Circle McComb, MI 48044 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden St., Suite 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten or more DOLLARS 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 along with all hydrocarbons and non-hydrocarbon substances produced in association therewith, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, helium, carbon dioxide, sulfur compounds and all other commercial gases (collectively "oil and gas" or "Hydrocarbons") 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:

266556

RECORDED April 3 1998 M 2:00P
IN BOOK 107 016 PAGE 323
FEES $ 10.00 County Clerk
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Suter

Please see Exhibit "A" for the Legal Description attached to and made a part of this lease.

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing 853.83 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of 5 years from this date and as long thereafter as Hydrocarbons are produced from said leased premises or on acreage pooled communitized or unitized therewith, or drilling operations are continued as hereinafter provided. If, at the expiration of the primary term of this lease, Hydrocarbons are not being produced on the leased premises or on acreage pooled, communitized or unitized therewith but Lessee is then engaged in drilling or reworking for other operations or restoring production on the lease premises or then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises or on acreage pooled communitized or unitized therewith; and operations shall be considered to be continuously prosecuted if Lessee diligently prosecutes operations for obtaining or restoring production on the lease premises or, 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 Hydrocarbons on said land or on acreage pooled, communitized or unitized therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or reworking for other operations for obtaining or restoring production on the lease premises or operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If Hydrocarbons 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 Hydrocarbons are produced from the leased premises or on acreage pooled, communitized or unitized therewith.

2. This is a PAID-UP LEASE. For the consideration set forth above, 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. Royalty Payment. Royalties on Hydrocarbons shall be paid by Lessee to Lessor as follows:

(a) for oil and other liquid Hydrocarbons separated at Lessee's separator facilities, the royalty shall be one-eighth of such production, to be delivered at Lessee's option to Lessor at the wellhead or to the Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to sell such production to itself or an affiliate at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similarly grade and gravity;

(b) for gas (including casinghead gas) and all other gaseous Hydrocarbons, the royalty shall be one-eighth of the proceeds realized by the Lessee from the sale thereof, provided, that Lessee shall have the continuing right to sell such production to itself or an affiliate at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase agreements entered into on the same or in the nearest preceding date as the date on which the Lessee or its affiliate commences its purchases hereunder; and

(c) in calculating the royalties on production hereunder, Lessee may deduct Lessor's proportionate part of any ad valorem, production and excise taxes and any costs incurred by Lessee in treating, processing, delivering and otherwise marketing such production.

4. If after the primary term one or more wells on the lease premises or lands pooled to unitize therewith are capable of producing Hydrocarbons in paying quantities, but the other wells are either shut-in or production therefrom is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing in paying quantities for the purposes of maintaining this lease. If for a period of 120 consecutive days, such well or wells are shut-in or production therefrom is not sold by Lessee, then Lessee shall pay an aggregate shut-in royalty of $1.00 per acre then covered by this lease, with such payment to be made to Lessor or to Lessor's credit in a depository designated in this lease, on or before the end of said 120-day period and thereafter on or before the anniversary of the end of said 120-day period while the well or wells are shut-in or production therefrom is not being sold by Lessee; provided that if this lease is otherwise being maintained by the payment of rental or operations, or if production is being sold by Lessee from another well or wells on the lease premises or lands pooled to unitize therewith, no shut-in royalty shall be due until the end of the 120-day period following the end of the rental period or cessation of such operations or production, as the case may be. Lessee's failure to properly pay shut-in royalty hereunder shall render Lessee liable in the amount due, but shall not operate to terminate this lease.

5. If said Lessor owns less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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, communitize 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 Hydrocarbons, individually or in the aggregate, when in Lessee's judgment it is necessary or advisable to do so, and irrespective of whether authority similar to this exists with respect to such other land, lease or leases. Likewise, units previously formed to include formations not producing oil or gas may be reformed to exclude such non-producing formations. The forming or reforming of any unit shall be accomplished by Lessee executing and filing of record a declaration of such unitization or reformation, which declaration shall describe the unit. Any unit may include land upon which a well has theretofore been completed or upon which operations for drilling have theretofore been commenced. Production, drilling or reworking operations or a well shut-in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut-in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total

number of surface acres c[redacted]is lease and included in the unit bears to the total [redacted] surface acres in such unit. In addition to the foregoing, Lessee shall have the right to unitize, communitize, 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. Pooling, communitization, unitization or otherwise combining all or any portion of the above described lands shall not constitute a cross conveyance of interests.

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, an event of "force majeure" or if such failure is the result of, any such Law, Order, Rule or Regulation. "Force majeure" shall mean an event causing a delay in drilling, reworking, production or other operations which are prevented or delayed by laws, rules, regulations or orders, or by an inability to obtain necessary permits, equipment, services, materials, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike, or labor disputes, or by an inability to obtain a satisfactory market for production or a failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control. If Lessee's performance is affected by an event of force majeure, this lease shall not terminate and, at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall take all reasonable and necessary actions to remedy the event of force majeure. Lessee shall not be liable for breach of any provisions, either express or implied, to this lease during the continuance of an event of force majeure.

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. Preferential Right. If, during the term of this lease (but not more than 20 years after the date hereof), Lessor receives a bona fide offer from any party to purchase a new lease covering all or any part of the lands or substances covered hereby, and if Lessor is willing to accept such offer, then Lessor shall promptly notify Lessee in writing of the name and address of the offeror, and of all pertinent terms and conditions of the offer, including any lease bonus offered. Lessee shall have a period of 30 days after receipt of such notice to exercise a preferential right to purchase a new lease from Lessor in accordance with the terms and conditions of the offer, by giving Lessor written notice of such exercise. Promptly thereafter, Lessee shall furnish to Lessor the new lease for execution, along with a time draft for the lease bonus conditioned upon execution and delivery of the lease by Lessor and approval of title by Lessee, all in accordance with the terms of said draft. Whether or not Lessee exercises its preferential right hereunder, then as long as this lease remains in effect, any new lease from Lessor shall be subordinate to this lease and shall not be construed as replacing or adding to Lessee's obligations hereunder.

16. Extension of Primary Term. For the consideration herein recited, Lessor hereby grants to Lessee the exclusive right and option to extend the primary term of this lease for five (5) additional years by mailing to Lessor at the address listed on this lease, on or before the end of the primary term, a bonus consideration equal to one hundred fifty percent (150%) of the bonus consideration originally paid for this lease, which payment shall represent payment in full of consideration for this extension.

17. 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.

x Verona Travelute Wisnewski S.S.# 520-36-3477

Verona Travelute Wisnewski, a single woman

STATE OF Michigan

COUNTY OF Macomb ss.

ACKNOWLEDGMENT–INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 2 day of January, 19 96, personally appeared Verona Travelute Wisnewski, a single woman and she to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that she duly executed the same as a free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires

Robert R. DeRey Jr.
NOTARY PUBLIC - MACOMB COUNTY, MI
MY COMMISSION EXP. 04/07/2001

Notary Public NBD BANK
Address: 13999 LAKESIDE CIR.
STERLING HGTS, MI 48313

STATE OF _____

COUNTY OF _____ ss.

CORPORATE
(For use in all states)

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.

Witness my hand and seal this _____ day of _____ AD., 19___.

My Commission Expires _____

Notary Public
Address: _____

Exhibit "A"

Attached to and made a part of a certain Oil & Gas Lease dated December 23, 1997 by and between Verona Travelute Wisnewski, as Lessor, and High Plains Associates, Inc., as Lessee.

Legal Description

Township 34 North, Range 111 West, 6th P.M.
Section 34: S/2NE/4, SE/4
Section 35: SW/4NW/4, W/2SW/4

Township 33 North, Range 111 West, 6th P.M.
Section 2: Lot 4 (40.04) less and except
Township of Daniels 2nd Plat:
Lot 1-3.75 acres
Lots 2 & 10-2.28 acres
Lot 3-4.77 acres
Lot 6-1.05 acres
Lot 7-1.11 acres
Lot 8-9.79 acres

Second Subdivision Lot 9- .12 acres, metes/bounds descrip.
QCD Book 10 Page 111- .55 acres totaling .67 acres

Township of Daniels 3rd Plat:
Lot 1 previously described as Lots 2,3,4 Block 1- .2465 acres
Lot 1 previously described as Lots 5,6 Block 1- .1435 acres
Lot 2 (resurveyed)- 1.75 acres
Lot 3 (resurveyed)- 1.50 acres

metes/bounds descrip. QCD Book 6 Pages 162 & 421- .69 acres

metes/bounds description QCD Book 8 Page 583- .69 acres

Section 2: SW/4NW/4, NW/4SW/4, and S/2SW/4
metes/bounds descrip. in NW/4 WD Bk 37 Page 223- 2.00 acres

Section 3: Lot 1(40.10), Lot 2(40.13), S/2NE/4 and SE/4

Containing 853.83 Acres, more or less.

[redacted] [redacted] [redacted]

11208m

PRODUCERS 88-PAID UP

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 23rd day of December, 19 97, by and between Carol Ruth Travelute, a widow whose post office address is 3332 Kilbee St. Mims, FL 32754-5592 hereinafter called Lesser (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden St., Suite 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lesser, for and in consideration of Ten or more DOLLARS 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 along with all hydrocarbons and non-hydrocarbon substances produced in association therewith, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, helium, carbon dioxide, sulfur compounds and all other commercial gases (collectively "oil and gas" or "Hydrocarbons") 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: 266557

RECORDED April 3 1998 M 2:00P
IN BOOK 107 of 6 PAGE 326
FEES $ 10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Easton

Please see Exhibit "A" for the Legal Description attached to and made a part of this lease.

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lesser, and containing 853.83 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of 5 years from this date and as long thereafter as Hydrocarbons are produced from said leased premises or on acreage pooled communitized or unitized therewith, or drilling operations are continued as hereinafter provided. If, at the expiration of the primary term of this lease, Hydrocarbons are not being produced on the leased premises or on acreage pooled, communitized or unitized therewith but Lessee is then engaged in drilling or reworking for other operations or restoring production on the lease premises or then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises or on acreage pooled communitized or unitized therewith; and operations shall be considered to be continuously prosecuted if Lessee diligently prosecutes operations for obtaining or restoring production on the lease premises or, 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 Hydrocarbons on said land or on acreage pooled, communitized or unitized therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or reworking for other operations for obtaining or restoring production on the lease premises or operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If Hydrocarbons 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 Hydrocarbons are produced from the leased premises or on acreage pooled, communitized or unitized therewith.

2. This is a PAID-UP LEASE. For the consideration set forth above, 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. Royalty Payment. Royalties on Hydrocarbons shall be paid by Lessee to Lessor as follows:

(a) for oil and other liquid Hydrocarbons separated at Lessee's separator facilities, the royalty shall be one-eighth of such production, to be delivered at Lessee's option to Lessor at the wellhead or to the Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to sell such production to itself or an affiliate at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similarly grade and gravity;

(b) for gas (including casinghead gas) and all other gaseous Hydrocarbons, the royalty shall be one-eighth of the proceeds realized by the Lessee from the sale thereof, provided, that Lessee shall have the continuing right to sell such production to itself or an affiliate at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase agreements entered into on the same or in the nearest preceding date as the date on which the Lessee or its affiliate commences its purchases hereunder; and

(c) in calculating the royalties on production hereunder, Lessee may deduct Lessor's proportionate part of any ad valorem, production and excise taxes and any costs incurred by Lessee in treating, processing, delivering and otherwise marketing such production.

4. If after the primary term one or more wells on the lease premises or lands pooled to unitize therewith are capable of producing Hydrocarbons in paying quantities, but the other wells are either shut-in or production therefrom is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing in paying quantities for the purposes of maintaining this lease. If for a period of 120 consecutive days, such well or wells are shut-in or production therefrom is not sold by Lessee, then Lessee shall pay an aggregate shut-in royalty of $1.00 per acre then covered by this lease, with such payment to be made to Lessor or to Lessor's credit in a depository designated in this lease, on or before the end of said 120-day period and thereafter on or before the anniversary of the end of said 120-day period while the well or wells are shut-in or production therefrom is not being sold by Lessee; provided that if this lease is otherwise being maintained by the payment of rental or operations, or if production is being sold by Lessee from another well or wells on the lease premises or lands pooled to unitize therewith, no shut-in royalty shall be due until the end of the 120-day period following the end of the rental period or cessation of such operations or production, as the case may be. Lessee's failure to properly pay shut-in royalty hereunder shall render Lessee liable in the amount due, but shall not operate to terminate this lease.

5. If said Lessor owns less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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, communitize 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 Hydrocarbons, individually or in the aggregate, when in Lessee's judgment it is necessary or advisable to do so, and irrespective of whether authority similar to this exists with respect to such other land, lease or leases. Likewise, units previously formed to include formations not producing oil or gas may be reformed to exclude such non-producing formations. The forming or reforming of any unit shall be accomplished by Lessee executing and filing of record a declaration of such unitization or reformation, which declaration shall describe the unit. Any unit may include land upon which a well has theretofore been completed or upon which operations for drilling have theretofore been commenced. Production, drilling or reworking operations or a well shut-in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut-in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total

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, communitize, 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. Pooling, communitization, unitization or otherwise combining all or any portion of the above described lands shall not constitute a cross conveyance of interests.

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, an event of "force majeure" or if such failure is the result of, any such Law, Order, Rule or Regulation. "Force majeure" shall mean an event causing a delay in drilling, reworking, production or other operations which are prevented or delayed by laws, rules, regulations or orders, or by an inability to obtain necessary permits, equipment, services, materials, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike, or labor disputes, or by an inability to obtain a satisfactory market for production or a failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control. If Lessee's performance is affected by an event of force majeure, this lease shall not terminate and, at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall take all reasonable and necessary actions to remedy the event of force majeure. Lessee shall not be liable for breach of any provisions, either express or implied, to this lease during the continuance of an event of force majeure.

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. Preferential Right. If, during the term of this lease (but not more than 20 years after the date hereof), Lessor receives a bona fide offer from any party to purchase a new lease covering all or any part of the lands or substances covered hereby, and if Lessor is willing to accept such offer, then Lessor shall promptly notify Lessee in writing of the name and address of the offeror, and of all pertinent terms and conditions of the offer, including any lease bonus offered. Lessee shall have a period of 30 days after receipt of such notice to exercise a preferential right to purchase a new lease from Lessor in accordance with the terms and conditions of the offer, by giving Lessor written notice of such exercise. Promptly thereafter, Lessee shall furnish to Lessor the new lease for execution, along with a time draft for the lease bonus conditioned upon execution and delivery of the lease by Lessor and approval of title by Lessee, all in accordance with the terms of said draft. Whether or not Lessee exercises its preferential right hereunder, then as long as this lease remains in effect, any new lease from Lessor shall be subordinate to this lease and shall not be construed as replacing or adding to Lessee's obligations hereunder.

16. Extension of Primary Term. For the consideration herein recited, Lessor hereby grants to Lessee the exclusive right and option to extend the primary term of this lease for five (5) additional years by mailing to Lessor at the address listed on this lease, on or before the end of the primary term, a bonus consideration equal to one hundred fifty percent (150%) of the bonus consideration originally paid for this lease, which payment shall represent payment in full of consideration for this extension.

17. 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.

X Carol Ruth Travelute S.S.# 015-26-7045

Carol Ruth Travelute, a widow

STATE OF Florida
COUNTY OF Brevard

ACKNOWLEDGMENT–INDIVIDUAL
(For use in all states)

ss.

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 2 day of January, 1998

personally appeared Carol Ruth Travelute, a widow

and personally to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that she duly executed the same as a free and voluntary act and deed for the 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.

JOHN P. KERN MY COMMISSION EXPIRES JULY 21, 1998 #CC 466312 Bonded thru Troy Fain-Insurance NOTARY PUBLIC, STATE OF FLORIDA

My Commission Expires

Notary Public
Address: 551 N. Washington Ave
Titusville FL 32796

STATE OF
COUNTY OF

CORPORATE
(For use in all states)

ss.

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.

Witness my hand and seal this day of AD., 19 .

My Commission Expires

Notary Public
Address:

[redacted] [redacted] [redacted]

Exhibit "A"

Attached to and made a part of a certain Oil & Gas Lease dated December 23, 1997 by and between Carol Ruth Travelute, as Lessor, and High Plains Associates, Inc., as Lessee.

Legal Description

Township 34 North, Range 111 West, 6th P.M.
Section 34: S/2NE/4, SE/4
Section 35: SW/4NW/4, W/2SW/4

Township 33 North, Range 111 West, 6th P.M.
Section 2: Lot 4 (40.04) less and except
Township of Daniels 2nd Plat:
Lot 1-3.75 acres
Lots 2 & 10-2.28 acres
Lot 3-4.77 acres
Lot 6-1.05 acres
Lot 7-1.11 acres
Lot 8-9.79 acres

Second Subdivision Lot 9- .12 acres, metes/bounds descrip.
QCD Book 10 Page 111- .55 acres totaling .67 acres

Township of Daniels 3rd Plat:
Lot 1 previously described as Lots 2,3,4 Block 1- .2465 acres
Lot 1 previously described as Lots 5,6 Block 1- .1435 acres
Lot 2 (resurveyed)- 1.75 acres
Lot 3 (resurveyed)- 1.50 acres

metes/bounds descrip. QCD Book 6 Pages 162 & 421- .69 acres

metes/bounds description QCD Book 8 Page 583- .69 acres

Section 2: SW/4NW/4, NW/4SW/4, and S/2SW/4
metes/bounds descrip. in NW/4 WD Bk 37 Page 223- 2.00 acres

Section 3: Lot 1(40.10), Lot 2(40.13), S/2NE/4 and SE/4

Containing 853.83 Acres, more or less.

329

111006

PRODUCERS 88-PAID UP

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 14th day of November, 19 97, by and between Marilyn Kay Penton and John B. Penton, wife and husband whose post office address is P.O. Box 379, Pinedale, WY 82941 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden, Suite 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten ($10.00) and More DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 Sublette, described as follows, to-wit:

Township 32 North, Range 108 West, 6th P.M.
Section 4: Lots 2(35.28), 3(35.20), SW/4NE/4
Township 33 North, Range 108 West, 6th P.M.
Section 26: SW/4
Section 34: SE/4NE/4, N/2SE/4, SE/4SE/4
Section 35: W/2

266558

RECORDED April 3 1998 2:00 PM
IN BOOK 107 OR 6 PAGE 329
FEES $ 8.00
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Easton

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing 750.48 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of Five (5) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor one-eighth (1/8) 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 (1/8), payable monthly at the well head price.

3rd. To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of one-eighth (1/8) of the proceeds, at the mouth of the well, payable monthly at the well head price.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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.

x Marilyn Kay Penton
Marilyn Kay Penton
SS# 520-54-9534

x John B Penton
John B. Penton

STATE OF Wyoming
COUNTY OF Sublette
} 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 18th day of November, 19 97 personally appeared Marilyn Kay Penton and John B. Penton, wife and husband

and

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that they duly executed the same as their free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires June 30, 2001

Nancy K. Kaminski
County of Sublette
My Commission Expires: June 30, 2001
Notary Public
State of Wyoming

Nancy K. Kaminski
Notary Public.

Address: #3 Granite Lane, Pinedale Wy

STATE OF _____
COUNTY OF _____
} ss

ACKNOWLEDGMENT—INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____ ____, 19 ____ personally appeared _____

and _____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires _____

_____
Notary Public.

Address: _____

STATE OF _____
COUNTY OF _____
} ss

CORPORATE
(For use in all states)

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____

My Commission Expires _____

_____
Notary Public.

Address: _____

11130 F

PRODUCERS 88-PAID UP

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 24th day of October, 19 97, by and between Jimmy Ditton and Rose Ditton, husband and wife whose post office address is 1127 Palisades Court, Rock Springs, WY 82901 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden, Suite 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten ($10.00) and more DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 Sublette, described as follows, to-wit:

Township 32 North, Range 108 West, 6th P.M.
Section 4: Lots 2(35.28), 3(35.20), SW/4NE/4
Township 33 North, Range 108 West, 6th P.M.
Section 26: SW/4
Section 34: SE/4NE/4, N/2SE/4, SE/4SE/4
Section 35: W/2

266559
RECORDED April 3, 1998 M
IN BOOK 107 Oil & Gas PAGE 331
FEES $ 8.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Easton

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and

containing 750.48 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of Five (5) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor one-eighth (1/8) 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 (1/8), payable monthly at the well head price.

3rd. To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of one-eighth (1/8) of the proceeds, at the mouth of the well, payable monthly at the well head price.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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.

[redacted] [redacted] [redacted]

[redacted] [redacted] [redacted]

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.

X Jimmy Ditton
Jimmy Ditton
SS# 520-52-7965

X Rose Ditton
Rose Ditton

STATE OF Wyoming
COUNTY OF Sublette } 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 29 day of Oct, 19 97 personally appeared Jimmy Ditton and Rose Ditton, husband and wife

and

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that they duly executed the same as Their free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires 1/31/[illegible]

SWEETWATER COUNTY, WYOMING NOTARY PUBLIC

Notary Public.

Address: Rock Springs Wy

STATE OF _____
COUNTY OF _____ } ss

ACKNOWLEDGMENT—INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____, 19 ____ personally appeared _____

and _____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires _____

Notary Public.

Address: _____

STATE OF _____
COUNTY OF _____ } ss

CORPORATE
(For use in all states)

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____

My Commission Expires _____

Notary Public.

Address: _____

11352

PRODUCERS 88-PAID UP

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 29th day of October, 1997, by and between Daniel Carlson and Pam J. Carlson, husband and wife

whose post office address is P.O. Box 1118, Pinedale, WY 82941 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden, Suite 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten ($10.00) and more DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 Sublette, described as follows, to-wit:

Township 32 North, Range 108 West, 6th P.M.
Section 4: Lots 2(35.28), 3(35.20), SW/4NE/4
Township 33 North, Range 108 West, 6th P.M.
Section 26: SW/4
Section 34: SE/4NE/4, N/2SE/4, SE/4SE/4
Section 35: W/2

266560
2:00p
RECORDED April 3 1998 M
IN BOOK 107 OR PAGE 333
FEES $ 8.00 Mary [illegible] COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Sacker

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and

containing 750.48 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of Five (5) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor one-eighth (1/8) 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 (1/8), payable monthly at the well head price.

3rd. To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of one-eighth (1/8) of the proceeds, at the mouth of the well, payable monthly at the well head price.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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.

[redacted] [redacted] [redacted]

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.

x Dan Carlson
Daniel Carlson
SS# 520-38-2254

x Pam J. Carlson
Pam J. Carlson

STATE OF Wyoming
COUNTY OF Sublette } 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 3 day of November, 1997 personally appeared Daniel Carlson and Pam J. Carlson, husband and wife

and

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that they duly executed the same as their free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires 6-21-2001

SHONDA K. SOUR - NOTARY PUBLIC
COUNTY OF SUBLETTE STATE OF WYOMING
MY COMMISSION EXPIRES 6-21-2001

Shonda K. Sour
Notary Public.
Address: Box 829 Pinedale, Wy 82941

STATE OF _____
COUNTY OF _____ } ss

ACKNOWLEDGMENT—INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____, 19___ personally appeared _____

and _____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires _____

Notary Public.

Address: _____

STATE OF _____
COUNTY OF _____ } ss

CORPORATE
(For use in all states)

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___

My Commission Expires _____

Notary Public.

Address: _____

1-350

PRODUCERS 88-PAID UP

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 16th day of October, 19 97, by and between Leonard J. Jensen whose post office address is P.O.Box 218, Pinedale, WY 82941 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden, Suite 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten ($10.00) and more DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 Sublette, described as follows, to-wit:

Township 32 North, Range 108 West, 6th P.M.
Section 4: Lots 2(35.28), 3(35.20), SW/4NE/4
Township 33 North, Range 108 West, 6th P.M.
Section 26: SW/4
Section 34: SE/4NE/4, N/2SE/4, SE/4SE/4
Section 35: W/2

266561

RECORDED April 3 1998 2:00p M
IN BOOK 107 ONE PAGE 335
FEES $ 8.00 Mary Lou Yeiter COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Seaton

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and

containing 750.48 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of Five (5) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor one-eighth (1/8) 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 (1/8), payable monthly at the well head price.

3rd. To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of one-eighth (1/8) of the proceeds, at the mouth of the well, payable monthly at the well head price.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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.

X Leonard J Jensen

Leonard J. Jensen

SS# 120-42-9885

STATE OF Oregon }
COUNTY OF Multnomah } 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 24 day of OCTOBER, 19 97 personally appeared Leonard J. Jensen

and

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that he duly executed the same as his free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires Jan 15, 2001

OFFICIAL SEAL
MARCUS E WILLIAMS
NOTARY PUBLIC - OREGON
COMMISSION NO. 060906
MY COMMISSION EXPIRES JAN. 15, 2001

Notary Public.

Address: Portland, Ore.

STATE OF _____ }
COUNTY OF _____ } ss

ACKNOWLEDGMENT—INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____, 19 ____ personally appeared _____

and _____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires _____

Notary Public.

Address: _____

STATE OF _____ }
COUNTY OF _____ } ss

CORPORATE
(For use in all states)

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 ____

My Commission Expires _____

Notary Public.

Address: _____

337

1193

PRODUCERS 88-PAID UP

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 13th day of October, 19 97, by and between Sylvia Eckard and James Eckard, wife and husband

whose post office address is Box 794, Lander, WY 82520 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden, Suite 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten ($10.00) and more DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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:

266562

2:00p

RECORDED April 3 1998 M
IN BOOK 107 OR 61 PAGE 337
FEES $ 8.00
SUBLETTE COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Seeton

Township 32 North, Range 108 West, 6th P.M.
Section 4: Lots 2(35.28), 3(35.20), SW/4NE/4

Township 33 North, Range 108 West, 6th P.M.
Section 26: SW/4
Section 34: SE/4NE/4, N/2SE/4, SE/4SE/4
Section 35: W/2

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and

containing 750.48 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of Five (5) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor one-eighth (1/8) 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 (1/8), payable monthly at the well head price.

3rd. To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of one-eighth (1/8) of the proceeds, at the mouth of the well, payable monthly at the well head price.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operations thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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.

x Sylvia Eckard
Sylvia Eckard
SS# 520 32 3505

x James Eckard
James Eckard
520-28-4187

STATE OF Wyoming
COUNTY OF Fremont
} 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 17th day of October, 19 97 personally appeared Sylvia Eckard and James Eckard, wife and husband

and

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that they duly executed the same as their free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires 11-21-99

Kyleen West - Notary Public
County of Fremont — State of Wyoming
My Commission Expires Nov. 21, 1999

Kyleen West
Notary Public.

Address: 704 Main, Rawlins Wy 82520

STATE OF _____
COUNTY OF _____
} ss

ACKNOWLEDGMENT—INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____, 19 ____ personally appeared _____

and _____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires _____

_____
Notary Public.

Address: _____

STATE OF _____
COUNTY OF _____
} ss

CORPORATE
(For use in all states)

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____.

My Commission Expires _____

_____
Notary Public.

Address: _____

111350

PRODUCERS 88-PAID UP

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 13th day of October, 19 97, by and between Thelma L. Ditton, a widow whose post office address is Farson, WY 82932 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden, Suite 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten ($10.00) and more DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 32 North, Range 108 West, 6th P.M.
Section 4: Lots 2(35.28), 3(35.20), SW/4NE/4

Township 33 North, Range 108 West, 6th P.M.
Section 26: SW/4
Section 34: SE/4NE/4, N/2SE/4, SE/4SE/4
Section 35: W/2

266563
RECORDED April 3 1998 2:00p M
IN BOOK 107 Q46 PAGE 339
FEES $8.00
SUBLETTE COUNTY CLERK PINEDALE, WYOMING
By Cathy Sorter

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing 750.48 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of Five (5) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor one-eighth (1/8) 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 (1/8), payable monthly at the well head price.

3rd. To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of one-eighth (1/8) of the proceeds, at the mouth of the well, payable monthly at the well head price.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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.

X Thelma L Ditton

Thelma L. Ditton
SS# 516-03-2121

X _____

STATE OF Wyoming
COUNTY OF Fremont } 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 17 day of October, 1997 personally appeared Thelma L. Ditton, a widow

and _____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that she duly executed the same as her free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires 4-11-99

Sara Jane McWain - Notary Public
County of Fremont — State of Wyoming
My Commission Expires April 11, 1999

Sara Jane McWain
Notary Public.

Address: 505 Main St
Lander Wy 82520

STATE OF _____
COUNTY OF _____ } ss

ACKNOWLEDGMENT—INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____, 19 ____ personally appeared _____

and _____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires _____

_____
Notary Public.

Address: _____

STATE OF _____
COUNTY OF _____ } ss

CORPORATE
(For use in all states)

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____.

My Commission Expires _____

_____
Notary Public.

Address: _____

1/1 35 M

PRODUCERS 88-PAID UP

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 16th day of October, 1997, by and between Laura Fay Lozier, a single person

whose post office address is P. O. Box 379, Pinedale, WY 82941 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden, Suite 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten ($10.00) and more DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 Sublette, described as follows, to-wit:

Township 32 North, Range 108 West, 6th P.M.
Section 4: Lots 2(35.28), 3(35.20), SW/4NE/4
Township 33 North, Range 108 West, 6th P.M.
Section 26: SW/4
Section 34: SE/4NE/4, N/2SE/4, SE/4SE/4
Section 35: W/2

266564
RECORDED April 3, 1998 9:00 M
IN BOOK 107 PAGE 341
FEES $8.00
SUBLETTE COUNTY CLERK
PINEDALE, WYOMING
By Cathy Sexton

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and

containing 750.48 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of Five (5) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor one-eighth (1/8) 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 (1/8), payable monthly at the well head price.

3rd. To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of one-eighth (1/8) of the proceeds, at the mouth of the well, payable monthly at the well head price.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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.

[redacted] [redacted] [redacted]

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.

x Laura Fay Lozier

Laura Fay Lozier
SS# 528-70-5265

STATE OF Wyoming
COUNTY OF Sublette } 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 21 day of October, 19 97 personally appeared Laura Fay Lozier, a single person

and

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that she duly executed the same as her free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires 8/8/98

TRACEY L. FOLDE HOMER NOTARY PUBLIC SUBLETTE CO. WYO.

Tracey L Folde Homer
Notary Public.

Address: Ora, WY 82925

STATE OF _____
COUNTY OF _____ } ss

ACKNOWLEDGMENT—INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____ ____, 19 ____ personally appeared _____

and

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires _____

_____
Notary Public.

Address: _____

STATE OF _____
COUNTY OF _____ } ss

CORPORATE
(For use in all states)

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____

My Commission Expires _____

_____
Notary Public.

Address: _____

342

PRODUCERS 88-PAID UP

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 9th day of December, 19 97, by and between Thelma L. Ditton, a widow

whose post office address is 1589 East 2300 North, Logan, UT 84321 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden, Suite 300, Denver, CO. 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten ($10.00) and more DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 32 North, Range 108 West, 6th P.M.
Section 14: W/2W/2
Section 22: N/2SE/4, SW/4

266565

2:00p
RECORDED April 3 1998 M
IN BOOK 107 OAS PAGE 343
FEES $ 8.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Sachs

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and

containing 400.00 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of Five (5) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor for gas of whatsoever nature or kind (with all of its constituents) produced and sold or used off the leased premises, or used in the manufacture of products therefrom, one-eighth (1/8th) of the actual amount received by the Lessee, said payments to be made monthly.

4. During any period (whether before or after expiration of the primary term hereof) when gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or operations on said leased premises sufficient to keep this lease in force, Lessee shall pay or tender a royalty of One Dollar ($1.00) per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut in and thereafter on the anniversary date of this lease during the period such well is shut in, to the royalty owners. When such payment or tender is made, it will be considered that gas is being produced within the meaning of the entire lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operations 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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.

[redacted] [redacted] [redacted]

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.

x Thelma L. Ditton

Thelma L. Ditton

SS# 516-03-2121

STATE OF Utah }
COUNTY OF Cache } 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 17 day of December, 19 97 personally appeared Thelma L. Ditton, a widow

and

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that she duly executed the same as her free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires 7-6-99

NOTARY PUBLIC
LISA SIMPSON
720 East Center
Providence, UT 84332
My Commission Expires
July 6, 1999
STATE OF UTAH

Lisa Simpson
Notary Public.

Address: Providence, Ut.

STATE OF _____ }
COUNTY OF _____ } ss

INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____ ___, 19 ___ personally appeared _____

and _____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires _____

_____
Notary Public.

Address: _____

STATE OF _____ }
COUNTY OF _____ } ss

CORPORATE
(For use in all states)

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_____.

My Commission Expires _____

_____
Notary Public.

Address: _____

111534

PRODUCERS 88-PAID UP

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 21 day of October, 19 97, by and between Herman A. Genetti and Imogene Genetti, husband and wife whose post office address is 9 Genetti Dr., Pinedale, WY 82941 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc whose post office address is 1557 Ogden St., Suite 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of ten and more ($10.00+) DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 32 North, Range 108 West, 6th P.M.
Section 22: SW, N2SE

266566

RECORDED April 3 1998 2:00p M
IN BOOK 107 ORG PAGE 345
FEES $ 8.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Sacter

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing 240.00 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of five (5) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor one-eighth (1/8) 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 (1/8), payable monthly at the well head price.

3rd. To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of one-eighth (1/8) of the proceeds, at the mouth of the well, payable monthly at the well head price.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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.

[redacted] [redacted] [redacted]

[redacted] [redacted] [redacted]

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.

x Herman A. Genetti
Herman A. Genetti

SSN - x 520-30-3149

x Imogene Genetti
Imogene Genetti

SSN - x 520-58-5870

STATE OF ~~Wyoming~~ Texas
COUNTY OF ~~Sublette~~ Randall } 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 31st day of October, 1997 personally appeared Herman A. Genetti

and Imogene Genetti

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that they duly executed the same as their free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires 2-03-98

KRISTA A. POPE
NOTARY PUBLIC
State of Texas
Comm. Exp. 02-03-98

x Krista A. Pope
Notary Public.

Address: x P.O. Box 7770
Amarillo, TX 79114

STATE OF _____
COUNTY OF _____ } ss

ACKNOWLEDGMENT—INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____, 19 ____ personally appeared _____

and _____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires _____

Notary Public.

Address: _____

STATE OF _____
COUNTY OF _____ } ss

CORPORATE
(For use in all states)

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_____.

Commission Expires _____

Notary Public.

Address: _____

346

PRODUCERS 88-PAID UP

OIL AND GAS LEASE

RECORDED April 3 1998 2:00 M
IN BOOK 107 016 PAGE 347
FEES $ 8.00 COUNTY CLERK
SUBLETTE COUNTY, WYOMING

266567

AGREEMENT, Made and entered into the 23 day of October, Kenneth Perry, Jr., a married man dealing on his sole and separate property

whose post office address is P.O. Box 147, Boulder, WY 82923 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden St., Suite 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of ten and more ($10.00+) DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 32 North, Range 108 West, 6th P.M.		Township 32 North, Range 107 West	
Section 13:	S2SW	Section 19:	Lot 1 (36.00)
Section 14:	SE		Lot 2 (36.00)
Section 23:	E2		
Section 24:	SW, S2SE, NESE, SENE, NW		

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and

containing 1112.00 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of five (5) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor one-eighth (1/8) 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 (1/8), payable monthly at the well head price.

3rd. To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of one-eighth (1/8) of the proceeds, at the mouth of the well, payable monthly at the well head price.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operations thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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.

X Kenneth Perry, Jr.
Kenneth Perry, Jr.

SSN - X 157-24-7395

[redacted] [redacted] [redacted]

STATE OF _____ }
COUNTY OF _____ } 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 _____ day of _____, 19 ____
personally appeared _____

and _____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____
duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires _____

_____
Notary Public.

Address: _____

STATE OF Wyoming }
COUNTY OF Sublette } ss

ACKNOWLEDGMENT—INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this x24 day of x October, 19 97
personally appeared Kenneth Perry, Jr.

and _____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that he
duly executed the same as his free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires JANUARY 8, 1998

x Tracey L Fields Hoover
Notary Public

Address: x Ona WY 82925

STATE OF _____ }
COUNTY OF _____ } ss

CORPORATE
(For use in all states)

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_____.

My Commission Expires _____

_____
Notary Public.

Address: _____

349

11162G

2:00p

266568

RECORDED April 3 1998 M
IN BOOK 107 016 PAGE 349
FEES $8.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Burton

PRODUCERS 88-PAID UP

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 11th day of September, 1997 by and between Delano Arthur heir of Delbert J. Arthur and Caroline Ball Arthur whose post office address is 494 Sudden Valley, Bellingham, WA 98226 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden St., Ste. 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of ten and more ($10.00+) DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 33 North, Range 111 West, 6th P.M.
Section 5: Lots 1, 2, 3, 4, S2N2, SESE, NESW, SESW, SWSE, W2SW
Section 6: Lots 4, 5, 6, S2NE, SENW, NESW, SE

Township 34 North, Range 111 West, 6th P.M.
Section 31: E2SE
Section 32: SW, S2SE

Township 33 North, Range 112 West
Section 1: Lot 1

together with any revisionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and

containing 1356.06 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of ten (10) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking 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 of record a release or releases, and be relieved of all obligations thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor one-eighth (1/8) 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 (1/8), payable monthly at the well head price.

3rd. To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of one-eighth (1/8) of the proceeds, at the mouth of the well, payable monthly at the well head price.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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 confirm 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.

X Delano J. Arthur
Delano Arthur

SSN - X 565-36-1816

STATE OF _____)
) ss.
COUNTY OF _____)

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 Sate, on this ____ day of _____, 19___ personally appeared

_____

and _____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires: _____

_____
Notary Public

Address: _____

STATE OF Washington)
) ss
COUNTY OF X Whatcom)

ACKNOWLEDGMENT-INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and Sate, on this 31st day of X Oct., 19 97 personally appeared

_____

Delano Arthur

and _____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that he duly executed the same as his free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires: 1-25-2001

CAROL HARRO
NOTARY PUBLIC
STATE OF WASHINGTON
COMMISSION EXPIRES JANUARY 25, 2001

_____
Notary Public

Address: X _____

STATE OF _____)
) ss
COUNTY OF _____)

CORPORATE
(For use in all states)

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___.

My Commission Expires: _____

_____
Notary Public

Address: _____

111024

PRODUCERS 88-PAID UP

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 11th day of September, 1997 by and between Carmen Delong, heir of Delbert J. Arthur and Caroline Ball Arthur whose post office address is 494 Sudden Valley, Bellingham, WA 98226 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden St., Ste. 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of ten and more ($10.00+) DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 33 North, Range 111 West, 6th P.M.
Section 5: Lots 1, 2, 3, 4, S2N2, SESE, NESW, SESW, SWSE, W2SW
Section 6: Lots 4, 5, 6, S2NE, SENW, NESW, SE

Township 34 North, Range 111 West, 6th P.M.
Section 31: E2SE
Section 32: SW, S2SE

Township 33 North, Range 113 West
Section 1: Lot 1

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and

containing 1356.96 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of ten (10) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking 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 obligations thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor one-eighth (1/8) 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 (1/8), payable monthly at the well head price.

3rd. To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of one-eighth (1/8) of the products, at the mouth of the well, payable monthly at the well head price.

4. When gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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.

X Carmen Delong
Carmen Delong

SSN- X 545-30-7798

266569

RECORDED April 3 1998 M 2:00p
IN BOOK 107 OR6 PAGE 351
FEES $ 8.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Looten

STATE OF _____)
) ss.
COUNTY OF _____)

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 Sate, on this ___ day of _____, 19___ personally appeared ___ _____ and _____ to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires: _____

_____
Notary Public

Address: _____

STATE OF Washington)
) ss
COUNTY OF X Whatcom)

ACKNOWLEDGMENT-INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and Sate, on this 16 day of X Oct, 1997 personally appeared __ Carmen Deloss _____ and _____ to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that she duly executed the same as her free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires: X 1-25-2001

X _____
Notary Public

Address: X _____

CAROL BARBO NOTARY PUBLIC STATE OF WASHINGTON COMMISSION EXPIRES JANUARY 25, 2001

STATE OF _____)
) ss
COUNTY OF _____)

CORPORATE
(For use in all states)

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___.

My Commission Expires: _____

_____
Notary Public

Address: _____

1102E

PRODUCERS 88-PAID UP

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 11th day of September, 1997 by and between Helen Josephine Ball LaBass, a widow whose post office address is _____ hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden St., Ste. 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of ten and more ($10.00+) DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 33 North, Ranges 111 West, 6th P.M.
Section 5: Lots 1, 2, 3, 4, S2N2, SESE, NESW, SESW, SWSE, W2SW
Section 6: Lots 4, 5, 6, S2NE, SENW, NESW, SE

Township 34 North, Ranges 111 West, 6th P.M.
Section 31: E2SE
Section 32: SW, S2SE

Township 33 North, Ranges 112 West
Section 1: Lot 1

together with any revisionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and

containing 1356.06 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of ten (10) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking 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 obligations thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor one-eighth (1/8) 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 (1/8), payable monthly at the well head price.

3rd. To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of one-eighth (1/8) of the proceeds, at the mouth of the well, payable monthly at the well head price.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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.

Helen Josephine Ball LaBass — SSN-X 549-12-1605-A
Helen Josephine Ball LaBass

266570

RECORDED April 3 1998 M 9:00p
IN BOOK 187 OG PAGE 353
FEES $ 8.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Seaton

[redacted] [redacted]

STATE OF _____)
) ss.
COUNTY OF _____)

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 Sate, on this ____ day of _____, 19___ personally appeared _____ and _____ to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires: _____

_____
Notary Public

Address: _____

STATE OF California)
) ss
COUNTY OF X MERCED)

ACKNOWLEDGMENT-INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and Sate, on this 30 day of X SEPT, 19 97 personally appeared _____ Helen Josephine Ball LaBass _____ and _____ to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that she duly executed the same as her free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires: 8/10/98

ERIC PARIS
COMM. # 1036567
Notary Public — California
MERCED COUNTY
My Comm. Expires AUG 10, 1998

X _____
Notary Public

Address: 3144 N. "G" St #125 Merced CA 95340

STATE OF _____)
) ss
COUNTY OF _____)

CORPORATE
(For use in all states)

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___.

My Commission Expires: _____

_____
Notary Public

Address: _____

355

1113-D

PRODUCERS 88-PAID UP

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 11th day of September, 1997 by and between Shirley May Bischoff, a widow whose post office address is 295 Hall, Blackfoot, ID 83221 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden St., Ste. 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of ten and more ($10.00+) DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 33 North, Ranges 111 West, 6th P.M.
Section 5: Lots 1, 2, 3, 4, S2N2, SESE, NESW, SESW, SWSE, W2SW
Section 6: Lots 4, 5, 6, S2NE, SENW, NESW, SE

Township 34 North, Ranges 111 West, 6th P.M.
Section 31: E2SE
Section 32: SW, S2SE

Township 33 North, Ranges 112 West
Section 1: Lot 1

together with any revisionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and

containing 1356.06 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of ten (10) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking 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 obligations thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor one-eighth (1/8) 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 (1/8), payable monthly at the well head price.

3rd. To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of one-eighth (1/8) of the proceeds, at the mouth of the well, payable monthly at the well head price.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above described land then the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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 confirm 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.

x Shirley May Bischoff
Shirley May Bischoff

SSN- x 519-14-4622

266571

RECORDED April 3 1998 M 2:00p
IN BOOK 107 OR 6 PAGE 355
FEES $ 8.00
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Souter

[redacted] [redacted] [redacted]

STATE OF _____)
) ss.
COUNTY OF _____)

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 Sate, on this ____ day of _____, 19___ personally appeared _____ and _____ to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires: _____

_____
Notary Public

Address: _____

STATE OF Idaho)
) ss
COUNTY OF x Bingham)

ACKNOWLEDGMENT-INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and Sate, on this x18 day of x Sept. 19 97 personally appeared Shirley May Bischoff and x [illegible] to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that she duly executed the same as her free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires: x 9-20-01

x Loretta Lowbaugh
Notary Public

Address: x 718 W 150 N, Blackfoot ID 83221

STATE OF _____)
) ss
COUNTY OF _____)

CORPORATE
(For use in all states)

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___.

My Commission Expires: _____

_____
Notary Public

Address: _____

357

1110 L

PRODUCERS 88-PAID UP

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 11th day of September, 1997 by and between Rosella Bischoff, aka Sally Bischoff, a widow whose post office address is H.C. Box 75, Space 127, Earp, CA 92242 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden St., Ste. 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of ten and more ($10.00+) DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 33 North, Range 111 West, 6th P.M.
Section 5: Lots 1, 2, 3, 4, S2N2, SESE, NESW, SESW, SWSE, W2SW
Section 6: Lots 4, 5, 6, S2NE, SENW, NESW, SE

Township 34 North, Range 111 West, 6th P.M.
Section 31: E2SE
Section 32: SW, S2SE

Township 33 North, Range 112 West
Section 1: Lot 1

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and

containing 1356.06 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of ten (10) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking 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 obligations thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor one-eighth (1/8) 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 (1/8), payable monthly at the well head price.

3rd. To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of one-eighth (1/8) of the proceeds, at the mouth of the well, payable monthly at the well head price.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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 confirm 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.

x Rosella Bischoff
Rosella Bischoff

SSN - xxx-xx-6071

266572

RECORDED April 3 1998 M 2:00p
IN BOOK 107 OIG PAGE 857
FEES $8.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Lawton

STATE OF _____)
) ss.
COUNTY OF _____)

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 Sate, on this ____ day of _____, 19___ personally appeared

_____

and _____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires: _____

_____
Notary Public

Address: _____

STATE OF California)
) ss
COUNTY OF X La Paz)

ACKNOWLEDGMENT-INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and Sate, on this 19th day of X Sept, 19 97 personally appeared

Rosella Bischoff

and _____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that she duly executed the same as her free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires: X

My Commission Expires Aug. 29, 1999

My Commission Expires Aug. 29, 1999

X _____
Notary Public

Address: X Box 1622 Parker Az 85344

STATE OF _____)
) ss
COUNTY OF _____)

CORPORATE
(For use in all states)

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___.

My Commission Expires: _____

_____
Notary Public

Address: _____

359

111034

PRODUCERS 88-PAID UP

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 11th day of September, 1997 by and between Carolyn C. Ball, a widow whose post office address is 4961 E. Florian, Mesa, AZ 85206 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden St., Ste. 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of ten and more ($10.00+) DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 33 North, Range 111 West, 6th P.M.
Section 5: Lots 1, 2, 3, 4, S2N2, SESE, NESW, SESW, SWSE, W2SW
Section 6: Lots 4, 5, 6, S2NE, SENW, NESW, SE

Township 34 North, Range 111 West, 6th P.M.
Section 31: E2SE
Section 32: SW, S2SE

Township 33 North, Range 112 West
Section 1: Lot 1

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and

containing 1356.06 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of ten (10) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking 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 obligations thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor one-eighth (1/8) 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 (1/8), payable monthly at the well head price.

3rd. To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of one-eighth (1/8) of the proceeds, at the mouth of the well, payable monthly at the well head price.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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 confirm 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.

X Carolyn C. Ball SSN- X 518-26-1681
Caroline C. Ball

266573

RECORDED April 3 1998 M 2:00p
IN BOOK 107 OR PAGE 369
FEES $8.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Suiton

STATE OF _____)
) ss.
COUNTY OF _____)

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 Sate, on this ____ day of _____, 19___ personally appeared

_____

_____

and _____

_____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that ____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires: _____

_____
Notary Public

Address: _____

STATE OF Arizona)
) ss
COUNTY OF Maricopa)

ACKNOWLEDGMENT-INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and Sate, on this XX day of X Nov., 19 97 personally appeared

_____

Carolyn C. Ball

and _____

_____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that she duly executed the same as her free and voluntary act and deed for the 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.

"OFFICIAL SEAL"
Alma M. Baur
Notary Public-Arizona
Maricopa County
My Commission Expires 5/30/98

My Commission Expires: 5/30/98

x Alma M. Baur
Notary Public

Address: x4601 E Doubletree Ranch Rd-Paradise Valley AZ 85253

STATE OF _____)
) ss
COUNTY OF _____)

CORPORATE
(For use in all states)

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___.

My Commission Expires: _____

_____
Notary Public

Address: _____

11105a

PRODUCERS 88-PAID UP

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 15th day of August 19 97, by and between Barbara Joan Bachmeyer and Kenneth Bachmeyer, wife and husband

whose post office address is 43882 Manzanita, Three Rivers, CA 93271 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden, Suite 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten ($10.00) and more DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 34 North, Range 113 West, 6th P.M.
Section 1: Lots 3(39.20), 4(38.88), S/2NW/4
Section 2: Lots 1(38.62), 2(38.43), S/2NE/4
Section 3: Lots 3(38.84), 4(39.20), S/2NW/4
Section 4: S/2

266574

RECORDED April 3, 1998 M
IN BOOK IDT 046 PAGE 201
FEES $ 8.00 2.00p
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Sexton

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and

containing 793.17 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of Five (5) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 [illegible] within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas [illegible] 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 [illegible] on the lease [illegible] on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee [illegible] provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during the primary term [illegible] 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 [illegible] and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor one-eighth (1/8) 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 (1/8), payable monthly at the well head price.

3rd. To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of one-eighth (1/8) of the proceeds, at the mouth of the well, payable monthly at the well head price.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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.

[redacted] [redacted] [redacted]

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.

x Barbara Joan Bachmeyer
Barbara Joan Bachmeyer
SS# 520-31-4881

x Kenneth Bachmeyer
Kenneth Bachmeyer

STATE OF California
COUNTY OF Tulare
} 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 26th day of September, 19 97 personally appeared Barbara Joan Bachmeyer and Kenneth Bachmeyer, wife and husband

and XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that They duly executed the same as their free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires 11-28-97

[illegible]
TULARE County
My Comm. Expires NOV 28, 1997

Notary Public. Tammy Souza
Address: PO Box 279 Three Rivers Ca 93271

STATE OF _____
COUNTY OF _____
} ss

ACKNOWLEDGMENT—INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____, 19 ____ personally appeared _____

and _____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires _____

Notary Public.

Address: _____

:TATE OF _____
:OUNTY OF _____
} ss

CORPORATE
(For use in all states)

On this _____ day of _____, A.D. 19_____, before me personally appeared _____ to me personally known, who, being by me uly 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 nstrument 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_____.

ly Commission Expires _____

Notary Public.

Address: _____

362

363

110357

PRODUCERS 88-PAID UP

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 15th day of January, 19 98, by and between Sally Johnsen, A/K/A Sally Johnson, a married woman dealing in her sole and separate property

whose post office address is 14011 South Sands Road, Valleyford, Washington 99036 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden Street, Denver, Colorado 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten and More ($10.00) DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 34 NORTH, RANGE 109 WEST

Section 8: SW¼NW¼

266575

2:00p

RECORDED April 3 1998 M
IN BOOK 107 O+G PAGE 349
FEES $ 8.00
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Lawton

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing 40.00 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of Five (5) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor for gas of whatsoever nature or kind (with all of its constituents) produced and sold or used off the leased premises, or used in the manufacture of products therefrom, one-eighth (1/8th) of the actual amount received by the Lessee, said payments to be made monthly.

4. During any period (whether before or after expiration of the primary term hereof) when gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or operations on said leased premises sufficient to keep this lease in force, Lessee shall pay or tender a royalty of One Dollar ($1.00) per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut in and thereafter on the anniversary date of this lease during the period such well is shut in, to the royalty owners. When such payment or tender is made, it will be considered that gas is being produced within the meaning of the entire lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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.

[redacted] [redacted] [redacted]

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.

16. All references herein made to a 1/8th royalty, are hereby amended to read 16% royalty.

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

Sally Johnsen
SSN: 529-50-1778

STATE OF Washington
COUNTY OF Spokane } 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 15th day of Janaury, 19 98 personally appeared Sally Johnsen, A/K/A Sally Johnson, a married woman dealing in her sole and separate property

and

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that she duly executed the same as her free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires 12-15-98

Notary Public.

Address: Spokane, WA

STATE OF _____
COUNTY OF _____ } ss

INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____ _____, 19 ____ personally appeared _____

and

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires _____

Notary Public.

Address: _____

STATE OF _____
COUNTY OF _____ } ss

CORPORATE
(For use in all states)

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_____.

My Commission Expires _____

Notary Public.

Address: _____

365

1105 E 5

PRODUCERS 88-PAID UP

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 16th day of January, 1998, by and between Nancy Reinwald, a married woman dealing in her sole and separate property

whose post office address is 219 Ehman Lane, Pinedale, Wyoming 82941 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden Street, Denver, Colorado 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten And More ($10.00) DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 34 NORTH, RANGE 109 WEST
Section 8: SW¼NW¼

266576

RECORDED April 3 1998 M 2:00 p
IN BOOK 107 O&G PAGE 365
FEES $ 8.00
SUBLETTE COUNTY CLERK
By Cathy Saxton

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing 40.00 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of Five (5) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor for gas of whatsoever nature or kind (with all of its constituents) produced and sold or used off the leased premises, or used in the manufacture of products therefrom, one-eighth (1/8th) of the actual amount received by the Lessee, said payments to be made monthly.

4. During any period (whether before or after expiration of the primary term hereof) when gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or operations on said leased premises sufficient to keep this lease in force, Lessee shall pay or tender a royalty of One Dollar ($1.00) per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut in and thereafter on the anniversary date of this lease during the period such well is shut in, to the royalty owners. When such payment or tender is made, it will be considered that gas is being produced within the meaning of the entire lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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.

[redacted] [redacted] [redacted]

[redacted] [redacted] [redacted]

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.

Nancy Reinwald

Nancy Reinwald

SSN: 629-50-1779

STATE OF WYOMING
COUNTY OF SUBLETTE } 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 16th day of January, 19 98 personally appeared Nancy Reinwald, a married woman dealing in her sole and separate property

and

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that she duly executed the same as her free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires 10-31-2001

RAYMOND C. MUNSON NOTARY PUBLIC
COUNTY OF SUBLETTE STATE OF WYOMING
MY COMMISSION EXPIRES OCT. 31, 2001

Raymond C. Munson
Notary Public.

Address: Pinedale, Wyoming

STATE OF _____
COUNTY OF _____ } ss

INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____ _____, 19 ____ personally appeared _____

and _____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires _____

_____
Notary Public.

Address: _____

STATE OF _____
COUNTY OF _____ } ss

CORPORATE
(For use in all states)

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_____.

My Commission Expires _____

_____
Notary Public.

Address: _____

110190

PRODUCERS 88-PAID UP

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 11th day of November 19 97, by and between Marjorie Buck, a widow

whose post office address is 605 Mana Wana Place NE, Tacoma, WA 98422 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden, Suite 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten ($10.00) and more DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 32 North, Range 108 West, 6th P.M.
Section 20: E/2SE/4, SE/4NE/4
Section 21: E/2W/2, SW/4NW/4, NW/4SW/4
Section 28: E/2NW/4, NW/4NW/4, SW/4
Section 29: Lots 4(40.30), 5(40.49), 6(40.60), 7(40.60),8(40.49), E/2NE/4, SW/4NE/4, SE/4
Section 32: N/2
Section 33: NW/4

266577

RECORDED April 3 1998 at 2:00p
IN BOOK 107 016 PAGE 1367
FEES $8.00 County Clerk
SUBLETTE COUNTY, PINEDALE, WYOMING By Cathy Easton

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and

containing 1602.48 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of Ten (10) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor for gas of whatsoever nature or kind (with all of its constituents) produced and sold or used off the leased premises, or used in the manufacture of products therefrom, one-eighth (1/8th) of the actual amount received by the Lessee, said payments to be made monthly.

4. During any period (whether before or after expiration of the primary term hereof) when gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or operations on said leased premises sufficient to keep this lease in force, Lessee shall pay or tender a royalty of One Dollar ($1.00) per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut in and thereafter on the anniversary date of this lease during the period such well is shut in, to the royalty owners. When such payment or tender is made, it will be considered that gas is being produced within the meaning of the entire lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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.

MAB

[redacted] [redacted] [redacted]

~~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 mortgage, 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.

x Marjorie Buck

Marjorie Buck, a widow

STATE OF Washington
COUNTY OF Pierce } 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 10th day of December, 1997

personally appeared Marjorie Buck, a widow

and

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that she duly executed the same as her free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires 12-27-97

George Thomas

Notary Public

Address: Puyallup, WA 98371

ORIGINAL

STATE OF _____
COUNTY OF _____ } ss

INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____, 19___

personally appeared _____

and _____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires _____

_____
Notary Public.

Address: _____

ORIGINAL

STATE OF _____
COUNTY OF _____ } ss

CORPORATE
(For use in all states)

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_____.

My Commission Expires _____

_____
Notary Public.

Address: _____

369

110187

PRODUCERS 88-PAID UP

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 21st day of January, 19 98, by and between

Grace A. McIntosh, a widow; Mary Lu Matylinski, a married woman dealing in her sole and separate property; Carrol D. McIntosh, a married man dealing in his sole and separate property

whose post office address is 7597 NE 1st Street, Redmond, Or 97756 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden, Suite 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten ($10.00) and more DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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:

RECORDED April 3 1998 M
IN BOOK 107046 PAGE 369
FEES $8.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Sanders

266578

Township 32 North, Range 108 West, 6th P.M.
Section 4: SE/4NW/4, E/2SE/4
Section 9: SE/4, E/2W/2, S/2NE/4, less and except that tract deeded to Upper Green River Cementery District Situated in part in the W/2NE/4SW/4, more particularly described in Quit Claim Deeds Book 5, Page 544.
Section 10: SW/4NW/4, W/3SE/4NW/4, W/2SW/4, W/3E/2SW/4

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and

containing 671.40 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of Five (5) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor for gas of whatsoever nature or kind (with all of its constituents) produced and sold or used off the leased premises, or used in the manufacture of products therefrom, one-eighth (1/8th) of the actual amount received by the Lessee, said payments to be made monthly.

4. During any period (whether before or after expiration of the primary term hereof) when gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or operations on said leased premises sufficient to keep this lease in force, Lessee shall pay or tender a royalty of One Dollar ($1.00) per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut in and thereafter on the anniversary date of this lease during the period such well is shut in, to the royalty owners. When such payment or tender is made, it will be considered that gas is being produced within the meaning of the entire lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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.

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110585

RECORDED April 3 1998 M 2:00p
IN BOOK 107 DEG PAGE 371
FEES $ 10.00 COUNTY CLERK
SUBLETTE COUNTY PINEDALE, WYOMING

PRODUCERS 88-PAID UP

266579
OIL AND GAS LEASE

AGREEMENT, Made and entered into the 19th day of December 19 97, by and between William C. Kronzer, a married man dealing in his sole and separate property whose post office address is 1825 N. Combee Road Lakeland, FL 33801 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden St., Suite 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten or more DOLLARS 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 along with all hydrocarbons and non-hydrocarbon substances produced in association therewith, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, helium, carbon dioxide, sulfur compounds and all other commercial gases (collectively "oil and gas" or "Hydrocarbons") 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 34 North, Range 109 West, 6th P.M.
Section 6: Lot 1(40.64), $SE\frac{1}{4}NE\frac{1}{4}$, $E\frac{1}{2}SE\frac{1}{4}$
Section 7: $E\frac{1}{2}$
Section 8: $SW\frac{1}{4}NW\frac{1}{4}$
Section 21: $SW\frac{1}{4}$, $W\frac{1}{2}SE\frac{1}{4}$
Section 27: $N\frac{1}{2}SW\frac{1}{4}$
Section 28: $SE\frac{1}{4}$, $E\frac{1}{2}SW\frac{1}{4}$, $NW\frac{1}{4}SW\frac{1}{4}$, $S\frac{1}{2}NW\frac{1}{4}$
$NW\frac{1}{4}NW\frac{1}{4}$, $SW\frac{1}{4}NE\frac{1}{4}$

Township 35 North, Range 109 West, 6th P.M.
Section 31: $E\frac{1}{2}SE\frac{1}{4}$
Section 32: $W\frac{1}{2}NW\frac{1}{4}$, $NW\frac{1}{4}SW\frac{1}{4}$

Wherever the term one-eighth (1/8) royalty appears, this lease is hereby amended to read 15% royalty. W.C.K.

See attached Exhibit "A"

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing 1480.64 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of Five years from this date and as long thereafter as Hydrocarbons are produced from said leased premises or on acreage pooled communitized or unitized therewith, or drilling operations are continued as hereinafter provided. If, at the expiration of the primary term of this lease, Hydrocarbons are not being produced on the leased premises or on acreage pooled, communitized or unitized therewith but Lessee is then engaged in drilling or reworking for other operations or restoring production on the lease premises or then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises or on acreage pooled communitized or unitized therewith; and operations shall be considered to be continuously prosecuted if Lessee diligently prosecutes operations for obtaining or restoring production on the lease premises or, 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 Hydrocarbons on said land or on acreage pooled, communitized or unitized therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or reworking for other operations for obtaining or restoring production on the lease premises or operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If Hydrocarbons 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 Hydrocarbons are produced from the leased premises or on acreage pooled, communitized or unitized therewith.

2. This is a PAID-UP LEASE. For the consideration set forth above, 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. Royalty Payment. Royalties on Hydrocarbons shall be paid by Lessee to Lessor as follows:

(a) for oil and other liquid Hydrocarbons separated at Lessee's separator facilities, the royalty shall be one-eighth of such production, to be delivered at Lessee's option to Lessor at the wellhead or to the Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to sell such production to itself or an affiliate at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similarly grade and gravity;

(b) for gas (including casinghead gas) and all other gaseous Hydrocarbons, the royalty shall be one-eighth of the proceeds realized by the Lessee from the sale thereof, provided, that Lessee shall have the continuing right to sell such production to itself or an affiliate at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase agreements entered into on the same or in the nearest preceding date as the date on which the Lessee or its affiliate commences its purchases hereunder; and

(c) in calculating the royalties on production hereunder, Lessee may deduct Lessor's proportionate part of any ad valorem, production and excise taxes and any costs incurred by Lessee in treating, processing, delivering and otherwise marketing such production.

4. If after the primary term one or more wells on the lease premises or lands pooled to unitize therewith are capable of producing Hydrocarbons in paying quantities, but the other wells are either shut-in or production therefrom is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing in paying quantities for the purposes of maintaining this lease. If for a period of 120 consecutive days, such well or wells are shut-in or production therefrom is not sold by Lessee, then Lessee shall pay an aggregate shut-in royalty of $1.00 per acre then covered by this lease, with such payment to be made to Lessor or to Lessor's credit in a depository designated in this lease, on or before the end of said 120-day period and thereafter on or before the anniversary of the end of said 120-day period while the well or wells are shut-in or production therefrom is not being sold by Lessee; provided that if this lease is otherwise being maintained by the payment of rental or operations, or if production is being sold by Lessee from another well or wells on the lease premises or lands pooled to unitize therewith, no shut-in royalty shall be due until the end of the 120-day period following the end of the rental period or cessation of such operations or production, as the case may be. Lessee's failure to properly pay shut-in royalty hereunder shall render Lessee liable in the amount due, but shall not operate to terminate this lease.

5. If said Lessor owns less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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, communitize 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 Hydrocarbons, individually or in the aggregate, when in Lessee's judgment it is necessary or advisable to do so, and irrespective of whether authority similar to this exists with respect to such other land, lease or leases. Likewise, units previously formed to include formations not producing oil or gas may be reformed to exclude such non-producing formations. The forming or reforming of any unit shall be accomplished by Lessee executing and filing of record a declaration of such unitization or reformation, which declaration shall describe the unit. Any unit may include land upon which a well has theretofore been completed or upon which operations for drilling have theretofore been commenced. Production, drilling or reworking operations or a well shut-in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut-in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total

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mber 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, essee shall have the right to unitize, communitize, pool, or combine all or any part of the above described lands as to one or more of the formations hereunder with other lands in the same general area by entering into a cooperative or unit plan of development or operation approved by any governmental uthority 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 revisions of this lease shall be deemed modified to conform to the terms, conditions, and provisions of such approved cooperative or unit plan of development r operation and, particularly, all drilling and development requirements of this lease, express or implied, shall be satisfied by compliance with the drilling nd 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 hat said above described lands or any part thereof, shall hereafter be operated under any such cooperative or unit plan of development or operation whereby he 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, or 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 llocated 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 overnmental agency by executing the same upon request of Lessee. Pooling, communitization, unitization or otherwise combining all or any portion of the above described lands shall not constitute a cross conveyance of interests.

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, an event of "force majeure" or if such failure is the result of, any such Law, Order, Rule or Regulation. "Force majeure" shall mean an event causing a delay in drilling, reworking, production or other operations which are prevented or delayed by laws, rules, regulations or orders, or by an inability to obtain necessary permits, equipment, services, materials, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike, or labor disputes, or by an inability to obtain a satisfactory market for production or a failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control. If Lessee's performance is affected by an event of force majeure, this lease shall not terminate and, at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall take all reasonable and necessary actions to remedy the event of force majeure. Lessee shall not be liable for breach of any provisions, either express or implied, to this lease during the continuance of an event of force majeure.

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. Preferential Right. If, during the term of this lease (but not more than 20 years after the date hereof), Lessor receives a bona fide offer from any party to purchase a new lease covering all or any part of the lands or substances covered hereby, and if Lessor is willing to accept such offer, then Lessor shall promptly notify Lessee in writing of the name and address of the offeror, and of all pertinent terms and conditions of the offer, including any lease bonus offered. Lessee shall have a period of 30 days after receipt of such notice to exercise a preferential right to purchase a new lease from Lessor in accordance with the terms and conditions of the offer, by giving Lessor written notice of such exercise. Promptly thereafter, Lessee shall furnish to Lessor the new lease for execution, along with a time draft for the lease bonus conditioned upon execution and delivery of the lease by Lessor and approval of title by Lessee, all in accordance with the terms of said draft. Whether or not Lessee exercises its preferential right hereunder, then as long as this lease remains in effect, any new lease from Lessor shall be subordinate to this lease and shall not be construed as replacing or adding to Lessee's obligations hereunder.

16. Extension of Primary Term. For the consideration herein recited, Lessor hereby grants to Lessee the exclusive right and option to extend the primary term of this lease for five (5) additional years by mailing to Lessor at the address listed on this lease, on or before the end of the primary term, a bonus consideration equal to one hundred fifty percent (150%) of the bonus consideration originally paid for this lease, which payment shall represent payment in full of consideration for this extension.

17. 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.

X William C. Kronzer S.S.# 524-31-1064

William C. Kronzer, a married man dealing in his sole and separate property

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ACKNOWLEDGMENT–INDIVIDUAL
(For use in all states)

STATE OF Florida
COUNTY OF Polk ss.

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 24 day of DEC, 19 97,

personally appeared William C. Kronzer, a married man dealing in his sole and separate property

and _____ to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires March 14 1999

BARBARA BUCHARDT
MY COMMISSION # CC 445280
EXPIRES: March 14, 1999
Bonded Thru Notary Public Underwriters

Barbara Buchardt
Notary Public
Address: Lakeland FL 33813

CORPORATE
(For use in all states)

STATE OF _____
COUNTY OF _____ ss.

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.

Witness my hand and seal this _____ day of _____ AD., 19___.

My Commission Expires _____

_____
Notary Public
Address: _____

EXHIBIT "A"

Attached to and made a part of a certain Oil & Gas Lease dated December 19, 1997 by and between William C. Kronzer, a married man dealing in his sole and separate property, as Lessor, and High Plains Associates, Inc., as Lessee.

At the end of the primary term of this lease, and any extensions thereof under the continuous drilling provisions of Article 1, hereof, Lessee shall release from this lease all those lands which are not contained within a spacing unit which has been approved by the proper governmental authorities for a producing well.

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11070E

PRODUCERS 88-PAID UP

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 16th day of July 19 97, by and between Dempsey J. Barron whose post office address is Box 83, Daniel, Wyoming 83115 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden Street, Suite 300, Denver, Colorado 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten And More DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

RECORDED April 3 2:00 98 M
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FEES $ 10.00
SUBLETTE COUNTY CLERK PINEDALE, WYOMING
By Cathy Seaton

266580

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and

containing 1,236.00 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of Five (5) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor one-eighth (1/8) 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 (1/8), payable monthly at the well head price.

3rd. To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of one-eighth (1/8) of the proceeds, at the mouth of the well, payable monthly at the well head price.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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.

Dempsey J. Barron

Dempsey J. Barron
SSN: 267-12-8472

STATE OF WYOMING
COUNTY OF SUBLETTE } 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 29th day of August, 19 97 personally appeared Dempsey J. Barron

and

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that he duly executed the same as his free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires 4/24/2000

NOTARY PUBLIC — SUBLETTE COUNTY, WY.

Bethany A. Boris
Notary Public.
Address: Pinedale, WY

STATE OF _____
COUNTY OF _____ } ss

ACKNOWLEDGMENT—INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____, 19 ____ personally appeared _____

and _____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires _____

Notary Public.

Address: _____

STATE OF _____
COUNTY OF _____ } ss

CORPORATE
(For use in all states)

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_____.

My Commission Expires _____

Notary Public.

Address: _____

EXHIBIT "A"

ATTACHED AND MADE A PART OF THAT CERTAIN OIL AND GAS LEASE DATED JULY 16, 1997, BETWEEN DEMPSEY J. BARRON, LESSOR, AND HIGH PLAINS ASSOCIATES, INC., LESSEE.

TOWNSHIP 34 NORTH, RAGNE 112 WEST, 6TH P.M.
Section 7: SE/4SE/4
Section 8: E/2SW/4 & SW/4SW/4
Section 13: W/2SE/4, less a 4 acre tract described in Warranty Deed, recorded in Book 14 of Deeds, at Page 543
Section 14: SE/4 & SW/4
Section 23: E/2E/2
Section 24: N/2, N/2SE/4 & E/2SW/4
Section 26: NE/4NE/4

Containing 1236.00 acres, M/L
Sublette County, Wyoming

1. Paragraph 4 shall be amended to add the following:

In the event a well capable of producing gas in paying quantities is shut-in and therefore subject to the payment of shut-in rentals to maintain the lease in lieu of royalty, this lease cannot be maintained for more than five (5) years beyond the shut-in date of the first well capable of producing gas in paying quantities or three (3) years past the primary term, whichever is less. At the end of the lesser term mentioned above, if a well is not producing in quantities sufficient for Lessor to share in royalty payments, then Lessee shall record a Release of Lease in Sublette County and provide a copy to Lessor.

SIGNED FOR IDENTIFICATION

BY: Dempsey Barron
Dempsey J. Barron

BY: Raymond C. Munson
Raymond C. Munson, as agent for High Plains Associates, Inc.

110710

PRODUCERS 88-PAID UP

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 9th day of October, 19 97, by and between Douglas J. Vickery or Lynda Vickery, husband and wife whose post office address is P.O. Box 70, Daniel, WY 83115 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden, Suite 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten ($10.00) and more DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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:

RECORDED April 3 1998 M 2:00p
IN BOOK 107 Oct6 PAGE 377
FEES $ 10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING By Cathy Saxton

266581

See Exhibit "A" for Land Description and Additional and Amended Lease Provisions

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing 800.88 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of Five (5) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor one-eighth (1/8) 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 (1/8), payable monthly at the well head price.

3rd. To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of one-eighth (1/8) of the proceeds, at the mouth of the well, payable monthly at the well head price.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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.

[redacted] 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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 [redacted]

DV

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.

[redacted] 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.

DV

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.

Douglas J. Vickery
Douglas J. Vickery
SS# 520-44-2421

Lynda Vickery
Lynda Vickery

STATE OF Wyoming
COUNTY OF Sublette
} 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 22nd day of October, 19 97 personally appeared Douglas J. Vickery and Lynda Vickery, husband and wife

and

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that they duly executed the same as their free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires 7-11-98

JOANNE S. FREEMAN - NOTARY PUBLIC
COUNTY OF SUBLETTE STATE OF WYOMING
Notary Public.
MY COMMISSION EXPIRES 7-11-98

Joanne S. Freeman

Address: 4 Monte Vista Rd.
Cora Wy 82925

STATE OF _____
COUNTY OF _____
} ss

ACKNOWLEDGMENT—INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____, 19__ personally appeared _____

and _____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires _____

Notary Public.

Address: _____

STATE OF _____
COUNTY OF _____
} ss

CORPORATE
(For use in all states)

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_____.

My Commission Expires _____

Notary Public.

Address: _____

EXHIBIT "A"

Attached to and made apart of that certain Oil and Gas Lease dated October 9, 1997, between Douglas J. Vickery or Lynda Vickery, husband and wife, as Lessors, and High Plains Associates, Inc., as Lessee, covering Lease premises described as follows, to wit:

Township 35 North, Range 111 West, 6th P.M.

Section 28: SW/4, less and except the East 30 feet of the SW/4

Section 29: E/2SW/4, SE/4, less and except that tract of land located in the NE/4SW/4 and the NW/4SE/4 of Section 29, being more particularly described as follows; Beginning at a point on the north line of S/2 of Section 29, South 89 degrees 45 minutes 43 seconds West, 2056.39 feet from the east one-quarter of Section 29; thence continuing South 89 degrees 45 minutes 43 seconds West, a distance of 1432.52 feet to a point; thence South 89 degrees 57 minutes 44 seconds West, a distance of 119.84 feet; thence South 03 degrees 12 minutes 24 seconds East, a distance of 113.12 feet; thence South 13 degrees 46 minutes 44 seconds East, a distance of 199.87 feet to a point; thence South 28 degrees 29 minutes 27 seconds East, a distance of 340.25 feet; thence South 41 degrees 07 minutes 36 seconds East, a distance of 448.51 feet thence South 71 degrees 34 minutes 01 seconds East, a distance of 1074.74 feet to a point; thence North 00 degrees 55 minutes 15 seconds East, a distance of 1290.02 feet to the point of beginning.

Section 32: NE/4, NW/4SE/4

Section 33: W/2NW/4, E/2W/2, less and except the East 30 feet of the E/2W/2

Sublette County, Wyoming

[redacted] [redacted] [redacted]

1270A

PRODUCERS 88—PAID UP
Rev. 5-60, No. 2—4-89

Billings Blue Print
Billings, Montana

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 1st day of July, 19 97, by and between

Barbara C. Gildea and Vernon J. Gildea, Trustees of the Barbara C. Gildea Living Trust dated 10-28-94

whose post office address is P.O. Box 191, Daniel, WY 83115, hereinafter called Lessor (whether one or more) and

Steve Tofte whose post office address is P.O. Box 4221, Casper, WY 82604 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten ($10.00) and more DOLLARS, 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:

3.00

266582

RECORDED April 3 1998 M
IN BOOK 107 OR6 PAGE 380
FEES $ 16.00
COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Soeten

See Exhibit 'A' for land description

See Exhibit 'B' for additional provisions

BCG, VJG

2345.60

and containing ~~2225.60~~ acres, more or less.

five (5)

1. It is agreed that this lease shall remain in force for a term of ~~ten~~ years from this date and as long thereafter as oil or gas of whatsoever nature or kind is produced from said leased premises or [redacted], 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 [redacted] 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 [redacted]; 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 [redacted], 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 [redacted].

VJG BCG ST

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-eight (⅛) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor one-eighth (⅛) 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.

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 (⅛) of the proceeds, at the mouth of the well, payable monthly at the prevailing market rate.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners ~~One Dollar~~ Ten dollars per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the 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. Production, drilling or reworking operations or a well shut in for want of market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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, particulary, 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.

ST BCG ST

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 [redacted] 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.

ST BCG ST

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 Lessors. 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.

Not withstanding anything contained herein, this lease can not be extended beyond three years past the end of the primary term without production in commercial quantities sufficient for Lessor to participate in the royalty benefits.

x Barbara C. Gildea, Trustee
Barbara C. Gildea, Trustee

x Vernon J. Gildea, Trustee
Vernon J. Gildea, Trustee

Trustees of the Barbara C. Gildea Living Trust dated 10-28-94

ACKNOWLEDGMENT FOR INDIVIDUAL

STATE OF Wyoming }
COUNTY OF Sublette } ss.

On this 11 Th day of ~~July~~ August 19 97, before me personally appeared Barbara C. Gildea and Vernon J. Gildea, Trustees of the Barbara C. Gildea Living Trust dated 10-28-94

known to me to be the person(s) described in and who executed the foregoing instrument, and who acknowledged to me that he (she, they) executed the same.

Tracey L Fields Hooker
Notary Public

My commission expires: 8/8/98

Residing at Cora, WY 82925

TRACEY L. FIELDS NOTARY PUBLIC SUBLETTE CO. WYO.

ACKNOWLEDGMENT FOR INDIVIDUAL

STATE OF .....
COUNTY OF ..... } ss.

On this ..... day of ..... 19 ....., before me personally appeared

.....

known to me to be the person(s) described in and who executed the foregoing instrument, and who acknowledged to me that he (she, they) executed the same.

.....
Notary Public

My commission expires:

.....

Residing at .....

AGKNOWLEDGMENT FOR CORPORATION

STATE OF .....
COUNTY OF ..... } ss.

On this ..... day of ..... 19 ....., before me personally appeared

..... known to me to be the .....

of .....
the corporation that executed the within instrument, and acknowledged to me that such corporation executed the same.

.....
Notary Public

My commission expires:

..... Residing at .....

RECORDING DATA

[redacted] [redacted] [redacted]

EXHIBIT 'A'

Attached to and made apart of the Oil and Gas Lease between Barbara C. Gildea and Vernon J. Gildea, Trustees of the Barbara C. Gildea Living Trust dated 10-28-94, Lessors and Steve Tofte, Lessee.

Tract #1

Township 34 North, Range 113 West
Section 17: SWNW, N/2SW
Section 18: Lots 3(35.77), 4(35.86), E/2NW, SESW, NWNE, S/2NE, NESE, SWSE
Section 20: SWNE, SE, E/2SW
Section 21: N/2SW, SWSW, NWSE, SENE
Section 22: N/2NW, SWNW
Section 29: NWNE, SWSE
Section 32: NE, N/2SE, SESE
Section 33: SW, SWSE

Containing 1671.63 acres, more or less.

Tract #2

Township 34 North, Range 113 West, 6th P.M.
Section 4: Lots 1(39.28), 3(38.87), 4(38.66), SE/4NE/4, S/2NW/4
Section 5: Lots 1(38.57), 2(38.59), S/2NE/4, SE/4NW/4, N/2SE/4

Township 35 North, Range 113 West, 6th P.M.
Section 32: S/2SE/4
Section 33: S/2SW/4

Containing 673.97 acres, more or less.

Signed for Identification:

Barbara C. Gildea

Barbara C. Gildea

Vernon J. Gildea

Vernon J. Gildea

EXHIBIT "B"

Attached to and made a part of the Oil and Gas Lease dated July 1, 1997, between Barbara C. Gildea and Vernon J. Gildea, Trustees of the Barbara C. Gildea Living Trust dated October 28, 1994, Lessor, and Steve Tofte, Lessee

This Exhibit is specifically incorporated by this reference into the attached Lease. In the event of any conflict between the terms and conditions of the attached Lease and this Exhibit, the terms and conditions of this Exhibit will be deemed to prevail and control.

Notwithstanding anything to the contrary contained in the attached Lease, it is agreed:

1. There shall be no surface occupancy rights granted for oil and gas operations of any nature on the Leased Premises within 500 feet from each bank of Horse Creek which traverses the Leased Premises. Nothing contained herein shall prevent lessee for directional drilling from portions of the Leased Premises not affected by this condition to explore or capture the oil and gas underlying the lands affected by this restriction.

2. With respect to Paragraph 4 of the lease relating to shut-in-gas well payments, it is provided that, in addition to the terms and conditions stated therein, all such shut-in payments shall be paid or tendered to Lessor as provided therein in the proper amount and that any failure to timely pay or tender on or before the specified date(s) shall result in this lease being automatically terminated without further action on the part of Lessor. Moreover, shut-in payments, if properly made, will only extend this Lease for a period of three years beyond the primary term of this Lease and after this period the Lease cannot in any circumstances be extended by the payment of the shut-in gas well payments provided for herein.

3. Lessee shall not use, nor permit any tenant, occupant or any other party or entity to use, the Leased Premises, or any part thereof, for the purpose of generating, treating, producing, storing, handling, transferring, processing, transporting, disposing or otherwise releasing "hazardous substances," as hereinafter defined, either on, in, from or about the Leased Premises which:

   (a.) create or cause a contamination either on the Leased Premises or elsewhere which is required by any governmental authority to be removed, remediated, or otherwise cleaned up under any applicable "Environmental Law," as defined below;

   (b.) creates any form of liability, civil or criminal, direct or indirect, due to such contamination; or

   (c.) is in contravention of any Environmental Law.

That the terms "Environmental Law" and "Environmental Laws" as used in this Lease include any and all current and future federal, state, and local environmental laws, statutes, rules, regulations and ordinances, as the same shall be amended and modified from time to time, including, but not limited to, "common law," the Clean Water Act, as amended from time to time, the Clean Air

Act, as amended from time to time, the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), as amended from time to time, the Resource Conservation and Recovery Act (RCRA), as amended from time to time, and the Toxic Substances Control Act (TSCA), as amended from time to time.

That "hazardous substances" as used in this Lease includes any and all "hazardous substances" as defined in CERCLA, any and all "hazardous wastes" as defined in RCRA, any and all "toxic substances" as defined in TSCA, petroleum products, asbestos or asbestos-containing materials, polychlorinated biphenyls (PCB's), radon gas, urea formaldehyde foam insulation (UFFI) and any and all other hazardous substances, hazardous wastes, pollutants and contaminants regulated or controlled by any of the Environmental Laws.

That Lessee shall, in the event of any discharge, spill, injection, escape, emission, disposal, leak or other release of hazardous substances on, in, under, onto or from the Leased Premises, which is not authorized by a currently valid permit or other approval issued by the appropriate governmental agencies:

(a.) promptly notify Lessor, the Environmental Protection Agency National Response Center and the appropriate State Department of Environmental Quality;

(b.) take all steps necessary to promptly clean up such discharge, spill, injection, escape, emission, disposal, leak or another release in accordance with the provisions of all applicable Environmental Laws; and

(c.) receive certification from the appropriate State Department of Environmental Quality or Federal Environmental Protection Agency that the Leased Premises, and any other property affected, has been cleaned up to the satisfaction of those agencies.

That Lessee shall and does hereby grant Lessor and Lessor's agents, employees, contractors and designees an irrevocable license (coupled with an interest) to enter the Leased Premises from time to time to:

(a.) evaluate and monitor the Leased Premises for compliance with all Environmental Laws and the terms of this Lease;

(b.) evaluate the presence of hazardous substances; and

(c.) perform appropriate tests and test borings, including taking soil and ground water samples.

That Lessee shall provide Lessor with all notices and other communications received from federal, state and local agencies and departments which enforce and administer the Environmental Laws. From time to time Lessee shall provide Lessor, upon request, any and all information requested by Lessor concerning the use of the Leased Premises and Lessee's compliance with the Environmental Laws and the terms of this Lease, including, but not limited to, all licenses, permits and certificates, and the books and records pertaining to the Leased Premises.

That Lessee shall require that all tenants, subtenants, undersubtenants and other occupants of the Leased Premises to use and occupy the Leased Premises in strict compliance with the Environmental Laws and the terms of this Lease.

That Lessor, shall, in addition to those notifications required elsewhere in this lease, notify Lessor of:

(a.) the presence of any visible asbestos or asbestos-containing materials, PCB's (except as shown on the Enviromental Certifcate), radon gas beyond acceptable limits, or urea formaldehyde foam insulation at, in, on, under, onto or from the Leased Premises; and

(b.) the receipt by Lessee of any notice or other communication from any governmental entity or authority or from any tenant or other occupant or from any other event involving a hazardous substance on, in, under, onto or from the Leased Premises or any violation of an Environmental Law.

Lessee, its assigns or successors, shall indemnify and hold Lessor harmless against any and all liabilities, costs and expenses that occur or results from Lessee's, its assigns or successors, possession or operations conducted on the Leased Premises. This shall include the presence of any or threatened migration or release of any hazardous materials or substances. In the event Lessor receives notice that hazardous material or substances are present or pose a problem, and time permits, Lessor or their agent shall immediately notify Lessee, its assigns or successors of any problem or pending problem. In this situation, Lessee, its assigns or successors, shall have sixty (60) days to rectify the problem. If the urgency of the problem, or Federal, State or Local law requires that immediate action be taken, and Lessee, its assigns or successors, can not immediately respond, then Lessor may take the necessary action to rectify the problem and Lessee, its assigns or successors, will reimburse Lessor for all reasonable expenses, including liability costs and expenses as well as fees and expenses of attorneys and other professional consultants and experts.

This indemnification, as it pertains to Lessee's, its successor's or assign's possession and operations on said lands, shall survive any termination or cancellation of this Lease and shall be applicable to any assignee, sublessee or operator of the Leased Premises.

Signed for Identification

Barbara C. Gildea

Barbara C. Gildea

Vernon J. Gildea

Vernon J. Gildea

Steve Tofte

Steve Tofte

111017

PRODUCERS 88-PAID UP

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 19th day of July, 19 97, by and between Mayme Ball Devine, a widow whose post office address is Route 3, Box 160, Jerome, ID 83338 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden, Suite 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten ($10.00) and more DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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:

266583

RECORDED April 3 1998 2:00 PM
IN BOOK 107 ORG PAGE 386
FEES $ 10.00
SUBLETTE COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cath Jacton

See Exhibit "A" for land description.

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and

containing 2830.73 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of Five (5) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor one-eighth (1/8) 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 (1/8), payable monthly at the well head price.

3rd. To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of one-eighth (1/8) of the proceeds, at the mouth of the well, payable monthly at the well head price.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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.

x Mayme Ball Devine

Mayme Ball Devine
SS# 520-50 8043

STATE OF Idaho
COUNTY OF Jerome } 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 18th day of August, 1997 personally appeared Mayme Ball Devine, a widow

and

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that she duly executed the same as her free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires May 3, 2000

Notary Public.

Address: Shoshone Id

STATE OF _____
COUNTY OF _____ } ss

ACKNOWLEDGMENT—INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____, 19 ____ personally appeared _____

and _____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires _____

Notary Public.

Address: _____

STATE OF _____
COUNTY OF _____ } ss

CORPORATE
(For use in all states)

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_____.

My Commission Expires _____

Notary Public.

Address: _____

EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated May 21, 1997, between Mayme Ball Devine, a widow, Lessor, and High Plains Associates, Inc., Lessee.

Tract 1

Township 34 North, Range 113 West, 6th P.M.
Section 11: S/2SW/4
Section 13: W/2SW/4, SE/4SW/4, SW/4SE/4
Section 14: SE/4, NE/4SW/4, NW/4
Section 15: E/2NE/4, NW/4NE/4, NE/4NW/4
Section 23: NE/4, N/2SE/4
Section 24: NW/4, NW/4SW/4, W/2NE/4, NE/4NE/4
Containing 1320 acres, more or less.

Tract 2

Township 34 North, Range 112 West, 6th P.M.
Section 6: Lot 5(38.51), SE/4NW/4

Township 34 North, Range 113 West, 6th P.M.
Section 1: S/2NE/4
Containing 158.51 acres, more or less.

Tract 3

Township 34 North, Range 112 West, 6th P.M.
Section 7: Lots 3(38.78), 4(38.85), N/2SE/4, SW/4SE/4, E/2SW/4
Section 8: NW/4SW/4
Section 18: Lots 1(38.89), 2(38.90), 3(38.92), 4(38.93), E/2NW/4, NE/4SW/4, W/2NE/4, NW/4SE/4
Section 19: Lot 1(38.95), NE/4NW/4

Township 34 North, Range 113 West, 6th P.M.
Section 1: N/2SE/4, SE/4SE/4
Section 12: SE/4
Section 13: NE/4, N/2SE/4, SE/4SE/4
Containing 1352.22 acres, more or less.

Total for all tracts 2830.73 acres, more or less.

Signed for Identification

Mayme Ball Devine

Mayme Ball Devine

11134

PRODUCERS 88-PAID UP

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 22nd day of October, 1997 by and between Eastfork Livestock, Inc. a Wyoming corporation

whose post office address is P.O. Box 74, Boulder, WY 82923 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden, Suite 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten ($10.00) and more DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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:

266584

RECORDED April 3 1998 2:00 PM
IN BOOK 107 OR6 PAGE 389
FEES $ 10.00 COUNTY CLERK
SUBLETTE COUNTY, WYOMING
By Cathy Saxton

See Exhibit "A" for Land description

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and

containing 2774.83 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of Five (5) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor for gas of whatsoever nature or kind (with all of its constituents) produced and sold or used off the leased premises, or used in the manufacture of products therefrom, one-eighth (1/8th) of the actual amount received by the Lessee, said payments to be made monthly.

4. During any period (whether before or after expiration of the primary term hereof) when gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or operations on said leased premises sufficient to keep this lease in force, Lessee shall pay or tender a royalty of One Dollar ($1.00) per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut in and thereafter on the anniversary date of this lease during the period such well is shut in, to the royalty owners. When such payment or tender is made, it will be considered that gas is being produced within the meaning of the entire lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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.

x Joel E Bousman

Joel E.Bousman, President
Eastfork Livestock, Inc.
Tax ID# 83-0240704

EASTFORK LIVESTOCK INC. CORPORATE SEAL WYOMING

STATE OF _____ } ss
COUNTY OF _____

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 _____ day of _____, 19 ____ personally appeared _____

and _____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires _____

Notary Public.

Address: _____

STATE OF _____ } ss
COUNTY OF _____

INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____ ___, 19 ____ personally appeared _____

and _____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires _____

Notary Public.

Address: _____

STATE OF Wyoming } ss
COUNTY OF Sublette

CORPORATE
(For use in all states)

On this 12 day of November A.D. 19 97, before me personally appeared Joel E. Bousman, to me personally known, who, being by me duly sworn, did say that he is the President of Eastfork Livestock, Inc. 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 Joel E. Bousman acknowledged said instrument to be the free act and deed of said corporation.

Witness my hand and seal this 12 day of November A.D., 19 97

My Commission Expires 6/8/98

TRACEY L. FIELDS NOTARY PUBLIC SUBLETTE COUNTY WYOMING

Tracey L Fields Hoover
Notary Public.

Address: Ona WY 82925

EXHIBIT "A"

Attached to and made a part of that Oil and Gas Lease dated October 22, 1997, between Eastfork Livestock, Inc., a Wyoming Corporation, Lessor, and High Plains Associates, Inc., Lessee.

LAND DESCRIPTION:

Township 31 North, Range 105 West, 6th P.M.
Section 6: Lots 4(36.60), 5(36.69)

Township 31 North, Range 106 West, 6th P.M.
Section 1: Lot 1(40.06), SE/4NE/4
Section 3: Lots 1(40.60), 2(40.60), 4(40.68), S/2NE/4, NW/4SW/4
Section 4: Lots 1(40.55), 2(40.49), 3(40.43), S/2NE/4, SE/4NW/4, NE/4SE/4, SE/4SW/4
Section 6: Lots 4(35.97), 5(36.00), 6(36.25), 7(36.35), E/2SW/4, SE/4
Section 7: Lots 3(36.49), 4(36.67), E/2NW/4, W/2NE/4, NE/4NE/4
Section 9: NW/4NW/4

Township 31 North, Range 107 West, 6th P.M.
Section 1: Lots 1(40.02), 2(40.08), 3(40.12), 4(40.18), S/2N/2, S/2
Section 12: N/2NE/4

Township 32 North, Range 106 West, 6th P.M.
Section 34: SW/4NE4, SE/4NW/4, SE/4, E/2SW/4
Section 35: S/2

[redacted] [redacted] [redacted]

111364

PRODUCERS 88-PAID UP

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 22nd day of October 19 97 by and between Bousman Livestock, Inc., a Wyoming Corporation

whose post office address is P.O. Box 68, Boulder, WY 82923 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden, Suite 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten ($10.00) and more DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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:

See Exhibit "A" for land description

2:00p

266585

RECORDED April 3 1998 M
IN BOOK 107 Oil & Gas PAGE 392
FEES $ 10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Zucker

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and

containing 1490.00 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of Five (5) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor for gas of whatsoever nature or kind (with all of its constituents) produced and sold or used off the leased premises, or used in the manufacture of products therefrom, one-eighth (1/8th) of the actual amount received by the Lessee, said payments to be made monthly.

4. During any period (whether before or after expiration of the primary term hereof) when gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or operations on said leased premises sufficient to keep this lease in force, Lessee shall pay or tender a royalty of One Dollar ($1.00) per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut in and thereafter on the anniversary date of this lease during the period such well is shut in, to the royalty owners. When such payment or tender is made, it will be considered that gas is being produced within the meaning of the entire lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operations thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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. If 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 upon the heirs, successors and assigns of Lessor and Lessee.

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

X _____

Bradford Bousman, President
Bousman Livestock, Inc., a Wyoming Corporation

Tax ID# 83-0214196

STATE OF _____ }
COUNTY OF _____ } 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 _____ day of _____, 19 ____ personally appeared _____

and _____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires _____

_____
Notary Public.

Address: _____

STATE OF _____ }
COUNTY OF _____ } ss

INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____, 19 ____ personally appeared _____

and _____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires _____

_____
Notary Public.

Address: _____

STATE OF Wyoming }
COUNTY OF Sublette Sweetwater } ss

CORPORATE
(For use in all states)

On this 23rd day of October, A.D. 19 97, before me personally appeared Bradford Bousman to me personally known, who, being by me duly sworn, did say that he is the President of Bousman Livestock, Inc., a Wyoming Corporation 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 Bradford Bousman acknowledged said instrument to be the free act and deed of said corporation.

Witness my hand and seal this 23rd day of October A.D., 1997

My Commission Expires 7-18-98

TERESA NOBLE - NOTARY PUBLIC
COUNTY OF SWEETWATER STATE OF WYOMING
MY COMMISSION EXPIRES JULY 18, 1998

Teresa Noble
Notary Public.

Address: Rock Springs

[redacted] [redacted] [redacted]

EXHIBIT "A"

Attached to and made a part of Oil and Gas Lease dated October 22, 1997, between Bousman Livestock, Inc., Lessor, and High Plains Associates, Inc., Lessee.

Township 32 North, Range 108 West, 6th P.M.
Section 1: SE/4SE/4
Section 12: N/2, SW/4, N/2SE/4, SW/4SE/4, N/2SE/4SE/4, SW/4SE/4SE/4
Section 13: NE/4, NW/4NW/4

Township 33 North, Range 107 West, 6th P.M.
Section 20: S/2SW/4
Section 21: S/2SW/4
Section 29: N/2NE/4, SW/4NE/4, NW/4SE/4

Township 33 North, Range 108 West, 6th P.M.
Section 22: SE/4SE/4, lying and being situate east of the centerline of the channel of Boulder Creek.
Section 23: SW/4
Section 26: W/2NW/4
Section 27: NE/4NE/4, lying and being situate east of the centerline of the channel of Boulder Creek.

1114K3

PRODUCERS 88-PAID UP

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 25 day of October, 19 97, by and between East Fork Rod and Gun Club whose post office address is c/o Clifford Hokanson, 170 Powell, Green River, WY 82935 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden St., Suite 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of ten and more ($10.00+) DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 32 North, Range 108 West, 6th P.M.

SEE ATTACHED EXHIBIT "A"

266586

RECORDED April 3 1998 M 2:00p
IN BOOK 107 Ox6 PAGE 395
FEES $ 10.00 COUNTY CLERK
SUBLETTE COUNTY, WYOMING
By Cath Easton

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing 120.00 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of five (5) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor one-eighth (1/8) 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 (1/8), payable monthly at the well head price.

3rd. To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of one-eighth (1/8) of the proceeds, at the mouth of the well, payable monthly at the well head price.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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.

[redacted] [redacted] [redacted]

[redacted] [redacted] [redacted]

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.

X Clifford Hokanson
Clifford Hokanson, president

SSN - X 83-6005-114

STATE OF Wyoming
COUNTY OF X Sweetwater } 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 X 21st day of X November, 19 97 personally appeared Clifford Hokanson

and

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that he duly executed the same as his free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires X 10-30-2001

KRISTIN K. BAILIFF NOTARY PUBLIC
COUNTY OF SWEETWATER STATE OF WYOMING
MY COMMISSION EXPIRES 10-30-01

X Kristin K Bailiff
Notary Public.

Address: X Rock Springs, Wy

STATE OF _____
COUNTY OF _____ } ss

ACKNOWLEDGMENT—INDIVIDUAL.
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____, 19 ____ personally appeared _____

and _____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires _____

_____
Notary Public.

Address: _____

STATE OF _____
COUNTY OF _____ } ss

CORPORATE
(For use in all states)

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____.

My Commission Expires _____

_____
Notary Public.

Exhibit "A"

To be attached to and made part of that certain oil and gas lease dated October 25, 1997, between East Fork Rod and Gun Club, Lessor, and High Plains Associates, Inc., Lessee:

Township 32 North, Range 108 West, 6th P.M.

Section 25: All of the Northwest Quarter of the Northeast Quarter (NWNE) of Section 25, and a portion of the North Half of the Northwest Quarter (N2NW) of Section 25, all in Township 32 North, Range 108 West of the 6th Principal Meridian, Sublette County, Wyoming, all of which land is particularly described by metes and bounds as follows: Beginning at a point on the West boundary line of said Section 25, which point lies South a distance of 808.8 feet from the Northwest corner of said Section 25, in Township 32 North, Range 108 West of the 6th P.M., Sublette County, Wyoming, according to the original survey thereof; thence North 44°42' East, a distance of 440.3 feet to a point; thence North 67°17' East, a distance of 572.2 feet to a point; thence South 65°58' East, a distance of 296.1 feet to a point; thence South 34°10' East, a distance of 236.1 feet to a point; thence South 48°55' East, a distance of 100 feet to a point; thence South 88°01' East a distance of 100 feet to a point; thence North 36°03' East, a distance of 541.6 feet to a point; thence South 79°48' East, a distance of 270.0 feet to a point; thence North, a distance of 262.2 feet to a point on the North boundary line of said Section 25, which point lies South 89°47' East, a distance of 2002.2 feet from the Northwest corner of said Section 25; thence South 89°47' East, a distance of 1935.05 feet to the Northeast corner of the NWNE of said Section 25; thence South, a distance of 1320 feet to the Southeast corner of the NWNE of said Section 25; thence North 89°47' West, a distance of 3935.25 feet to a point on the West boundary line of said Section 25; thence North along the West boundary line of said Section 25, a distance of 511.2 feet to the point of beginning, all of the land comprising 100 acres, more or less.

Section 25: A tract of land lying in the Northwest Quarter (NW) of Section Twenty-five (25), Township 32 North, Range 108 West of the 6th P.M., Sublette County, Wyoming and being more particularly described as follows; Beginning as a point that lies on the North line of Section 25 and South 89°47' East a distance of 1870.58 feet from the Northwest corner of said Section 25. The Northwest corner of Section 25 being monumented by a 5/8" diameter rebar with aluminum cap stamped "Rio Verde eng. P.E-L.S No.625". The Point of Beginning is monumented by a 3/4" diameter steel rod 4 feet long with a square head. Thence, from the Point of Beginning, South 89°47' East along the North line of Section 35 for a distance of 129.62 feet to a Northwest Corner of the East Fork Rod and Gun Club tract; Thence South along the Westerly Boundary of the East Fork Rod and Gun Club tract for a distance of 262.2 feet; Thence North 79°48' West along a Northerly Boundary of the East Fork Rod and Gun Club tract for a distance of 80.78 feet to a steel pin; Thence North 11°24'26" West for a distance of 253.39 feet to the Point of Beginning. The above described tract contains an area of 0.609 acres, more or less.

[redacted] [redacted] [redacted]

L 1173A

PRODUCERS 88-PAID UP

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 23rd day of October 19 97 by and between John W. Jensen and Mary Kay Jensen, husband and wife

whose post office address is P.O. Box 6, Boulder, WY 82923 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden, Suite 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten ($10.00) and more DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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:

See Exhibit "A" for land description

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RECORDED April 3, 1998 2:09p M
IN BOOK 107 at 6 PAGE 398
FEES $ 10.00
COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Sacker

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing 1060.68 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of Five (5) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor for gas of whatsoever nature or kind (with all of its constituents) produced and sold or used off the leased premises, or used in the manufacture of products therefrom, one-eighth (1/8th) of the actual amount received by the Lessee, said payments to be made monthly.

4. During any period (whether before or after expiration of the primary term hereof) when gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or operations on said leased premises sufficient to keep this lease in force, Lessee shall pay or tender a royalty of One Dollar ($1.00) per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut in and thereafter on the anniversary date of this lease during the period such well is shut in, to the royalty owners. When such payment or tender is made, it will be considered that gas is being produced within the meaning of the entire lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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.

398

14. Lessor ~~covenants 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.

x John W Jensen
John W. Jensen
SS# 520-38-8591

x Mary Kay Jensen
Mary Kay Jensen

STATE OF Wyoming
COUNTY OF Sublette } 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 10 day of November, 1997 personally appeared John W. Jensen and Mary Kay Jensen, husband and wife

and

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that they duly executed the same as their free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires

KAREN E. OLSEN - NOTARY PUBLIC
County of Sublette
State of Wyoming
My Commission Expires 3/20/2000

Karen E. Olsen
Notary Public.

Address: Pinedale, WY

STATE OF
COUNTY OF } ss

INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this day of , 19 personally appeared

and

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that duly executed the same as free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires

Notary Public.

Address:

STATE OF
COUNTY OF } ss

CORPORATE
(For use in all states)

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 .

My Commission Expires

Notary Public.

Address:

[redacted] [redacted] [redacted]

EXHIBIT "A"

LAND DESCRIPTION:

Township 32 North, Range 108 West, 6th P.M.
Section 2: Lots 2(34.99), 3(35.05), 4(35.13), S/2NW/4, SW/4NE/4, SW/4, W/2SE/4, SE/4SE/4
Section 14: W/2W/2 less and except a tract described as beginning at the southeast corner of SW/4SW/4, thence north 700 feet, thence due west 301 feet, thence due south 700 feet to a point on the south line of said Section 14, thence due east on said south line of Section 14 to point of beginning.

Township 33 North, Range 107 West, 6th P.M.
Section 31: Lots 2(40.18), 3(40.10), 4(40.04)

Township 33 North, Range 108 West, 6th P.M.
Section 25: S/2SE/4, SE/4SW/4
Section 26: SE/4SE/4
Section 35: N/2NE/4, SW/4NE/4

401

11/5/18

PRODUCERS 88-PAID UP

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 29 day of October 1997 by and between Patrick Johnson, aka Pat Johnson, a widower whose post office address is P.O. Box 1114, Pinedale, WY 82941 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden St., Ste. 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of ten and more ($10.00+) DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 32 North, Range 108 West, 6th P.M.
Section 22: S2SE Section 27: N2NE, W2
Section 26: N2N2 Section 34: NW

together with any revisionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing 752.63 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of five (5) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking 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 obligations thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor one-eighth (1/8) 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 (1/8), payable monthly at the well head price.

3rd. To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of one-eighth (1/8) of the proceeds, at the mouth of the well, payable monthly at the well head price.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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 confirm 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.

Patrick Johnson
Patrick Johnson

SSN - 520-42-0291
Patrick Johnson

266586

RECORDED April 3, 1998 at 2:00p M
IN BOOK 202 PAGE 401
FEES $ 10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Saxton

STATE OF Wyoming)
) ss.
COUNTY OF Sublette)

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 Sate, on this 13th day of November, 1997, personally appeared Patrick Johnson

and

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that he duly executed the same as his free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires: 2/15/99

X _____
Notary Public

Address: X P.O Box 709 [redacted]

STATE OF _____)
) ss
COUNTY OF _____)

ACKNOWLEDGMENT-INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and Sate, on this ___ day of _____, 19___ personally appeared ___

and

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires: _____

_____
Notary Public

Address: _____

STATE OF _____)
) ss
COUNTY OF _____)

CORPORATE
(For use in all states)

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___.

My Commission Expires: _____

_____
Notary Public

Address: _____

Exhibit "A"

Attached to and made a part of that certain oil and gas lease dated October 25, 1997, between Patrick Johnson, aka Pat Johnson, Lessor, and High Plains Associates, Inc., Lessee.

Township 32 North, Range 108 West, 6th P.M.
Section 22: S2SE
Section 26: A 121.23 acre tract in the N2N2 described in that certain Quitclaim Deed recorded at Book 3 of Quitclaim Deeds, Page 21.
Section 27: W2 LESS AND EXCEPT a 5.0 acre tract described in that certain Quitclaim Deed recorded at Book 1 of Quitclaim Deeds, Page 610.
Section 27: N2NE LESS AND EXCEPT a sixty (60) foot right-of-way for a road along the South boundary of said N2NE as described in that certain Quitclaim Deed recorded at Book 3 of Quitclaim Deeds, Page 21.
Section 34: NW

Signed for Identification: Patrick Johnson
Patrick Johnson

[redacted] [redacted] [redacted]

111515

PRODUCERS 88-PAID UP

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 29 day of October 1997 by and between Lester William Anderson and Grace B. Anderson, husband and wife whose post office address is P.O. Box 88, Pinedale, WY 82941 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden St. Ste. 300 Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of ten and more ($10.00+) DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 32 North, Range 108 West, 6th P.M.
Section 22: S2SE Section 27: N2NE, W2
Section 26: N2N2 Section 34: NW

together with any revisionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing 752.63 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of five (5) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking 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 obligations thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor one-eighth (1/8) 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 (1/8), payable monthly at the well head price.

3rd. To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of one-eighth (1/8) of the proceeds, at the mouth of the well, payable monthly at the well head price.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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.

x Lester W. Anderson SSN: x 520-22-6123
Lester William Anderson

x Grace B Anderson SSN: x 505 30 1962
Grace B. Anderson

266589

RECORDED April 3, 1998 M 2:00p
IN BOOK 107 O+G PAGE 404
FEES $ 10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cath Sexton

STATE OF Wyoming)
) ss.
COUNTY OF Sublette)

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 Sate, on this 3rd day of November, 1997, personally appeared Lester William Anderson

and Grace B. Anderson

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that they duly executed the same as their free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires: June 30, 2001

Notary Public
State of
Wyoming
My Commission Expires June 30, 2001

Notary Public

Address: #3 Granite Lane, Pinedale, WY 82941

STATE OF _____)
) ss
COUNTY OF _____)

ACKNOWLEDGMENT-INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and Sate, on this ___ day of _____, 19___ personally appeared ___

and _____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires: _____

Notary Public

Address: _____

STATE OF _____)
) ss
COUNTY OF _____)

CORPORATE
(For use in all states)

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___.

My Commission Expires: _____

Notary Public

Address: _____

Exhibit "A"

Attached to and made a part of that certain oil and gas lease dated October 29, 1997, between Lester William Anderson and Grace B. Anderson, Lessors, and High Plains Associates, Inc., Lessee.

<u>Township 32 North, Range 108 West, 6th P.M.</u>

Section 22: S2SE

Section 26: A 121.23 acre tract in the N2N2 described in that certain Quitclaim Deed recorded at Book 3 of Quitclaim Deeds, Page 21.

Section 27: W2 LESS AND EXCEPT a 5.0 acre tract described in that certain Quitclaim Deed recorded at Book 1 of Quitclaim Deeds, Page 610.

Section 27: N2NE LESS AND EXCEPT a sixty (60) foot right-of-way for a road along the South boundary of said N2NE as described in that certain Quitclaim Deed recorded at Book 3 of Quitclaim Deeds, Page 21.

Section 34: NW

Signed for Identification:

Lester William Anderson

Grace B. Anderson

111148

PRODUCERS 88-PAID UP

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 19th day of January 19 98, by and between Clifton Bruce Alexander and Bonnie Jean Alexander, husband and wife

whose post office address is 101 Noble Road, Cora, Wyoming 82925 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden Street, Denver, Colorado 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten and More ($10.00) DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 34 NORTH, RANGE 110 WEST
Section 2: SW¼NE¼, SW¼ & W½SE¼
Section 3: NE¼NE¼SE¼, NW¼NE¼SE¼ & S½NE¼SE¼

TOWNSHIP 35 NORTH, RANGE 110 WEST
Section 5: W½SE¼
Section 8: NW¼NE¼, E½NE¼ & NE¼SE¼
Section 9: SW¼SW¼

266590

RECORDED April 3, 1998 2:00p M
IN BOOK 107 POC PAGE 407
FEES $ 12.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Saxton

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing 600.00 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of three (3) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor for gas of whatsoever nature or kind (with all of its constituents) produced and sold or used off the leased premises, or used in the manufacture of products therefrom, one-eighth (1/8th) of the actual amount received by the Lessee, said payments to be made monthly.

4. During any period (whether before or after expiration of the primary term hereof) when gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or operations on said leased premises sufficient to keep this lease in force, Lessee shall pay or tender a royalty of One Dollar ($1.00) per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut in and thereafter on the anniversary date of this lease during the period such well is shut in, to the royalty owners. When such payment or tender is made, it will be considered that gas is being produced within the meaning of the entire lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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.

[redacted] [redacted] [redacted]

[redacted] [redacted] [redacted]

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.

Clifton Bruce Alexander

Bonnie Jean Alexander

STATE OF WYOMING
COUNTY OF SUBLETTE } 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 19th day of January, 19 98 personally appeared Clifton Bruce Alexander and Bonnie Jean Alexander, husband and wife

and

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that they duly executed the same as their free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires 10/31/2001

RAYMOND C. MUNSON NOTARY PUBLIC
COUNTY OF SUBLETTE STATE OF WYOMING
MY COMMISSION EXPIRES OCT. 31, 2001

Raymond C. Munson
Notary Public.

Address: Pinedale, Wyoming

STATE OF _____
COUNTY OF _____ } ss

INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____, 19 ____ personally appeared _____

and _____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires _____

_____
Notary Public.

Address: _____

STATE OF _____
COUNTY OF _____ } ss

CORPORATE
(For use in all states)

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_____.

My Commission Expires _____

_____
Notary Public.

Address: _____

EXIBIT "A"

Attached hereto and made a part of that certain oil and gas lease dated January 19, 1998, by and between Clifton Bruce Alexander and Bonnie Jean Alexander, husband and wife and High Plains Associates, Inc., as Lessee.

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 referred to herein as one-eighth shall be amended to read 16.00%

2. Lessee is hereby granted the right and power at any time and from time to time to pool only those portions of said lease with lands or leases adjacent to said lands or premises to a spacing unit of 160 acres or that prescribed or required acreage necessary to abided by the State law, order, rule, or regulation prescribed by statewide spacing or special spacing order, whichever is applicable.

3. Lessee shall notify Lessor in advance of staking and building a location upon said lands.

4. Location site for any well or wells on leased premises shall not exceed two (2) acres unless agreed upon before construction of location.

5. Lessee agrees that no drilling activity will take place within 1320 feet of any buildings or structures of the lessor's property, without the prior written consent of lessor.

6. On or before the time of any construction or location on any lands described herein, Lessor and Lessee shall agree on right of way, location and damage payments. Payment to be received by lessor prior to any construction. Lessee agrees to work with Lessor to minimize loss to any Agricultural Operations due to road, pipeline or location construction and placement.

7. If a location site is on irrigated meadow land, drilling will be permitted only from October 15 to March 1; however, Lessor will not unreasonably withhold granting exceptions to this time constraint in order that Lessee any comply with the other terms hereunder.

8. If any irrigation ditches or canals are disturbed during construction, drilling or completion operations hereunder, all ditches and canals will be reconstructed immediately by Lessee at their sole expense so as not to impede the carrying capacity of the irrigation water as to the original contour of the land.

9. In the event Lessee's operations cause damage to bridges, ditch crossings, culverts, fences or any other improvements on said leased land, it will be immediately repaired by and at the sole expense of Lessee.

10. All mud pits must be lined before use.

11. Upon completion of drilling any and all wells, location and access roads, if not used for subsequent operation, shall be restored to their original state and reseeded. All seed used for reseeding must have the prior approval of Lessor.

12. If any livestock is present during drilling operations, pits will be fenced. If death of livestock is determined to be caused by operations of the Lessee, then Lessor shall be compensated at fair market value for said livestock.

13. If any water well is drilled to provide water for drilling operations, at the written request of Lessor, said well will be for Lessor's use.

[redacted] [redacted] [redacted]

14. With respect to Paragraph 4 of the lease relating to shut-in gas well payments, it is provided that, in addition to the terms and conditions stated therein, all shut-in payments shall be tendered in the amount of $5.00 per net mineral acre.

15. If there is any conflict between this Exhibit "A" and the text of the Lease, this Exhibit "A" shall take precedence.

Signed for Identification:

Clifton Bruce Alexander, Trustee

Bonnie Jean Alexander, Trustee

1/2998

PRODUCERS 88-PAID UP

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 14th day of January, 1998 by and between Buddy A. Kaumo and Mary Jo Kaumo, husband and wife whose post office address is 1009 Palomino St., Rock Springs, WY 82901-4809 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden St., Ste. 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of ten and more ($10.00+) DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 33 North, Range 111 West, 6th P.M.
Section 1: N2 of Lot 3, N2NE of Lot 4, E2W2 of Lot 4

together with any revisionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing 34.859 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of ten (10) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking 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 obligations thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor one-eighth (1/8) 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 (1/8), payable monthly at the well head price.

3rd. To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of one-eighth (1/8) of the proceeds, at the mouth of the well, payable monthly at the well head price.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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.

K Buddy A. Kaumo
Buddy A. Kaumo
SSN-X 520-48-7135

Mary Jo Kaumo
Mary Jo Kaumo
SSN-X 520-54-2195

266591

RECORDED April 13 1998 M 2:00p
IN BOOK 107 016 PAGE 411
FEES $ 8.00
SUBLETTE COUNTY CLERK
PINEDALE, WYOMING
By Cathy Easton

STATE OF Wyoming)
) ss.
COUNTY OF Sublette)

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 Sate, on this 18 day of FEBRUARY, 1998, personally appeared Buddy A Kaumo and Mary Jo Kaumo, husband and wife

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that they duly executed the same as their free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires: X10/24/99

ANTHONY J. BASSANI - NOTARY PUBLIC
COUNTY OF SWEETWATER
STATE OF WYOMING
MY COMMISSION EXPIRES

X Anthony J. Bassani
Notary Public

Address: X P.O. BOX 820, ROCK SPRINGS, WY 82902

STATE OF _____)
) ss
COUNTY OF _____)

ACKNOWLEDGMENT-INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this ____ day of ___ _____, 19___ personally appeared ___

and _____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that ___ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires: _____

Notary Public

Address: _____

STATE OF _____)
) ss
COUNTY OF _____)

CORPORATE
(For use in all states)

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___.

My Commission Expires: _____

Notary Public

Address: _____

11-26 GRA

PRODUCERS 88-PAID UP

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 28th day of January, 19 98, by and between Madeline Bloom, a widow

whose post office address is P. O. Box 66, Cora, Wyoming 82925 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden Street, Denver, Colorado 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of ten and more ($10.00) DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 31 NORTH, RANGE 108 WEST

Section 23: W½SE¼ & E½SW¼
Section 25: SE¼

266592

RECORDED April 3 1998 M 8.00p
IN BOOK 107 OAG PAGE 413
FEES $8.00 COUNTY CLERK
SUBLETTE COUNTY, WYOMING
By Cathy Saxton

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and

containing 320.00 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of Five (5) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor for gas of whatsoever nature or kind (with all of its constituents) produced and sold or used off the leased premises, or used in the manufacture of products therefrom, one-eighth (1/8th) of the actual amount received by the Lessee, said payments to be made monthly.

4. During any period (whether before or after expiration of the primary term hereof) when gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or operations on said leased premises sufficient to keep this lease in force, Lessee shall pay or tender a royalty of One Dollar ($1.00) per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut in and thereafter on the anniversary date of this lease during the period such well is shut in, to the royalty owners. When such payment or tender is made, it will be considered that gas is being produced within the meaning of the entire lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operations thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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.

Magdeline Bloom

STATE OF WYOMING
COUNTY OF SUBLETTE } 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 28th day of January, 1998 personally appeared Magdeline Bloom, a widow

and

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that she duly executed the same as her free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires

Notary Public.

Address:

STATE OF WYOMING
COUNTY OF SUBLETTE } ss

INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 28th day of JANUARY, 1998 personally appeared MADELINE BLOOM

and

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that SHE duly executed the same as A free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires AUGUST 5, 00

Notary Public

Address: Pinedale, WY 82941

STATE OF
COUNTY OF } ss

CORPORATE
(For use in all states)

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.

My Commission Expires

Notary Public.

Address:

112638

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 20th day of January, 19 98, by and between J. Harvey Losh and Marion J. Losh, husband and wife whose post office address is 1518 Northwest Blue Ridge Drive, Seattle, WA 98117 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden, Suite 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten ($10.00) and more DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 33 North, Range 108 West, 6th P.M.
Section 22: N/2SE/4, S/2NE/4

266593

RECORDED April 3 1998 2:00P M
IN BOOK 107 OF 6 PAGE 415
FEES $ 8.00 COUNTY CLERK
SUBLETTE COUNTY WYOMING
By Cathy Jacton

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 0-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing 160.00 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of Five (5) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, is produced from said leased premises or on acreage pooled therewith, or drilling operations maintained 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 reworking operations thereof, 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 reworking 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, Lessee, on the date this Lease shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor one-eighth (1/8) 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 (1/8), payable monthly at the well head price.

3rd. To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of one-eighth (1/8) of the proceeds, at the mouth of the well, payable monthly at the well head price.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if same were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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.

X J. Harvey Losh
J. Harvey Losh
543-03-4531

X Marion J. Losh
Marion J. Losh

STATE OF Washington
COUNTY OF King } 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 26 day of January, 19 98
personally appeared J. Harvey Losh and Marion J. Losh, husband and wife

and

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that they duly executed the same as their free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires January 15, 2000

Notary Public.

Address: 8550 15th Ave NE
Seattle, WA 98117

STATE OF _____
COUNTY OF _____ } ss

ACKNOWLEDGMENT—INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____, 19 ____
personally appeared _____

and _____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires _____

Notary Public.

Address: _____

STATE OF _____
COUNTY OF _____ } ss

CORPORATE
(For use in all states)

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____.

My Commission Expires _____

Notary Public.

Address: _____

417

112770

PRODUCERS 88-PAID UP

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 14th day of January, 1998 by and between August W. Kaunio and Carol M. Kaunio, husband and wife whose post office address is 818 Ridge Ave., Rock Springs, WY 82901 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden St., Ste. 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of ten and more ($10.00+) DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 33 North, Range 111 West, 6th P.M.
Section 1: N2 of Lot 3, N2NE of Lot 4, E2W2 of Lot 4

together with any revisionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing 34.859 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of ten (10) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking 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 obligations thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor one-eighth (1/8) 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 (1/8), payable monthly at the well head price.

3rd. To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of one-eighth (1/8) of the proceeds, at the mouth of the well, payable monthly at the well head price.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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 confirm 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.

X August W. Kaunio — SSN- X 520-32-3259

X Carol M. Kaunio — SSN- X 520-44-8698

Carol M. Kaunio

266594

RECORDED April 3 1998 M 2:00p
IN BOOK 107 OR6 PAGE 417
FEES $8.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Easton

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

STATE OF Wyoming)
) ss.
COUNTY OF Sweetwater)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 26th day of February, 1998, personally appeared August W. Kaumo and Carol M. Kaumo, husband and wife

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that they duly executed the same as their free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires: 6-28-98

Notary Public

Address: 162 Foothill #19, Fort Springs, Wy 82901

STEPHANIE VELLINGER NOTARY PUBLIC SWEETWATER CO. WYOMING

ACKNOWLEDGMENT-INDIVIDUAL
(For use in all states)

STATE OF _____)
) ss
COUNTY OF _____)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this ____ day of ___ _____, 19___ personally appeared ___

and _____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that ___ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires: _____

Notary Public

Address: _____

CORPORATE
(For use in all states)

STATE OF _____)
) ss
COUNTY OF _____)

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___.

My Commission Expires: _____

Notary Public

Address: _____

418

[redacted]
– PRODUCERS 88-PAID UP

11263B

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 20th day of January, 1998, by and between Robert S. Slizeski and Rose J. Slizeski, husband and wife whose post office address is Prospect Mountain Road, Moraine Route, Estes Park, CO 80517 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden, Suite 300, Denver, CO hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten ($10.00) and more DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 33 North, Range 108 West, 6th P.M.
Section 22: N/2SE/4, S/2NE/4

266595

RECORDED April 3 1998 M
IN BOOK 107 OF6 PAGE 419
FEES $8.00 COUNTY CLERK
SUBLETTE COUNTY, WYOMING
By Cook Baaten

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and

containing 160.00 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of Five (5) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor one-eighth (1/8) 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 (1/8), payable monthly at the well head price.

3rd. To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of one-eighth (1/8) of the proceeds, at the mouth of the well, payable monthly at the well head price.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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.

[redacted] [redacted] [redacted]

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.

x Robert S. Slizeski
Robert S. Slizeski
520-16-9645

x Rose J. Slizeski
Rose J. Slizeski

STATE OF Colorado
COUNTY OF LARIMER } 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 23rd day of JANUARY, 1998 personally appeared Robert S. Slizeski and Rose J. Slizeski, husband and wife

and

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that they duly executed the same as their free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires ~~Jan. 12~~, 2000
~~258 Park Lane~~, Estes Park, CO 80517

NANCY R. McMURRY NOTARY PUBLIC STATE OF COLORADO

Notary Public.

Address:

STATE OF
COUNTY OF } ss

ACKNOWLEDGMENT—INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this day of , 19 personally appeared

and

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that duly executed the same as free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires

Notary Public.

Address:

STATE OF
COUNTY OF } ss

CORPORATE
(For use in all states)

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.

My Commission Expires

Notary Public.

Address:

11228N

PRODUCERS 88-PAID UP

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 24th day of January, 19 98, by and between

Richard L. Thomson and Mary T. Thomson, husband and wife

whose post office address is P.O. Box 181, Cora, WY 82925 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden, Suite 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten ($10.00) and more DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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:

266596

RECORDED April 3 1998 M 2:00p
IN BOOK 107 OR PAGE 421
FEES $ 8.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Seaton

Township 34 North, Range 110 West, 6th P.M.
Section 10: E/2

Township 34 North, Range 113 West, 6th P.M.
Section 3: S/2

Prior to entering the above described lands, Lessee and Lessor agree to enter into a Surface and Damage Agreement.

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing 640.00 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of Five (5) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor for gas of whatsoever nature or kind (with all of its constituents) produced and sold or used off the leased premises, or used in the manufacture of products therefrom, one-eighth (1/8th) of the actual amount received by the Lessee, said payments to be made monthly.

4. During any period (whether before or after expiration of the primary term hereof) when gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or operations on said leased premises sufficient to keep this lease in force, Lessee shall pay or tender a royalty of One Dollar ($1.00) per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut in and thereafter on the anniversary date of this lease during the period such well is shut in, to the royalty owners. When such payment or tender is made, it will be considered that gas is being produced within the meaning of the entire lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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.

[redacted] [redacted] [redacted]

M.T. R.T.

~~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.

x Richard L Thomson
Richard L. Thomson
SS# 520-42-2677

x Mary T. Thomson - Mary T. Thomson
Mary T. Thomson

STATE OF Wyoming
COUNTY OF Sublette
} 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 24th day of January, 1998 personally appeared Richard L. Thomson and Mary T. Thomson, husband and wife

and

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that they duly executed the same as their free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires 10-31-2001

RAYMOND C. MUNSON NOTARY PUBLIC
COUNTY OF SUBLETTE
STATE OF WYOMING
MY COMMISSION EXPIRES OCT. 31, 2001

Raymond C. Munson
Notary Public.
Address: Pinedale, Wyoming

STATE OF _____
COUNTY OF _____
} ss

INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____, 19____ personally appeared _____

and _____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires _____

Notary Public.

Address: _____

STATE OF _____
COUNTY OF _____
} ss

CORPORATE
(For use in all states)

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_____.

My Commission Expires _____

Notary Public.

Address: _____

11207A

PRODUCERS 88-PAID UP

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 16th day of January, 1998, by and between

William Patrick Johnson and Sharon Anne Johnson, husband and wife, and
Barry David Johnson, a single man

whose post office address is P.O. Box 350, Kemmerer, WY 83101 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden, Suite 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten ($10.00) and more DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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:

266597
RECORDED April 3 1998 2:00p M
IN BOOK 107 OR6 PAGE 423
FEES $ 8.00 COUNTY CLERK
SUBLETTE COUNTY PINEDALE, WYOMING
By Cathy Sexton

Township 33 North, Range 109 West, 6th P.M.
Section 4: W/2SE/4SW/4

also known as
Lot One(1) of the Haymeadows Lot Division

Wherever the term 1/8th royalty appears herein, the term 16.00% shall be substituted.

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing 20.379 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of Three(3) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor for gas of whatsoever nature or kind (with all of its constituents) produced and sold or used off the leased premises, or used in the manufacture of products therefrom, one-eighth (1/8th) of the actual amount received by the Lessee, said payments to be made monthly.

4. During any period (whether before or after expiration of the primary term hereof) when gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or operations on said leased premises sufficient to keep this lease in force, Lessee shall pay or tender a royalty of One Dollar ($1.00) per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut in and thereafter on the anniversary date of this lease during the period such well is shut in, to the royalty owners. When such payment or tender is made, it will be considered that gas is being produced within the meaning of the entire lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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.

[redacted] [redacted] [redacted]

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.

x William Patrick Johnson
William Patrick Johnson

x Sharon Anne Johnson
Sharon Anne Johnson

x Barry David Johnson
Barry David Johnson

STATE OF Wyoming
COUNTY OF Lincoln } 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 ____ day of January, 19 98
personally appeared William Patrick Johnson and Sharon Anne Johnson, husband and wife

and

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that they duly executed the same as their free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires 7.18.99

Stacy A. Batista Notary Public
County of Lincoln — State of Wyoming
My Commission Expires 7.18.99

Stacy Batista
Notary Public.
Address: 1316 1st West, Kemmerer

STATE OF Wyoming
COUNTY OF Sublette } ss

INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 22nd day of January, 19 98
personally appeared Barry David Johnson, a single man

and

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that he duly executed the same as his free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires

JANET L. MONTGOMERY - NOTARY PUBLIC
COUNTY OF SUBLETTE — STATE OF WYOMING
My Commission Expires 4/30/98

Janet L Montgomery
Notary Public.
Address: 110 S. Maybell Ave, Pinedale, Wy

STATE OF _____
COUNTY OF _____ } ss

CORPORATE
(For use in all states)

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____.

My Commission Expires _____

Notary Public.

Address: _____

425

11/12

PRODUCERS 88-PAID UP

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 15th day of January, 19 98, by and between Ted Reinwald and Nancy Reinwald, husband and wife

whose post office address is 219 Ehman Lane, Pinedale, Wyoming 82941 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden Street, Denver, Colorado 80219 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten and MOre ($10.00) DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 34 NORTH, RANGE 109 WEST
Section 30: A 21.45 acre tract, being a re-survey of a called 22.00 acre tract, also referred to as the North 22 acres of the NE¼NE¼ of said Section 30, and being the same acreage described in QuitClaim Deed dated April 17, 1987 from Nancy Reinwald to Ted Reinwald and Nancy Reinwald, husband and wife, as recorded in QCD Book 8, at Page 373 of the Records of Sublette County, Wyoming.

266598

RECORDED April 3 1998 2:00 PM
IN BOOK 107 O&G, PAGE 425.
FEES $ 8.00
SUBLETTE COUNTY CLERK
PINEDALE, WYOMING

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and

containing 21.45 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of Five (5) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor for gas of whatsoever nature or kind (with all of its constituents) produced and sold or used off the leased premises, or used in the manufacture of products therefrom, one-eighth (1/8th) of the actual amount received by the Lessee, said payments to be made monthly.

4. During any period (whether before or after expiration of the primary term hereof) when gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or operations on said leased premises sufficient to keep this lease in force, Lessee shall pay or tender a royalty of One Dollar ($1.00) per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut in and thereafter on the anniversary date of this lease during the period such well is shut in, to the royalty owners. When such payment or tender is made, it will be considered that gas is being produced within the meaning of the entire lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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.

[redacted] [redacted] [redacted]

[redacted] [redacted] [redacted]

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.

16. All references herein made to a 1/8th royalty, are hereby amended to read 16% royalty.

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

Ted Reinwald
Ted Reinwald

Nancy Reinwald
Nancy Reinwald
SSN: 529-50-1779

STATE OF WYOMING
COUNTY OF SUBLETTE } 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 15th day of January, 19 98 personally appeared Ted Reinwald and Nancy Reinwald, husband and wife

and

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that they duly executed the same as their free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires 10-31-2001

RAYMOND C. MUNSON NOTARY PUBLIC
COUNTY OF SUBLETTE
STATE OF WYOMING
MY COMMISSION EXPIRES OCT. 31, 2001

Raymond C. Munson
Notary Public.

Address: Pinedale, Wyoming

STATE OF _____
COUNTY OF _____ } ss

INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____ _, 19 ____ personally appeared _____

and _____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires _____

_____
Notary Public.

Address: _____

STATE OF _____
COUNTY OF _____ } ss

CORPORATE
(For use in all states)

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_____.

My Commission Expires _____

_____
Notary Public.

Address: _____

PRODUCERS 88-PAID UP

OIL AND GAS LEASE
266599

RECORDED April 3 1998 M 9:09p
IN BOOK 107 016 PAGE 427
FEES $8.00 COUNTY CLERK
SUBLETTE COUNTY PINEDALE, WYOMING
BY Kathy Golden

AGREEMENT, Made and entered into the 15th day of January 19 98 by and between Sally Johnsen, A/K/A Sally Johnson, a married woman dealing in her sole and separate property

whose post office address is 14011 South Sands Road, Valleyford, Washington 99036 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden Street, Denver, Colorado 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten And More ($10.00) DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 34 NORTH, RANGE 109 WEST
Section 16: A parcel of land comprising portions of Section 9 and Section 16, which said parcel of land is embraced within the following traverse, the initial point whereof is the West Quarter Corner of said Section 9, from whence proceed Easterly 772 feet on the North line of the South-half of said Section 9 to a point; thence proceed South 06degrees30minutes East, 3918 feet to a point; thence proceed 19 degrees00minutes, East 1484 feet to a point; thence proceed South 08 degrees47minutes, East 2725 feet to a point on the South line of said Section 16; thence proceed Westerly 2095 feet on the South line of said Section 16 to the Southwest corner of said Section 16; thence proceed Northerly 7980 feet on the West line of Section 9 and Section 16 to the initial point of traverse, Less and Except all of those lands in Section 9.

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and

containing 196.277 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of five (5) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor for gas of whatsoever nature or kind (with all of its constituents) produced and sold or used off the leased premises, or used in the manufacture of products therefrom, one-eighth (1/8th) of the actual amount received by the Lessee, said payments to be made monthly.

4. During any period (whether before or after expiration of the primary term hereof) when gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or operations on said leased premises sufficient to keep this lease in force, Lessee shall pay or tender a royalty of One Dollar ($1.00) per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut in and thereafter on the anniversary date of this lease during the period such well is shut in, to the royalty owners. When such payment or tender is made, it will be considered that gas is being produced within the meaning of the entire lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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.

[redacted] [redacted] [redacted]

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.

X Sally Johnsen
Sally Johnsen
Soc. Sec. No. 529-50-1778

STATE OF Washington
COUNTY OF Spokane } 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 15th day of January, 19 98 personally appeared Sally Johnsen, A/K/A Sally Johnson, a married woman dealing in her sole and separate property

and

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that she duly executed the same as her free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires 12-15-98

Notary Public

Address: Spokane, WA

STATE OF _____
COUNTY OF _____ } ss

INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____, 19 ____ personally appeared _____

and _____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires _____

Notary Public.

Address: _____

STATE OF _____
COUNTY OF _____ } ss

CORPORATE
(For use in all states)

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_____.

My Commission Expires _____

Notary Public.

Address: _____

PRODUCERS 88-PAID UP

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 15th day of January, 19 98, by and between Nancy Reinwald, a married woman dealing in her sole and separate property

266600

RECORDED April 3 1998 M 2:00 p
IN BOOK 107 OR 6 PAGE 429
FEES $8.00 Marge Schilling CLERK By Cathy Snider
SUBLETTE COUNTY PINEDALE WYOMING

whose post office address is 219 Ehman Lane, Pinedale, Wyoming 82941 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. 1557 Ogden Street, Denver, Colorado 80218 whose post office address is hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten and more ($10.00) DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 34 NORTH, RANGE 109 WEST

Section 16: A parcel of land comprising portions of Section 9 and 16, which said parcel of land is embraced within the following traverse, the initial point whereof is the West quarter corner of said Section 9, from whence proceed Easterly 772 feet on the North Line of the South-half of said Section 9 to a point; thence proceed South 06degrees30minutes East, 3918 feet to a point; thence proceed 19degrees00minutes, East 1484 feet to a point; thence proceed South 08degrees47minutes, East 2725 to a point on the South line of said Section 16; thence proceed Westerly 2095 feet on the South line of said Section 16 to the Southwest corner of said Section 16; thence proceed Northerly 7980 feet on the West line of Section 9 and 16 to the initial point of traverse, Less and Except all of those lands in Section 9.

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and

containing 196.277 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of five (5) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor for gas of whatsoever nature or kind (with all of its constituents) produced and sold or used off the leased premises, or used in the manufacture of products therefrom, one-eighth (1/8th) of the actual amount received by the Lessee, said payments to be made monthly.

4. During any period (whether before or after expiration of the primary term hereof) when gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or operations on said leased premises sufficient to keep this lease in force, Lessee shall pay or tender a royalty of One Dollar ($1.00) per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut in and thereafter on the anniversary date of this lease during the period such well is shut in, to the royalty owners. When such payment or tender is made, it will be considered that gas is being produced within the meaning of the entire lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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.

[redacted] [redacted] [redacted]

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.

16. All references herein made to a 1/8th royalt are hereby amended to read 16% royalty.

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

Nancy Reinwald

Nancy Reinwald
SSN 529-50-1779

STATE OF Wyoming
COUNTY OF Sublette } 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 15th day of January, 19 98 personally appeared Nancy Reinwald, a married woman dealing in her sole and separate property

and

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that she duly executed the same as her free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires 10-31-2001

RAYMOND [illegible]SON NOTARY PUBLIC
COUNTY OF SUBLETTE STATE OF WYOMING
MY COMMISSION EXPIRES OCT. 31, 2001

Raymond C. Thomson
Notary Public.
Address: Pinedale, Wyoming

STATE OF _____
COUNTY OF _____ } ss

INDIVIDUAL.
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____, 19 ____ personally appeared _____

and _____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires _____

Notary Public.

Address: _____

STATE OF _____
COUNTY OF _____ } ss

CORPORATE
(For use in all states)

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_____.

My Commission Expires _____

Notary Public.

Address: _____

111021

PRODUCERS 88-PAID UP

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 7th day of October, 1997 by and between John T. Bischoff, aka John Bischoff whose post office address is P.O. Box 6697, Boise, ID 83707 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden St., Ste. 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of ten and more ($10.00+) DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 33 North, Range 111 West, 6th P.M.	Township 34 North, Range 111 West, 6th P.M.	Township 33 North, Range 112 West
Section 5: Lots 1, 2, 3, 4, S2N2, SESE, NESW, SESW, SWSE, W2SW	Section 31: E2SE	Section 1: Lot 1
Section 6: Lots 4, 5, 6, S2NE, SENW, NESW, SE	Section 32: SW, S2SE	

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and

containing 1356.06 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of ten (10) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking 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 obligations thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor one-eighth (1/8) 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 (1/8), payable monthly at the well head price.

3rd. To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of one-eighth (1/8) of the proceeds, at the mouth of the well, payable monthly at the well head price.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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.

X _____
John T. Bischoff

SSN- X 579-52-5457

266601

RECORDED April 3 1998 M 2:00
IN BOOK 107 DEG PAGE 431
FEES $ 8.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Barton

[redacted] [redacted] [redacted]

STATE OF _____)
) ss.
COUNTY OF _____)

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 Sate, on this ___ day of _____, 19___ personally appeared ___
_____
and _____
_____
to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that ____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires: _____

_____
Notary Public

Address: _____

STATE OF Idaho)
) ss
COUNTY OF x Ada)

ACKNOWLEDGMENT-INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and Sate, on this x3 day of xFebruary, 1927 personally appeared ___
John T. Bischoff
and _____
_____
to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that he duly executed the same as his free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires: x 6-13-2003

x Janice Morrison
Notary Public
Address: x 2140 Leadville Boise #370

NOTARY PUBLIC JANICE A. MORRISON STATE OF IDAHO

STATE OF _____)
) ss
COUNTY OF _____)

CORPORATE
(For use in all states)

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___.

My Commission Expires: _____

_____
Notary Public

Address: _____

RODUCERS 88-PAID UP

11183

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 18th day of November, 19 97, by and between Paul Stevens, Trustee of the J. Chauncey Clark Testamentary Trust whose post office address is 516 West Moose, Pinedale, Wyoming 82941 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden Street, Denver, Colorado 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten and more (10.00) DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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:

266602

TOWNSHIP 33 NORTH, RANGE 109 WEST
Section 6: SW¼NE¼

TOWNSHIP 34 NORTH, RANGE 109 WEST
Section31: Lot 3 and SE¼SW¼

RECORDED April 3 1998 M 2:00p
IN BOOK 107 OR6 PAGE 433
FEES $ 8.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Saxton

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 0-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and

containing 114.40 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of three (3) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor one-eighth (1/8) 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 (1/8), payable monthly at the well head price.

3rd. To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of one-eighth (1/8) of the proceeds, at the mouth of the well, payable monthly at the well head price.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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.

16. All references herein made to a 1/8th royalty, are hereby amended to read 16% royalty.

Paul D. Stevens, Trustee

Paul Stevens, as Trustee of the J. Chauncey Clark Testamentary Trust

STATE OF WYOMING
COUNTY OF SUBLETTE } 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 18th day of November, 19 97 personally appeared Paul Stevens, as Trustee of the J. Chauncey Clark Testamentary Trust.

and

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that he duly executed the same as his free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires

RAYMOND C. MUNSON NOTARY PUBLIC
COUNTY OF SUBLETTE STATE OF WYOMING
MY COMMISSION EXPIRES OCT. 31, 2001

Notary Public.

Address: Pinedale, WY

STATE OF
COUNTY OF } ss

ACKNOWLEDGMENT—INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____, 19 ____ personally appeared

and

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires

Notary Public.

Address:

STATE OF
COUNTY OF } ss

CORPORATE
(For use in all states)

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____.

My Commission Expires

Notary Public.

Address:

435

1118/A

PRODUCERS 88-PAID UP

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 3 day of Febguary 1998 by and between Mary Anne L. Hittle, a widow whose post office address is 79 S. Bench Road, Pinedale, WY 82491 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden St., Ste. 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of ten and more ($10.00+) DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 32 North, Range 108 West, 6th P.M.
Section 3: Lot 1(35.19), Lot 2(35.25), S2NE, S2NW
Section 3: Lot 4(35.37) less and except a 3.0 acre tract as described in QCD 10/101

Township 32 North, Range 108 West, 6th P.M.
Section 4: Lot 1(35.36), SENE

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing 338.17 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of five (5) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking 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 obligations thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor one-eighth (1/8) 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 (1/8), payable monthly at the well head price.

3rd. To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of one-eighth (1/8) of the proceeds, at the mouth of the well, payable monthly at the well head price.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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 confirm 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.

X Mary Anne L. Hittle
Mary Anne L. Hittle

266603

X 026-32-8125
SSN

RECORDED April 3 1998 M 2:00p
IN BOOK D106 PAGE 435
FEES $8.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Saxton

[redacted] [redacted] [redacted]

STATE OF Wyoming)
) ss.
COUNTY OF Sublette)

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 13 day of February, 1998, personally appeared Mary Anne L. Hittle

and

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that she duly executed the same as her free and voluntary act and deed for the 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.

NOTARY PUBLIC SUBLETTE COUNTY, WYOMING

My Commission Expires: August 7, 2000

X Lee Pape
Notary Public

Address: X Pinedale, Wyoming

STATE OF _____)
) ss
COUNTY OF _____)

ACKNOWLEDGMENT-INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this ___ day of _____, 1998, personally appeared _____

and _____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires: _____

_____
Notary Public

Address: _____

STATE OF _____)
) ss
COUNTY OF _____)

CORPORATE
(For use in all states)

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___.

My Commission Expires: _____

_____
Notary Public

Address: _____

437

1115

PRODUCERS 88-PAID UP

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 26 day of November 1997 by and between Donald W. Rogers, Jr. and Carol Sue Rogers, h/w whose post office address is P.O. Box 113, Boulder, WY 82923 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden St., Ste. 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of ten and more ($10.00+) DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 32 North, Range 108 West, 6th P.M.
Section 11: SE,
Section 14: W2NE, NENE, E2SW, SENW, S2NENW

together with any revisionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing 420.00 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of five (5) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking 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 obligations thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor one-eighth (1/8) 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 (1/8), payable monthly at the well head price.

3rd. To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of one-eighth (1/8) of the proceeds, at the mouth of the well, payable monthly at the well head price.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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.

x Donald W. Rogers, Jr. SSN-x 520-46-6596
Donald W. Rogers, Jr.

x Carol Sue Rogers SSN-x 520-54-0055
Carol Sue Rogers

266604

RECORDED April 3 1998 M 2:00p
IN BOOK 107 Oil & Gas PAGE 437
FEES $ 8.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Saxton

[redacted] [redacted] [redacted]

STATE OF Wyoming)
) ss.
COUNTY OF Sublette)

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 Sate, on this 5th day of December, 1997, personally appeared Donald W. Rogers, Jr.

and Carol Sue Rogers

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that they duly executed the same as their free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires: June 30, 2001

Notary Public

Address: 43 Granite Lane, Pinedale, Wy 82941

STATE OF _____)
) ss
COUNTY OF _____)

ACKNOWLEDGMENT-INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and Sate, on this ___ day of _____, 19___ personally appeared ___

and _____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires: _____

Notary Public

Address: _____

STATE OF _____)
) ss
COUNTY OF _____)

CORPORATE
(For use in all states)

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___.

My Commission Expires: _____

Notary Public

Address: _____

11173

PRODUCERS 88-PAID UP

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 21 day of October, 19 97, by and between John E. Danze, aka Jack Danze, and Bonnie J. Danze, husband and wife whose post office address is 1578 Alisal Ave., San Jose, CA 95125 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc whose post office address is 1557 Ogden st., Suite 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of ten and more ($10.00+) DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 32 North, Range 108 West, 6th P.M.
Section 13: NE, NWNW

266605

RECORDED April 3 1998 M 2:00p
IN BOOK 107 Oto PAGE 439.
FEES $ 8.00 COUNTY CLERK
SUBLETTE COUNTY PINEDALE, Wyoming
By Cat Saxton

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing 200.00 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of five (5) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor one-eighth (1/8) 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 (1/8), payable monthly at the well head price.

3rd. To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of one-eighth (1/8) of the proceeds, at the mouth of the well, payable monthly at the well head price.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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.

x John E Danze
John E. Danze — SSN - x 508-16-7803

x Bonnie J Danze
Bonnie J. Danze — SSN - x 505-22-3275

STATE OF California
COUNTY OF x Santa Clara } 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 x 7th day of x November, 19 97 personally appeared John E. Danze

and Bonnie J. Danze

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that they duly executed the same as their free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires x 6.2.2000

MGC1 PAT JOHNSON Comm. #1099131 NOTARY PUBLIC - CALIFORNIA SANTA CLARA COUNTY Comm. Exp. June 2, 2000 MGC1

x [signature]
Notary Public.

Address: x 5353 Almaden Xpwy
San Jose CA 95118

STATE OF _____
COUNTY OF _____ } ss

ACKNOWLEDGMENT—INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____, 19 ____ personally appeared _____

and _____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires _____

Notary Public.

Address: _____

STATE OF _____
COUNTY OF _____ } ss

CORPORATE
(For use in all states)

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_____.

My Commission Expires _____

Notary Public.

Address: _____

441

PRODUCERS 88-PAID UP

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 26 day of November 1997 by and between Roxanna M. Jensen, as attorney-in-fact for Donald W. Rogers and Nellie P. Rogers, life tenants whose post office address is P.O. Box 341, Pinedale, WY 82941 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden St., Ste. 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of ten and more ($10.00+) DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 32 North, Range 108 West, 6th P.M.
Section 14: N2NENW

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing 20.00 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of five (5) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking 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 obligations thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor one-eighth (1/8) 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 (1/8), payable monthly at the well head price.

3rd. To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of one-eighth (1/8) of the proceeds, at the mouth of the well, payable monthly at the well head price.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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 confirm 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.

X Roxanna M. Jensen
Roxanna M. Jensen, as attorney-in-fact
Power of Attorney

SSN-X 520-16-7950 (Donald W Rogers, Sr)

266606

RECORDED April 3 1998 M 2:00p
IN BOOK 107 PAGE 441
FEES $8.00
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Guyton

[redacted] [redacted] [redacted]

STATE OF Wyoming)
) ss.
COUNTY OF Sublette)

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 Sate, on this 23rd day of December, 1997, personally appeared Roxanna M. Jensen

and

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that she duly executed the same as her free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires: June 30 2001

Nancy R. Kanwischer
County of
Sublette
My Commission Expires
June 30, 2001

Notary Public
Address: #3 Granite Lane, Pinedale, Wy 82941

STATE OF _____)
) ss
COUNTY OF _____)

ACKNOWLEDGMENT-INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and Sate, on this ___ day of _____, 19___ personally appeared ___

and

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that ____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires: _____

Notary Public

Address: _____

STATE OF _____)
) ss
COUNTY OF _____)

CORPORATE
(For use in all states)

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___.

My Commission Expires: _____

Notary Public

Address: _____

1130

PRODUCERS 88-PAID UP

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 22nd day of October, 1997, by and between Blaha Ranch, Inc., a Wyoming Corporation whose post office address is P.O. Box 94, Boulder, WY 82923 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden, Suite 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten ($10.00) and more DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 32 North, Range 107 West, 6th P.M.
Section 7: Lots 1(36.40), 2(36.40), 3(34.00), 5(38.45), 6(39.07), 7(39.69), N/2SE/4, SW/4SE/4, E/2SW/4

266607

RECORDED April 3, 1998 2:00 PM
IN BOOK 107 O&G PAGE 443
FEES $8.00
SUBLETTE COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Burton

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and

containing 424.01 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of Five (5) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor one-eighth (1/8) 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 (1/8), payable monthly at the well head price.

3rd. To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of one-eighth (1/8) of the proceeds, at the mouth of the well, payable monthly at the well head price.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operations thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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.

[redacted] [redacted] [redacted]

[redacted] [redacted] [redacted]

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.

x Edith Susan Blaha
Edith Susan Blaha, President
Blaha Ranch, Inc., a Wyoming Corporation

[redacted]

STATE OF _____ } ss
COUNTY OF _____ }

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 _____ day of _____, 19 ____ personally appeared _____

and _____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires _____

_____
Notary Public.

Address: _____

STATE OF _____ } ss
COUNTY OF _____ }

ACKNOWLEDGMENT—INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____, 19 ____ personally appeared _____

and _____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires _____

_____
Notary Public.

Address: _____

STATE OF Wyoming } ss
COUNTY OF Sublette }

CORPORATE
(For use in all states)

On this Seventh day of November, A.D. 19 97, before me personally appeared Edith Susan Blaha to me personally known, who, being by me duly sworn, did say that she is the President of Blaha Ranch, Inc., a Wyoming Corporation 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 Edith Susan Blaha Nancy Benton Smith acknowledged said instrument to be the free act and deed of said corporation.

Witness my hand and seal this Seventh day of November A.D., 19 97

My Commission Expires November 14th 2000

[redacted]

Nancy Benton Smith
Notary Public.

Address: Boulder, Wyoming

11149

PRODUCERS 88-PAID UP

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 22nd day of October, 1997, by and between John Blaha and Edith Susan Blaha, husband and wife whose post office address is P.O. box 94, Boulder, WY 82923 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden, Suite 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten ($10.00) and more DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 32 North, Range 108 West, 6th P.M.
Section 12: SE/4SE/4SE/4

RECORDED April 3 1998 M 2:00p
IN BOOK 157 OR6 PAGE 445
FEES $8.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By/ Cathy Scatton

266608

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and

containing 10.00 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of Five (5) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor one-eighth (1/8) 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 (1/8), payable monthly at the well head price.

3rd. To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of one-eighth (1/8) of the proceeds, at the mouth of the well, payable monthly at the well head price.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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 Lessor, 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.

x John Blaha
John Blaha

x Edith Susan Blaha
Edith Susan Blaha

STATE OF Wyoming
COUNTY OF Sublette
} 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 7th day of November, 19 97 personally appeared John Blaha and Edith Susan Blaha, husband and wife

and

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that they duly executed the same as their free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires November 14th 2,000

Notary Public.

Address: Boulder, WY 82923

STATE OF _____
COUNTY OF _____
} ss

ACKNOWLEDGMENT—INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____, 19 ____ personally appeared _____

and _____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires _____

Notary Public.

Address: _____

STATE OF _____
COUNTY OF _____
} ss

CORPORATE
(For use in all states)

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_____.

My Commission Expires _____

Notary Public.

Address: _____

447

PRODUCERS 88-PAID UP

OIL AND GAS LEASE

266609

11195

RECORDED April 3 1998 2:30p M
IN BOOK 107 OIL & G PAGE 447
FEES $ 8.00 COUNTY CLERK
SUBLETTE COUNTY, WYOMING

AGREEMENT, Made and entered into the 18th day of November

Louise Noble and Richard R. Noble, Trustees of the Louise Noble Living Trust, dated 2-21-96, By Carl Booker

Richard R. Noble and Louise Noble, Trustees of the Richard R. Noble Living Trust dated 2-21-96

whose post office address is P.O. box 25, Cora, WY 82925 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden, Suite 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten ($10.00) and more DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 34 North, Range 110 West, 6th P.M.

Section 30: A tract of land being that portion of SW/4NE/4 lying North of the North boundary line of Wyoming State Highway 191.

Wherever the term 1/8th royalty appears herein shall be amended to read 16.00% royalty.

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing 38.20 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of Five (5) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor for gas of whatsoever nature or kind (with all of its constituents) produced and sold or used off the leased premises, or used in the manufacture of products therefrom, one-eighth (1/8th) of the actual amount received by the Lessee, said payments to be made monthly.

4. During any period (whether before or after expiration of the primary term hereof) when gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or operations on said leased premises sufficient to keep this lease in force, Lessee shall pay or tender a royalty of One Dollar ($1.00) per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut in and thereafter on the anniversary date of this lease during the period such well is shut in, to the royalty owners. When such payment or tender is made, it will be considered that gas is being produced within the meaning of the entire lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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.

[redacted] [redacted] [redacted]

[redacted]

2N
RRN

[redacted] for Lessor, by payment, any mortgage, 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 Lessor, 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 [redacted]

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.

X Richard R. Noble
Richard R. Noble, Trustee

X Louise Noble
Louise Noble, Trustee

STATE OF Wyoming
COUNTY OF Sublette } 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 9th day of January, 19 98 personally appeared Richard R. Noble and Louise Noble, Trustees of the Richard R. Noble Trust, dated 2-21-96 and Louise Noble and Richard R. Noble, Trustees of the Louise Noble Living Trust dated 2-21-96

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that THEY duly executed the same as their free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires 10-31-2002

RAYMOND C. MUNSON NOTARY PUBLIC
COUNTY OF SUBLETTE STATE OF WYOMING
MY COMMISSION EXPIRES OCT. 31, 2001

Raymond C. Munson
Notary Public.

Address: Pinedale, Wyoming

STATE OF _____
COUNTY OF _____ } ss

INDIVIDUAL.
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____ 19 ____ personally appeared _____

and _____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires _____

Notary Public.

Address: _____

STATE OF _____
COUNTY OF _____ } ss

CORPORATE
(For use in all states)

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____.

My Commission Expires _____

Notary Public.

Address: _____

PRODUCERS 88-PAID UP

OIL AND GAS LEASE

266610

RECORDED April 3, 1998 M 2:00p
IN BOOK 107, 046 PAGE 449
FEES $ 8.00 [illegible] COUNTY CLERK
SUBLETTE COUNTY [illegible]

AGREEMENT, Made and entered into the 18th day of November
Richard R. Noble and Helen Louise Noble, husband and wife
whose post office address is P.O. Box 25, Cora, WY 82925 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden, Suite 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten ($10.00) AND MORE DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 34 North, Range 110 West, 6th P.M.
Section 3: W/2SE/4, NE/4SW/4, N/2SE/4SW/4, SE/4SE/4SW/4 less a 1.8 acre tract described in that Warranty Deed dated 2-8-87 recorded in Deed Book 27, Page 208.
Section 11: W/2, W/2E/2

Wherever the term 1/8th royalty appears herein shall be amended to read 16.00% royalty.

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing 628.20 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of Five (5) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor one-eighth (1/8) 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 (1/8), payable monthly at the well head price.

3rd. To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of one-eighth (1/8) of the proceeds, at the mouth of the well, payable monthly at the well head price.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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 [illegible]

RR
A LM

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.

x Richard R. Noble
Richard R. Noble
520-42-4239

x Helen Louise Noble
Helen Louise Noble

STATE OF Wyoming
COUNTY OF Sublette } 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 9th day of January, 1998 personally appeared Richard R. Noble and Helen Louise Noble, husband and wife

and

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that they duly executed the same as their free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires 10-31-2002

RAYMOND C. MUNSON NOTARY PUBLIC
COUNTY OF SUBLETTE STATE OF WYOMING
MY COMMISSION EXPIRES OCT. 31, 2001

Raymond C. Munson
Notary Public.
Address: Pinedale, Wyoming

STATE OF _____
COUNTY OF _____ } ss

ACKNOWLEDGMENT—INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____, 19 ____ personally appeared _____

and _____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires _____

_____
Notary Public.

Address: _____

STATE OF _____
COUNTY OF _____ } ss

CORPORATE
(For use in all states)

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_____.

My Commission Expires _____

_____
Notary Public.

Address: _____

11147

PRODUCERS 88-PAID UP

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 18th day of November, 19 97, by and between

James N. Nelson and Tina Marie Nelson, husband and wife

whose post office address is P.O. Box 91, Cora, WY 82925 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden, Suite 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten ($10.00) and more DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 34 North, Range 110 West, 6th P.M.
Section 3: SE/4SE/4

2:00p
RECORDED April 3 1998 M
IN BOOK 107 OR6 PAGE 451
FEES $ 8.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Buxton

266611

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and

containing 40.00 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of Five (5) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor for gas of whatsoever nature or kind (with all of its constituents) produced and sold or used off the leased premises, or used in the manufacture of products therefrom, one-eighth (1/8th) of the actual amount received by the Lessee, said payments to be made monthly.

4. During any period (whether before or after expiration of the primary term hereof) when gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or operations on said leased premises sufficient to keep this lease in force, Lessee shall pay or tender a royalty of One Dollar ($1.00) per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut in and thereafter on the anniversary date of this lease during the period such well is shut in, to the royalty owners. When such payment or tender is made, it will be considered that gas is being produced within the meaning of the entire lease.

5. If said Lessor owns a less interest in the above described land then the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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.

[redacted] [redacted] [redacted]

TMN

~~16. Lessee 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.

x James N. Nelson
James N. Nelson
SS# 519-94-0063

x Tina Marie Nelson
Tina Marie Nelson
520-80-6180

STATE OF Wyoming
COUNTY OF Sublette } 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 _____ day of _____, 19 97
personally appeared James N. Nelson and Tina Marie Nelson, husband and wife
and
to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that they duly executed the same as their free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires Aug 7, 2000

SHARI PAPE
County of
Sublette
My Commission Expires

Notary Public
State of
Wyoming
Aug. 7, 2000

Shari Pape
Notary Public.
Address: Box 250 Pinedale WY 82941

STATE OF _____
COUNTY OF _____ } ss

INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____, 19 ____
personally appeared _____
and _____
to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires _____

_____
Notary Public.

Address: _____

STATE OF _____
COUNTY OF _____ _____ } ss

CORPORATE
(For use in all states)

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_____.

My Commission Expires _____

_____
Notary Public.

Address: _____

453

PRODUCERS 88-PAID UP

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 29 day of October 1997 by and between Thomas H. Newman and Mary M. Newman, as co-trustees of the Mary Morgan Newman Trust whose post office address is 445 Elm St., Denver, CO 80220 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden St., Ste. 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of ten and more ($10.00+) DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 32 North, Range 108 West, 6th P.M.
Section 25: NWNE, N2NW

together with any revisionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing 120.00 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of five (5) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking 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 obligations thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor one-eighth (1/8) 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 (1/8), payable monthly at the well head price.

3rd. To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of one-eighth (1/8) of the proceeds, at the mouth of the well, payable monthly at the well head price.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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 confirm 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.

x Thomas H. Newman
Thomas H. Newman

SSN: x 522-40-0072

x Mary M. Newman
Mary M. Newman

SSN: x 472-34-3396

266612

RECORDED April 3 1998 M 2:00p
IN BOOK 107 O&G PAGE 453
FEES $8.00 COUNTY CLERK
SUBLETTE COUNTY, WYOMING
By Cathy Buxton

[redacted] [redacted] [redacted]

STATE OF Colorado)
) ss.
COUNTY OF X Denver)

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 Sate, on this 26 day of November, 1997, personally appeared Thomas H. Newman

and Mary M. Newman

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that they duly executed the same as their free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires: X My Commission Expires 08/25/2001

X [signature]
Notary Public

Address: X 400 S. Colorado Blvd

KROEKER NOTARIAL SEAL NOTARIAL SEAL STATE OF COLORADO

STATE OF _____)
) ss
COUNTY OF _____)

ACKNOWLEDGMENT-INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and Sate, on this ___ day of _____, 19___ personally appeared ___

and _____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires: _____

_____
Notary Public

Address: _____

STATE OF _____)
) ss
COUNTY OF _____)

CORPORATE
(For use in all states)

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___.

My Commission Expires: _____

_____
Notary Public

Address: _____

PRODUCERS 88-PAID UP

OIL AND GAS LEASE

W. D. Thomas
1304 Marchant
Rock Springs, Wyo 82901

AGREEMENT, Made and entered into the 21 day of October, 1997, by and between William D. Thomas, a widower whose post office address is 1304 Marchant, Rock Springs, WY 82901 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden St., Suite 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of ten and more ($10.00+) DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 32 North, Range 108 West, 6th P.M.
Section 22: SW, N2SE
Section 25: NWNE, N2NW

266613

RECORDED April 3 1998 2:00p M
IN BOOK 107 OR PAGE 455
FEES $8.00
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Burton

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot or approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing 360.00 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of five (5) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor one-eighth (1/8) 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 (1/8), payable monthly at the well head price.

3rd. To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of one-eighth (1/8) of the proceeds, at the mouth of the well, payable monthly at the well head price.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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.

[redacted] [redacted] [redacted]

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.

X William D. Thomas
William D. Thomas

SSN - X 432 09 9132

STATE OF Wyoming
COUNTY OF X Sweetwater } 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 X 7th day of X November, 19 97 personally appeared William D. Thomas

and

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that he duly executed the same as his free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires X 11-4-98

PATRICIA McDONOUGH - NOTARY PUBLIC
COUNTY OF SWEETWATER
STATE OF WYOMING

X Patricia McDonough
Notary Public. 1313 McKinley Ave
Address: X Rock Springs, Wy 82901

STATE OF _____
COUNTY OF _____ } ss

ACKNOWLEDGMENT—INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____, 19 ____ personally appeared

and

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires _____

Notary Public.

Address: _____

STATE OF _____
COUNTY OF _____ } ss

CORPORATE
(For use in all states)

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_____.

My Commission Expires _____

Notary Public.

Address: _____

457

PRODUCERS 88-PAID UP

11140 N

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 15th day of October, 19 97, by and between J. Paul Allen

whose post office address is P.O. Box 766, Washington, UT 84780-0766 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc, whose post office address is 1557 Ogden, Suite 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten ($10.00) and more DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 33 North, Range 108 West, 6th P.M.
Section 19: E/2SW/4
Section 30: E/2NW/4

RECORDED April 3 1998 M 2:00p
IN BOOK 100 Pt6 PAGE 457
FEES $ 8.00 in COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Easton

266614

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing 160.00 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of Five (5) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor one-eighth (1/8) 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 (1/8), payable monthly at the well head price.

3rd. To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of one-eighth (1/8) of the proceeds, at the mouth of the well, payable monthly at the well head price.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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.

[redacted] [redacted] [redacted]

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.

J. Paul Allen
SS# 520-05-7650

STATE OF Utah
COUNTY OF Washington } 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 28th day of October, 1997 personally appeared J Paul Allen

and

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that he duly executed the same as his free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires May 19, 2001

NOTARY PUBLIC
SHAREEN HOLT
One South Main
St. George, UT 84770
COMMISSION EXPIRES
MAY 19, 2001
STATE OF UTAH

Shareen Holt
Notary Public.

Address: St George, Ut. 84770

STATE OF _____
COUNTY OF _____ } ss

ACKNOWLEDGMENT—INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____, 19____ personally appeared _____

and _____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires _____

Notary Public.

Address: _____

STATE OF _____
COUNTY OF _____ } ss

CORPORATE
(For use in all states)

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____.

My Commission Expires _____

Notary Public.

Address: _____

459

1139A

PRODUCERS 88-PAID UP

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 29 day of October 1997 by and between Thomas Carl Flynn, aka Tommy Flynn, a single man, and Daniel Paul Flynn, aka Danny Flynn, a single man, whose post office address is 208 Alamosa Ave., Alamosa, CO 81101 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden St., Ste. 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of ten and more ($10.00+) DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 32 North, Range 108 West, 6th P.M.
Section 13: S2SW
Section 24: N2NW

together with any revisionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing 160.00 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of five (5) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking 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 obligations thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor one-eighth (1/8) 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 (1/8), payable monthly at the well head price.

3rd. To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of one-eighth (1/8) of the proceeds, at the mouth of the well, payable monthly at the well head price.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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 confirm 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.

x Thomas Carl Flynn
Thomas Carl Flynn

SSN: x 520-50-9305

x Daniel Paul Flynn
Daniel Paul Flynn

SSN: x 520-50-9304

266615

RECORDED April 3 1998 M 8:00p
IN BOOK 107+6 PAGE 459
FEES $8.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Lawton

[redacted] [redacted] [redacted]

STATE OF Colorado)
) ss.
COUNTY OF ALAMOSA)

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 Sate, on this 3 day of November, 1997, personally appeared Thomas Carl Flynn

and Daniel Paul Flynn

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that they executed the same as their free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires: x 1/9/99

x Donna C. Flynn
Notary Public

Address: x 208 Alamosa Ave, Alamosa CO 81101

STATE OF _____)
) ss
COUNTY OF _____)

ACKNOWLEDGMENT-INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and Sate, on this ___ day of _____, 19___ personally appeared ___

and _____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires: _____

_____
Notary Public

Address: _____

STATE OF _____)
) ss
COUNTY OF _____)

CORPORATE
(For use in all states)

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___.

My Commission Expires: _____

_____
Notary Public

Address: _____

1-1208

PRODUCERS 88-PAID UP

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 15th day of October, 1997, by and between Jules S. Dreyfous and Margaret C. Dreyfous, husband and wife whose post office address is 4444 South 700 East, Suite 204, Salt Lake City, UT 84107 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden, Suite 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten ($10.00) and more DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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:

266616

RECORDED April 3 1998 M
IN BOOK 107 Bk6 PAGE 461
FEES $8.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Soaton

2.00

Township 33 North, Range 108 West, 6th P.M.
Section 7: SE/4SE/4
Section 17: SW/4NE/4, S/2NW/4, SW/4, SW/4SE/4
Section 18: NE/4, N/2SE/4
Section 20: E/2NW/4, NW/4NE/4

Wherever the term one-eighth(1/8) royalty appears herein, the term one-seventh (1/7) royalty shall be substituted

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and

containing 720.00 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of Five (5) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor one-eighth (1/8) 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 (1/8), payable monthly at the well head price.

3rd. To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of one-eighth (1/8) of the proceeds, at the mouth of the well, payable monthly at the well head price.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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.

[redacted] [redacted] [redacted]

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.

x Jules S Dreyfous
Jules S. Dreyfous
SS#

x Margaret C Dreyfous
Margaret C. Dreyfous

STATE OF Utah
COUNTY OF Salt Lake } 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 22nd day of October, 19 97 personally appeared Jules S. Dreyfous and Margaret C. Dreyfous, husband and wife

and

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that they duly executed the same as their free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires

Notary Public
CORI L.FASY
4444 South 700 East, Suite 204
Salt Lake City, Utah 84107
My Commission Expires
April 10, 2001
State of Utah

Cori L. Fasy
Notary Public.

Address:

STATE OF
COUNTY OF } ss

ACKNOWLEDGMENT—INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____, 19 ____ personally appeared

and

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires _____

Notary Public.

Address:

STATE OF
COUNTY OF } ss

CORPORATE
(For use in all states)

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 _____.

My Commission Expires _____

Notary Public.

Address:

11133 N

PRODUCERS 88-PAID UP

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 14th day of November, 1997, by and between Gary G. Jensen, a married man dealing in his sole and separate property whose post office address is 1697 Imperial, D42, Rock Springs, WY 82901 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden, Suite 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten ($10.00) and more DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 Sublette, described as follows, to-wit:

266617

RECORDED April 3 1998 2:00 M
IN BOOK 107 OR6 PAGE 463
FEES $ 8.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Saxton

Township 32 North, Range 108 West, 6th P.M.
Section 4: Lots 2(35.28), 3(35.20), SW/4NE/4
Township 33 North, Range 108 West, 6th P.M.
Section 26: SW/4
Section 34: SE/4NE/4, N/2SE/4, SE/4SE/4
Section 35: W/2

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing 750.48 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of Five (5) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor one-eighth (1/8) 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 (1/8), payable monthly at the well head price.

3rd. To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of one-eighth (1/8) of the proceeds, at the mouth of the well, payable monthly at the well head price.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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.

[redacted] [redacted] [redacted]

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.

X Gary G. Jensen

Gary G. Jensen

SS# 528-54-5650

STATE OF Wyoming }
COUNTY OF ~~Sublette~~ Sweetwater } 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 17th day of November, 19 97 personally appeared Gary G. Jensen, a married man dealing in his sole and separate property

and

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that he duly executed the same as his free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires 11-7-2000

KATHLEEN M. VESCO - NOTARY PUBLIC
COUNTY OF SWEETWATER STATE OF WYOMING
MY COMMISSION EXPIRES NOVEMBER 7, 2000

Kathleen M. Vesco
Notary Public.

Address: PO box 880 Rock Springs, WY 82902

STATE OF _____ }
COUNTY OF _____ } ss

ACKNOWLEDGMENT—INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____, 19 ___ personally appeared _____

and _____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires _____

_____
Notary Public.

Address: _____

STATE OF _____ }
COUNTY OF _____ } ss

CORPORATE
(For use in all states)

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___

My Commission Expires _____

_____
Notary Public.

Address: _____

111518

PRODUCERS 88-PAID UP

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 22nd day of October, 19 97 by and between Floyd E. Bousman, a single man

whose post office address is P.O. Box 98, Boulder, WY 82923 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden, Suite 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten ($10.00) and more DOLLARS 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, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 32 north, Range 108 West, 6th P.M.
Section 11: NE/4
Section 22: N/2

266618

RECORDED April 3 1998 2:00p M
IN BOOK 107 Of6 PAGE 465
FEES $ 8.00
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Barker

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing 480.00 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of Five (5) years from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, 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 reworking operations thereof, 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 reworking operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor for gas of whatsoever nature or kind (with all of its constituents) produced and sold or used off the leased premises, or used in the manufacture of products therefrom, one-eighth (1/8th) of the actual amount received by the Lessee, said payments to be made monthly.

4. During any period (whether before or after expiration of the primary term hereof) when gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or operations on said leased premises sufficient to keep this lease in force, Lessee shall pay or tender a royalty of One Dollar ($1.00) per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut in and thereafter on the anniversary date of this lease during the period such well is shut in, to the royalty owners. When such payment or tender is made, it will be considered that gas is being produced within the meaning of the entire lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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.

[redacted] [redacted] [redacted]

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.

X Floyd E. Bousman

Floyd E. Bousman

SS# 711-05-7619

STATE OF Wyoming }
COUNTY OF Sublette } 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 23rd day of October, 1997 personally appeared Floyd E. Bousman, a single man

and

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that he duly executed the same as his free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires 7-7-98.

Notary Public.

Address: Pinedale, Wyoming

STATE OF _____ }
COUNTY OF _____ } ss

INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____, 19__ personally appeared _____

and _____

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires _____

Notary Public.

Address: _____

STATE OF _____ }
COUNTY OF _____ } ss

CORPORATE
(For use in all states)

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_____.

My Commission Expires _____

Notary Public.

Address: _____

467

Producers 88
Rocky Mountain 1989
(Paid-Up Rev. 1996)

PAID-UP
OIL AND GAS LEASE

THIS AGREEMENT, made and entered into this 5th day of March 19 98 by and between Floyd L. Briggs, Jr., and Kathryn J. Briggs, with exclusive leasing rights for Mary L. Spence, also known as Mary Lozier, also known as Mary Louise Lozier, a married woman

of Rt. 2, Box 7, Pinedale, WY 82941, hereinafter called lessor (whether one or more), and Hanson & Strahn, Inc., of PO Box 3020, Cheyenne, WY 82003, hereinafter called lessee:

WITNESSETH:

1. That lessor, for and in consideration of Ten & More 10.00+ dollars ($) 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 permitees, 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:

RECORDED April 6 1998 M 8:10 A
IN BOOK 183 of Leases PAGE 467
FEES $ 10.00 and 2 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Deputy

See Exhibit "A" attached hereto and a part hereof

266621

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.

For the purpose of calculating payments provided for herein, it shall be deemed that the lands covered by this lease contain 160.0000 acres, whether there actually be more or less.

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, a well completed for the production of coalbed methane gas shall be deemed to be producing gas under this lease at all times when dewatering of the coal seams from which the coalbed methane gas will be produced is occurring. 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; drilling operations shall be deemed to be commenced 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 drilling operations shall be deemed to be commenced 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) 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) of the gas sold or used, provided that on gas sold the royalty shall be one-eighth (1/8) 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. This is a paid-up lease and all cash consideration first recited above and annual rentals have been paid to lessor in advance to keep this lease in full force and effect throughout the primary term. In consideration of the payment of such cash consideration and advance annual rentals, 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 the land described above, and as to any strata or stratum, by delivering to lessor or by filing of record a release or releases, and be relieved of all obligations thereafter accruing to the acreage surrendered.

4. Any payments required to be made to lessors pursuant to this lease, other than the payment of royalties, may be paid by lessee to the lessor or to lessor's credit in the Community First National Bank, at 440 Budd Ave., 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 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. All such payments may be made by cash, check or draft, mailed or delivered on or before the due date for that payment. Any payments so made shall be binding on the heirs, devisees, executors, administrators, and personal representatives of lessor and on lessor's successors in interest or on lessor's assigns.

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 continuously 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, an amount equal to $1.00 per year per net mineral acre covered by the lease. Such payments shall be made on or before the shut-in royalty payment date, as defined below, next occurring 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 anniversary date of this lease. Any shut-in royalty payment may be made by cash, draft or check, mailed or tendered on or before the shut-in royalty date. Lessee's failure to pay or tender, or properly 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 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. 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 which traverse cultivated lands 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 heretofore 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 unit.

[redacted] [redacted] [redacted]

[redacted] [redacted] [redacted]

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 covenants or conditions of this lease, either express or implied. No change in ownership of the land, royalties, or other payments, 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 royalties or other payments 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.

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 leased premises, and no royalties shall be payable hereunder upon any gas used for repressuring and recycling operations benefitting 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, telelax, 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 through lessor's bank of record for payment.

15. In the event lessor considers that lessee has not complied with all its obligations hereunder, either express or implied, lessor shall notify lessee in writing, setting out specifically in what respects lessee has breached this lease. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by lessor. The service of said notice shall be precedent to the bringing of any action by lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on lessee. Neither the service of said notice nor the doing of any acts by lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that lessee has failed to perform all its obligations hereunder. This lease shall never be forfeited or canceled 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, wars, 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.

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 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.

Floyd L. Briggs, Jr.
Floyd L. Briggs, Jr.
SS#

Kathryn J. Briggs
Kathryn J. Briggs
SS#

STATE OF Wyoming
COUNTY OF Sublette
} ss.

INDIVIDUAL

On this 5th day of March, 19 98, before me personally appeared Floyd L. Briggs, Jr., and Kathryn J. Briggs, with exclusive leasing for Mary L. Spence, also known as Mary Lozier, also known as Mary Louise Lozier, a married woman
to me known to be the person s described in, and who executed the foregoing instrument, and who acknowledged to me that t he 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 5th day of March, 19 98.

My commission expires: [illegible] 2000

Notary Public for the State of Wyoming
residing at Pinedale, Wyoming

STATE OF
COUNTY OF
} ss.

CORPORATE

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 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"

Exhibit "A" attached hereto and made a part hereof that certain Oil & Gas Lease dated March 5, 1998, by and between Floyd L. Briggs, Jr., and Kathryn J. Briggs with exclusive leasing rights for Mary L. Spence, also known as Mary Lozier, also known as Mary Louise Lozier, a married woman, as Lessor(s), and Hanson & Strahn, Inc., as Lessee.

SUBLETTE COUNTY, WYOMING

Township 34 North, Range 113 West, 6th P.M.
Section 2: SE/4

Containing 160.0000 gross acres, more or less.

1) It is understood and agreed between the parties hereto, that wherever the term one-eighth (1/8th) appears in the subject oil & gas lease, it shall by this reference be amended to read fifteen percent, (15%).

2) In the event this lease is not continued beyond its primary term by the provisions herein contained, lessee, its successors or assigns, has the option, but not the obligation, to extend this lease for an additional term of three (3) years from the date of the lease, and as long thereafter as oil and gas, or either of them, is produced from the leased premises or drilling operations are continuously prosecuted. This option to extend may be exercised by tendering to Lessor, their heirs, successors or assigns at the last known address, a net sum of Fifty Dollars per net mineral acre, ($50.00), on or before the expiration date of the primary term of this lease. Should this option be exercised as herein provided, it shall be considered for all purposes as though this lease originally provided for a primary term of eight (8) years.

Executed this 5th day of March, 1998.

Floyd L. Briggs, Jr.
Floyd L. Briggs, Jr.

Kathryn J. Briggs
Kathryn J. Briggs

PRODUCERS 88 - PAID UP
11-57 POOLING
Comp. Form

PAID-UP

OIL AND GAS LEASE

AGREEMENT, made and entered into the 20th Day of February 1998, by and between Brent V. Cheeney and Elizabeth N. Cheeney, husband and wife, P.O. Box 488, Pinedale, WY 82941, hereinafter called Lessor (whether one or more) and WLR, Inc. P. O. Box 4096, Casper, WY 82604, hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten and more ($10.00+) Dollars 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 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 33 North, Range 109 West, 6th P.M.
Section 5: Lot 13 of the Bloom Subdivision

266634

RECORDED April 16 1998 M
IN BOOK 107 Oth PAGE 476
FEES $ 8.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
11:30
By Cathy Seaton

and containing 1.00 acres more or less

1. It is agreed that this lease shall remain in force for a term of five (5) 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 the date of cessation of production or from the 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-eighth (1/8) part of all oil produced and saved from the leased premises.
   2nd. To pay Lessor one-eighth (1/8) 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 (1/8) payable monthly at the prevailing market rate for gas.
   3rd. To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of one-eighth (1/8) of the proceeds, at the mouth of the well, payable monthly at the prevailing market rate.

4. Where gas from a well 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 judgement 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

12. (continued) 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.

16. Surface operations shall not be conducted on the surface of leased premises without the prior written consent of the Lessor. Such consent shall not be unreasonably withheld.

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

x Brent V. Cheeney
Brent V. Cheeney

x Elizabeth N. Cheeney
Elizabeth N. Cheeney

SSN 520-88-9344

ACKNOWLEDGMENT

STATE OF **WYOMING**

COUNTY OF **SUBLETTE**

March BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 24th day of ~~February,~~ 1998 personally appeared **Brent V. Cheeney and Elizabeth N. Cheeney, husband and wife**, to me known to be the identical persons, described in and who executed the within and foregoing instrument and acknowledged to me that they duly executed the same as their free and voluntary act and deed for the uses and purposes therein set forth.

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

My Commission Expires: 2/21/1999

Susan Gulbrandson
Notary Public

SUSAN GULBRANDSON NOTARY PUBLIC SUBLETTE COUNTY, WYOMING

Susan Gulbrandson
Sublette County
My Commission Expires
Notary Public
State of Wyoming
Feb. 21, 1999

WY 651.BVC.OGL.wpd

STATE OF WYOMING)
)ss.
COUNTY OF SUBLETTE)

Federal No. 20-7

ASSIGNMENT OF OIL AND GAS INTERESTS

KNOW ALL MEN BY THESE PRESENTS:

THAT, the parties (whether one or more) identified and described on Exhibit "B" attached hereto and made a part hereof, each having offices at Samson Plaza, Two West Second Street, Tulsa, Oklahoma 74103, herein collectively called "Assignor," in consideration of Ten Dollars ($10.00) and other good and valuable consideration to it in hand paid, the receipt and sufficiency of which are hereby acknowledged, does hereby grant, bargain, convey, sell, assign, and transfer unto

HAYDEN OIL LIMITED PARTNERSHIP, a Texas Limited Partnership, whose address is c/o John P. Thompson, Jr., 1701 North Collins Boulevard, Suite 100, Richardson, Texas 75080, herein called "Assignee,"

all of Assignor's right, title, and interest, in and to the mineral interests, royalty interests and overriding royalty interests in the lands or leases more fully and completely described on Exhibit "A" attached hereto and made a part hereof, together with all rights and obligations incident thereto (all of which shall hereinafter collectively be referred to as the "Property"). Expressly retained by and reserved unto Assignor are any and all working interests in and to, or associated with, the lands, leases or wells described on Exhibit "A" hereto and existing as of the effective date of this Assignment.

Assignee, in consideration of the mutual benefits to be derived hereunder by its acceptance hereof, understands and agrees to the following terms and conditions:

A. Assignee shall (i) upon closing, but effective as of the effective date hereof, assume and be responsible for and comply with all duties and obligations of Assignor, express or implied, with respect to the interests conveyed herein, including, without limitation, those arising under or by virtue of any lease, contract, agreement, document, permit, applicable statute or rule, regulation or order of any governmental authority (specifically including without limitation, any governmental request or requirement to plug, re-plug and/or abandon any well of whatsoever type, status or classification, or take any clean-up or other action with respect to the Property, including the removal of any equipment associated therewith) and (ii) defend, indemnify and hold Assignor harmless from any and all claims in connection therewith, except any such claims asserted against Assignor prior to the effective date hereof.

B. Assignee shall defend, indemnify and hold Assignor harmless from any and all claims in favor of any person for personal injury, death or damage to property or to the environment, or for any other claims arising directly or indirectly from, or incident to, the use, occupation, operation, maintenance or abandonment of any of the interests conveyed herein, or condition of the Property, whether latent or patent, and whether arising from or contributed to by the negligence in any form of Assignor, its agents, employees or contractors, and asserted against Assignee and/or Assignor after the effective date hereof, whether or not any such claims result from conditions, actions or inactions at or before the effective date hereof.

C. Notwithstanding anything to the contrary herein, Assignee assumes any and all rights or obligations associated with gas imbalances attributable to the Property, regardless of when such imbalances occurred or accrued.

It is the intent of Assignor to convey, and this Assignment does hereby convey, to Assignee, subject to the reservations and conditions herein contained including, without limitation, the retention and reservation of any and all working interests in and to or associated with the lands, leases or wells described on Exhibit "A" hereto and existing on the effective date of this Assignment, all of Assignor's right, title, and interest, if any, on the effective date hereof in and to the Property, regardless of the omission of any lease or leases, errors in description, any incorrect or misspelled names or any transcribed or incorrect recording references. This Assignment does not convey any right, title, or interest that Assignor might acquire in or to the lands and/or leases described on Exhibit "A" subsequent to the effective date of this Assignment.

This Assignment is made subject to that certain unrecorded Purchase and Sale Agreement by and between Assignor and Assignee dated the 2nd day of February, 1998, and the terms of said unrecorded agreement shall control over any conflicting provisions hereof.

TO HAVE AND TO HOLD the same unto the said Assignee forever. The provisions hereof shall be covenants running with the land and shall inure to the benefit of and be binding upon Assignor and Assignee, their respective personal representatives, successors and assigns. This Assignment is made WITHOUT WARRANTY OF TITLE, EITHER EXPRESS OR IMPLIED, provided, however, that Assignee shall be entitled to full substitution and subrogation in and to all covenants and warranties by Assignor's predecessor's in title.

266646
TPA\ORDIVEST-97.008

RECORDED April 6, 1998 3:55 PM
IN BOOK 107 O&G PAGE 472
FEES $ 14.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING

Federal No. 20-7

By Cathy Sexton

IN WITNESS WHEREOF, the undersigned have executed this instrument on the date of the acknowledgments annexed hereto, but to be effective for all purposes from and after the 1st day of January, 1998.

ASSIGNOR:

SAMSON RESOURCES COMPANY, acting on its own behalf and as agent for those entities listed on Exhibit "B" attached hereto

By: _____
Douglas J. Jacobson, Attorney-in-Fact

ASSIGNEE:

HAYDEN OIL LIMITED PARTNERSHIP, a Texas Limited Partnership

By: THE J. T. PHILP COMPANY, a Texas Corporation, General Partner

By: _____
John P. Thompson, Jr., President of
The J. T. Philp Company, a Texas Corporation
General Partner

STATE OF OKLAHOMA)
) ss.
COUNTY OF TULSA)

The foregoing instrument was acknowledged before me this 30 day of March, 1998, by Douglas J. Jacobson, as Attorney-in-Fact on behalf of Samson Resources Company, an Oklahoma corporation.

_____
Linda K. Powell
Notary Public in and for Tulsa County, Oklahoma

My Commission Expires:
[illegible]

STATE OF OKLAHOMA)
) ss.
COUNTY OF TULSA)

The foregoing instrument was acknowledged before me this 31 day of March, 1998, by John P. Thompson, Jr., as President of The J. T. Philp Company, a Texas corporation, as General Partner for Hayden Oil Limited Partnership, a Texas Limited Partnership, on behalf of the partnership.

_____
Linda K. Powell (Sign)
Linda K. Powell (Print Name)
Notary Public in and for
Tulsa County, Oklahoma

My Commission Expires:
COMMISSION EXPIRES 10-18-2001

TPA\ORDIVEST-97.DOC

Federal No. 20-7

[redacted] [redacted] [redacted]

EXHIBIT "A"

PROPERTY

A

Federal No. 20-7
Section 7, Township 27 North, Range 111 West
Sublette County, Wyoming

All mineral interests, royalty interests and/or overriding royalty interests in and to the following described lands and/or leases.

Township 27 North, Range 111 West
Section 7: NE/4
Sublette County, Wyoming

END OF EXHIBIT "A"

EXHIBIT "B"

ASSIGNOR

SAMSON RESOURCES COMPANY,
an Oklahoma corporation, and
as successor via merger to
Samson Natural Gas Company,
an Oklahoma corporation,
d/b/a Samson Exploration Company

SAMSON OPERATING COMPANY
LIMITED PARTNERSHIP,
formerly an Oklahoma limited
partnership

SAMSON HYDROCARBONS COMPANY,
a Delaware corporation, and
formerly known as Grace Petroleum
Corporation

SAMSON PROPERTIES
INCORPORATED,
an Oklahoma corporation

DYCO PETROLEUM CORPORATION,
a Minnesota corporation

SAMSON LONE STAR LIMITED
PARTNERSHIP,
a Texas limited partnership

SAMSON-INTERNATIONAL, LTD.,
an Oklahoma corporation

SNYDER EXPLORATION COMPANY,
a Texas corporation

ACE COMPANY,
an Oklahoma partnership

ACE COMPANY II,
an Oklahoma partnership

ACE COMPANY III,
an Oklahoma partnership

ACE COMPANY IV,
an Oklahoma partnership

ACE V,
an Oklahoma partnership

RED "C" LIMITED,
an Oklahoma limited partnership

CHARLES SCHUSTERMAN ENTERPRISES,
an Oklahoma partnership

CHARLES SCHUSTERMAN,
individually and as husband of
Lynn N. Schusterman

LYNN N. SCHUSTERMAN,
wife of Charles Schusterman

STACY HELEN SCHUSTERMAN,
an individual

HAROLD JOSEY SCHUSTERMAN,
an individual

JEROME REED SCHUSTERMAN,
an individual

Charles O. Schusterman, Trustee, and
American Bank and Trust Company,
an Oklahoma corporation, Special Trustee,
for the JEROME REED SCHUSTERMAN
IRREVOCABLE TRUST
dated May 3, 1977

Lynn N. Schusterman and American Bank
and Trust Company, an Oklahoma
corporation, Co-Trustees for the
JEROME REED SCHUSTERMAN'S
CHILDREN'S IRREVOCABLE TRUST
dated May 3, 1977

Charles O. Schusterman, Trustee, and
American Bank and Trust Company,
an Oklahoma corporation, Special Trustee,
for the STACY HELEN SCHUSTERMAN
IRREVOCABLE TRUST
dated May 3, 1977

Lynn N. Schusterman and American Bank
and Trust Company, an Oklahoma
corporation, Co-Trustees for the
STACY HELEN SCHUSTERMAN'S
CHILDREN'S IRREVOCABLE TRUST
dated May 3, 1977

Stacy Helen Schusterman and Albert S.
Morrison, Co-Trustees of the STACY
FAMILY TRUST dated
November 23, 1984

Charles O. Schusterman, Trustee, and
American Bank and Trust Company,
an Oklahoma corporation, Special
Trustee for the HAROLD JOSEY
SCHUSTERMAN IRREVOCABLE
TRUST dated May 3, 1977

Lynn N. Schusterman and American Bank and Trust Company, Co-Trustees for the HAROLD JOSEY SCHUSTERMAN'S CHILDREN'S IRREVOCABLE TRUST dated May 3, 1977

SAMSON PROPERTIES 1973 OIL AND GAS INVESTMENT PROGRAM, an Oklahoma limited partnership,
SAMSON PROPERTIES 1986 DEVELOPMENT DRILLING PROGRAM LIMITED PARTNERSHIP, an Oklahoma limited partnership,
SAMSON PROPERTIES 1988 DEVELOPMENT DRILLING PROGRAM, an Oklahoma partnership

GEODYNE ENERGY INCOME PRODUCTION PARTNERSHIP I-A,
GEODYNE ENERGY INCOME PRODUCTION PARTNERSHIP I-B,
GEODYNE ENERGY INCOME PRODUCTION PARTNERSHIP I-C,
GEODYNE ENERGY INCOME PRODUCTION PARTNERSHIP I-D,
GEODYNE ENERGY INCOME PRODUCTION PARTNERSHIP I-E,
GEODYNE ENERGY INCOME PRODUCTION PARTNERSHIP I-F,
Oklahoma general partnerships

GEODYNE PRODUCTION PARTNERSHIP II-A,
GEODYNE PRODUCTION PARTNERSHIP II-B,
GEODYNE PRODUCTION PARTNERSHIP II-C,
GEODYNE PRODUCTION PARTNERSHIP II-D,
GEODYNE PRODUCTION PARTNERSHIP II-E,
GEODYNE PRODUCTION PARTNERSHIP II-F,
GEODYNE PRODUCTION PARTNERSHIP II-G,
GEODYNE PRODUCTION PARTNERSHIP II-H,
Oklahoma general partnerships

GEODYNE NOMINEE CORPORATION, a Delaware corporation

GEODYNE RESOURCES, INC., a Delaware corporation

SAMSON 83 CORPORATION, an Oklahoma corporation (formerly known as Dyco 83 Corporation)

SAMSON 84 CORPORATION, an Oklahoma corporation (formerly known as Dyco 84 Corporation)

SAMSON RESERVOIR PRODUCTION COMPANY, an Oklahoma corporation (formerly known as Senergy Energy Company)

END OF EXHIBIT "B"

THIRD AMENDMENT, MODIFICATION AND SUPPLEMENT TO MORTGAGE, DEED OF TRUST, SECURITY AGREEMENT, ASSIGNMENT OF PROCEEDS AND FINANCING STATEMENT

This Third Amendment, Modification and Supplement to Mortgage, Deed of Trust, Security Agreement, Assignment of Proceeds and Financing Statement (this "Agreement") dated as of March 31, 1998, is among Ultra Resources, Inc., a Wyoming corporation ("Mortgagor"), to John C. Walter, as Trustee ("Trustee"), and Western Gas Resources, Inc., (the "Secured Party").

RECITALS:

A. Mortgagor executed and delivered a Mortgage, Deed of Trust and Security Agreement, Assignment of Proceeds and Financing Statement dated as of November 4, 1997, covering the lands described on Exhibit A, attached hereto, and which was recorded in the real estate records of Sublette County, Wyoming on November 12, 1997, in Book 69 Mtg, Page 556; as amended by that certain First Amendment, Modification and Supplement to Mortgage, Deed of Trust, Security Agreement, Assignment of Proceeds and Financing Statement dated as of January 27, 1998, and as further amended by that certain Second Amendment, Modification and Supplement to Mortgage, Deed of Trust, Security Agreement, Assignment of Proceeds and Financing Statement dated as of February 25, 1998, (the foregoing instruments being collectively referred to as the "Mortgage").

B. Mortgagor and the Secured Party wish to further amend, extend and modify the liens created under the Mortgage in accordance with the terms hereof.

NOW, THEREFORE, Mortgagor, Trustee and the Secured Party, for and in consideration of the premises and the sum of TEN DOLLARS ($10.00) and other good and valuable consideration paid to Secured Party, the receipt and adequacy of which is hereby acknowledged, agree as follows:

1. Defined Terms. Unless otherwise defined herein, capitalized terms used herein which are defined in the Mortgage are used herein with the same defined meanings.

2. Amendment to Section 1.1. The Mortgage is hereby amended by changing the Maturity Date stated in Section 1.1, A., from April 1, 1998, to May 1, 1998, which shall be the Maturity Date for all purposes under the Mortgage.

3. Ratification of Amended Mortgage. The Mortgage as amended hereby shall remain in full force and effect as to the Collateral and is hereby ratified and confirmed by Mortgagor. Mortgagor ratifies and confirms that the Collateral is subject to and encumbered by the Mortgage.

266726

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RECORDED April 13, 19 98 2:25 PM
IN BOOK 107 Ord PAGE 477
FEES $ 90.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING
By Cathy Laxton

4. Ratification of Security Agreement. The Security Agreement contained in the Mortgage shall remain in full force and effect, and is hereby ratified and confirmed by Mortgagor. In furtherance of the foregoing, Mortgagor hereby regrants to the Secured Party a continuing security interest in and to the Collateral.

5. No Waiver. All of the liens and privileges and priorities existing under the Mortgage with respect to the Collateral are hereby renewed, extended and carried forward, and nothing contained herein shall be construed to release, cancel, terminate or otherwise impair the status or priority of the lien and security interest created by the Mortgage.

6. Representations. On and as of the date hereof, and after giving effect to this Amendment, Mortgagor confirms, reaffirms and restates the representations and warranties set forth in the Mortgage.

7. Governing Law. This Amendment shall be governed by and construed in accordance with the governing law set forth the Mortgage.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Third Amendment effective as of the date first written above.

MORTGAGOR AND DEBTOR:

ULTRA RESOURCES, INC.

By: _____
R. G. Jerry Albertus
President

ULTRA RESOURCES, INC. CORPORATE SEAL WYOMING CORPORATION

_____
Assistant Corp Secretary

The taxpayer identification number
of Ultra Resources, Inc. is:
96313237

TRUSTEE:

_____
John C. Walter

[signatures continue on following page]

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[signatures continued from preceding page]

SECURED PARTY:

WESTERN GAS RESOURCES, INC.

By: _____

SR. VICE PRESIDENT, OPERATIONS

ATTEST:

_____

The taxpayer identification number of Western Gas Resources, Inc. is:

84-1127613

This instrument was prepared by:

Barry W. Spector
1050-17th Street, Suite 1660
Denver, CO 80265

Z:\USERS\BSPECTOR\ULTEXT4.WP

[redacted] [redacted] [redacted]

STATE OF COLORADO)
) ss.
COUNTY OF)

The foregoing instrument was acknowledged before me this 31st day of March, 1998, by R. G. Jerry Albertus President of ULTRA RESOURCES INC.

Witness my Hand and Official Seal.

My Commission expires: 7/18/2000.

Amy Barton
Notary Public

STATE OF COLORADO)
) ss.
COUNTY OF ADAMS)

The foregoing instrument was acknowledged before me this 31st day of March, 1998, by Edward Abrak, Sr. V.P. Operations of WESTERN GAS RESOURCES, INC.

Witness my Hand and Official Seal.

My Commission expires: _____

JOAN H. BINGHAM
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expires July 16, 2000

Notary Public

STATE OF COLORADO)
) ss.
COUNTY OF ADAMS)

The foregoing instrument was acknowledged before me this 31st day of March, 1998, by John D. Walter.

Witness my Hand and Official Seal.

My Commission expires: _____

JOAN H. BINGHAM
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expires July 16, 2000

Notary Public

Z:\USERS\BSPECTOR\ULTEXT4.WP

EXHIBIT "A"

ATTACHED AND MADE A PART OF ASSIGNMENT AND BILL OF SALE DATED THE 7th DAY OF AUGUST, 1997, FROM BURLINGTON RESOURCES OIL & GAS COMPANY, AS ASSIGNOR, TO ULTRA RESOURCES, INC., AS ASSIGNEE

COUNTY	STATE	LEASE ID	LEASE FILE NUMBER	LEASE EFF DATE	LESSOR NAME	LESSEE NAME	RCD BOOK	RCD PAGE	LEGAL DESCRIPTION
SUBLETTE	WY	01633500	01633500	12/1/65	USA W-0320797	MARGARET ALLEN			T27N, R110W, 6TH PM SEC 23: SW4, SE4 SEC 26: SW4, N2SE4, SW4SE4, NW4, NE4
SUBLETTE	WY	20827800	WY 200 000	6/1/52	USA W-015314	EDWIN L GUENZEL			T30N, R108W, 6TH PM SEC 8: S2 SEC 9: S2 SEC 10: NE4, S2 SEC 14: SW4 SEC 15: ALL SEC 17: N2 SEC 22: NE4 SEC 23: NW4
SUBLETTE	WY	20827900	WY 201 000	6/1/52	USA W-06269	DONALD B ANDERSON			T31N, R109W, 6THPM SEC 13: ALL SEC 14: E2 SEC 24: E2SW4, N2, SE4 SEC 25: ALL SEC 35: W2, S2NE4
SUBLETTE	WY	20828000	WY 202 000	6/1/51	USA W-06270	ANDERSON, DONALD B			T31N, R109W, 6TH PM SEC 1: LOTS 1,2,3,4, S2NW4, NW4SW4 SEC 2: ALL SEC 3: ALL SEC 9: S2SE4 SEC 10: NE4, NW4SE4, W2 SEC 11: N2NW4 SEC 12: LOTS 6,7,8, 10, S2SE4, NE4SE4, SE4SW4

EXHIBIT "A"

ATTACHED AND MADE A PART OF ASSIGNMENT AND BILL OF SALE DATED THE 7th DAY OF AUGUST, 1997, FROM BURLINGTON RESOURCES OIL & GAS COMPANY, AS ASSIGNOR, TO ULTRA RESOURCES, INC., AS ASSIGNEE

COUNTY	STATE	LEASE ID	LEASE FILE NUMBER	LEASE EFF DATE	LESSOR NAME	LESSEE NAME	RCD BOOK	RCD PAGE	LEGAL DESCRIPTION
SUBLETTE	WY	20828100	WY 206 000	6/1/51	USA W-06283	SCHROEDER, FLOYD H			T30N, R108W, 6TH PM SEC 6: LOTS 3,4,5,6,7, E2SW4, SE4NW4 SEC 7: LOTS 1,2, E2NW4 T31N, R108W, 6TH PM SEC 19: LOTS 1-4, E2NW4, E2SW4 SEC 30: LOTS 1-4, E2W2 SEC 31: LOTS 1-4, E2W2
SUBLETTE	WY	20828200	WY 209 000	6/1/51	USA W-06286	ANDERSON, DONALD B			T32N, R109W, 6TH PM SEC 27: S2, NW4 SEC 28: SE4, NE4 SEC 33: E2 SEC 34: ALL SEC 35: ALL
SUBLETTE	WY	20828300	WY 210 000	7/1/51	USA W-06933	S J JELSO	11	231	T30N, R108W, 6TH PM SEC 5: ALL SEC 7: NE4 SEC 8: N2 T31N, R108W, 6TH PM SEC 17: SW4 SEC 18: E2 SEC 20: W2 SEC 30: E2 SEC 32: W2

482

EXHIBIT "A"

ATTACHED AND MADE A PART OF ASSIGNMENT AND BILL OF SALE DATED THE 7th DAY OF AUGUST, 1997, FROM BURLINGTON RESOURCES OIL & GAS COMPANY, AS ASSIGNOR, TO ULTRA RESOURCES, INC., AS ASSIGNEE

COUNTY	STATE	LEASE ID	LEASE FILE NUMBER	LEASE EFF DATE	LESSOR NAME	LESSEE NAME	RCD BOOK	RCD PAGE	LEGAL DESCRIPTION
SUBLETTE	WY	20828700	WY 214 000	6/1/52	USA W-015317	MANNING, R L			T32N, R109W, 6TH PM SEC 4: LOTS 8,9,10,15,16 SEC 9: ALL SEC 15: W2 SEC 21: NE4 SEC 22: N2 T33N, R109W, 6TH PM SEC 34: W2E2, E2W2
SUBLETTE	WY	20828800	WY 259 000	7/1/52	USA W-016155 SEGREGATED	ROBERT O ANDERSON			T30N, R107W, 6TH PM SEC 7: W2SE4 SEC 18: ALL SEC 19: ALL SEC 20: E2SE4, W2E2, W2 SEC 30: LOTS 1-4, E2W2, W2NE4
SUBLETTE	WY	20828900	WY 262 000	7/1/52	USA W-016158	PHIL D HELMIG			T30N, R107W, 6TH PM SEC 7: LOTS 1-4, E2W2 T30N, R108W, 6TH PM SEC 25: ALL SEC 26: ALL SEC 34: NE4, N2SE4, N2NW4 SEC 35: N2S2, N2, S2SE4
SUBLETTE	WY	20829000	WY 265 000	7/1/52	USA W-016161	PHIL D HELMIG			T30N, R108W, 6TH PM SEC 11: E2E2 SEC 12: ALL SEC 13: ALL SEC 14: NE4, N2SE4, SE4SE4, NE4NW4, S2NW4 SEC 24: ALL

483

EXHIBIT "A"

ATTACHED AND MADE A PART OF ASSIGNMENT AND BILL OF SALE DATED THE 7th DAY OF AUGUST, 1997, FROM BURLINGTON RESOURCES OIL & GAS COMPANY, AS ASSIGNOR, TO ULTRA RESOURCES, INC., AS ASSIGNEE

COUNTY	STATE	LEASE ID	LEASE FILE NUMBER	LEASE EFF DATE	LESSOR NAME	LESSEE NAME	RCD BOOK	RCD PAGE	LEGAL DESCRIPTION
SUBLETTE	WY	20828400	WY 211 000	7/1/51	USA W-06934 SEGREGATED	R A TROMBLEY	11	238	T30N, R108W, 6TH PM SEC 6: LOTS 1,2, S2NE4, SE4 SEC 7: LOTS 3, 4, E2SW4, SE4 T31N, R108W, 6THPM SEC 19: E/2 SEC 29: W2 SEC 31: E2 T30N, R109W, 6TH PM SEC 11: SE4 SEC 12: S2
SUBLETTE	WY	20828500	WY 212 000	6/1/52	USA W-015315	GUENZEL, MARY A			T32N, R109W, 6TH PM SEC 7: LOTS 1,2,5,6,7,8,11,12 SEC 18: E2 SEC 19: E2 SEC 20: ALL SEC 21: W2 T33N, R109W, 6PM SEC 32: SW4, S2NW4, NE4NW4
SUBLETTE	WY	20828600	WY 213 000	6/1/52	USA W-015316 ✓	MANNING, FRED M JR			T30N, R108W, 6TH PM SEC 3: SW4 SEC 4: ALL SEC 9: N2 SEC 10: NW4 T31N, R108W, 6TH PM SEC 29: E2 SEC 32: E2 SEC 33: W2

484

EXHIBIT "A"

ATTACHED AND MADE A PART OF ASSIGNMENT AND BILL OF SALE DATED THE 7th DAY OF AUGUST, 1997, FROM BURLINGTON RESOURCES OIL & GAS COMPANY, AS ASSIGNOR, TO ULTRA RESOURCES, INC., AS ASSIGNEE

COUNTY	STATE	LEASE ID	LEASE FILE NUMBER	LEASE EFF DATE	LESSOR NAME	LESSEE NAME	RCD BOOK	RCD PAGE	LEGAL DESCRIPTION
SUBLETTE	WY	20829100	WY 266 000	7/1/52	USA W-016162	PHIL D HELMIG			T30N, R108W, 6TH PM SEC 1: LOTS 2-4, SW4NE4, S2, S2NW4 SEC 2: ALL SEC 3: LOTS 1-4, S2N2, N2SE4, SE4SE4 SEC 11: W2E2, W2 SEC 27: E2, E2W2
SUBLETTE	WY	20829200	WY 271 000	7/1/52	USA W-016167 SEGREGATED	H E HARRINGTON			T32N, R109W, 6TH PM SEC 3: LOT 4, SW4NW4, W2SW4, SE4SW4 T33N, R109W, 6TH PM SEC 19: LOTS 1-4, E2W2 SEC 27: SW4, SW4NW4, SW4SE4 SEC 30: ALL SEC 31: ALL SEC 34: E2E2 SEC 35: SW4, SW4NW4
SUBLETTE	WY	20839300	WY 273 000	10/1/52	USA W-018039	MORRIS KLINE			T30N, R108W, 6TH PM SEC 3: SW4SE4 SEC 14: SW4SE4, NW4NW4 SEC 17: SE4SE4 SEC 18: NE4NE4 SEC 22: NE4SW4 SEC 23: SW4NE4 T31N, R108W, 6TH PM SEC 33: NW4NE4, SW4SE4

485

EXHIBIT "A"

ATTACHED AND MADE A PART OF ASSIGNMENT AND BILL OF SALE DATED THE 7th DAY OF AUGUST, 1997, FROM BURLINGTON RESOURCES OIL & GAS COMPANY, AS ASSIGNOR, TO ULTRA RESOURCES, INC., AS ASSIGNEE

COUNTY	STATE	LEASE ID	LEASE FILE NUMBER	LEASE EFF DATE	LESSOR NAME	LESSEE NAME	RCD BOOK	RCD PAGE	LEGAL DESCRIPTION
SUBLETTE	WY	20829400	WY 284 000	4/1/50	USA W-026025	GRISELDA M BENNETT			T31N, R109W, 6TH PM SEC 14: S2NW4, SW4 SEC 15: LOT 7, 8, E2SW4, SE4 SEC 22: E2, NW4 SEC 23: ALL SEC 24: W2SW4 SEC 26: ALL SEC 27: E2NE4 SEC 35: N2NE4
SUBLETTE	WY	20829500	WY 285 000	4/1/50	USA W-026026	ELIZABETH RAWSON			T31N, R109W, 6TH PM SEC 11: LOT 1 SEC 12: LOT 5 & 9 (MORE FULLY DESCRIBED IN LEASE) SEC 15: LOTS 7 & 8 IN RIVER BED.
SUBLETTE	WY	20829600	WY 296 000	10/1/51	USA W-08589	JEAN HARMON			T32N, R109W, 6THPM SEC 5: LOTS 2-4, S2 SEC 6: LOT 1-10, SE4 SEC 7: E2 SEC 8: ALL SEC 17: ALL
SUBLETTE	WY	20829700	WY 299 000	11/1/51	USA W-08592	GWEN KEIF			T33N, R109W, 6TH PM SEC 21: S2S2 SEC 28: ALL SEC 29: ALL SEC 32: E2 SEC 33: ALL SEC 34: W2W2

EXHIBIT "A"

ATTACHED AND MADE A PART OF ASSIGNMENT AND BILL OF SALE DATED THE 7th DAY OF AUGUST, 1997, FROM BURLINGTON RESOURCES OIL & GAS COMPANY, AS ASSIGNOR, TO ULTRA RESOURCES, INC., AS ASSIGNEE

COUNTY	STATE	LEASE ID	LEASE FILE NUMBER	LEASE EFF DATE	LESSOR NAME	LESSEE NAME	RCD BOOK	RCD PAGE	LEGAL DESCRIPTION
SUBLETTE	WY	20829800	WY 300 000	10/1/51	USA W-08593	GWEN KEIF			T33N, R109W, 6TH PM SEC 17: S2NE4, W2, SE4 SEC 18: LOTS 1-4, E2W2, E2 SEC 19: E2 SEC 20: ALL SEC 21: W2NE4, NW4, N2S2
SUBLETTE	WY	19505100	WY36430 210	12/1/88	USA WYW-114051	SHAMA KAFAR LIMITED PARTNERSHIP			T33N, R110W, 6TH PM SEC 23: ALL
SUBLETTE	WY	19505200	WY36431 210	10/1/88	USA WYW-113418	SHAMA KAFAR LTD PARTNERSHIP			T33N, R110W, 6TH PM SEC 22: E2E2, NW4NE4 SEC 26: ALL SEC 27: E2E2 SEC 34: E2NE4, NE4SE4 SEC 35: ALL
SUBLETTE	WY	19505300	WY36432 210	10/1/88	USA WYW-113417	SHAMA KAFAR LTD PARTNERSHIP			T32N, R110W, 6TH PM SEC 2: LOTS 1, 2, 3, 4, S2S2 SEC 3: LOTS 1, 2, 3, 4, S2S2 SEC 4: LOTS 1, 2, S2SE4 SEC 11: E2NE4
SUBLETTE	WY	19817700	WY36470 210	10/01/94	USA WYW-133768	LCM LTD LLC	100	159	T30N, R109W, 6TH PM SEC 13: S2NW4, S2 SEC 14: ALL

L94

EXHIBIT "A"

ATTACHED AND MADE A PART OF ASSIGNMENT AND BILL OF SALE DATED THE 7th DAY OF AUGUST, 1997, FROM BURLINGTON RESOURCES OIL & GAS COMPANY, AS ASSIGNOR, TO ULTRA RESOURCES, INC., AS ASSIGNEE

COUNTY	STATE	LEASE ID	LEASE FILE NUMBER	LEASE EFF DATE	LESSOR NAME	LESSEE NAME	RCD BOOK	RCD PAGE	LEGAL DESCRIPTION
SUBLETTE	WY	19922700	WY36519 210	02/1/95	USA WYW-135124	MOI	100	552	T32N, R109W, 6TH PM SEC 21: SE4 SEC 22: S2 SEC 23: ALL SEC 24: W2NW4, SE4NW4, S2 Note: Portions of the above described acreage may contain only record title rights, or only operating rights, or both.
ROW									
SUBLETTE	WY	16022000	WY35089 210	11/21/86	USA W-89522 R/W GRANT	MERIDIAN OIL INC			T30N, R108W, 6TH PM SEC 15: SW4NE4
SUBLETTE	WY	16083900	WY35181 211	05/7/92	WYOMING, ST OF 0382	MERIDIAN OIL INC			T30N, R107W, 6TH PM SEC 16: NW4NW4 ACCESS ROAD FOR NEW FORK UNIT #1

488

ASSIGNMENT OF OVERRIDING ROYALTY

KNOW ALL MEN BY THESE PRESENTS, that ULTRA RESOURCES, INC., 304 Inverness Way South, Suite 295, Englewood, CO 80112, Assignor, for the sum of One Dollar ($1.00) 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, overriding royalty unto the following parties in the amounts shown below:

NAME	ADDRESS	PERCENT
Richard Gerald Albertus	11253 Pinevalley Drive Franktown, CO 80116	0.3125%
Beryl Lucille Albertus	11253 Pinevalley Drive Franktown, CO 80116	0.3125%
Richard Todd Albertus	6956 Brook Forest Road Evergreen CO 80439	0.3125%
Michelle Marie Strobel	270 Choctaw Lyons, CO 80540	0.3125%
Patricia Granger Hughes	2681 South Chase Lane Lakewood, CO 80227	0.6250%
Leah Rachael Hughes	2681 South Chase Lane Lakewood, CO 80227	0.020833%
Marcus Garrett Hughes	2681 South Chase Lane Lakewood, CO 80227	0.020833%
Alexander Drake Hughes	2681 South Chase Lane Lakewood, CO 80227	0.020834%

BEING in all a total of an undivided 2.5% overriding royalty proportionately reduced by Assignor's interest therein, if less than 100%, of all of the oil, gas and other hydrocarbon substances that may be produced, saved and marketed from the oil and gas leases described on Exhibit "A" attached hereto and by reference made a part hereof.

266730 WITNESS my hand on this 26 day of March, 1998.

RECORDED April 13, 1998 4:05 PM
IN BOOK 107 OT6 PAGE 489
FEES $ 21.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING

ULTRA RESOURCES, INC.

R. G. "Jerry" Albertus, President

STATE OF COLORADO)
) SS
COUNTY OF DOUGLAS)

BE IT KNOWN, that on this 26 day of March, 1998, before me, the undersigned authority, personally came and appeared **R. G. "Jerry" Albertus**, appearing in his capacity as President of **ULTRA RESOURCES, INC.**, to me personally known to the the identical person whose name is subscribed to the foregoing instrument as the said President of said coporation, and declared and acknowledged to me, Notary, that he executed the same on behalf of said corporation with full authority of its Board of Directors, and 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.

Amy Barton
Notary Public

My commission expires:
7/18/2000

NOTARY PUBLIC AMY BARTON STATE OF COLORADO

Exhibit "A" to Assignment of Overriding Royalty from Ultra Resources, Inc. to Richard Gerald Albertus, etal

WY-1180	USA WYW-118159	ONAGER ENTERPRISES	12/1/89	31N	108W	27	W/2NE/4, W/2, SE/4
						28	ALL
						33	E/2E/2, SW/4NE/4, NW/4SE/4
						34	ALL
						35	W/2W/2
WY-1153	USA WYW-118158	ONAGER ENTERPRISES	12/1/89	31N	108W	7	NE/4NE/4, S/2NE/4, SE/4
						8	S/2NW/4, SW/4, SW/4SE/4
						17	N/2, SE/4
						20	E/2
						21	ALL
WY-1238	USA WYW-117438	WELLS PETROLEUM INC.	9/1/89	28N	105W	18	LOTS 3 (34.23), 4 (34.27), E/2SW/4, SE/4
						19	LOTS 1 (34.27), 2 (34.26), 3 (34.24), 4 (34.23), E/2, E/2W/2
WY-1194	USA WYW-107020	FOSSIL ASSOCIATES	1/1/88				**INSOFAR ONLY AS LEASE COVERS:**
				26N	105W	1	LOTS 1, 2, 3, 4, S/2N/2, S/2
						2	LOTS 1, 3, 4, SE/4NE/4, S/2NW/4, W/2SW/4, NE/4SE/4, S/2SE/4
						3	LOTS 1, 2, 3, 4, S/2N/2, S/2
						11	W/2NW/4, E/2SW/4
WY-1181	USA WYW-118147	ONAGER ENTERPRISES	12/1/89	30N	107W	7	NE/4, E/2SE/4
						8	SW/4NE/4
WY-1182	USA WYW-118157	ONAGER ENTERPRISES	12/1/89	30N	108W	22	NW/4, W/2SW/4, SE/4SW/4, SE/4
						23	N/2NE/4, SE/4NE/4, S/2
						27	W/2W/2
						28	ALL
						33	NE/4, N/2NW/4
						34	S/2NW/4, NE/4SW/4
WY-1183	USA WYW-118167	ONAGER ENTERPRISES	12/1/89	32N	109W	30	LOTS 1 THROUGH 12, E/2

Exhibit "A" to Assignment of Overriding Royalty from Ultra Resources, Inc. to Richard Gerald Albertus, etal

						31	LOTS 1 THROUGH 12, E/2
WY-1184	USA WYW-118166	ONAGER ENTERPRISES	12/1/89	31N	109W	5	LOTS 3, 4, S/2NW/4, SW/4
						6	LOTS 1-14, S/2NE/4, SE/4
						8	ALL
						17	ALL
						28	E/2W/2, NW/4SW/4, SW/4SE/4
WY-1318	USA WYW-118156	ONAGER ENTERPRISES	12/1/89	30N	108W	17	SW/4, N/2SE/4, SW/4SE/4
						18	LOTS 1-4, W/2NE/4, SE/4NE/4, E/2W/2, SE/4
						20	ALL
						21	ALL
						35	W/2NE/4, E/2W/2, SE/4

164

[redacted] [redacted] [redacted]

RATIFICATION OF OIL AND GAS LEASE

WY-0914-01
North Pinedale Prospect

KNOW ALL MEN BY THESE PRESENTS:

That, WHEREAS, Heretofore under date of the 8th day of November, 1997, a certain oil and gas lease was made, executed, and delivered by **Julian C. Clark, Executor of the Estate of Mary P. Clark, a/k/a Mary Clark, deceased**, as Lessor, to **WLR, Inc., P.O. Box 4096, Casper, WY 82604**, as Lessee, covering the following described lands in Sublette County, State of Wyoming, to-wit:

Township 33 North - Range 110 West, 6th P.M.
Section 1: All of Lot 1(40.09), Excepting from the South Half of said Lot 1 of Section 1 a tract described as follows, to-wit:

Beginning at the Southwest corner of said Lot 1; thence N 00 degrees 04'21" E along the West boundary of Lot 1, a distance of 666.01 feet; thence S 89 degrees 56'51" E along the North boundary of the South ½ of Lot 1, a distance of 543.76 feet; thence S 34 degrees 35'33" E along the southwest boundary of a trail, a distance of 179.34 feet; thence S 55 degrees 38'40" E along said Southwest boundary of a trail 43.01 feet; thence S 00 degrees 02'11" W a distance of 491.73 feet; thence S 89 degrees 50'32" W along the South boundary of the South ½ of Lot 1, a distance of 681.62 feet to the place of beginning, and containing 10.096 acres of land, more or less.

Township 33 North - Range 109 West, 6th P.M.
Section 6: All of Lots 3(39.90) 4(34.76), SENW, Excepting from the SENW of Section 6 a tract described as follows, to-wit:

Begin at a point on the North-South center-line of said Section 6, North 00 degrees 26'38" East, a distance of 408.18 feet from the center one-quarter section corner of said Section 6; Thence proceed North 00 degrees 26'38" East a distance of 634.97 feet; Thence proceed North 89 degrees 21'20" West a distance of 686.01 feet; Thence proceed South 00 degrees 26'38" West a distance of 634.97 feet; Thence proceed South 89 degrees 21'20" East a distance of 686.01 feet to the point of beginning, and containing 10.00 acres, more or less.

Township 34 North - Range 109 West, 6th P.M.
Section 31: All of Lot 4(34.53)

said lease being recorded in Book 106 O&G at Page 336 of the records in the office of the Register of Deeds in and for said County, reference to said lease and to the record thereof being hereby made for all purposes.

NOW, THEREFORE, In consideration of the sum of One Dollar ($1.00) and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, we, the undersigned, and each for himself and herself, as the case may be, do hereby ratify, adopt and confirm the hereinabove-described oil and gas lease in all of its terms and provisions and do hereby lease, demise and let said land and premises unto the said lessee hereinabove named, its assigns and successors in interest, as fully and completely as if we had originally been named as lessor in said lease and had executed, acknowledged and delivered the same; provided, however, that this instrument shall cover and bind all interest of the undersigned which may have been acquired subsequent to the date of the aforesaid oil and gas lease and is intended further to cover and bind any interest which the undersigned may hereafter acquire by way of reversion or otherwise.

It being provided further that the undersigned shall not be entitled to receive any portion of the rentals payable under said lease but such rentals shall be paid to the persons designated to receive such rentals in accordance with the terms and provisions of said oil and gas lease and their heirs, legal representatives, successors or assigns.

We hereby agree and declare that said oil and gas lease in all of its terms and provisions is binding on us and each of us and is a valid and subsisting oil and gas lease and that this instrument shall be binding upon the respective heirs, executors, administrators, successors or assigns of the undersigned.

EXECUTED This 30TH day of DECEMBER, 1997.

Nancy J. Merritt f/k/a Nancy Palubiak

Nancy J. Merritt, f/k/a Nancy Palubiak

266760

RECORDED April 15 1998 1:15 PM
IN BOOK 107 O&G PAGE 492
FEES $8.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING
By Shelli Pope

493

[redacted]

582290

ACKNOWLEDGMENT

STATE OF Wyoming)
) SS
COUNTY OF Sublette)

On the 30th day of December, A.D. 1997, personally appeared before me Nancy J. Merritt, formerly known as Nancy Palubiak, a married woman dealing in her sole and separate property, heir to the estate of Mary P. Clark, deceased, 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 duly 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.

Jauna M. McGinnis
Notary Public

My Commission Expires: July 11, 2000

WY651\WY828\NM.Rat

JAUNA M. McGINNIS - NOTARY PUBLIC
COUNTY OF SUBLETTE
STATE OF WYOMING
COMMISSION EXPIRES 7-11-2000

HS RESOURCES, INC.
1999 BROADWAY
SUITE 3600
DENVER, CO 80202

[redacted] [redacted] [redacted]

WY-052-02
North Pinedale Prospect

RATIFICATION OF OIL AND GAS LEASE

KNOW ALL MEN BY THESE PRESENTS:

That, WHEREAS, Heretofore under date of the 8th day of November, 1997, a certain oil and gas lease was made, executed, and delivered by **Julian C. Clark, Executor of the Estate of Mary P. Clark, a/k/a Mary Clark, deceased**, as Lessor, to **WLR, Inc., P.O. Box 4096, Casper, WY 82604**, as Lessee, covering the following described lands in Sublette County, State of Wyoming, to-wit:

Township 33 North - Range 110 West, 6th P.M.
Section 1: All of Lot 1(40.09), Excepting from the South Half of said Lot 1 of Section 1 a tract described as follows, to-wit:

Beginning at the Southwest corner of said Lot 1; thence N 00 degrees 04'21" E along the West boundary of Lot 1, a distance of 666.01 feet; thence S 89 degrees 56'51" E along the North boundary of the South ½ of Lot 1, a distance of 543.76 feet; thence S 34 degrees 35'33" E along the southwest boundary of a trail, a distance of 179.34 feet; thence S 55 degrees 38'40" E along said Southwest boundary of a trail 43.01 feet; thence S 00 degrees 02'11" W a distance of 491.73 feet; thence S 89 degrees 50'32" W along the South boundary of the South ½ of Lot 1, a distance of 681.62 feet to the place of beginning, and containing 10.096 acres of land, more or less.

Township 33 North - Range 109 West, 6th P.M.
Section 6: All of Lots 3(39.90) 4(34.76), SENW, Excepting from the SENW of Section 6 a tract described as follows, to-wit:

Begin at a point on the North-South center-line of said Section 6, North 00 degrees 26'38" East, a distance of 408.18 feet from the center one-quarter section corner of said Section 6; Thence proceed North 00 degrees 26'38" East a distance of 634.97 feet; Thence proceed North 89 degrees 21'20" West a distance of 686.01 feet; Thence proceed South 00 degrees 26'38" West a distance of 634.97 feet; Thence proceed South 89 degrees 21'20" East a distance of 686.01 feet to the point of beginning, and containing 10.00 acres, more or less.

Township 34 North - Range 109 West, 6th P.M.
Section 31: All of Lot 4(34.53)

said lease being recorded in Book 106 O&G at Page 336 of the records in the office of the Register of Deeds in and for said County, reference to said lease and to the record thereof being hereby made for all purposes.

NOW, THEREFORE, In consideration of the sum of One Dollar ($1.00) and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, we, the undersigned, and each for himself and herself, as the case may be, do hereby ratify, adopt and confirm the hereinabove-described oil and gas lease in all of its terms and provisions and do hereby lease, demise and let said land and premises unto the said lessee hereinabove named, its assigns and successors in interest, as fully and completely as if we had originally been named as lessor in said lease and had executed, acknowledged and delivered the same; provided, however, that this instrument shall cover and bind all interest of the undersigned which may have been acquired subsequent to the date of the aforesaid oil and gas lease and is intended further to cover and bind any interest which the undersigned may hereafter acquire by way of reversion or otherwise.

It being provided further that the undersigned shall not be entitled to receive any portion of the rentals payable under said lease but such rentals shall be paid to the persons designated to receive such rentals in accordance with the terms and provisions of said oil and gas lease and their heirs, legal representatives, successors or assigns.

We hereby agree and declare that said oil and gas lease in all of its terms and provisions is binding on us and each of us and is a valid and subsisting oil and gas lease and that this instrument shall be binding upon the respective heirs, executors, administrators, successors or assigns of the undersigned.

EXECUTED This 5 day of Jan, 1998.

Mary L. Mariner
Mary Lou Mariner, heir to the estate of Mary P. Clark, deceased

266761

RECORDED April 15 1998 1:15 PM
IN BOOK 103 Misc Records PAGE 494
FEES $ 8.00 Mary L Campbell COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING
By Kate Pope

495

seeser

ACKNOWLEDGMENT

LYNN WORD NOTARY PUBLIC STATE OF NEW MEXICO

STATE OF New Mexico)
) SS
COUNTY OF Lincoln)

On the 5 day of JAN, A.D. 1998, personally appeared before me Mary Lou Mariner, a single woman, heir to the estate of Mary P. Clark, deceased, 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 duly 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.

Lynn Word
Notary Public

My Commission Expires: 2-21-98

WY651\WY828\MLM.Rat

HS RESOURCES, INC.
1999 BROADWAY
SUITE 3600
DENVER, CO 80202

WY-0214-00
North Pinedale Exp. Project

RATIFICATION OF OIL AND GAS LEASE

KNOW ALL MEN BY THESE PRESENTS:

That, WHEREAS, Heretofore under date of the 8th day of November, 1997, a certain oil and gas lease was made, executed, and delivered by **Julian C. Clark, Executor of the Estate of Mary P. Clark, a/k/a Mary Clark, deceased**, as Lessor, to **WLR, Inc., P.O. Box 4096, Casper, WY 82604**, as Lessee, covering the following described lands in Sublette County, State of Wyoming, to-wit:

Township 33 North - Range 110 West, 6th P.M.
Section 1: All of Lot 1(40.09), Excepting from the South Half of said Lot 1 of Section 1 a tract described as follows, to-wit:

Beginning at the Southwest corner of said Lot 1; thence N 00 degrees 04'21" E along the West boundary of Lot 1, a distance of 666.01 feet; thence S 89 degrees 56'51" E along the North boundary of the South ½ of Lot 1, a distance of 543.76 feet; thence S 34 degrees 35'33" E along the southwest boundary of a trail, a distance of 179.34 feet; thence S 55 degrees 38'40" E along said Southwest boundary of a trail 43.01 feet; thence S 00 degrees 02'11" W a distance of 491.73 feet; thence S 89 degrees 50'32" W along the South boundary of the South ½ of Lot 1, a distance of 681.62 feet to the place of beginning, and containing 10.096 acres of land, more or less.

Township 33 North - Range 109 West, 6th P.M.
Section 6: All of Lots 3(39.90) 4(34.76), SENW, Excepting from the SENW of Section 6 a tract described as follows, to-wit:

Begin at a point on the North-South center-line of said Section 6, North 00 degrees 26'38" East, a distance of 408.18 feet from the center one-quarter section corner of said Section 6; Thence proceed North 00 degrees 26'38" East a distance of 634.97 feet; Thence proceed North 89 degrees 21'20" West a distance of 686.01 feet; Thence proceed South 00 degrees 26'38" West a distance of 634.97 feet; Thence proceed South 89 degrees 21'20" East a distance of 686.01 feet to the point of beginning, and containing 10.00 acres, more or less.

Township 34 North - Range 109 West, 6th P.M.
Section 31: All of Lot 4(34.53)

said lease being recorded in Book 106 O&G at Page 336 of the records in the office of the Register of Deeds in and for said County, reference to said lease and to the record thereof being hereby made for all purposes.

NOW, THEREFORE, In consideration of the sum of One Dollar ($1.00) and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, we, the undersigned, and each for himself and herself, as the case may be, do hereby ratify, adopt and confirm the hereinabove-described oil and gas lease in all of its terms and provisions and do hereby lease, demise and let said land and premises unto the said lessee hereinabove named, its assigns and successors in interest, as fully and completely as if we had originally been named as lessor in said lease and had executed, acknowledged and delivered the same; provided, however, that this instrument shall cover and bind all interest of the undersigned which may have been acquired subsequent to the date of the aforesaid oil and gas lease and is intended further to cover and bind any interest which the undersigned may hereafter acquire by way of reversion or otherwise.

It being provided further that the undersigned shall not be entitled to receive any portion of the rentals payable under said lease but such rentals shall be paid to the persons designated to receive such rentals in accordance with the terms and provisions of said oil and gas lease and their heirs, legal representatives, successors or assigns.

We hereby agree and declare that said oil and gas lease in all of its terms and provisions is binding on us and each of us and is a valid and subsisting oil and gas lease and that this instrument shall be binding upon the respective heirs, executors, administrators, successors or assigns of the undersigned.

EXECUTED This 29th day of December, 1997.

H. Royer Clark
H. Royer Clark, a married man dealing in his sole and separate property, heir to the estate of Mary P. Clark, deceased

266762

RECORDED April 15 1998 1:15 PM
IN BOOK 107 O&G PAGE 496
FEES $ 9.00 [illegible] COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING
By Shelly Payne

496

497

ACKNOWLEDGMENT

STATE OF Wyoming)
) SS
COUNTY OF Natrona)

On the 29th day of December, A.D. 1997, personally appeared before me H. Royer Clark, a married man dealing in his sole and separate property, heir to the estate of Mary P. Clark, deceased, 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 he duly executed the same as his free and voluntary act and deed for the uses and purposes therein set forth.

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

Sharon L. Thoen
Notary Public

My Commission Expires: _____

SHARON L. THOEN NOTARY PUBLIC
County of Natrona State of Wyoming
My Commission Expires Apr. 16, 2001

WY651\WY828\HRC-Rat

HS RESOURCES, INC.
1999 BROADWAY
SUITE 3600
DENVER, CO 80202

[redacted] [redacted] [redacted]

WY-0214-OD
North Pinedale Prospect

RATIFICATION OF OIL AND GAS LEASE

KNOW ALL MEN BY THESE PRESENTS:

That, WHEREAS, Heretofore under date of the 8th day of November, 1997, a certain oil and gas lease was made, executed, and delivered by Julian C. Clark, Executor of the Estate of Mary P. Clark, a/k/a Mary Clark, deceased, as Lessor, to WLR, Inc., P.O. Box 4096, Casper, WY 82604, as Lessee, covering the following described lands in Sublette County, State of Wyoming, to-wit:

Township 33 North - Range 110 West, 6th P.M.
Section 1: All of Lot 1(40.09), Excepting from the South Half of said Lot 1 of Section 1 a tract described as follows, to-wit:

Beginning at the Southwest corner of said Lot 1; thence N 00 degrees 04'21" E along the West boundary of Lot 1, a distance of 666.01 feet; thence S 89 degrees 56'51" E along the North boundary of the South ½ of Lot 1, a distance of 543.76 feet; thence S 34 degrees 35'33" E along the southwest boundary of a trail, a distance of 179.34 feet; thence S 55 degrees 38'40" E along said Southwest boundary of a trail 43.01 feet; thence S 00 degrees 02'11" W a distance of 491.73 feet; thence S 89 degrees 50'32" W along the South boundary of the South ½ of Lot 1, a distance of 681.62 feet to the place of beginning, and containing 10.096 acres of land, more or less.

Township 33 North - Range 109 West, 6th P.M.
Section 6: All of Lots 3(39.90) 4(34.76), SENW, Excepting from the SENW of Section 6 a tract described as follows, to-wit:

Begin at a point on the North-South center-line of said Section 6, North 00 degrees 26'38" East, a distance of 408.18 feet from the center one-quarter section corner of said Section 6; Thence proceed North 00 degrees 26'38" East a distance of 634.97 feet; Thence proceed North 89 degrees 21'20" West a distance of 686.01 feet; Thence proceed South 00 degrees 26'38" West a distance of 634.97 feet; Thence proceed South 89 degrees 21'20" East a distance of 686.01 feet to the point of beginning, and containing 10.00 acres, more or less.

Township 34 North - Range 109 West, 6th P.M.
Section 31: All of Lot 4(34.53)

said lease being recorded in Book 106 O&G at Page 336 of the records in the office of the Register of Deeds in and for said County, reference to said lease and to the record thereof being hereby made for all purposes.

NOW, THEREFORE, In consideration of the sum of One Dollar ($1.00) and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, we, the undersigned, and each for himself and herself, as the case may be, do hereby ratify, adopt and confirm the hereinabove-described oil and gas lease in all of its terms and provisions and do hereby lease, demise and let said land and premises unto the said lessee hereinabove named, its assigns and successors in interest, as fully and completely as if we had originally been named as lessor in said lease and had executed, acknowledged and delivered the same; provided, however, that this instrument shall cover and bind all interest of the undersigned which may have been acquired subsequent to the date of the aforesaid oil and gas lease and is intended further to cover and bind any interest which the undersigned may hereafter acquire by way of reversion or otherwise.

It being provided further that the undersigned shall not be entitled to receive any portion of the rentals payable under said lease but such rentals shall be paid to the persons designated to receive such rentals in accordance with the terms and provisions of said oil and gas lease and their heirs, legal representatives, successors or assigns.

We hereby agree and declare that said oil and gas lease in all of its terms and provisions is binding on us and each of us and is a valid and subsisting oil and gas lease and that this instrument shall be binding upon the respective heirs, executors, administrators, successors or assigns of the undersigned.

EXECUTED This 19th day of December, 1997.

Julian C. Clark, a married man dealing in his sole and separate property, heir to the estate of Mary P. Clark, deceased

266763

RECORDED April 15 19 98 1:15 PM
IN BOOK 107 R+P PAGE 498
FEES $ 8.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING
By Mary Pape

499

ACKNOWLEDGMENT

STATE OF Colorado)
) SS
COUNTY OF Jefferson)

On the 19th day of December, A.D. 1997, personally appeared before me Julian C. Clark, a married man dealing in his sole and separate property, heir to the estate of Mary P. Clark, deceased, 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 he duly executed the same as his free and voluntary act and deed for the uses and purposes therein set forth.

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

JOSEPH WETHAM NOTARY PUBLIC STATE OF COLORADO

Notary Public

My Commission Expires: July 31, 1998

WY651\WY828\JCC.Rat

HS RESOURCES, INC.
1999 BROADWAY
SUITE 3600
DENVER, CO 80202

[redacted] [redacted] [redacted]

[redacted] [redacted] [redacted]

3:30P

266767

RECORDED April 15 1998 M
IN BOOK 120-A PAGE 500
FEES $ 10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Stephanie Hope

WELLBORE ASSIGNMENT AND BILL OF SALE

This Wellbore Assignment ("Assignment") dated effective as of December 3, 1997, at 7:00 A.M. at the location of the properties ("Effective Time"), is from S T Oil Company, 1801 Broadway, Suite 600, Denver, CO 80202, and III Exploration, Inc. P. O. Box 7608, Boise, ID 83707 ("Assignors") to Donald R. Hembre, whose address is 5913 S. Datura Ct., Littleton, CO 80120 ("Assignee").

For Ten Dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Assignors, Assignors have transferred, granted, bargained, sold and conveyed, and assigned, and do hereby transfer, grant, bargain, sell and convey and assign to Assignee the following (all of which are herein collectively called the "Interests"):

1. An undivided 2.5% leasehold working interest to be borne proportionately in the amounts of 25% by S T Oil Company and 75% by III Exploration, Inc., in and to that certain Oil and Gas Lease dated July 1, 1975, and recorded in Book 58, Page 626 of the Oil and Gas Records of Sublette County, Wyoming, by and between Brandt M. Jensen and Josephine Jensen, et al, as Lessors, and Leonard Hay, as Lessee ("the Lease"), INSOFAR AND ONLY INSOFAR as the Lease pertains to the wellbore of the Jensen #3 well, located in the NE/4NW/4 of Section 14, Township 31 North, Range 109 West, 6th P.M., Sublette County, Wyoming, limited in depth from the surface to the stratigraphic equivalent of 10,320 feet as encountered in the Jensen #1 Well located in the SW/4NW/4 of Section 11, Township 31 North, Range 109 West, 6th P.M., Sublette County, Wyoming, (the "Jensen #3 Well"), together with a like interest in and to all the property and rights appurtenant or incident thereto, including without limitation the rights applicable to the leasehold interest assigned hereunder in the oil, gas and associated substances and other minerals produced or producible from the wellbore of the Jensen #3 Well from and after the effective date, and the rights and obligations in, to and under all agreements insofar as they affect the Jensen #2 Well ("Contracts"), including but not limited to all operating agreements, gas sale contracts, gas processing contracts, and all other agreements, surface leases, permits, rights-of-way, easements, licenses, and authorizations in any way relating to the wellbore interest assigned hereunder.

2. An undivided 2.5% in and to the Jensen #3 Well, to be borne proportionately in the amounts of 25% by S T Oil Company and 75% by III Exploration, Inc., together with a like interest in the personal property and equipment on, appurtenant to, or used in connection with the Jensen #3 Well, including without limitation, well equipment, casing, tubing, rods, tanks, tank batteries, ("Equipment"), and all other appurtenances thereunto belonging; and natural gas, crude oil, condensate or other products produced from the Jensen #3 Well.

The Lease, Well Equipment, Contracts and Production are collectively sometimes referred to herein as "Properties".

To have and to hold the Interests unto Assignee and its successors and assigns forever.

This Assignment is made and accepted expressly subject to the following:

A. This Assignment is made subject to the terms and provisions of the Lease and the agreements affecting the Lease. Upon acceptance of this Assignment, Assignee hereby assumes all obligations and burdens rising under the Leases and the agreements affecting the Leases.

B. The interest assigned hereunder shall be subject to its proportionate share of all royalties, overriding royalties and other leasehold burdens of record.

C. This Assignment is executed without warranty of any kind, either express or implied, except that Assignors warrant and agree to defend title against the lawful claims of parties claiming by, through or under Assignors, but not otherwise.

D. The parties agree that, to the extent required by applicable law to be operative, the disclaimers of certain warranties contained in this subparagraph are "conspicuous" disclaimers for the purpose of any applicable law, rule, or order. Except as expressly set forth herein, Assignors make this Assignment without representation or warranty of any kind, express or implied. **WITHOUT**

LIMITING THE GENERALITY OF THE IMMEDIATELY PRECEDING SENTENCE, ASSIGNORS EXPRESSLY DISCLAIM AND NEGATES ANY IMPLIED, EXPRESS OR STATUTORY WARRANTY (i) OF MERCHANTABILITY, (ii) OF FITNESS FOR A PARTICULAR PURPOSE, (iii) OF CONFORMITY TO MODELS OR SAMPLES OF MATERIALS, AND/OR (iv) OF TITLE OR AGAINST INFRINGEMENTS EXCEPT AS OTHERWISE PROVIDED HEREIN. IT IS UNDERSTOOD AND AGREED THAT ASSIGNEE SHALL ACCEPT ALL OF THE PROPERTIES IN THEIR "AS IS, WHERE IS" CONDITION AND ASSIGNORS DISCLAIM ANY LIABILITY ARISING IN CONNECTION WITH ANY ENVIRONMENTALLY HAZARDOUS SUBSTANCES OR CONDITIONS OR NATURALLY OCCURRING RADIOACTIVE MATERIALS IN OR RELATED TO THE PROPERTIES.

E. This Assignment may be executed in any number of counterparts, and each counterpart hereof shall be deemed to be an original instrument, but all such counterparts shall constitute but one assignment.

EXECUTED on the date contained in the acknowledgements of this instrument, to be effective for all purposes as of the Effective Time.

ASSIGNORS:

ATTEST:
Michele L. Hillen
By:
Title: Asst. Secretary

S T OIL COMPANY
J. Sam Butler
By: J. Samuel Butler
President

ATTEST:

By:
Title: Secretary

JJLEXPLORATION, INC.
Jeffrey K. Lebens
By: JEFFREY K. LEBENS
Title: VICE PRESIDENT, TREASURER

ASSIGNEE:

Donald R. Hembre
Donald R. Hembre

STATE OF COLORADO }
} ss.
CITY AND COUNTY OF DENVER }

The foregoing instrument was acknowledged before me this 24th day of [redacted]arch, 1998, by J. Samuel Butler, President of S T Oil Company.
[redacted]ny hand and official seal.

Pamela K. Reed
Pamela K. Reed, Notary Public, residing at:
1801 Broadway, Ste. 600, Denver, CO 80202

My [redacted]ssion expires 4/12/99

[redacted] [redacted] [redacted]

STATE OF IDAHO }
} ss.
COUNTY OF Ada }

The foregoing instrument was acknowledged before me this 7th day of April, 1998, by Jeffrey K Lebens, as Treasurer of III Exploration, Inc.

Witness my hand and official seal.

My commission expires: Nov 11, 2000

D. Kent Little
Notary Public

STATE OF COLORADO }
} ss.
CITY AND COUNTY OF DENVER }

The foregoing instrument was acknowledged before me this 13 day of April, 1998, by Donald R. Hembre.

Witness my hand and official seal.

My commission expires: 1/7/01

Glen Berger
Notary Public

GLEN BERGER
6115 So LONGVIEW
LITTLETON CO 80120

Producers 88
Rocky Mountain 1999
(Paid-Up Rev. 1998)

503

PAID-UP
OIL AND GAS LEASE

THIS AGREEMENT, made and entered into this 27th day of February 19 98 by and between

Lester Wm. Anderson, also known as Lester W. Anderson, also known as Lester William Anderson, and Grace B. Anderson, also known as Grace Bodil Anderson, also known as Grace Anderson, individually and as Co-Trustees of The HorseCreek Trust

of PO Box 88, Pinedale, WY 82941, hereinafter called lessor (whether one or more), and

Hanson & Strahn, Inc., of PO Box 3020, Cheyenne, WY 82003, hereinafter called lessee:

WITNESSETH:

1. That lessor, for and in consideration of Ten & 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" attached hereto and made a part hereof

266790

RECORDED April 17 1991 M 10:30 A
IN BOOK 107-A PAGE 503
FEES $ 10.00 COUNTY CLERK
SUBLETTE COUNTY PINEDALE WYOMING By Sheila Page

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.

For the purpose of calculating payments provided for herein, it shall be deemed that the lands covered by this lease contain 320.00 acres, whether there actually be more or less.

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, a well completed for the production of coalbed methane gas shall be deemed to be producing gas under this lease at all times when dewatering of the coal seams from which the coalbed methane gas will be produced is occurring. 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; drilling operations shall be deemed to be commenced 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 drilling operations shall be deemed to be commenced 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) 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) of the gas sold or used, provided that on gas sold the royalty shall be one-eighth (1/8) 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. This is a paid-up lease and all cash consideration first recited above and annual rentals have been paid to lessor in advance to keep this lease in full force and effect throughout the primary term. In consideration of the payment of such cash consideration and advance annual rentals, 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 the land described above, and as to any strata or stratum, by delivering to lessor or by filing of record a release or releases, and be relieved of all obligations thereafter accruing to the acreage surrendered.

4. Any payments required to be made to lessors pursuant to this lease, other than the payment of royalties, may be paid by lessee to the lessor or to lessor's credit in the 1st National Bank of Pinedale PO Box 519, Pinedale, WY bank at (or its successor or successors, or any bank with which it may be merged or consolidated, or which succeeds to its business 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. All such payments may be made by cash, check or draft, mailed or delivered on or before the due date for that payment. Any payments so made shall be binding on the heirs, devisees, executors, administrators, and personal representatives of lessor and on lessor's successors in interest or on lessor's assigns.

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 continuously 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, an amount equal to $1.00 per year per net mineral acre covered by the lease. Such payments shall be made on or before the shut-in royalty payment date, as defined below, next occurring 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 anniversary date of this lease. Any shut-in royalty payment may be made by cash, draft or check, mailed or tendered on or before the shut-in royalty date. Lessee's failure to pay or tender, or properly 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 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. 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 which traverse cultivated lands 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 heretofore 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 unit.

[redacted] [redacted] [redacted]

[redacted] [redacted] [redacted]

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 covenants or conditions of this lease, either express or implied. No change in ownership of the land, royalties, or other payments, 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 royalties or other payments 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.

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 leased premises, and no royalties shall be payable hereunder upon any gas used for repressuring and recycling operations benefitting 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 through lessor's bank of record for payment.

15. In the event lessor considers that lessee has not complied with all its obligations hereunder, either express or implied, lessor shall notify lessee in writing, setting out specifically in what respects lessee has breached this lease. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by lessor. The service of said notice shall be precedent to the bringing of any action by lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on lessee. Neither the service of said notice nor the doing of any acts by lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that lessee has failed to perform all its obligations hereunder. 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, wars, 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.

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 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.

Lester Wm. Anderson

Lester Wm. Anderson, aka Lester W. Anderson, aka Lester William Anderson, individually and as Co-Trustee of The HorseCreek Trust
SS# 520-22-6123

Grace B. Anderson

Grace B. Anderson, aka Grace Bodil Anderson, aka Grace Anderson, individually and as Co-Trustee of The HorseCreek Trust
SS# 505-30-1962

STATE OF Wyoming
COUNTY OF Sublette
} ss.

INDIVIDUAL

On this 30th day of March, 19 98, before me personally appeared Lester Wm. Anderson, also known as Lester W. Anderson, also known as Lester William Anderson, & Grace B. Anderson, also known as Grace Bodil Anderson, also known as Grace Anderson, individually and as Co-Trustees of The HorseCreek Trust
to me known to be the person 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 30th day of March, 19 98.

My commission expires:
July 14, 2000

Notary Public for the State of Wyoming
residing at Pinedale, Wyoming

STATE OF _____
COUNTY OF _____
} ss.

CORPORATE

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 _____ 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 _____

504

EXHIBIT "A"

Exhibit "A" attached hereto and made a part hereof that certain Oil and Gas Lease dated February 27, 1998, by and between Lester Wm. Anderson, also known as Lester W. Anderson, also known as Lester William Anderson, and Grace B. Anderson, also known as Grace Bodil Anderson, also known as Grace Anderson, individually and as Co-Trustees of The HorseCreek Trust, as Lessor(s), and Hanson & Strahn, Inc., as Lessee.

SUBLETTE COUNTY, WYOMING

Township 34 North, Range 113 West, 6th P.M.
Section 02: SW/4
Section 11: NW/4

Containing 320.0000 gross acres, more or less.

In the event this lease is not continued beyond its primary term by the provisions herein contained, Lessee, its successors or assigns, has the option, but not the obligation, to extend this lease for an additional term of three (3) years from the expiration date of the primary term of the lease, and as long thereafter as oil and gas or either of them, is produced from the leased premises or drilling operations are continuously prosecuted. This option to extend may be exercised by tendering to Lessor, their heirs, successors or assigns at the last known address, a net sum of Fifty dollars and 00/100 ($50.00) dollars per net mineral acre, on or before the expiration date of the primary term of this lease. Should this option be exercised as herein provided, it shall be considered for all purposes as though this lease originally provided for a primary term of eight (8) years.

Executed this 27th of February, 1998.

Lester Wm. Anderson

Lester Wm. Anderson, also known as Lester W. Anderson, also known as Lester William Anderson, individually and as Co-Trustee of The HorseCreek Trust

Grace B. Anderson

Grace B. Anderson, also known as Grace Bodil Anderson, also known as Grace Anderson, individually and as Co-Trustee of The HorseCreek Trust

[redacted] [redacted] [redacted]

RATIFICATION OF OIL AND GAS LEASE

KNOW ALL MEN BY THESE PRESENTS:

That for a valuable consideration, receipt of which is hereby acknowledged, the undersigned, **Delta A. McCormick, also known as Delta McCormick, individually and as attorney-in-fact for Mary L. Spence, also known as Mary Lozier, also known as Mary Louise Lozier, a married woman,** hereby ratify, adopt, and confirm in all respects an oil & gas lease dated **March 5th, 1998,** by and between **Floyd L. Briggs, Jr., and Kathryn J. Briggs, with exclusive leasing rights for Mary L. Spence, also known as Mary Louise Lozier, a married woman,** as lessor(s), and **Hanson & Strahn, Inc.**, as Lessee, covering all of that certain tract of land situated in the County of **Sublette**, State of **Wyoming**, described as follows:

Township 34 North, Range 113 West, 6th PM
Section 2: SE/4

Containing 160.0000 gross acres, more or less.

and do hereby grant, lease and let the land described in said lease unto the above named lessee, **Hanson & Strahn, Inc.**, its heirs, successors in interest, and assigns, upon the terms and conditions and subject to the provisions of said lease, and said lease is by reference made a part hereof with the same force and effect as if the undersigned had originally joined in the execution thereof as lessor; except that the undersigned direct the owner of said lease, above referred to, to pay all delay rentals which may accrue under the terms of said lease to **Mary L. Spence, also known as Mary Lozier, also known as Mary Louise Lozier, a married woman,** (her) heirs, successors, administrators or assigns, as provided in the lease above referred to.

IN WITNESS WHEREOF, the undersigned have executed this instrument this **19th day of March, 1998.**

Delta A. McCormick

Delta A. McCormick, also known as Delta McCormick

ACKNOWLEDGMENTS

STATE OF WYOMING }
} ss
COUNTY OF SUBLETTE }

On this 19th day of March, 1998, before me personally appeared, , Delta A. McCormick, also known as Delta McCormick, to me known to be the person(s) described in, and who executed the foregoing instrument, and who acknowledged to me that she executed the same as her free act and deed.

Given under my hand and seal this 19th day of March, 1998.

My commission expires: 8/8/98

Tracey L Fields Hoover
NOTARY PUBLIC

IRACEY L. FIELDS
NOTARY PUBLIC
SUBLETTE CO. WYO

Residing at - Cora WY 82925

266791

RECORDED April 17 1998 10:30A M
IN BOOK 107 M & P PAGE 506
FEES $ 6.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING

By Shaka Pope

506

507

PRODUCERS 88—PAID UP
Rev. 5-60, No. 2—4-89

Billings Blue Print
Billings, Montana

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 10th day of February, 19 98, by and between

Sally Sonder, same person as Sally Sonders, a married woman dealing in her sole and separate property

whose post office address is 1605 South 1100 West, Vernal, Utah 84078, hereinafter called Lessor (whether one or more) and

Loma Energy Corp. whose post office address is PO Box 21395, Billings, Mt. 59104 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten and More DOLLARS, 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 34 North, Range 113 West, 6th P.M.
Section 9: S½NE¼, N½SE¼
Section 10: All

266792

RECORDED April 17 19 98 M 10:30 A
IN BOOK 107-6 PAGE 507
FEES $ 10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Shelia Pape

See "ADDENDUM" to Oil and Gas Lease attached hereto and by this reference made a part hereof.

and containing 800.00 acres, more or less. /five (5)

1. It is agreed that this lease shall remain in force for a term of ~~one~~ 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-eight (⅛) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor one-eighth (⅛) 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.

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 (⅛) of the proceeds, at the mouth of the well, payable monthly at the prevailing market rate.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the 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. Production, drilling or reworking operations or a well shut in for want of market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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, particulary, 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 Lessors. 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.

x Sally Sonder
Sally Sonder, same person as Sally Sonders, a married woman dealing in her sole and separate property

SS# 520-30-5951

[redacted] [redacted] [redacted]

[redacted] [redacted] [redacted]

ACKNOWLEDGMENT FOR INDIVIDUAL

STATE OF Utah }
COUNTY OF Uintah } ss.

On this 20 day of Feb 19 98, before me personally appeared

Sally Sonder

known to me to be the person(s) described in and who executed the foregoing instrument, and who acknowledged to me that he (she, they) executed the same.

Madeleine Nielson
Notary Public

My commission expires:

NOTARY PUBLIC
MADELEINE NIELSON
3 E. Main
Vernal, UT 84078
COMMISSION EXPIRES
OCT. 23, 1999
STATE OF UTAH

Residing at Vernal Ut

ACKNOWLEDGMENT FOR INDIVIDUAL

STATE OF .....
COUNTY OF ..... } ss.

On this ..... day of ..... 19 ....., before me personally appeared

.....

.....

known to me to be the person(s) described in and who executed the foregoing instrument, and who acknowledged to me that he (she, they) executed the same.

.....
Notary Public

My commission expires:

.....

Residing at .....

ACKNOWLEDGMENT FOR CORPORATION

STATE OF .....
COUNTY OF ..... } ss.

On this ..... day of ..... 19 ....., before me personally appeared

..... known to me to be the .....

of .....
the corporation that executed the within instrument, and acknowledged to me that such corporation executed the same.

Notary Public

My commission expires:

.....

Residing at .....

RECORDING DATA

"ADDENDUM"

OPTION AGREEMENT

Attached to and made a part of that certain Oil and Gas Lease dated February 10, 1998, by and between Sally Sonder, same person as Sally Sonders, a married woman dealing in her sole and separate property,
Lessor(s), and Loma Energy Corp., Lessee.

Lessor hereby grants unto Lessee an option to extend the five-year primary term of this lease for an additional period of three-years at the same terms and conditions as hereinabove set out. Such option shall be exercisable by Lessee, by paying or tendering to Lessor prior to the expiration of the fifth year of the primary term an amount equal to $50.00 per net mineral acre then covered by this lease, which amount shall cover and include any and all delay rental payments due under the term of said lease as extended hereunder. Payment or tender of said amount may be made in the same manner as hereinabove provided for payment for the original five-year primary term.

Signed for Identification:

X Sally Sonder

Sally Sonder, same person as Sally Sonders, a married woman dealing in her sole and separate property

X _____

[redacted] [redacted] [redacted]

PRODUCERS 88—PAID UP
Rev. 5-60, No. 2—4-89

Billings Blue Print
Billings, Montana

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 10th day of February, 19 98, by and between

Lucy Kendall and Lester L. Kendall, wife and husband

whose post office address is 3273 Highway 92, Hotchkiss, Colorado 81419, hereinafter called Lessor (whether one or more) and

Loma Energy Corp. whose post office address is P.O. Box 21395, Billings, Mt. 59104 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten and More DOLLARS, 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 34 North, Range 113 West, 6th P.M.
Section 9: S½NE¼, N½SE¼
Section 10: All

266793

RECORDED April 17 1998 M 10:30 A
IN BOOK 187 A+6 PAGE 510
FEES $10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Shirl Pope

See "ADDENDUM" to Oil and Gas Lease attached hereto and by this reference made a part hereof.

and containing 800.00 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of ~~ten~~ five (5) 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-eight (⅛) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor one-eighth (⅛) 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.

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 (⅛) of the proceeds, at the mouth of the well, payable monthly at the prevailing market rate.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the 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. Production, drilling or reworking operations or a well shut in for want of market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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, particulary, 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 Lessors. 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.

X Lester L. Kendall
Lester L. Kendall

X Lucy Kendall
Lucy Kendall

SS #: 561-40-0685

ACKNOWLEDGMENT FOR INDIVIDUAL

STATE OF ....COLORADO....
COUNTY OF .....} ss.

On this ..... day of ....February..... 19 98 ....., before me personally appeared

Lucy Kendall and Lester L. Kendall, w&h

known to me to be the person(s) described in and who executed the foregoing instrument, and who acknowledged to me that ~~he (she~~, they) executed the same.

Anna J. George

Notary Public

My commission expires:

1st & Bridge Street
Hotchkiss, Co
My commission Expires
October 26, 1998

Residing at Hotchkiss, Colorado

ANNA J. GEORGE NOTARY STATE OF COLORADO

ACKNOWLEDGMENT FOR INDIVIDUAL

STATE OF .....} ss.
COUNTY OF .....}

On this ..... day of ..... 19 ....., before me personally appeared

known to me to be the person(s) described in and who executed the foregoing instrument, and who acknowledged to me that he (she, they) executed the same.

Notary Public

My commission expires:

Residing at

ACKNOWLEDGMENT FOR CORPORATION

STATE OF .....} ss.
COUNTY OF .....}

On this ..... day of ..... 19 ....., before me personally appeared

known to me to be the

of

the corporation that executed the within instrument, and acknowledged to me that such corporation executed the same.

Notary Public

My commission expires:

Residing at

RECORDING DATA

[redacted] [redacted] [redacted]

"ADDENDUM"

OPTION AGREEMENT

Attached to and made a part of that certain Oil and Gas Lease dated February 10, 1998, by and between Lucy Kendall and Lester L. Kendall, wife and husband,

Lessor(s), and Loma Energy Corp., Lessee.

Lessor hereby grants unto Lessee an option to extend the five-year primary term of this lease for an additional period of three-years at the same terms and conditions as hereinabove set out. Such option shall be exercisable by Lessee, by paying or tendering to Lessor prior to the expiration of the fifth year of the primary term an amount equal to $50.00 per net mineral acre then covered by this lease, which amount shall cover and include any and all delay rental payments due under the term of said lease as extended hereunder. Payment or tender of said amount may be made in the same manner as hereinabove provided for payment for the original five-year primary term.

Signed for Identification:

X Lucy Kendall

Lucy Kendall

X Lester L Kendall

Lester L. Kendall

PRODUCERS 88—PAID UP
Rev. 5-60, No. 2—4-89

Billings Blue Print
Billings, Montana

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 10th day of February, 19 98, by and between Marion T. Boroff aka Marion Boroff, a married woman dealing in her sole and separate property whose post office address is Box 170, Daniel, Wyoming 83115, hereinafter called Lessor (whether one or more) and Loma Energy Corp. whose post office address is P.O. Box 21395, Billings, Mt. 59104 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten and More DOLLARS, 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 34 North, Range 113 West, 6th P.M.
Section 9: S½NE¼, N½SE¼
Section 10: All

RECORDED April 17 19 98 M 10:30 A
IN BOOK 187 D+A PAGE 513
FEES $ 10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
266794
By Shaka Pope

See "ADDENDUM" to Oil and Gas Lease attached hereto and by this reference made a part hereof.

and containing 800.00 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of ~~ten~~ five (5) 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-eight (⅛) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor one-eighth (⅛) 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.

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 (⅛) of the proceeds, at the mouth of the well, payable monthly at the prevailing market rate.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the 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 leaseshold 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. Production, drilling or reworking operations or a well shut in for want of market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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, particulary, 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 Lessors. 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.

X Marion T. Boroff

Marion T. Boroff aka Marion Boroff, a married woman dealing in her sole and separate property

SS#520-20-6142

[redacted] [redacted] [redacted]

ACKNOWLEDGMENT FOR INDIVIDUAL

STATE OF ....WYOMING.....
} ss.
COUNTY OF..SUBLETTE.....

On this ...25th..... day of ...February..... 1998....., before me personally appeared

....Marion T. Boroff aka Marion Boroff, a married woman dealing in her sole and separate...

....property.....

known to me to be the person(s) described in and who executed the foregoing instrument, and who acknowledged to me that ~~he~~ (she, ~~they~~) executed the same.

.....Susan Gulbrandson.....
Notary Public

My commission expires:
2/21/1999

Residing at Sublette County, Wyoming

SUSAN GULBRANDSON NOTARY PUBLIC SUBLETTE COUNTY, WYOMING

Susan Gulbrandson
County of
Sublette
My Commission Expires:

Notary Public
State of
Wyoming
Feb. 21, 1999

ACKNOWLEDGMENT FOR INDIVIDUAL

STATE OF .....
} ss.
COUNTY OF.....

On this ..... day of ..... 19 ....., before me personally appeared

.....

.....

known to me to be the person(s) described in and who executed the foregoing instrument, and who acknowledged to me that he (she, they) executed the same.

.....
Notary Public

My commission expires:

.....

Residing at .....

ACKNOWLEDGMENT FOR CORPORATION

STATE OF .....
} ss.
COUNTY OF.....

On this ..... day of ..... 19 ....., before me personally appeared

.....known to me to be the .....

of .....

the corporation that executed the within instrument, and acknowledged to me that such corporation executed the same.

.....
Notary Public

My commission expires:

.....

Residing at .....

RECORDING DATA

"ADDENDUM"

OPTION AGREEMENT

Attached to and made a part of that certain Oil and Gas Lease dated February 10, 1998, by and between Marion T. Boroff aka Marion Boroff, a married woman dealing in her sole and separate property,
Lessor(s), and Loma Energy Corp., Lessee.

Lessor hereby grants unto Lessee an option to extend the five-year primary term of this lease for an additional period of three-years at the same terms and conditions as hereinabove set out. Such option shall be exercisable by Lessee, by paying or tendering to Lessor prior to the expiration of the fifth year of the primary term an amount equal to $50.00 per net mineral acre then covered by this lease, which amount shall cover and include any and all delay rental payments due under the term of said lease as extended hereunder. Payment or tender of said amount may be made in the same manner as hereinabove provided for payment for the original five-year primary term.

Signed for Identification:

x Marion T Boroff

Marion T. Boroff aka Marion Boroff, a married woman dealing in her sole and separate property

X _____

[redacted] [redacted] [redacted]

PRODUCERS 88—PAID UP
Rev. 5-60, No. 2—4-89

Billings Blue Print
Billings, Montana

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 10th day of February, 19 98, by and between

James T. Bohn, aka James Bohn and Patty L. Bohn, husband and wife

whose post office address is P.O. Box B, Sheridan, Wy. 82801, hereinafter called Lessor (whether one or more) and

Loma Energy Corp. whose post office address is PO Box 21395, Billings, Mt. 59104 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten and More DOLLARS, 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 34 North, Range 113 West, 6th P.M.
Section 9: S½NE¼, N½SE¼
Section 10: All

266795

RECORDED April 17 19 98 M 10:30 A
IN BOOK 101 M-6 PAGE 516
FEES $10.00 COUNTY CLERK
SUBLETTE COUNTY, WYOMING
By Sharon Fox

See "ADDENDUM" to Oil and Gas Lease attached hereto and by this reference made a part hereof.

and containing 800.00 acres, more or less. /five (5)

1. It is agreed that this lease shall remain in force for a term of ~~ten~~ 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-eight (⅛) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor one-eighth (⅛) 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.

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 (⅛) of the proceeds, at the mouth of the well, payable monthly at the prevailing market rate.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the 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 leaseshold 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. Production, drilling or reworking operations or a well shut in for want of market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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, particulary, 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 Lessors. 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.

X Patty L. Bohn
Patty L. Bohn

X James T. Bohn
James T. Bohn, aka James Bohn

SS# 547-38-8722

ACKNOWLEDGMENT FOR INDIVIDUAL

STATE OF ... WYOMING .....
COUNTY OF ... Sheridan ..... } ss.

On this ... 26th ... day of ... February ... 19 98 ..., before me personally appeared

James T. Bohn, aka James Bohn and Patty L. Bohn, h&w

known to me to be the person(s) described in and who executed the foregoing instrument, and who acknowledged to me that ~~he(she, they)~~ executed the same.

Debbie Mall
Notary Public

DEBBIE MALL
NOTARY PUBLIC
SHERIDAN COUNTY, WYOMING

My commission expires:
July 11, 1998

Residing at ... Sheridan, Wy

ACKNOWLEDGMENT FOR INDIVIDUAL

STATE OF .....
COUNTY OF ..... } ss.

On this ... day of ... 19 ..., before me personally appeared

known to me to be the person(s) described in and who executed the foregoing instrument, and who acknowledged to me that he (she, they) executed the same.

Notary Public

My commission expires:

Residing at

ACKNOWLEDGMENT FOR CORPORATION

STATE OF .....
COUNTY OF ..... } ss.

On this ... day of ... 19 ..., before me personally appeared

known to me to be the

of
the corporation that executed the within instrument, and acknowledged to me that such corporation executed the same.

Notary Public

My commission expires:

Residing at

RECORDING DATA

[redacted] [redacted] [redacted]

"ADDENDUM"

OPTION AGREEMENT

Attached to and made a part of that certain Oil and Gas Lease dated February 10, 1998, by and between James T. Bohn, aka James Bohn and Patty L. Bohn, husband and wife,
Lessor(s), and Loma Energy Corp., Lessee.

Lessor hereby grants unto Lessee an option to extend the five-year primary term of this lease for an additional period of three-years at the same terms and conditions as hereinabove set out. Such option shall be exercisable by Lessee, by paying or tendering to Lessor prior to the expiration of the fifth year of the primary term an amount equal to $50.00 per net mineral acre then covered by this lease, which amount shall cover and include any and all delay rental payments due under the term of said lease as extended hereunder. Payment or tender of said amount may be made in the same manner as hereinabove provided for payment for the original five-year primary term.

Signed for Identification:

X James T. Bohn

James T. Bohn, aka James Bohn

X Patty L. Bohn

Patty L. Bohn

5A

PRODUCERS 88—PAID UP
Rev. 5-60, No. 2--4-89

Billings Blue Print
Billings, Montana

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 10th day of February, 19 98, by and between

Robert C. Thompson and Marie K. Thompson, husband and wife

whose post office address is 9552 South 1335 East, Sandy, Utah 84092, hereinafter called Lessor (whether one or more) and

Loma Energy Corp. whose post office address is P.O. Box 21395, Billings, Mt. 59104 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten and More DOLLARS, 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 34 North, Range 113 West, 6th P.M.
Section 9: S½NE¼, N½SE¼
Section 10: All

266796

RECORDED April 17 1998 M 10:30 A
IN BOOK 107 Misc PAGE 519
FEES $ 12.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By: Shirl Pope

See "ADDENDUM" to Oil and Gas Lease attached hereto and by this reference made a part hereof.

and containing 800.00 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of ~~ten~~ five (5) 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-eight (⅛) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor one-eighth (⅛) 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.

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 (⅛) of the proceeds, at the mouth of the well, payable monthly at the prevailing market rate.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the 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. Production, drilling or reworking operations or a well shut in for want of market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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, particulary, 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 Lessors. 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.

x Marie K Thompson
Marie K. Thompson

x Robert C Thompson
Robert C. Thompson

SS# 520-26-1439

[redacted] [redacted] [redacted]

[redacted] [redacted] [redacted]

ACKNOWLEDGMENT FOR INDIVIDUAL

STATE OF UTAH }
COUNTY OF SALT LAKE } ss.

On this 20 day of February 1998, before me personally appeared

Robert C. Thompson and Marie K. Thompson, h&w

known to me to be the person(s) described in and who executed the foregoing instrument, and who acknowledged to me that ~~he(she~~, they) executed the same.

Notary Public

My commission expires:

Residing at

NOTARY PUBLIC
JENS O. LOVELL
1710 So. Redwood Rd.
S.L.C., UT 84104
COMMISSION EXPIRES
APRIL 20, 1998
STATE OF UTAH

ACKNOWLEDGMENT FOR INDIVIDUAL

STATE OF }
COUNTY OF } ss.

On this day of 19, before me personally appeared

known to me to be the person(s) described in and who executed the foregoing instrument, and who acknowledged to me that he (she, they) executed the same.

Notary Public

My commission expires:

Residing at

ACKNOWLEDGMENT FOR CORPORATION

STATE OF }
COUNTY OF } ss.

On this day of 19, before me personally appeared

known to me to be the

of

the corporation that executed the within instrument, and acknowledged to me that such corporation executed the same.

Notary Public

My commission expires:

Residing at

RECORDING DATA

520

"ADDENDUM"

OPTION AGREEMENT

Attached to and made a part of that certain Oil and Gas Lease dated February 10, 1998, by and between Robert C. Thompson and Marie K. Thompson, husband and wife,

Lessor(s), and Loma Energy Corp., Lessee.

Lessor hereby grants unto Lessee an option to extend the five-year primary term of this lease for an additional period of three-years at the same terms and conditions as hereinabove set out. Such option shall be exercisable by Lessee, by paying or tendering to Lessor prior to the expiration of the fifth year of the primary term an amount equal to $50.00 per net mineral acre then covered by this lease, which amount shall cover and include any and all delay rental payments due under the term of said lease as extended hereunder. Payment or tender of said amount may be made in the same manner as hereinabove provided for payment for the original five-year primary term.

Signed for Identification:

X Robert C Thompson

Robert C. Thompson

X Marie K Thompson

Marie K. Thompson

[redacted] [redacted] [redacted]

10

PRODUCERS 88—PAID UP
Rev. 5-60, No. 2—4-89

Billings Blue Print
Billings, Montana

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 10th day of February, 19 98, by and between Dianne Boroff and Max F. Boroff, Jr., Co-Trustees of the Dianne Boroff Living Trust, dated November 18, 1997 whose post office address is Box 125, Daniel, Wyoming 83115, hereinafter called Lessor (whether one or more) and Loma Energy Corp. whose post office address is P.O. Box 21395, Billings, Mt. 59104 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten and More DOLLARS, 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 34 North, Range 113 West, 6th P.M.
Section 9: S½NE¼, N½SE¼
Section 10: All

266797

RECORDED April 17 19 98 M 10:30 A
IN BOOK 107-A PAGE 522
FEES $ 12.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Shan Pope

See "ADDENDUM to Oil and Gas Lease attached hereto and by this reference made a part hereof.

and containing 800.00 acres, more or less. /five (5)

1. It is agreed that this lease shall remain in force for a term of ten 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-eight (⅛) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor one-eighth (⅛) 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.

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 (⅛) of the proceeds, at the mouth of the well, payable monthly at the prevailing market rate.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the 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 leaseholder 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. Production, drilling or reworking operations or a well shut in for want of market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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, particulary, 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 Lessors. 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.

x Dianne Boroff
Dianne Boroff, Co-Trustee of the Dianne Boroff Living Trust, dated November 18, 1997

x Max F. Boroff
Max F. Boroff, Jr., Co-Trustee of the Dianne Boroff Living Trust, dated November 18, 1997

Trust I.D.# 520 62 2848

ACKNOWLEDGMENT FOR INDIVIDUAL

STATE OF WYOMING }
COUNTY OF SUBLETTE } ss.

On this 17th day of February 19 98, before me personally appeared Dianne Boroff and Max F. Boroff, Jr., Co-Trustees of the Dianne Boroff Living Trust, dated November 18, 1997

known to me to be the person(s) described in and who executed the foregoing instrument, and who acknowledged to me that ~~he~~ they executed the same.

Tracey L Fields Hoover
Notary Public

My commission expires:
8/8/98

Residing at Cora WY

TRACEY L. FIELDS NOTARY PUBLIC SUBLETTE CO. WYO

ACKNOWLEDGMENT FOR INDIVIDUAL

STATE OF .....
COUNTY OF ..... } ss.

On this ..... day of ..... 19 ....., before me personally appeared

.....

.....

known to me to be the person(s) described in and who executed the foregoing instrument, and who acknowledged to me that he (she, they) executed the same.

.....
Notary Public

My commission expires:

.....

Residing at .....

ACKNOWLEDGMENT FOR CORPORATION

STATE OF .....
COUNTY OF ..... } ss.

On this ..... day of ..... 19 ....., before me personally appeared

..... known to me to be the .....

of .....
the corporation that executed the within instrument, and acknowledged to me that such corporation executed the same.

.....
Notary Public

My commission expires:

.....

Residing at .....

RECORDING DATA

[redacted] [redacted] [redacted]

"ADDENDUM"

OPTION AGREEMENT

Attached to and made a part of that certain Oil and Gas Lease dated February 10, 1998, by and between Dianne Boroff and Max F. Boroff, Jr., Co-Trustees of the Dianne Boroff Living Trust, dated November 18, 1997, Lessor(s), and Loma Energy Corp., Lessee.

Lessor hereby grants unto Lessee an option to extend the five-year primary term of this lease for an additional period of three-years at the same terms and conditions as hereinabove set out. Such option shall be exercisable by Lessee, by paying or tendering to Lessor prior to the expiration of the fifth year of the primary term an amount equal to $50.00 per net mineral acre then covered by this lease, which amount shall cover and include any and all delay rental payments due under the term of said lease as extended hereunder. Payment or tender of said amount may be made in the same manner as hereinabove provided for payment for the original five-year primary term.

Signed for Identification:

x Dianne Boroff

Dianne Boroff, Co-Trustee of the Dianne Boroff Living Trust, dated November 18, 1997

x Max F. Boroff

Max F. Boroff, Jr., Co-Trustee of the Dianne Boroff Living Trust, dated November 18, 1997

525

Producers 88
Rocky Mountain 1969
(Paid-Up Rev. 1996)

PAID-UP
OIL AND GAS LEASE

THIS AGREEMENT, made and entered into this 3rd day of March 19 98 by and between Muriel Gray, individually and as heir of the Estate of George W. Hopkins, Jr., also known as George Washington Hopkins, Jr., deceased

of PO Box 99, Big Piney, WY 83113, hereinafter called lessor (whether one or more), and Hanson & Strahn, Inc., of PO Box 3020, Cheyenne, WY 82003, hereinafter called lessee:

WITNESSETH:

1. That lessor, for and in consideration of Ten & 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" attached hereto and made a part hereof

266798

RECORDED April 17 19 98 M 10:30 A
IN BOOK 187 D+h PAGE 525
FEES $ 10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Shirley Papa

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.

For the purpose of calculating payments provided for herein, it shall be deemed that the lands covered by this lease contain 160.0000 acres, whether there actually be more or less.

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, a well completed for the production of coalbed methane gas shall be deemed to be producing gas under this lease at all times when dewatering of the coal seams from which the coalbed methane gas will be produced is occurring. 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; drilling operations shall be deemed to be commenced 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 drilling operations shall be deemed to be commenced 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) 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) of the gas sold or used, provided that on gas sold the royalty shall be one-eighth (1/8) 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. This is a paid-up lease and all cash consideration first recited above and annual rentals have been paid to lessor in advance to keep this lease in full force and effect throughout the primary term. In consideration of the payment of such cash consideration and advance annual rentals, 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 the land described above, and as to any strata or stratum, by delivering to lessor or by filing of record a release or releases, and be relieved of all obligations thereafter accruing to the acreage surrendered.

4. Any payments required to be made to lessors pursuant to this lease, other than the payment of royalties, may be paid by lessee to the lessor or to lessor's credit in the CFB Bank, at 440 Budd Ave. Big Piney 83113 (or its successor or successors, or any bank with which it may be merged or consolidated, or which succeeds to its business 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. All such payments may be made by cash, check or draft, mailed or delivered on or before the due date for that payment. Any payments so made shall be binding on the heirs, devisees, executors, administrators, and personal representatives of lessor and on lessor's successors in interest or on lessor's assigns.

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 continuously 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, an amount equal to $1.00 per year per net mineral acre covered by the lease. Such payments shall be made on or before the shut-in royalty payment date, as defined below, next occurring 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 anniversary date of this lease. Any shut-in royalty payment may be made by cash, draft or check, mailed or tendered on or before the shut-in royalty date. Lessee's failure to pay or tender, or properly 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 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. 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 which traverse cultivated lands 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 heretofore 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 unit.

[redacted] [redacted] [redacted]

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 covenants or conditions of this lease, either express or implied. No change in ownership of the land, royalties, or other payments, 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 royalties or other payments 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.

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 leased premises, and no royalties shall be payable hereunder upon any gas used for repressuring and recycling operations benefitting 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 through lessor's bank of record for payment.

15. In the event lessor considers that lessee has not complied with all its obligations hereunder, either express or implied, lessor shall notify lessee in writing, setting out specifically in what respects lessee has breached this lease. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by lessor. The service of said notice shall be precedent to the bringing of any action by lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on lessee. Neither the service of said notice nor the doing of any acts by lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that lessee has failed to perform all its obligations hereunder. 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, wars, 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.

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 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.

Muriel Gray.
Muriel Gray
SS# 550-16-3655

INDIVIDUAL

STATE OF Wyoming
COUNTY OF Sublette } ss.

On this 3rd day of March, 19 98, before me personally appeared Muriel Gray, a widow, individually and as heir of the Estate of George W. Hopkins, Jr., also known as George Washington Hopkins, Jr., deceased
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 3rd day of March, 19 98.

My commission expires:
2-2-2000

JOYCE J. JOHNSON - NOTARY PUBLIC
County of Sublette State of Wyoming
My Commission Expires February 2, 2000

Joyce J. Johnson
Notary Public for the State of Wyoming
residing at Big Piney - Sublette County

CORPORATE

STATE OF
COUNTY OF

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 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

526

EXHIBIT "A"

Exhibit "A" attached hereto and made a part hereof that certain Oil & Gas Lease dated March 3,, 1998, by and between Muriel Gray, a widow, individually and as heir of the Estate of George W. Hopkins, Jr., also known as George Washington Hopkins, Jr., deceased, as Lessor, and Hanson & Strahn, Inc., as Lessee.

SUBLETTE COUNTY, WYOMING

Township 32 North, Range 114 West, 6th P.M.
Section 14: SE/4 NW/4, W/2 NE/4, SE/4 NE/4

Containing 160.0000 gross acres, more or less.

In the event this lease is not continued beyond its primary term by the provisions herein contained, lessee, its successors or assigns, has the option, but not the obligation, to extend this lease for an additional term of three (3) years from the date of the lease, and as long thereafter as oil and gas, or either of them, is produced from the leased premises or drilling operations are continuously prosecuted. This option to extend may be exercised by tendering to Lessor, their heirs, successors or assigns at the last known address, a net sum of Forty-five Dollars per net mineral acre, ($45.00), on or before the expiration date of the primary term of this lease. Should this option be exercised as herein provided, it shall be considered for all purposes as though this lease originally provided for a primary term of eight (8) years.

Executed this 3rd day of March, 1998.

Muriel Gray. _____

Muriel Gray, a widow,
individually and as heir of the Estate of
George W. Hopkins, Jr., also known as George Washington Hopkins, Jr., deceased

Producers 88 [redacted]
Rocky Mountain 1998
(Paid-Up Rev. 1996)

PA[redacted]P
OIL AND GAS LEASE

THIS AGREEMENT, made and entered into this 10th day of February 19 98 by and between

Frank E. Sears, Jr., individually and as Trustee of the Frank E. Sears, Jr., Revocable Trust dated December 29, 1992, and his successors

of 510 Clearbrook, Mesquite, NV 89207, hereinafter called lessor (whether one or more), and

Hanson & Strahn, Inc., of PO Box 3020, Cheyenne, WY 82003, 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" attached hereto and made a part hereof

266799

RECORDED April 17 1998 M 10:30 A
IN BOOK 107 Misc PAGE 528
FEES $ 12.00 COUNTY CLERK By:
SUBLETTE COUNTY, PINEDALE, WYOMING

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.

For the purpose of calculating payments provided for herein, it shall be deemed that the lands covered by this lease contain 470.29 acres, whether there actually be more or less.

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, a well completed for the production of coalbed methane gas shall be deemed to be producing gas under this lease at all times when dewatering of the coal seams from which the coalbed methane gas will be produced is occurring. 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; drilling operations shall be deemed to be commenced 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 drilling operations shall be deemed to be commenced 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) 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) of the gas sold or used, provided that on gas sold the royalty shall be one-eighth (1/8) 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. This is a paid-up lease and all cash consideration first recited above and annual rentals have been paid to lessor in advance to keep this lease in full force and effect throughout the primary term. In consideration of the payment of such cash consideration and advance annual rentals, 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 the land described above, and as to any strata or stratum, by delivering to lessor or by filing of record a release or releases, and be relieved of all obligations thereafter accruing to the acreage surrendered.

4. Any payments required to be made to lessors pursuant to this lease, other than the payment of royalties, may be paid by lessee to the lessor or to lessor's credit in the Community First Nat'l Bank, at Kemmerer, WY 83101 (or its successor or successors, or any bank with which it may be merged or consolidated, or which succeeds to its business 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. All such payments may be made by cash, check or draft, mailed or delivered on or before the due date for that payment. Any payments so made shall be binding on the heirs, devisees, executors, administrators, and personal representatives of lessor and on lessor's successors in interest or on lessor's assigns.

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 continuously 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, an amount equal to $1.00 per year per net mineral acre covered by the lease. Such payments shall be made on or before the shut-in royalty payment date, as defined below, next occurring 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 anniversary date of this lease. Any shut-in royalty payment may be made by cash, draft or check, mailed or tendered on or before the shut-in royalty date. Lessee's failure to pay or tender, or properly 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 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. 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 which traverse cultivated lands 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 heretofore 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 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 covenants or conditions of this lease, either express or implied. No change in ownership of the land, royalties, or other payments, 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 royalties or other payments 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.

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 leased premises, and no royalties shall be payable hereunder upon any gas used for repressuring and recycling operations benefitting 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 through lessor's bank of record for payment.

15. In the event lessor considers that lessee has not complied with all its obligations hereunder, either express or implied, lessor shall notify lessee in writing, setting out specifically in what respects lessee has breached this lease. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by lessor. The service of said notice shall be precedent to the bringing of any action by lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on lessee. Neither the service of said notice nor the doing of any acts by lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that lessee has failed to perform all its obligations hereunder. 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, wars, 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.

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 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.

Frank E. Sears, Jr., Revocable Trust dated December 29, 1992, and his successors

Frank E. Sears, Jr., individually and as Trustee
SS# 520-07-3931

Frank E. Sears Jr.

Frank E. Sears Jr.
Trustee

STATE OF NEVADA
COUNTY OF CLARK } ss.

INDIVIDUAL

On this 24th day of February, 19 98, before me personally appeared Frank E. Sears, Jr., individually and as Trustee of the Frank E. Sears, Jr., Revocable Trust dated December 29, 1992, and his successors
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 24th day of February, 19 98.

My commission expires: Sept 21 1999

CHLOE LEE
Notary Public - Nevada
My appt. exp. Sep. 21, 1999
No. 95-0544-1

Chloe Lee

Notary Public for the State of Nevada
residing at 350 Sandhill, Mesquite, NV

STATE OF
COUNTY OF } ss.

CORPORATE

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 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]

[redacted] [redacted] [redacted]

EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated February 10, 1998, by and between Frank E. Sears, Jr., individually and as Trustee of the Frank E. Sears, Jr. Revocable Trust dated December 29, 1992, and his successors, as Lessor, and Hanson & Strahn, Inc., as Lessee.

Township 32 North, Range 114 West, 6th P.M.
Section 11: Lots 2(15.61), 3(15.13), SE1/4NW1/4
Township 33 North, Range 113 West, 6th P.M.
Section 30: S1/2SE1/4
Section 31: Lots 2(39.75), 3(39.85), 4(39.95), N1/2NE1/4, SE1/4NW1/4, E1/2SW1/4

20. Lessee agrees that Lessor shall not bear any "on Lease" transportation or processing costs.

21. Prior to the construction of any roads, bridges, culverts or other access routes over the leased premises for oil, gas operations, Lessee shall consult with surface owner as to the direction and placement of same. Lessee shall also consult with surface owner as to the location of any well or wells, pipelines, tank batteries, fences or installation of other equipment on the leased premises before installing same.

22. Notwithstanding anything herein contained, wherever the fractional interest one-eighth (1/8th) royalty appears, it shall by this reference be amended to read one-sixth (1/6th) royalty.

Signed for Identification:

Frank E. Sears, Jr. Revocable Trust dated December 29, 1992, and his successors

Frank E. Sears, Jr., individually and as Trustee

RATIFICATION OF OIL AND GAS LEASE

STATE OF WYOMING)

COUNTY OF SUBLETTE)

WHEREAS, under date of February 27, 19 97, Analind Corporation Ltd. and Willow Springs Cattle Company, Inc., a Wyoming Corporation, Lessor(s), executed and delivered an Oil and Gas Lease, hereinafter referred to as the "Lease" in favor of High Plains Associates, Inc., as Lessee, which Lease is recorded in Volume 105O&G, Page 436, of the Oil and Gas Lease Records of the County and State aforesaid; and

WHEREAS, said Lease covers:

TOWNSHIP 35 NORTH, RANGE 111 WEST, 6TH P. M.

Section 5:	SW/4NW/4, SW/4
Section 6:	Lots 1, 2, 3, 4, 6, 7, SE/4SW/4, SE/4NW/4, S/2NE/4, NE/4SE/4
Section 7:	Lots 1, 3, 4, NE/4NW/4, E/2SW/4, W/2SE/4, SE/4SE/4
Section 17:	SW/4NW/4, SW/4
Section 18:	Lots 1, 2, E/2NW/4, NE/4, N/2SE/4, SE/4SE/4
Section 19:	NE/4NE/4
Section 20:	N/2NW/4, SW/4NW/4, N/sSW/4, SE/4SW/4

TOWNSHIP 35 NORTH, RANGE 112 WEST, 6TH P.M.

Section 1:	Lot 4, S/2NW/4, SE/4NE/4, E/2SE/4,W/2SW/4
Section 2:	Lots 1, 3, 4, S/2N/2, S/2
Section 11:	SE/4SE/4
Section 12:	W/2NW/4, SW/4, E/2SE/4, SW/4SE/4
Section 13:	N/2, N/2S/2
Section 14:	N/2NE/4, SE/4NE/4

WHEREAS, the undersigned desire to ratify, adopt and confirm said lease;

Insofar, and only insofar as said ratification covers the SW/4NW/4, SW/4, Section 5 and Lots 1, 2, 3, 4, SE/4NW/4, S/2NE/4 & NE/4SE/4, Section 6, all in Township 35 North, Range 111 West, 6th P. M.

THEREFORE, for valuable consideration paid to the undersigned, receipt of which is hereby acknowledged, the undersigned hereby ratify, adopt and confirm said lease, and hereby grant, lease, and let to Lessee, or its heirs, successors, and assigns, the land covered by said lease, as set out above, upon and subject to the same terms and conditions set out in said lease; provided however, the undersigned shall not be paid any portion of the initial bonus considerations nor rentals payable under said lease, but such bonus considerations and rentals shall be paid to Lessor therein named, his (her) heirs, legal representatives, or assigns. And I do hereby agree and declare that said lease in all of its terms and provisions is binding on me and is a valid and subsisting oil, gas and mineral lease.

Witness our hands and seals this 30th day of March, 19 98.

Elouise Pape Elouise Pape

Elouise Pape - SSN: 529-42-5119

State Of Montana
County of Ravalli ss.

Acknowledgement-Individual
(For use in all states)

30th 17th Day of March, 1998, personally appeared Elouise Pape, a widow to me known to be the identical person(s) described in and who executed the within foregoing instrument of writing and acknowledged to me that she duly executed the same as her free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expire Oct 16, 2000 Coradna Bannerman

Notary Public
Address: Hamilton MT.

CORA ANN BRENNEMAN NOTARY PUBLIC STATE OF

266846

RECORDED April 21, 1998 M 9:10 A.
IN BOOK 107 O&G PAGE 531
FEES $6.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING By Cathy Sanders

[redacted] [redacted] [redacted]

RATIFICATION OF OIL AND GAS LEASE

STATE OF WYOMING)

COUNTY OF SUBLETTE)

WHEREAS, under date of February 27, 19 97, Analind Corporation Ltd. and Willow Springs Cattle Company, Inc., a Wyoming Corporation, Lessor(s), executed and delivered an Oil and Gas Lease, hereinafter referred to as the "Lease" in favor of High Plains Associates, Inc., as Lessee, which Lease is recorded in Volume 105O&G, Page 436, of the Oil and Gas Lease Records of the County and State aforesaid; and

WHEREAS, said Lease covers:

TOWNSHIP 35 NORTH, RANGE 111 WEST, 6TH P. M.

Section 5:	**SW/4NW/4, SW/4**
Section 6:	**Lots 1, 2, 3, 4, 6, 7, SE/4SW/4, SE/4NW/4, S/2NE/4, NE/4SE/4**
Section 7:	**Lots 1, 3, 4, NE/4NW/4, E/2SW/4, W/2SE/4, SE/4SE/4**
Section 17:	**SW/4NW/4, SW/4**
Section 18:	**Lots 1, 2, E/2NW/4, NE/4, N/2SE/4, SE/4SE/4**
Section 19:	**NE/4NE/4**
Section 20:	**N/2NW/4, SW/4NW/4, N/sSW/4, SE/4SW/4**

TOWNSHIP 35 NORTH, RANGE 112 WEST, 6TH P.M.

Section 1:	**Lot 4, S/2NW/4, SE/4NE/4, E/2SE/4,W/2SW/4**
Section 2:	**Lots 1, 3, 4, S/2N/2, S/2**
Section 11:	**SE/4SE/4**
Section 12:	**W/2NW/4, SW/4, E/2SE/4, SW/4SE/4**
Section 13:	**N/2, N/2S/2**
Section 14:	**N/2NE/4, SE/4NE/4**

WHEREAS, the undersigned desire to ratify, adopt and confirm said lease;

Insofar, and only insofar as said ratification covers the SW/4NW/4, SW/4, Section 5 and Lots 1, 2, 3, 4, SE/4NW/4, S/2NE/4 & NE/4SE/4, Section 6, all in Township 35 North, Range 111 West, 6th P. M.

THEREFORE, for valuable consideration paid to the undersigned, receipt of which is hereby acknowledged, the undersigned hereby ratify, adopt and confirm said lease, and hereby grant, lease, and let to Lessee, or its heirs, successors, and assigns, the land covered by said lease, as set out above, upon and subject to the same terms and conditions set out in said lease; provided however, the undersigned shall not be paid any portion of the initial bonus considerations nor rentals payable under said lease, but such bonus considerations and rentals shall be paid to Lessor therein named, his (her) heirs, legal representatives, or assigns. And I do hereby agree and declare that said lease in all of its terms and provisions is binding on me and is a valid and subsisting oil, gas and mineral lease.

Witness our hands and seals this 17th day of March, 19 98.

266847

9:10 A

RECORDED April 21, 1998 M
IN BOOK 107 OR 6 PAGE 532
FEES $ 6.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Sackett

P. Thomas Pearson - SSN- 520-70-6349

State Of Arizona
County of Maricopa ss.

Acknowledgement-Individual
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 17th Day of March, 1998, personally appeared P. Thomas Pearson to me known to be the identical person(s) described in and who executed the within foregoing instrument of writing and acknowledged to me that he duly executed the same as his free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expire_____

Wendy Ranft
Notary Public
Address: 61 N Country Club
Mesa AZ 85201

OFFICIAL SEAL
WENDY RANFT
NOTARY PUBLIC-ARIZONA
PINAL COUNTY
My Comm. Expires April 17, 2001

RATIFICATION OF OIL AND GAS LEASE

STATE OF WYOMING)

COUNTY OF SUBLETTE)

WHEREAS, under date of February 27, 19 97, Analind Corporation Ltd. and Willow Springs Cattle Company, Inc., a Wyoming Corporation, Lessor(s), executed and delivered an Oil and Gas Lease, hereinafter referred to as the "Lease" in favor of High Plains Associates, Inc., as Lessee, which Lease is recorded in Volume 105O&G, Page 436, of the Oil and Gas Lease Records of the County and State aforesaid; and

WHEREAS, said Lease covers:

TOWNSHIP 35 NORTH, RANGE 111 WEST, 6TH P. M.

Section 5:	**SW/4NW/4, SW/4**
Section 6:	**Lots 1, 2, 3, 4, 6, 7, SE/4SW/4, SE/4NW/4, S/2NE/4, NE/4SE/4**
Section 7:	**Lots 1, 3, 4, NE/4NW/4, E/2SW/4, W/2SE/4, SE/4SE/4**
Section 17:	**SW/4NW/4, SW/4**
Section 18:	**Lots 1, 2, E/2NW/4, NE/4, N/2SE/4, SE/4SE/4**
Section 19:	**NE/4NE/4**
Section 20:	**N/2NW/4, SW/4NW/4, N/sSW/4, SE/4SW/4**

TOWNSHIP 35 NORTH, RANGE 112 WEST, 6TH P.M.

Section 1:	**Lot 4, S/2NW/4, SE/4NE/4, E/2SE/4,W/2SW/4**
Section 2:	**Lots 1, 3, 4, S/2N/2, S/2**
Section 11:	**SE/4SE/4**
Section 12:	**W/2NW/4, SW/4, E/2SE/4, SW/4SE/4**
Section 13:	**N/2, N/2S/2**
Section 14:	**N/2NE/4, SE/4NE/4**

WHEREAS, the undersigned desire to ratify, adopt and confirm said lease;

Insofar, and only insofar as said ratification covers the SW/4NW/4, SW/4, Section 5 and Lots 1, 2, 3, 4, SE/4NW/4, S/2NE/4 & NE/4SE/4, Section 6, all in Township 35 North, Range 111 West, 6th P. M.

THEREFORE, for valuable consideration paid to the undersigned, receipt of which is hereby acknowledged, the undersigned hereby ratify, adopt and confirm said lease, and hereby grant, lease, and let to Lessee, or its heirs, successors, and assigns, the land covered by said lease, as set out above, upon and subject to the same terms and conditions set out in said lease; provided however, the undersigned shall not be paid any portion of the initial bonus considerations nor rentals payable under said lease, but such bonus considerations and rentals shall be paid to Lessor therein named, his (her) heirs, legal representatives, or assigns. And I do hereby agree and declare that said lease in all of its terms and provisions is binding on me and is a valid and subsisting oil, gas and mineral lease.

Witness our hands and seals this 17th day of March, 19 98.

266848

9:10 A

RECORDED April 21, 1998 M
IN BOOK 107 O&G PAGE 533
FEES $ 6.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Sexton

George A. Pearson - SSN- 520-28-4639

State Of Florida
County of Okaloosa ss.

Acknowledgement-Individual
(For use in all states)

30th ~~17th~~ BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this ~~17th~~ Day of March, 1998, personally appeared George A. Pearson to me known to be the identical person(s) described in and who executed the within foregoing instrument of writing and acknowledged to me that the duly executed the same as her/his free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expire Apr 21, 2001 Meribeth M. Poole

Notary Public
Address: 448 N. Eglin Pkwy.
Ft. Walton Bch. FL 32547

MERIBETH M. POOLE
"Notary Public-State of FL"
Comm. Exp. April 21, 2001
Comm. No. CC640661

RATIFICATION OF OIL AND GAS LEASE

STATE OF WYOMING)

COUNTY OF SUBLETTE)

WHEREAS, under date of February 27, 19 97, Analind Corporation Ltd. and Willow Springs Cattle Company, Inc., a Wyoming Corporation, Lessor(s), executed and delivered an Oil and Gas Lease, hereinafter referred to as the "Lease" in favor of High Plains Associates, Inc., as Lessee, which Lease is recorded in Volume 105O&G, Page 436, of the Oil and Gas Lease Records of the County and State aforesaid; and

WHEREAS, said Lease covers:

TOWNSHIP 35 NORTH, RANGE 111 WEST, 6TH P. M.

Section 5:	**SW/4NW/4, SW/4**
Section 6:	**Lots 1, 2, 3, 4, 6, 7, SE/4SW/4, SE/4NW/4, S/2NE/4, NE/4SE/4**
Section 7:	**Lots 1, 3, 4, NE/4NW/4, E/2SW/4, W/2SE/4, SE/4SE/4**
Section 17:	**SW/4NW/4, SW/4**
Section 18:	**Lots 1, 2, E/2NW/4, NE/4, N/2SE/4, SE/4SE/4**
Section 19:	**NE/4NE/4**
Section 20:	**N/2NW/4, SW/4NW/4, N/sSW/4, SE/4SW/4**

TOWNSHIP 35 NORTH, RANGE 112 WEST, 6TH P.M.

Section 1:	**Lot 4, S/2NW/4, SE/4NE/4, E/2SE/4,W/2SW/4**
Section 2:	**Lots 1, 3, 4, S/2N/2, S/2**
Section 11:	**SE/4SE/4**
Section 12:	**W/2NW/4, SW/4, E/2SE/4, SW/4SE/4**
Section 13:	**N/2, N/2S/2**
Section 14:	**N/2NE/4, SE/4NE/4**

WHEREAS, the undersigned desire to ratify, adopt and confirm said lease;

Insofar, and only insofar as said ratification covers the SW/4NW/4, SW/4, Section 5 and Lots 1, 2, 3, 4, SE/4NW/4, S/2NE/4 & NE/4SE/4, Section 6, all in Township 35 North, Range 111 West, 6th P. M.

THEREFORE, for valuable consideration paid to the undersigned, receipt of which is hereby acknowledged, the undersigned hereby ratify, adopt and confirm said lease, and hereby grant, lease, and let to Lessee, or its heirs, successors, and assigns, the land covered by said lease, as set out above, upon and subject to the same terms and conditions set out in said lease; provided however, the undersigned shall not be paid any portion of the initial bonus considerations nor rentals payable under said lease, but such bonus considerations and rentals shall be paid to Lessor therein named, his (her) heirs, legal representatives, or assigns. And I do hereby agree and declare that said lease in all of its terms and provisions is binding on me and is a valid and subsisting oil, gas and mineral lease.

Witness our hands and seals this 17th day of March, 19 98.

Venita Freese f/k/a Venita Hawkins

Venita Freese f/k/a Venita Hawkins - SSN- 520-30-2224

State Of Wyoming
County of Freemont ss.

Acknowledgement-Individual
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 17th Day of March, 1998, personally appeared Venita Freese f/k/a Venita Hawkins to me known to be the identical person(s) described in and who executed the within foregoing instrument of writing and acknowledged to me that she duly executed the same as her free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expire 4-11-99

Sara Jane McWain

Notary Public
Address: 325 Main Pinedale Wy 82941

Sara Jane McWain - Notary Public
County of Fremont
State of Wyoming
My Commission Expires April 11, 1999

266842

RECORDED April 21, 1998 M 9:10a
IN BOOK 107 O&G PAGE 534
FEES $6.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Sexton

534

RATIFICATION OF OIL AND GAS LEASE

STATE OF WYOMING)

COUNTY OF SUBLETTE)

WHEREAS, under date of February 27, 19 97, Analind Corporation Ltd. and Willow Springs Cattle Company, Inc., a Wyoming Corporation, Lessor(s), executed and delivered an Oil and Gas Lease, hereinafter referred to as the "Lease" in favor of High Plains Associates, Inc., as Lessee, which Lease is recorded in Volume 105O&G, Page 436, of the Oil and Gas Lease Records of the County and State aforesaid; and

WHEREAS, said Lease covers:

TOWNSHIP 35 NORTH, RANGE 111 WEST, 6TH P. M.

Section 5:	SW/4NW/4, SW/4
Section 6:	Lots 1, 2, 3, 4, 6, 7, SE/4SW/4, SE/4NW/4, S/2NE/4, NE/4SE/4
Section 7:	Lots 1, 3, 4, NE/4NW/4, E/2SW/4, W/2SE/4, SE/4SE/4
Section 17:	SW/4NW/4, SW/4
Section 18:	Lots 1, 2, E/2NW/4, NE/4, N/2SE/4, SE/4SE/4
Section 19:	NE/4NE/4
Section 20:	N/2NW/4, SW/4NW/4, N/sSW/4, SE/4SW/4

TOWNSHIP 35 NORTH, RANGE 112 WEST, 6TH P.M.

Section 1:	Lot 4, S/2NW/4, SE/4NE/4, E/2SE/4,W/2SW/4
Section 2:	Lots 1, 3, 4, S/2N/2, S/2
Section 11:	SE/4SE/4
Section 12:	W/2NW/4, SW/4, E/2SE/4, SW/4SE/4
Section 13:	N/2, N/2S/2
Section 14:	N/2NE/4, SE/4NE/4

WHEREAS, the undersigned desire to ratify, adopt and confirm said lease;

Insofar, and only insofar as said ratification covers the SW/4NW/4, SW/4, Section 5 and Lots 1, 2, 3, 4, SE/4NW/4, S/2NE/4 & NE/4SE/4, Section 6, all in Township 35 North, Range 111 West, 6th P. M.

THEREFORE, for valuable consideration paid to the undersigned, receipt of which is hereby acknowledged, the undersigned hereby ratify, adopt and confirm said lease, and hereby grant, lease, and let to Lessee, or its heirs, successors, and assigns, the land covered by said lease, as set out above, upon and subject to the same terms and conditions set out in said lease; provided however, the undersigned shall not be paid any portion of the initial bonus considerations nor rentals payable under said lease, but such bonus considerations and rentals shall be paid to Lessor therein named, his (her) heirs, legal representatives, or assigns. And I do hereby agree and declare that said lease in all of its terms and provisions is binding on me and is a valid and subsisting oil, gas and mineral lease.

Witness our hands and seals this 17th day of March, 19 98.

266830

RECORDED April 21, 1998 9:10 A M
IN BOOK 107 OF O & G PAGE 535
FEES $ 6.00
SUBLETTE COUNTY, PINEDALE, WYOMING
COUNTY CLERK
By Cathy Locken

Kathryn Pape Pearson
Kathryn Pape Pearson - SSN- 520-50-2111

State Of Wyoming
County of Sublette ss.

Acknowledgement-Individual
(For use in all states)

Amg 3/31 **BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this ~~17th~~ Day of March, 1998, personally appeared Kathryn Pape Pearson, a widow to me known to be the identical person(s) described in and who executed the within foregoing instrument of writing and acknowledged to me that she duly executed the same as her free and voluntary act and deed for the purposes therein set forth.**

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

My Commission Expire 2/21/1999

Susan Gulbrandson
Notary Public
Address: Pinedale WY

Susan Gulbrandson
County of
Sublette
My Commission Expires:
Notary Public
State of
Wyoming
Feb. 21, 1999

Susan Gulbrandson
Notary Public
State of
Wyoming
Feb. 21, 1999

[redacted] [redacted] [redacted]

RATIFICATION OF OIL AND GAS LEASE

STATE OF WYOMING)

COUNTY OF SUBLETTE)

WHEREAS, under date of February 27, 19 97, Analind Corporation Ltd. and Willow Springs Cattle Company, Inc., a Wyoming Corporation, Lessor(s), executed and delivered an Oil and Gas Lease, hereinafter referred to as the "Lease" in favor of High Plains Associates, Inc., as Lessee, which Lease is recorded in Volume 105O&G, Page 436, of the Oil and Gas Lease Records of the County and State aforesaid; and

WHEREAS, said Lease covers:

TOWNSHIP 35 NORTH, RANGE 111 WEST, 6TH P. M.

Section 5:	SW/4NW/4, SW/4
Section 6:	Lots 1, 2, 3, 4, 6, 7, SE/4SW/4, SE/4NW/4, S/2NE/4, NE/4SE/4
Section 7:	Lots 1, 3, 4, NE/4NW/4, E/2SW/4, W/2SE/4, SE/4SE/4
Section 17:	SW/4NW/4, SW/4
Section 18:	Lots 1, 2, E/2NW/4, NE/4, N/2SE/4, SE/4SE/4
Section 19:	NE/4NE/4
Section 20:	N/2NW/4, SW/4NW/4, N/sSW/4, SE/4SW/4

TOWNSHIP 35 NORTH, RANGE 112 WEST, 6TH P.M.

Section 1:	Lot 4, S/2NW/4, SE/4NE/4, E/2SE/4,W/2SW/4
Section 2:	Lots 1, 3, 4, S/2N/2, S/2
Section 11:	SE/4SE/4
Section 12:	W/2NW/4, SW/4, E/2SE/4, SW/4SE/4
Section 13:	N/2, N/2S/2
Section 14:	N/2NE/4, SE/4NE/4

WHEREAS, the undersigned desire to ratify, adopt and confirm said lease;

Insofar, and only insofar as said ratification covers the SW/4NW/4, SW/4, Section 5 and Lots 1, 2, 3, 4, SE/4NW/4, S/2NE/4 & NE/4SE/4, Section 6, all in Township 35 North, Range 111 West, 6th P. M.

THEREFORE, for valuable consideration paid to the undersigned, receipt of which is hereby acknowledged, the undersigned hereby ratify, adopt and confirm said lease, and hereby grant, lease, and let to Lessee, or its heirs, successors, and assigns, the land covered by said lease, as set out above, upon and subject to the same terms and conditions set out in said lease; provided however, the undersigned shall not be paid any portion of the initial bonus considerations nor rentals payable under said lease, but such bonus considerations and rentals shall be paid to Lessor therein named, his (her) heirs, legal representatives, or assigns. And I do hereby agree and declare that said lease in all of its terms and provisions is binding on me and is a valid and subsisting oil, gas and mineral lease.

Witness our hands and seals this ~~17th~~ 31 day of March, 19 98.

x Lon Wesley Pape — Lela R. Pape 524-42-1121

Lon Wesley Pape a/k/a Lon Pape - SSN: ~~520-42-1121~~ 520-28-5670

State Of Utah
County of Uintah ss.

Acknowledgement-Individual
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this ~~17th~~ 31st Day of March, 1998, personally appeared Lon Wesley Pape a/k/a Lon Pape & Lela Pape to me known to be the identical person(s) described in and who executed the within foregoing instrument of writing and acknowledged to me that she duly executed the same as her free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expire 9-15-99 — Jeremy Rolfson — **Notary Public**

NOTARY PUBLIC
JEREMY RUNOLFSON
310 South Main, Suite 360
Salt Lake City, Utah 84101
My Commission Expires
September 15, 1999
STATE OF UTAH

Address: 30 Main St Vernal Ut 84078

266851

RECORDED April 21 1998 M
IN BOOK 107 O&G PAGE 536
FEES $6.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Soaton

9:10a

RATIFICATION OF OIL AND GAS LEASE

STATE OF WYOMING)

COUNTY OF SUBLETTE)

WHEREAS, under date of February 27, 19 97, Analind Corporation Ltd. and Willow Springs Cattle Company, Inc., a Wyoming Corporation, Lessor(s), executed and delivered an Oil and Gas Lease, hereinafter referred to as the "Lease" in favor of High Plains Associates, Inc., as Lessee, which Lease is recorded in Volume 105O&G, Page 436, of the Oil and Gas Lease Records of the County and State aforesaid; and

WHEREAS, said Lease covers:

TOWNSHIP 35 NORTH, RANGE 111 WEST, 6TH P. M.

Section 5:	SW/4NW/4, SW/4
Section 6:	Lots 1, 2, 3, 4, 6, 7, SE/4SW/4, SE/4NW/4, S/2NE/4, NE/4SE/4
Section 7:	Lots 1, 3, 4, NE/4NW/4, E/2SW/4, W/2SE/4, SE/4SE/4
Section 17:	SW/4NW/4, SW/4
Section 18:	Lots 1, 2, E/2NW/4, NE/4, N/2SE/4, SE/4SE/4
Section 19:	NE/4NE/4
Section 20:	N/2NW/4, SW/4NW/4, N/sSW/4, SE/4SW/4

TOWNSHIP 35 NORTH, RANGE 112 WEST, 6TH P.M.

Section 1:	Lot 4, S/2NW/4, SE/4NE/4, E/2SE/4,W/2SW/4
Section 2:	Lots 1, 3, 4, S/2N/2, S/2
Section 11:	SE/4SE/4
Section 12:	W/2NW/4, SW/4, E/2SE/4, SW/4SE/4
Section 13:	N/2, N/2S/2
Section 14:	N/2NE/4, SE/4NE/4

WHEREAS, the undersigned desire to ratify, adopt and confirm said lease;

Insofar, and only insofar as said ratification covers the SW/4NW/4, SW/4, Section 5 and Lots 1, 2, 3, 4, SE/4NW/4, S/2NE/4 & NE/4SE/4, Section 6, all in Township 35 North, Range 111 West, 6th P. M.

THEREFORE, for valuable consideration paid to the undersigned, receipt of which is hereby acknowledged, the undersigned hereby ratify, adopt and confirm said lease, and hereby grant, lease, and let to Lessee, or its heirs, successors, and assigns, the land covered by said lease, as set out above, upon and subject to the same terms and conditions set out in said lease; provided however, the undersigned shall not be paid any portion of the initial bonus considerations nor rentals payable under said lease, but such bonus considerations and rentals shall be paid to Lessor therein named, his (her) heirs, legal representatives, or assigns. And I do hereby agree and declare that said lease in all of its terms and provisions is binding on me and is a valid and subsisting oil, gas and mineral lease.

Witness our hands and seals this ~~17th~~ 30th day of March, 19 98.

266852

Robert B. Pearson - SSN- 520-30-6723

RECORDED Apr 1 21 1998 9:10 M
IN BOOK 107 O+G PAGE 537
FEES $6.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cath Dayton

State Of Wyoming
County of Park ss.

Acknowledgement-Individual
(For use in all states)

30th BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 17th Day of March, 1998, personally appeared Robert B. Pearson to me known to be the identical person(s) described in and who executed the within foregoing instrument of writing and acknowledged to me that he duly executed the same as his free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires 4/3/2001

Carol A. Ewart
County of Park
My Commission Expires: Apr. 3, 2001
Notary Public State of Wyoming

Notary Public
Address: Meeteetse, Wy

RATIFICATION OF OIL AND GAS LEASE

STATE OF WYOMING)

COUNTY OF SUBLETTE)

WHEREAS, under date of February 27, 19 97, Analind Corporation Ltd. and Willow Springs Cattle Company, Inc., a Wyoming Corporation, Lessor(s), executed and delivered an Oil and Gas Lease, hereinafter referred to as the "Lease" in favor of High Plains Associates, Inc., as Lessee, which Lease is recorded in Volume 105O&G, Page 436, of the Oil and Gas Lease Records of the County and State aforesaid; and

WHEREAS, said Lease covers:

TOWNSHIP 35 NORTH, RANGE 111 WEST, 6TH P. M.

Section 5:	SW/4NW/4, SW/4
Section 6:	Lots 1, 2, 3, 4, 6, 7, SE/4SW/4, SE/4NW/4, S/2NE/4, NE/4SE/4
Section 7:	Lots 1, 3, 4, NE/4NW/4, E/2SW/4, W/2SE/4, SE/4SE/4
Section 17:	SW/4NW/4, SW/4
Section 18:	Lots 1, 2, E/2NW/4, NE/4, N/2SE/4, SE/4SE/4
Section 19:	NE/4NE/4
Section 20:	N/2NW/4, SW/4NW/4, N/sSW/4, SE/4SW/4

TOWNSHIP 35 NORTH, RANGE 112 WEST, 6TH P.M.

Section 1:	Lot 4, S/2NW/4, SE/4NE/4, E/2SE/4,W/2SW/4
Section 2:	Lots 1, 3, 4, S/2N/2, S/2
Section 11:	SE/4SE/4
Section 12:	W/2NW/4, SW/4, E/2SE/4, SW/4SE/4
Section 13:	N/2, N/2S/2
Section 14:	N/2NE/4, SE/4NE/4

WHEREAS, the undersigned desire to ratify, adopt and confirm said lease;

Insofar, and only insofar as said ratification covers the SW/4NW/4, SW/4, Section 5 and Lots 1, 2, 3, 4, SE/4NW/4, S/2NE/4 & NE/4SE/4, Section 6, all in Township 35 North, Range 111 West, 6th P. M.

THEREFORE, for valuable consideration paid to the undersigned, receipt of which is hereby acknowledged, the undersigned hereby ratify, adopt and confirm said lease, and hereby grant, lease, and let to Lessee, or its heirs, successors, and assigns, the land covered by said lease, as set out above, upon and subject to the same terms and conditions set out in said lease; provided however, the undersigned shall not be paid any portion of the initial bonus considerations nor rentals payable under said lease, but such bonus considerations and rentals shall be paid to Lessor therein named, his (her) heirs, legal representatives, or assigns. And I do hereby agree and declare that said lease in all of its terms and provisions is binding on me and is a valid and subsisting oil, gas and mineral lease.

Witness our hands and seals this 17th day of March, 19 98.

266853

RECORDED April 21 1998 M
IN BOOK 107 O&G PAGE 538
FEES $ 6.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Saxton

Kenneth W. Pearson - SSN- 520-32-8897

State Of Wyoming
County of Sublette ss.

Acknowledgement-Individual
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 17th Day of March, 1998, personally appeared Kenneth W. Pearson to me known to be the identical person(s) described in and who executed the within foregoing instrument of writing and acknowledged to me that he duly executed the same as his free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expire 9-16-2001

BARBARA A. WELLS - Notary Public
County of Sublette
State of Wyoming
My Commission Expires 9-16-2001

Barbara A Wells
Notary Public
Address: Big Piney WY

CONVEYANCE OF NONPARTICIPATING ROYALTY INTEREST

KNOW ALL MEN BY THESE PRESENTS:

That **Phillip Lee Broderson**, 49 Spruce Street, PSC #1499, Langley AFB, VA 23665, hereinafter called "Grantor", for good and valuable consideration in hand paid, the receipt and sufficiency of which Grantor hereby acknowledges, does hereby grant, bargain, sell, convey, transfer, assign, and deliver unto **S T Oil Company**, 1801 Broadway, Suite 600, Denver, CO 80202 hereinafter called "Grantee", Grantor's interest of 0.2603125% of all Royalty (as hereinafter defined) on oil, gas, casinghead gas, distillate, condensate, and any and all other hydrocarbon or nonhydrocarbon substances, whether similar or dissimilar, which may be produced and saved from the following described lands situated in Sublette County, Wyoming:

Township 31 North, Range 108 West, 6th P.M.
Section 4: Lots 2, 3, 4
Section 6: Lots 5, 6, 7, 12, 13, SE/4NW/4
Section 7: Lots 1, 2, NW/4NE/4

Township 32 North, Range 108 West, 6th P.M.
Section 21: E/2
Section 28: E/2
Section 33: E/2, SW/4
Section 34: All of the SW/4 lying South and East of the East Fork River

266881 9:46A
RECORDED April 23 1998 M
IN BOOK 107 Misc PAGE 539
FEES $ 8.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Shelly Page

Township 31 North, Range 109 West, 6th P.M.
Section 1: S/2NE/4, S/2SW/4, NE/4SW/4, N/2SE/4, SW/4SE/4, Lot 5
Section 11: E/2NE/4
Section 12: Lots 1, 2, 3, 4, NW/4NW/4

EXCEPTING AND RESERVING THEREFROM the following described tracts, to-wit:

(a) A parcel or tract of land, situated in the SE/4SE/4 of Section 33, Township 32 North, Range 108 West, 6th P.M., said parcel being more particularly described as follows:
Beginning at the Southeast corner of the said Section 33, thence North along the East line of the Section a distance of 295.16 feet; thence North 89° 50" West, parallel with the South line of the section, a distance of 295.16 feet; thence South parallel with the East line of the section, a distance of 295.16 feet; thence South 89° 50" East, along the South line of the section, a distance of 295.16 feet to the point of beginning. Said parcel contains 2.0 acres, more or less.

(b) A parcel or tract of land situate in the SE/4NE/4 of Section 33, Township 32 North, Range 108 West, 6th P.M., said parcel being more particularly described as follows:
Beginning at a point which bears South 139.7 feet distant from the Northeast corner of the SE/4NE/4 of Section 33; thence South 696.02 feet; thence West 208.7 feet; thence North 153.81 feet; thence West 208.7 feet; thence North 264.51 feet; thence East 208.7 feet; thence North 277.7 feet; thence East 208.7 feet to the point of beginning.

(The "Lands")

or from lands pooled, communitized or unitized therewith, together with the right of ingress and egress to the surface thereof for the purpose of taking and receiving the herein granted interest in production.

"Royalty," as used herein, shall mean: (1) Any interest in production or the proceeds therefrom in connection with any present or future lease for the production of substances from the Lands, including, but not limited to, whether similar or dissimilar, any royalty, excess royalty, overriding royalty, net profits interest,

or production payment; (2) any payment made in lieu of production, including, but not limited to, whether similar or dissimilar, any shut-in well payments or minimum royalties; and (3) in the event of the development of any portion of the Lands by owners of the mineral interest, the same interest in production of any substances, proceeds, or payment to which Grantee would have been entitled if the mineral owners, as of the date of commencement of development, had executed a lease providing for a royalty of one-eighth (1/8). As to production or extraction of substances from lands pooled or unitized with the Lands or from lands located within any governmental drilling and spacing unit which includes any portion thereof, "Royalty" shall include only that portion of said production, proceeds, or payment attributable to the Lands' interest in said production unit. "Royalty" shall not include any cash bonus received by the mineral owner at the time of executing any oil, gas, or mineral lease, nor any rental paid for the privilege of deferring commencement of development under any lease.

TO HAVE AND TO HOLD unto Grantee, its successors and assigns, forever.

EXECUTED to be effective as of this ~~1st~~ 27th day of ~~June~~ March, ~~1997.~~ 1998

Phillip Lee Broderson

Phillip Lee Broderson

STATE OF)
COUNTY OF COMMONWEALTH OF VIRGINIA
CITY OF HAMPTON

The foregoing instrument was acknowledged before me by Phillip Lee Broderson this 27th day of March, 1998.

Witness my hand and official seal.

Notary Public
ROSE TREVE

My Commission Expires:

OCTOBER 31, 2001

THE STATE OF WYOMING §
§
COUNTY OF SUBLETTE §

RECORDED April 27, 1998 10:40 AM
IN BOOK 107 OR 6 PAGE 541
FEES $ 12.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING
By Cathy Zaeter

266928

NOTICE OF FIRST AMENDED AND RESTATED JONAH FIELD DEVELOPMENT AGREEMENT

Notice is given of the First Amended and Restated Jonah Field Development Agreement dated April 1, 1998 by and among Ultra Resources, Inc., a Wyoming corporation, and Ultra Petroleum (USA) Inc., a Colorado corporation (collectively "Customer") and Halliburton Energy Services, Inc. ("Contractor") superceding and replacing that certain Jonah Field Development Agreement dated May 30, 1997 by and between Ultra Petroleum (USA) Inc., a Colorado corporation ("Customer") and Halliburton Energy Services, Inc. ("Contractor") under which Contractor has the right to earn leasehold interests and other rights with respect to the lands and leases described in Exhibit "A" hereto. A copy of such agreement, which is incorporated by reference herein, is kept by each of the parties hereto in their respective offices.

ULTRA RESOURCES, INC.

By: _____
R. G. (Jerry) Albertus
President

ULTRA PETROLEUM (USA) INC.

By: _____
R. G. (Jerry) Albertus
President

HALLIBURTON ENERGY SERVICES, INC.

By: _____
Robert Verrett, Vice President
Integrated Solutions
Halliburton Energy Services Division

THE STATE OF COLORADO §
§
COUNTY OF BOULDER §

This instrument was acknowledged before me on 1st day of April, 1998, by R.G. "Jerry" Albertus, President of Ultra Resources, Inc., a Wyoming corporation, on behalf of said corporation.

DONNA K. LONG NOTARY PUBLIC STATE OF COLORADO

Donna K. Long
Notary Public, State of COLORADO

My Commission Expires 01-02-2002

THE STATE OF COLORADO §
§
COUNTY OF BOULDER §

This instrument was acknowledged before me on 1st day of April, 1998, by R. G. "Jerry" Albertus, President of Ultra Petroleum (USA) Inc., a Colorado corporation, on behalf of said corporation.

DONNA K. LONG NOTARY PUBLIC STATE OF COLORADO

Donna K. Long
Notary Public, State of COLORADO

My Commission Expires 01-02-2002

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on 1st day of April, 1998, by Robert Verrett, Vice President Integrated Solutions, Halliburton Energy Services Division of Halliburton Energy Services, Inc., a Delaware corporation, on behalf of said corporation.

DONNA BUTTLES
MY COMMISSION EXPIRES
March 14, 2002

Donna Buttles
Notary Public, State of TEXAS

EXHIBIT "A"
To
Jonah Field Development Agreement
between
Ultra Petroleum (USA) Inc.
Ultra Resources, Inc.
and
Halliburton Energy Services, Inc.

Ultra Resources, Inc. and Halliburton Energy Services, Inc. agree to drill the wells described herein.

The six wells already drilled by Halliburton as per Section 1.2:

Well Name	Location
Stud Horse Butte 15-24	Township 29 North, Range 108 West Section 24: SW/4 SE/4 Sublette County, Wyoming
Stud Horse Butte 5-23	Township 29 North, Range 108 West Section 23: SW/4 NW/4 Sublette County, Wyoming
Stud Horse Butte 5-24	Township 29 North, Range 108 West Section 24: SW/4 NW/4 Sublette County, Wyoming
Stud Horse Butte 7-24	Township 29 North, Range 108 West Section 24: SW/4 NE/4 Sublette County, Wyoming
Stud Horse Butte 7-23	Township 29 North, Range 108 West Section 23: SW/4 NE/4 Sublette County, Wyoming
Stud Horse Butte 7-21	Township 29 North, Range 108 West Section 21: SW/4 NE/4 Sublette County, Wyoming

Anticipated Additional Wells in the following:

Prospect Name	No. of Wells	Prospect Description
Stud Horse Butte	Seven (7)	Sections 14, 21, 23 & 24 T29N-R108W Sublette County, Wy.

[redacted] [redacted] [redacted]

Anticipated Additional Wells in the following:

Prospect Name	No. of Wells	Prospect Description
Mesa	Stewart Point 3-28	Sec. 28, T33N-R109W
Mesa	and approximately Seven (7) other wells located in accordance with Section 1.2 of the Agreement	All or part of Secs. 3-9, 15-22, T32N-R109W All or part of Secs. 17-21, 28-35, T33N-R109W Sublette County, Wy.

The two (2) remaining wells will be drilled in accordance with Section 1.2 within either the Stud Horse Butte prospect, the Mesa prospect or such other prospect as identified by Ultra.

545

RECORDED March 31, 19 97 AT 9:00A M.
IN BOOK 1105 OF Misc. PAGE 669
NO. 829915 LARRY E. SARE COUNTY CLERK

TRANSFER, CONVEYANCE AND ASSIGNMENT

BOOK 1105 PAGE 669

This Transfer, Conveyance and Assignment, dated effective as of December 31, 1996, at 5:00 p.m., local time (the "Effective Time"), is from **Manning Oil Partners, a Colorado General Partnership** (hereinafter referred to as Grantor, whether one or more), 370 - 17th Street, Suite 3650, Denver, Colorado, 80202, to the following individuals (hereinafter referred to as Grantee, whether one or more):

Robert L. Manning, Jr. 33 Martin Lane, Englewood, Colorado 80110	1/12
Nancy M. Hill 395 S. Vine Street, Denver, Colorado 80209	1/12
John D. Manning 1321 Sunset Boulevard North, Cody, Wyoming 82414	1/12
Cathy M. Smith P.O. Box 1147, Palm Desert, California 92261	1/12
Fred M. Manning, III P.O. Box 955, Gualala, California 95455	1/9
Deborah J. Manning P.O. Box 20580, Wickenburg, Arizona 85358	1/9
Cordelia Manning 107 Cooper Road, Ridgefield, Connecticut 06877	1/9
Patricia A. Tracy 23530 Weld County Road 59, Kersey, Colorado 80644	1/6
Steven M. Arnold 314 County Road, 8C, Ridgway, Colorado 81432	1/6
	100%

for and in consideration of the sum of Ten and More Dollars ($10.00 & More) cash in hand paid and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged by both Grantor and Grantee, Grantor hereby grants, transfers, conveys and assigns to Grantee the following (all of which are herein called the "Interests"):

All of the Grantor's right, title and interest in and to the lands, properties and interests described in EXHIBITS "A", "B", "C", "D", "E", "F" and "G" attached hereto and made a part hereof and collectively herein referred to as "EXHIBITS", which shall include, but not be limited to, all of Grantor's interest in oil and/or gas wells, oil and gas working interests, royalty interests, overriding royalty interests, mineral interests, net profits interests, carried working interests, leasehold interests (fee, federal, state), surface leases, along with any and all of the oil, gas and other minerals produced from said lands, properties and interests; together with the right of ingress and egress at all times for the purpose of mining, drilling, exploring, operating and developing said lands or properties for oil, gas, and other minerals, and storing, handling, transporting and marketing the same therefrom with the right to remove from said land and properties all of Grantee's property and improvements; and,

266963

RECORDED April 28, 19 98 3:30 PM
IN BOOK 107 Or 6 PAGE 545
FEES $17.50 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING
By Cathy Boston

All of Grantor's right, title and interest in and to any units, pooled areas or communitized areas that cover or include all or any portion of the lands, properties and interests described on the EXHIBITS including interests in operating agreements, exploration agreements, pooling or unitization agreements, farmout agreements, product purchase and sale contracts, pipeline and transportation agreements, processing and treatment agreements, leases, permits, rights-of-way, easements, licenses, options, orders, contracts and instruments in any way relating thereto; and,

All of Grantor's right, title and interest in and to all of the wells situated on the lands described on the EXHIBITS, or on land pooled, communitized or unitized therewith, together with Grantor's Interest in the personal property, fixtures, improvements and other property, whether real, personal, or mixed, now or as of the Effective Time on, appurtenant to, or used or obtained by Grantor in connection with the said lands or wells or with the production, injection, treatment, sale or disposal of hydrocarbons and all other substances produced therefrom or attributable thereto, including without limitation well equipment., casing, tubing, tanks, rods, tank batteries, natural gas, crude oil, condensate or products placed into storage or into pipelines, boilers, buildings, pumps, motors, machinery, injection facilities, disposal facilities, field separators and liquid extractors, compressors, pipelines, gathering systems, power lines, telephone and telegraph lines, roads, and field processing plants, and all other appurtenances thereunto belonging; and

All of Grantor's interests in options, farmout agreements, exploration agreements and other agreements granting to Grantor the right to earn or otherwise acquire interests in the lands and properties described on the EXHIBITS; and

All of Grantor's right to benefit from and to enforce any covenants and warranties, if any, which Grantor is entitled to enforce with respect to Grantor's predecessors in title.

This Transfer, Conveyance and Assignment is made subject to any rights now existing in any lessee or assigns under any valid and subsisting oil and gas lease of record heretofore executed; it being understood and agreed that Grantee shall have, receive, and enjoy the herein granted Interests in and to all bonuses, rents, royalties and other benefits which may accrue under the terms of said leases insofar as they cover the lands and properties described on the EXHIBITS from and after the Effective Time hereof, precisely as if the Grantee herein had been at the date of the making of said leases the owner of the interest in and to the lands described.

This Transfer, Conveyance and Assignment is not intended as a sale as that term is used in various Operating Agreements and Letter Agreements to which the Interests are subject, but as a transfer between associated nominees and beneficiaries.

Grantor agrees to execute such further assurances as may be requisite for the full and complete enjoyment of the rights herein granted.

Unless provided otherwise, all recording references in the EXHIBITS are to the official real property records of counties or parishes in which the land and properties are located.

This Transfer, Conveyance and Assignment may be executed in any number of counterparts, and each counterpart hereof shall be deemed to be an original instrument, but all such counterparts shall constitute but one assignment. To facilitate recording, the counterpart to be recorded in a given county may contain only that portion of the EXHIBITS that describes property located in that county. The parties hereto have each retained a counterpart of this Instrument containing all EXHIBITS attached hereto.

Separate assignments or counterparts of this Transfer, Conveyance and Assignment may be executed for filing with government agencies to satisfy applicable statutory and regulatory requirements. Those assignments or counterparts shall be deemed to contain all of the rights, titles, power and privileges set forth herein as fully as though they were set forth in each such assignment or counterpart. The interests conveyed by such separate assignments or counterparts are the same, and not in addition to, the Interests conveyed herein.

This Instrument shall bind and inure to the benefit of Grantor and Grantee, their respective successors and assigns forever.

IN WITNESS WHEREOF, this instrument is executed this 31st day of December, 1996.

WITNESSES:

Sandy A Gundrum

Anne J Hoge

GRANTOR:
MANNING OIL PARTNERS

By _____
James D. Hanegan
General Partner
Tax ID# 84-1155410

STATE OF COLORADO)
) ss.
COUNTY OF DENVER)

ACKNOWLEDGMENT - INDIVIDUAL

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 31st day of December, 1996, personally appeared James D. Hanegan, General Partner of Manning Oil Partners, a Colorado General Partnership, 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 he duly executed the same as his free and voluntary act and deed for the uses and purposes therein set forth.

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

My Commission Expires: 12/5/2000

JOHN L. OBOURN JR. NOTARY PUBLIC STATE OF COLORADO

Notary Public: John L. Obourn, Jr.
370 17th Street, Suite 3650
Denver, CO 80202

SCHEDULE OF INTERESTS

EXHIBIT "A" - COLORADO

EXHIBIT "B" - WYOMING

EXHIBIT "C" - NEBRASKA

EXHIBIT "D" - OKLAHOMA

EXHIBIT "E" - TEXAS

EXHIBIT "F" - LOUISIANA

EXHIBIT "G" - NORTH DAKOTA

KEY TO ABBREVIATIONS ON EXHIBITS

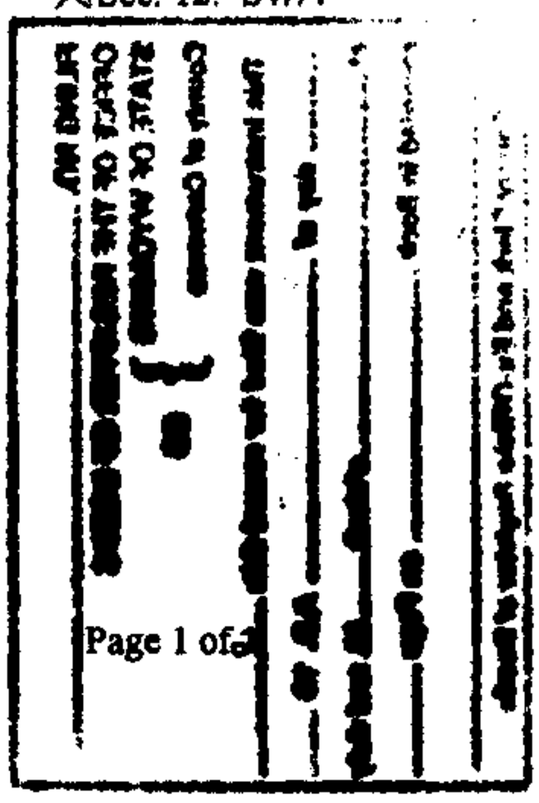
WORKING INTEREST	- WI
CARRIED WORKING INTEREST	- CWI
MINERAL INTEREST	- MI
ROYALTY INTEREST	- RI
OVERRIDING ROYALTY INTEREST	- ORRI

549

EXHIBIT "B"

BOOK 1105 PAGE 673

PROPERTY	INTEREST	BOOK/PAGE RECEPTION #	DESCRIPTION	LESSOR
WYOMING - CONVERSE COUNTY				
L - 405	WI 30. 47%	313/450	T33N, R77W, 6th P.M. Sec. 10: SE/4NW/4, E/2SW/4 Sec. 11: W/2NW/4	Julius W. Freiberg, et al
L - 40	WI 30.47%		T33N, R77W, 6th P.M. Sec. 14: All Sec. 23: All	State of Wyoming #WY-16931
L - 349	WI 30.47%		T33N, R77W, 6th P.M. Sec. 15: E/2SE/4	State of Wyoming #WY-22024
L - 633	Record Title 30.47%		T33N, R77W, 6th P.M. Sec. 1: SW/4, NW/4SE/4 S/2SE/4 Sec. 2: Lots 3, 4, SW/4NW/4, NW/4SW/4 Sec. 3: Lot 1 Sec. 4: S/2NW/4 Sec. 12: N/2NE/4, SW/4NE/4, N/2NW/4, SE/4NW/4 Sec. 13: S/2	U.S.A. #WY-0324721
L - 38	Operating Rights TRACT 1: As to the Second Frontier Sand Formation only 5.66% TRACT 2: All depths, zones and horizons excepting and excluding the Second Frontier Sand Formation 30.47% TRACT 3 30.47% Record Title 30.47%		T33N, R77W, 6th P.M. TRACT 1: Sec. 11: NE/4SW/4, SE/4 E/2NE/4, NW/4NE/4 Sec. 12: SW/4NW/4 TRACT 2: Sec. 11: NE/4SW/4, SE/4, E/2NE/4, NW/4NE/4 Sec. 12: SW/4NW/4 TRACT 3: Sec. 10: SE/4SE/4 Sec. 11: E/2NW/4, W/2SW/4, SE/4SW/4, SW/4NE/4 T33N, R77W, 6th P.M. Sec. 10: SE/4SE/4 Sec. 11: S/2, NE/4, E/2NW/4 Sec. 12: SW/4NW/4	U.S.A. #WY-081299 (Cheyenne)
L - 634	Operating Rights As to the Second Frontier Sand Formation only 5.66% All depths, zones and horizons excepting and excluding the Second Frontier Sand Formation 10.36056% Record Title 10.36056%		T33N, R77W, 6th P.M. Sec. 12: SW/4	U.S.A #WY-0317314



[redacted] [redacted] [redacted]

EXHIBIT "B"

PROPERTY	INTEREST	BOOK/PAGE RECEPTION #	DESCRIPTION	LESSOR
WYOMING - ALBANY COUNTY				
R - 159	ORRI 1.00%	401/258	T18N, R77W, 6th P.M. Sec. 18: E/2SE/4, SW/4SE/4, SE/4SW/4 Sec. 20: All	
WYOMING - FREMONT COUNTY				
R - 158	RI .625% (oil) 1.7873% (gas)	22/195	T3N, R1W, W.R.M. Sec. 27: W/2NW/4SW/4, W/2W/2SE/4SW/4, SW/4SW/4 Sec. 28: SE/4SE/4	
WYOMING - PLATTE COUNTY				
R - 165	MI 3.541667% (11.33 net) (oil and gas only)		T24N, R66W, 6th P.M. Sec. 15: SW/4 Sec. 16: SE/4	
R - 166	MI 3.541667% (5.66 net)		T24N, R66W, 6th P.M. Sec. 10: SE/4SE/4 Sec. 11: SW/4SW/4 Sec. 14: NW/4NW/4 Sec. 15: NE/4NE/4	
R - 167	MI 2.833334% (4.53 net) (oil and gas only)		T24N, R66W, 6th P.M. Sec. 21: NE/4	
WYOMING - SUBLETTE COUNTY				
R - 162	ORRI 2.00%		T33N, R109W, 6th P.M. Sec. 34: W/2E/2, E/2W/2 T32N, R109W, 6th P.M. Sec. 4: Lots 8, 9, 10, 15, 16 Sec. 9: All Sec. 15: W/2 Sec. 21: NE/4 Sec. 22: N/2	U.S.A. #WY-015317
R - 161	ORRI 2.00%		T31N, R108W, 6th P.M. Sec. 29: E/2 Sec. 32: E/2 Sec. 33: W/2 T30N, R108W, 6th P.M. Sec. 3: SW/4 Sec. 4: Lots 1, 2, 3, 4, S/2N/2, S/2 Sec. 9: N/2 Sec. 10: NW/4	U.S.A. #WY-015316

551

ASSIGNMENT OF OVERRIDING ROYALTY
AFFECTING UNITED STATES OIL AND GAS LEASES

KNOW ALL MEN BY THESE PRESENTS THAT Marlene Diann Peter, Trustee of The Peter Family Trust, u/d/t January 6, 1992, assignor, does hereby convey, transfer, assign, and deliver without warranty, either expressed or implied an overriding royalty unto the following party in the amounts shown:

MARLENE DIANN PETER, or Successors, TRUSTEE OF THE PETER FAMILY EXEMPTION TRUST, u/d/t January 6, 1992

Being in all a total of an undivided 100% of assignors interest in an overriding royalty in all of the oil, gas and other hydrocarbon substances that may be produced, saved, and marketed from the following described lands situated in Sublette County, State of Wyoming under the above designated oil and gas leases and any extension or renewal thereof, to-wit:

DO #0841447, Jory Hill 1-29 Frontier Tr 5.
SW/4 SW/4 and NE/4 NW/4 Section 12 - T27N - R114W, 6th P.M.

Dated: April 24, 1998

Marlene Diann Peter
Marlene Diann Peter, Trustee
The Peter Family Trust, u/d/t 01/06/92

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN LUIS OBISPO)

On April 24, 1998 before me, Joan M. Rich, notary public, personally appeared Marlene Diann Peter, personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my name and official seal.

Joan M. Rich
Notary Public

JOAN M. RICH
Commission # 1105147
Notary Public — California
San Luis Obispo County
My Comm. Expires Nov 4, 2000

266964

PETER\Assign of Lease, Mobil #2

RECORDED April 28 1998 2:35P M
IN BOOK 101 O&G PAGE 551
FEES $ 8.00 M L Lyle COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING
By: Kathy Pope

[redacted] [redacted] [redacted]

QUALIFICATIONS OF ASSIGNEE OF OVERRIDING ROYALTY UNDER UNITED STATES OIL AND GAS LEASES

The assignee requests approval of assignment of royalty and certifies as follows:

1. Assignee is 21 years of age or over, and is a citizen of the United States:

   _x_ Native Born

2. Assignee is a corporation or other legal entity, (kind)

   Irrevocable Trust

3. Assignee's interest, direct or indirect, does not exceed 246,080 chargeable acres in options and leases and offers to lease in the same state.

4. Assignee is the sole party in interest in this statement.

5. The undersigned agrees that the obligation to pay the overriding royalties or payments out of oil or production created herein, which when added to overriding royalties or payments out of production previously created and to the royalty payable to the United States, aggregate in excess of 17 ½ % shall be suspended when the average production of oil per well per day averaged on a monthly basis is 15 barrels or less.

6. Amount remitted: $25.00 Filing Fee: $25.00

It is hereby certified that the statements made herein are true, complete, and correct to the best of the undersigned's knowledge and belief.

Executed this 24 day of April, 1998.

ASSIGNEE

Marlene Diann Peter, Trustee
The Peter Family Exemption Trust
u/d/t 01/06/92

Address:

349 Fresno Avenue
Morro Bay, CA 93442

553

1120 F

PRODUCERS 88-PAID UP

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 27th day of February, 19 98, by and between Mary Cathleen Trow, a married woman dealing in her sole and separate property whose post office address is 108 Forrester Creek Dr. Greenville, SC 29607 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden St., Suite 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten or more DOLLARS 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 along with all hydrocarbons and non-hydrocarbon substances produced in association therewith, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, helium, carbon dioxide, sulfur compounds and all other commercial gases (collectively "oil and gas" or "Hydrocarbons") 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:

RECORDED April 28 19 98 M 3:50P
IN BOOK 107 D+G PAGE 553
FEES $ 10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Shari Pope

266965

Please see Exhibit "A" for the Legal Description attached to and made a part of this lease.

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing 853.83 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of 5 years from this date and as long thereafter as Hydrocarbons are produced from said leased premises or on acreage pooled communitized or unitized therewith, or drilling operations are continued as hereinafter provided. If, at the expiration of the primary term of this lease, Hydrocarbons are not being produced on the leased premises or on acreage pooled, communitized or unitized therewith but Lessee is then engaged in drilling or reworking for other operations or restoring production on the lease premises or then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises or on acreage pooled communitized or unitized therewith; and operations shall be considered to be continuously prosecuted if Lessee diligently prosecutes operations for obtaining or restoring production on the lease premises or, 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 Hydrocarbons on said land or on acreage pooled, communitized or unitized therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or reworking for other operations for obtaining or restoring production on the lease premises or operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If Hydrocarbons 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 Hydrocarbons are produced from the leased premises or on acreage pooled, communitized or unitized therewith.

2. This is a PAID-UP LEASE. For the consideration set forth above, 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. Royalty Payment. Royalties on Hydrocarbons shall be paid by Lessee to Lessor as follows:

(a) for oil and other liquid Hydrocarbons separated at Lessee's separator facilities, the royalty shall be one-eighth of such production, to be delivered at Lessee's option to Lessor at the wellhead or to the Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to sell such production to itself or an affiliate at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similarly grade and gravity;

(b) for gas (including casinghead gas) and all other gaseous Hydrocarbons, the royalty shall be one-eighth of the proceeds realized by the Lessee from the sale thereof, provided, that Lessee shall have the continuing right to sell such production to itself or an affiliate at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase agreements entered into on the same or in the nearest preceding date as the date on which the Lessee or its affiliate commences its purchases hereunder; and

(c) in calculating the royalties on production hereunder, Lessee may deduct Lessor's proportionate part of any ad valorem, production and excise taxes and any costs incurred by Lessee in treating, processing, delivering and otherwise marketing such production.

4. If after the primary term one or more wells on the lease premises or lands pooled to unitize therewith are capable of producing Hydrocarbons in paying quantities, but the other wells are either shut-in or production therefrom is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing in paying quantities for the purposes of maintaining this lease. If for a period of 120 consecutive days, such well or wells are shut-in or production therefrom is not sold by Lessee, then Lessee shall pay an aggregate shut-in royalty of $1.00 per acre then covered by this lease, with such payment to be made to Lessor or to Lessor's credit in a depository designated in this lease, on or before the end of said 120-day period and thereafter on or before the anniversary of the end of said 120-day period while the well or wells are shut-in or production therefrom is not being sold by Lessee; provided that if this lease is otherwise being maintained by the payment of rental or operations, or if production is being sold by Lessee from another well or wells on the lease premises or lands pooled to unitize therewith, no shut-in royalty shall be due until the end of the 120-day period following the end of the rental period or cessation of such operations or production, as the case may be. Lessee's failure to properly pay shut-in royalty hereunder shall render Lessee liable in the amount due, but shall not operate to terminate this lease.

5. If said Lessor owns less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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, communitize 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 Hydrocarbons, individually or in the aggregate, when in Lessee's judgment it is necessary or advisable to do so, and irrespective of whether authority similar to this exists with respect to such other land, lease or leases. Likewise, units previously formed to include formations not producing oil or gas may be reformed to exclude such non-producing formations. The forming or reforming of any unit shall be accomplished by Lessee executing and filing of record a declaration of such unitization or reformation, which declaration shall describe the unit. Any unit may include land upon which a well has theretofore been completed or upon which operations for drilling have theretofore been commenced. Production, drilling or reworking operations or a well shut-in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut-in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total

number of surface [redacted]ed by this lease and included in the unit bear[redacted]tal number of surface acres in such unit. In [redacted] the foregoing, Lessee shall have the right to unitize, communitize, 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. Pooling, communitization, unitization or otherwise combining all or any portion of the above described lands shall not constitute a cross conveyance of interests.

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, an event of "force majeure" or if such failure is the result of, any such Law, Order, Rule or Regulation. "Force majeure" shall mean an event causing a delay in drilling, reworking, production or other operations which are prevented or delayed by laws, rules, regulations or orders, or by an inability to obtain necessary permits, equipment, services, materials, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike, or labor disputes, or by an inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control. If Lessee's performance is affected by an event of force majeure, this lease shall not terminate and, at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall take all reasonable and necessary actions to remedy the event of force majeure. Lessee shall not be liable for breach of any provisions, either express or implied, to this lease during the continuance of an event of force majeure.

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. Preferential Right. If, during the term of this lease (but not more than 20 years after the date hereof), Lessor receives a bona fide offer from any party to purchase a new lease covering all or any part of the lands or substances covered hereby, and if Lessor is willing to accept such offer, then Lessor shall promptly notify Lessee in writing of the name and address of the offeror, and of all pertinent terms and conditions of the offer, including any lease bonus offered. Lessee shall have a period of 30 days after receipt of such notice to exercise a preferential right to purchase a new lease from Lessor in accordance with the terms and conditions of the offer, by giving Lessor written notice of such exercise. Promptly thereafter, Lessee shall furnish to Lessor the new lease for execution, along with a time draft for the lease bonus conditioned upon execution and delivery of the lease by Lessor and approval of title by Lessee, all in accordance with the terms of said draft. Whether or not Lessee exercises its preferential right hereunder, then as long as this lease remains in effect, any new lease from Lessor shall be subordinate to this lease and shall not be construed as replacing or adding to Lessee's obligations hereunder.

16. Extension of Primary Term. For the consideration herein recited, Lessor hereby grants to Lessee the exclusive right and option to extend the primary term of this lease for five (5) additional years by mailing to Lessor at the address listed on this lease, on or before the end of the primary term, a bonus consideration equal to one hundred fifty percent (150%) of the bonus consideration originally paid for this lease, which payment shall represent payment in full of consideration for this extension.

17. 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.

x Mary Cathleen Trow S.S.# 492-54-3047

Mary Cathleen Trow, a married woman dealing in her sole and separate property

STATE OF South Carolina
COUNTY OF GREENVILLE
ss.

ACKNOWLEDGMENT-INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 1st day of April, 1998

personally appeared Mary Cathleen Trow, a married woman dealing in her sole and separate property

and _____ to me known to be the identical person(s) described in and who executed the

with[redacted]nstrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the

purposes therein set forth.

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

My Commission Expires 2-28-1999

Denise Lowery
Notary Public
Address: 109 Forestar Creek Drive
Greenville, SC 29607

STATE OF _____
COUNTY OF _____
ss.

CORPORATE
(For use in all states)

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.

Witness my hand and seal this _____ day of _____ AD., 19____.

My Commission Expires _____

_____
Notary Public
Address: _____

Exhibit "A"

Attached to and made a part of a certain Oil & Gas Lease dated February 27, 1998 by and between Mary Cathleen Trow, a married woman dealing in her sole and separate property, and High Plains Associates, Inc., as Lessee.

Legal Description

Township 34 North, Range 111 West, 6th P.M.
Section 34: S/2NE/4, SE/4
Section 35: SW/4NW/4, W/2SW/4

Township 33 North, Range 111 West, 6th P.M.
Section 2: Lot 4 (40.04) less and except
Township of Daniels 2nd Plat:
Lot 1-3.75 acres
Lots 2 & 10-2.28 acres
Lot 3-4.77 acres
Lot 6-1.05 acres
Lot 7-1.11 acres
Lot 8-9.79 acres

110015

[redacted] [redacted] [redacted]

PRODUCERS 88-PAID UP

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 23rd day of December, 19 97, by and between Bernard Moran, a married man dealing in his sole and separate property whose post office address is 1521 North College Dr. Marysville, MO 64468 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden St., Suite 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten or more DOLLARS 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 along with all hydrocarbons and non-hydrocarbon substances produced in association therewith, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, helium, carbon dioxide, sulfur compounds and all other commercial gases (collectively "oil and gas" or "Hydrocarbons") 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:

3:50P
RECORDED April 28 1998 M
IN BOOK 107-A PAGE 556
FEES $ 10.00 COUNTY CLERK
SUBLETTE COUNTY PINEDALE, WYOMING
By Shakie Rapp

266966

Please see Exhibit "A" for the Legal Description attached to and made a part of this lease.

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing 853.83 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of 5 years from this date and as long thereafter as Hydrocarbons are produced from said leased premises or on acreage pooled communitized or unitized therewith, or drilling operations are continued as hereinafter provided. If, at the expiration of the primary term of this lease, Hydrocarbons are not being produced on the leased premises or on acreage pooled, communitized or unitized therewith but Lessee is then engaged in drilling or reworking for other operations or restoring production on the lease premises or then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises or on acreage pooled communitized or unitized therewith; and operations shall be considered to be continuously prosecuted if Lessee diligently prosecutes operations for obtaining or restoring production on the lease premises or, 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 Hydrocarbons on said land or on acreage pooled, communitized or unitized therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or reworking for other operations for obtaining or restoring production on the lease premises or operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If Hydrocarbons 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 Hydrocarbons are produced from the leased premises or on acreage pooled, communitized or unitized therewith.

2. This is a PAID-UP LEASE. For the consideration set forth above, 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. Royalty Payment. Royalties on Hydrocarbons shall be paid by Lessee to Lessor as follows:

(a) for oil and other liquid Hydrocarbons separated at Lessee's separator facilities, the royalty shall be one-eighth of such production, to be delivered at Lessee's option to Lessor at the wellhead or to the Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to sell such production to itself or an affiliate at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similarly grade and gravity;

(b) for gas (including casinghead gas) and all other gaseous Hydrocarbons, the royalty shall be one-eighth of the proceeds realized by the Lessee from the sale thereof, provided, that Lessee shall have the continuing right to sell such production to itself or an affiliate at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase agreements entered into on the same or in the nearest preceding date as the date on which the Lessee or its affiliate commences its purchases hereunder; and

(c) in calculating the royalties on production hereunder, Lessee may deduct Lessor's proportionate part of any ad valorem, production and excise taxes and any costs incurred by Lessee in treating, processing, delivering and otherwise marketing such production.

4. If after the primary term one or more wells on the lease premises or lands pooled to unitize therewith are capable of producing Hydrocarbons in paying quantities, but the other wells are either shut-in or production therefrom is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing in paying quantities for the purposes of maintaining this lease. If for a period of 120 consecutive days, such well or wells are shut-in or production therefrom is not sold by Lessee, then Lessee shall pay an aggregate shut-in royalty of $1.00 per acre then covered by this lease, with such payment to be made to Lessor or to Lessor's credit in a depository designated in this lease, on or before the end of said 120-day period and thereafter on or before the anniversary of the end of said 120-day period while the well or wells are shut-in or production therefrom is not being sold by Lessee; provided that if this lease is otherwise being maintained by the payment of rental or operations, or if production is being sold by Lessee from another well or wells on the lease premises or lands pooled to unitize therewith, no shut-in royalty shall be due until the end of the 120-day period following the end of the rental period or cessation of such operations or production, as the case may be. Lessee's failure to properly pay shut-in royalty hereunder shall render Lessee liable in the amount due, but shall not operate to terminate this lease.

5. If said Lessor owns less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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, communitize 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 Hydrocarbons, individually or in the aggregate, when in Lessee's judgment it is necessary or advisable to do so, and irrespective of whether authority similar to this exists with respect to such other land, lease or leases. Likewise, units previously formed to include formations not producing oil or gas may be reformed to exclude such non-producing formations. The forming or reforming of any unit shall be accomplished by Lessee executing and filing of record a declaration of such unitization or reformation, which declaration shall describe the unit. Any unit may include land upon which a well has theretofore been completed or upon which operations for drilling have theretofore been commenced. Production, drilling or reworking operations or a well shut-in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut-in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total

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, communitize, 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. Pooling, communitization, unitization or otherwise combining all or any portion of the above described lands shall not constitute a cross conveyance of interests.

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, an event of "force majeure" or if such failure is the result of, any such Law, Order, Rule or Regulation. "Force majeure" shall mean an event causing a delay in drilling, reworking, production or other operations which are prevented or delayed by laws, rules, regulations or orders, or by an inability to obtain necessary permits, equipment, services, materials, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike, or labor disputes, or by an inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control. If Lessee's performance is affected by an event of force majeure, this lease shall not terminate and, at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall take all reasonable and necessary actions to remedy the event of force majeure. Lessee shall not be liable for breach of any provisions, either express or implied, to this lease during the continuance of an event of force majeure.

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. Preferential Right. If, during the term of this lease (but not more than 20 years after the date hereof), Lessor receives a bona fide offer from any party to purchase a new lease covering all or any part of the lands or substances covered hereby, and if Lessor is willing to accept such offer, then Lessor shall promptly notify Lessee in writing of the name and address of the offeror, and of all pertinent terms and conditions of the offer, including any lease bonus offered. Lessee shall have a period of 30 days after receipt of such notice to exercise a preferential right to purchase a new lease from Lessor in accordance with the terms and conditions of the offer, by giving Lessor written notice of such exercise. Promptly thereafter, Lessee shall furnish to Lessor the new lease for execution, along with a time draft for the lease bonus conditioned upon execution and delivery of the lease by Lessor and approval of title by Lessee, all in accordance with the terms of said draft. Whether or not Lessee exercises its preferential right hereunder, then as long as this lease remains in effect, any new lease from Lessor shall be subordinate to this lease and shall not be construed as replacing or adding to Lessee's obligations hereunder.

16. Extension of Primary Term. For the consideration herein recited, Lessor hereby grants to Lessee the exclusive right and option to extend the primary term of this lease for five (5) additional years by mailing to Lessor at the address listed on this lease, on or before the end of the primary term, a bonus consideration equal to one hundred fifty percent (150%) of the bonus consideration originally paid for this lease, which payment shall represent payment in full of consideration for this extension.

17. 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.

x Bernard Moran S.S.# 491-36-8171

Bernard Moran, a married man dealing in his sole and separate property

---

STATE OF Missouri

COUNTY OF Nodaway ss.

ACKNOWLEDGMENT-INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 5th day of January, 19 98

personally appeared Bernard Moran, a married man dealing in his sole and separate property

and _____ to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that he duly executed the same as his free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires 06/18/99

KELLY STELTER
NOTARY PUBLIC
NOTARY SEAL STATE OF MISSOURI
NODAWAY COUNTY
My Commission Expires on June 18 1999

Notary Public
Address: Rt 1 Maryville MO 64468

STATE OF _____

COUNTY OF _____ ss.

CORPORATE
(For use in all states)

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.

Witness my hand and seal this _____ day of _____ AD., 19___.

My Commission Expires _____

_____
Notary Public
Address: _____

[redacted] [redacted] [redacted]

Exhibit "A"
Attached to and made a part of a certain Oil & Gas Lease dated December 23, 1997 by and between Bernard Moran, as Lessor, and High Plains Associates, Inc., as Lessee.

Legal Description

Township 34 North, Range 111 West, 6th P.M.
Section 35: NE/4SW/4
Township 34 North, Range 111 West, 6th P.M.
Section 34: S/2NE/4, SE/4
Section 35: SW/4NW/4, W/2SW/4

Township 33 North, Range 111 West, 6th P.M.
Section 2: Lot 4 (40.04) less and except
Township of Daniels 2nd Plat:
Lot 1-3.75 acres
Lots 2 & 10-2.28 acres
Lot 3-4.77 acres
Lot 6-1.05 acres
Lot 7-1.11 acres
Lot 8-9.79 acres

Second Subdivision Lot 9- .12 acres, metes/bounds descrip.
QCD Book 10 Page 111- .55 acres totaling .67 acres

Township of Daniels 3rd Plat:
Lot 1 previously described as Lots 2,3,4 Block 1- .2465 acres
Lot 1 previously described as Lots 5,6 Block 1- .1435 acres
Lot 2 (resurveyed)- 1.75 acres
Lot 3 (resurveyed)- 1.50 acres

metes/bounds descrip. QCD Book 6 Pages 162 & 421- .69 acres

metes/bounds description QCD Book 8 Page 583- .69 acres

Section 2: SW/4NW/4, NW/4SW/4, and S/2SW/4
metes/bounds descrip. in NW/4 WD Bk 37 Page 223- 2.00 acres

Section 3: Lot 1(40.10), Lot 2(40.13), S/2NE/4 and SE/4

Containing 893.83 Acres, more or less.

B.M
B.M.

559

11206!

PRODUCERS 88-PAID UP

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 23rd day of December, 1997, by and between Robert J. Travelute and Ola B. Travelute, husband and wife whose post office address is 4789 Harbor Dr., Morristown, TN 37814 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden St., Suite 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten or more DOLLARS 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 along with all hydrocarbons and non-hydrocarbon substances produced in association therewith, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, helium, carbon dioxide, sulfur compounds and all other commercial gases (collectively "oil and gas" or "Hydrocarbons") 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:

266967

Please see Exhibit "A" for the legal description and Exhibit "B" attached to and made a part of this lease.

RECORDED April 28 1998 M 3:50P
IN BOOK 107 Of PAGE 559
FEES $ 12.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Shelia Pope

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing XXXXXX acres, more or less.

1. It is agreed that this lease shall remain in force for a term of 5 years from this date and as long thereafter as Hydrocarbons are produced from said leased premises or on acreage pooled communitized or unitized therewith, or drilling operations are continued as hereinafter provided. If, at the expiration of the primary term of this lease, Hydrocarbons are not being produced on the leased premises or on acreage pooled, communitized or unitized therewith but Lessee is then engaged in drilling or reworking for other operations or restoring production on the lease premises or then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises or on acreage pooled communitized or unitized therewith; and operations shall be considered to be continuously prosecuted if Lessee diligently prosecutes operations for obtaining or restoring production on the lease premises or, 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 Hydrocarbons on said land or on acreage pooled, communitized or unitized therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or reworking for other operations for obtaining or restoring production on the lease premises or operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If Hydrocarbons 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 Hydrocarbons are produced from the leased premises or on acreage pooled, communitized or unitized therewith.

2. This is a PAID-UP LEASE. For the consideration set forth above, 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. Royalty Payment. Royalties on Hydrocarbons shall be paid by Lessee to Lessor as follows:

(a) for oil and other liquid Hydrocarbons separated at Lessee's separator facilities, the royalty shall be one-eighth of such production, to be delivered at Lessee's option to Lessor at the wellhead or to the Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to sell such production to itself or an affiliate at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity;

(b) for gas (including casinghead gas) and all other gaseous Hydrocarbons, the royalty shall be one-eighth of the proceeds realized by the Lessee from the sale thereof, provided, that Lessee shall have the continuing right to sell such production to itself or an affiliate at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase agreements entered into on the same or in the nearest preceding date as the date on which the Lessee or its affiliate commences its purchases hereunder; and

(c) in calculating the royalties on production hereunder, Lessee may deduct Lessor's proportionate part of any ad valorem, production and excise taxes and any costs incurred by Lessee in treating, processing, delivering and otherwise marketing such production.

4. If after the primary term one or more wells on the lease premises or lands pooled to unitize therewith are capable of producing Hydrocarbons in paying quantities, but the other wells are either shut-in or production therefrom is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing in paying quantities for the purposes of maintaining this lease. If for a period of 120 consecutive days, such well or wells are shut-in or production therefrom is not sold by Lessee, then Lessee shall pay an aggregate shut-in royalty of $1.00 per acre then covered by this lease, with such payment to be made to Lessor or to Lessor's credit in a depository designated in this lease, on or before the end of said 120-day period and thereafter on or before the anniversary of the end of said 120-day period while the well or wells are shut-in or production therefrom is not being sold by Lessee; provided that if this lease is otherwise being maintained by the payment of rental or operations, or if production is being sold by Lessee from another well or wells on the lease premises or lands pooled to unitize therewith, no shut-in royalty shall be due until the end of the 120-day period following the end of the rental period or cessation of such operations or production, as the case may be. Lessee's failure to properly pay shut-in royalty hereunder shall render Lessee liable in the amount due, but shall not operate to terminate this lease.

5. If said Lessor owns less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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, communitize 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 Hydrocarbons, individually or in the aggregate, when in Lessee's judgment it is necessary or advisable to do so, and irrespective of whether authority similar to this exists with respect to such other land, lease or leases. Likewise, units previously formed to include formations not producing oil or gas may be reformed to exclude such non-producing formations. The forming or reforming of any unit shall be accomplished by Lessee executing and filing of record a declaration of such unitization or reformation, which declaration shall describe the unit. Any unit may include land upon which a well has theretofore been completed or upon which operations for drilling have theretofore been commenced. Production, drilling or reworking operations or a well shut-in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut-in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total

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, communitize, 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. Pooling, communitization, unitization or otherwise combining all or any portion of the above described lands shall not constitute a cross conveyance of interests.

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, an event of "force majeure" or if such failure is the result of, any such Law, Order, Rule or Regulation. "Force majeure" shall mean an event causing a delay in drilling, reworking, production or other operations which are prevented or delayed by laws, rules, regulations or orders, or by an inability to obtain necessary permits, equipment, services, materials, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike, or labor disputes, or by an inability to obtain a satisfactory market for production or a failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control. If Lessee's performance is affected by an event of force majeure, this lease shall not terminate and, at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall take all reasonable and necessary actions to remedy the event of force majeure. Lessee shall not be liable for breach of any provisions, either express or implied, to this lease during the continuance of an event of force majeure.

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. Preferential Right. If, during the term of this lease (but not more than 20 years after the date hereof), Lessor receives a bona fide offer from any party to purchase a new lease covering all or any part of the lands or substances covered hereby, and if Lessor is willing to accept such offer, then Lessor shall promptly notify Lessee in writing of the name and address of the offeror, and of all pertinent terms and conditions of the offer, including any lease bonus offered. Lessee shall have a period of 30 days after receipt of such notice to exercise a preferential right to purchase a new lease from Lessor in accordance with the terms and conditions of the offer, by giving Lessor written notice of such exercise. Promptly thereafter, Lessee shall furnish to Lessor the new lease for execution, along with a time draft for the lease bonus conditioned upon execution and delivery of the lease by Lessor and approval of title by Lessee, all in accordance with the terms of said draft. Whether or not Lessee exercises its preferential right hereunder, then as long as this lease remains in effect, any new lease from Lessor shall be subordinate to this lease and shall not be construed as replacing or adding to Lessee's obligations hereunder.

16. Extension of Primary Term. For the consideration herein recited, Lessor hereby grants to Lessee the exclusive right and option to extend the primary term of this lease for five (5) additional years by mailing to Lessor at the address listed on this lease, on or before the end of the primary term, a bonus consideration equal to one hundred fifty percent (150%) of the bonus consideration originally paid for this lease, which payment shall represent payment in full of consideration for this extension.

17. 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.

x Robert J Travelute — S.S.# 520-20-6358

Rober J. Travelute, husband

x Ola B Travelute — S.S.# 435-50-2965

Ola B. Travelute, wife

STATE OF Tennessee

COUNTY OF Hamblen

ss.

ACKNOWLEDGMENT–INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 31st day of December, 1997,

personally appeared Robert J. Travelute and Ola B. Travelute, husband and wife

and ✓ to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that they duly executed the same as their free and voluntary act and deed for the uses and purposes therein set forth.

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

My Commission Expires June 27 1999

Notary Public
Address: 120 Evans [redacted] St
Morristown TN 37814

STATE OF _____

COUNTY OF _____

ss.

CORPORATE
(For use in all states)

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.

Witness my hand and seal this _____ day of _____ AD., 19___.

My Commission Expires _____

Notary Public
Address: _____

Exhibit "A"

Attached to and made a part of a certain Oil & Gas Lease dated December 23, 1997 by and between Robert J. Travelute and Ola B. Travelute, husband and wife as Lessor, and High Plains Associates, Inc., as Lessee.

Legal Description

Township 34 North, Range 111 West, 6th P.M.

Section 35: NE/4SW/4,

: Metes and bounds description part of the NW/4SW/4 described in WD, Book 13D, Page 95, containing 3.84 acres, more or less.

Metes and bounds description part of the SW/4SW/4 described in WD, Book 16D, Page 331 containing 13.86 acres, more or less.

Township 33 North, Range 111 West, 6th P.M.

Section 2: Metes and bounds description part of the NW/4 described in WD, Book 37, Page 223 containing 2.00 acres, more or less.

Containing 59.70 Acres, more or less.

[redacted] [redacted] [redacted]

Exhibit "B"
Attached to and made a part of a certain Oil & Gas Lease dated December 23, 1997 by and between Robert J. Travelute and Ola B. Travelute, husband and wife as Lessor, and High Plains Associates, Inc., as Lessee.

ADDENDUM

We, Robert J. Travelute and Ola B. Travelute, husband and wife, agree and concur that a certain Oil and Gas Lease dated December 9, 1993 by and between Robert J. Travelute and Ola B. Travelute, husband and wife as Lessor, and Starwood, Inc. ,as Lessee, recorded on January 31, 1994 in Sublette County Book 96 Page 159 is for an undivided 100% of 53.125% mineral interest. The attached Oil and Gas Lease dated December 23, 1997 by and between Robert J. Travelute and Ola B. Travelute, husband and wife, as Lessor, and High Plains Associates, Inc., as Lessee, does not cover any of the lands described in the above mentioned Oil & Gas Lease dated December 9, 1993 with Starwood, Inc. as Lessee.

562

RECORDED April 28 1998 M 3:50P
IN BOOK 107 Det A PAGE 563
FEES $ 8.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Tish Pape

PRODUCERS 88-PAID UP

266968

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 10th day of March, 19 98, by and between Cornelia M. Robinson, Trustee of the Cornelia M. Robinson Trust and Successor Trustees whose post office address is 9025 North 109th Ave. Sun City, AZ 85351 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden St., Suite 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten or more DOLLARS 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 along with all hydrocarbons and non-hydrocarbon substances produced in association therewith, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, helium, carbon dioxide, sulfur compounds and all other commercial gases (collectively "oil and gas" or "Hydrocarbons") 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 32 North, Range 112 West, 6th P.M.
Section 10: Lots 1(27.07), 2(25.47), and 3(23.85)

Township 33 North, Range 112 West, 6th P.M.
Section 35: W1/2, SE1/4, SW1/4NE1/4

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing 596.39 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of Five years from this date and as long thereafter as Hydrocarbons are produced from said leased premises or on acreage pooled communitized or unitized therewith, or drilling operations are continued as hereinafter provided. If, at the expiration of the primary term of this lease, Hydrocarbons are not being produced on the leased premises or on acreage pooled, communitized or unitized therewith but Lessee is then engaged in drilling or reworking for other operations or restoring production on the lease premises or then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises or on acreage pooled communitized or unitized therewith; and operations shall be considered to be continuously prosecuted if Lessee diligently prosecutes operations for obtaining or restoring production on the lease premises or, 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 Hydrocarbons on said land or on acreage pooled, communitized or unitized therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or reworking for other operations for obtaining or restoring production on the lease premises or operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If Hydrocarbons 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 Hydrocarbons are produced from the leased premises or on acreage pooled, communitized or unitized therewith.

2. This is a PAID-UP LEASE. For the consideration set forth above, 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. Royalty Payment. Royalties on Hydrocarbons shall be paid by Lessee to Lessor as follows:

(a) for oil and other liquid Hydrocarbons separated at Lessee's separator facilities, the royalty shall be one-eighth of such production, to be delivered at Lessee's option to Lessor at the wellhead or to the Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to sell such production to itself or an affiliate at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similarly grade and gravity;

(b) for gas (including casinghead gas) and all other gaseous Hydrocarbons, the royalty shall be one-eighth of the proceeds realized by the Lessee from the sale thereof, provided, that Lessee shall have the continuing right to sell such production to itself or an affiliate at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase agreements entered into on the same or in the nearest preceding date as the date on which the Lessee or its affiliate commences its purchases hereunder; and

(c) in calculating the royalties on production hereunder, Lessee may deduct Lessor's proportionate part of any ad valorem, production and excise taxes and any costs incurred by Lessee in treating, processing, delivering and otherwise marketing such production.

4. If after the primary term one or more wells on the lease premises or lands pooled to unitize therewith are capable of producing Hydrocarbons in paying quantities, but the other wells are either shut-in or production therefrom is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing in paying quantities for the purposes of maintaining this lease. If for a period of 120 consecutive days, such well or wells are shut-in or production therefrom is not sold by Lessee, then Lessee shall pay an aggregate shut-in royalty of $1.00 per acre then covered by this lease, with such payment to be made to Lessor or to Lessor's credit in a depository designated in this lease, on or before the end of said 120-day period and thereafter on or before the anniversary of the end of said 120-day period while the well or wells are shut-in or production therefrom is not being sold by Lessee; provided that if this lease is otherwise being maintained by the payment of rental or operations, or if production is being sold by Lessee from another well or wells on the lease premises or lands pooled to unitize therewith, no shut-in royalty shall be due until the end of the 120-day period following the end of the rental period or cessation of such operations or production, as the case may be. Lessee's failure to properly pay shut-in royalty hereunder shall render Lessee liable in the amount due, but shall not operate to terminate this lease.

5. If said Lessor owns less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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, communitize 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 Hydrocarbons, individually or in the aggregate, when in Lessee's judgment it is necessary or advisable to do so, and irrespective of whether authority similar to this exists with respect to such other land, lease or leases. Likewise, units previously formed to include formations not producing oil or gas may be reformed to exclude such non-producing formations. The forming or reforming of any unit shall be accomplished by Lessee executing and filing of record a declaration of such unitization or reformation, which declaration shall describe the unit. Any unit may include land upon which a well has theretofore been completed or upon which operations for drilling have theretofore been commenced. Production, drilling or reworking operations or a well shut-in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut-in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total

number of surface a[redacted]ed by this lease and included in the unit bears [redacted]al number of surface acres in such unit. In ad[redacted]e foregoing, Lessee shall have the right to unitize, communitize, 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. Pooling, communitization, unitization or otherwise combining all or any portion of the above described lands shall not constitute a cross conveyance of interests.

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, an event of "force majeure" or if such failure is the result of, any such Law, Order, Rule or Regulation. "Force majeure" shall mean an event causing a delay in drilling, reworking, production or other operations which are prevented or delayed by laws, rules, regulations or orders, or by an inability to obtain necessary permits, equipment, services, materials, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike, or labor disputes, or by an inability to obtain a satisfactory market for production or a failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control. If Lessee's performance is affected by an event of force majeure, this lease shall not terminate and, at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall take all reasonable and necessary actions to remedy the event of force majeure. Lessee shall not be liable for breach of any provisions, either express or implied, to this lease during the continuance of an event of force majeure.

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. Preferential Right. If, during the term of this lease (but not more than 20 years after the date hereof), Lessor receives a bona fide offer from any party to purchase a new lease covering all or any part of the lands or substances covered hereby, and if Lessor is willing to accept such offer, then Lessor shall promptly notify Lessee in writing of the name and address of the offeror, and of all pertinent terms and conditions of the offer, including any lease bonus offered. Lessee shall have a period of 30 days after receipt of such notice to exercise a preferential right to purchase a new lease from Lessor in accordance with the terms and conditions of the offer, by giving Lessor written notice of such exercise. Promptly thereafter, Lessee shall furnish to Lessor the new lease for execution, along with a time draft for the lease bonus conditioned upon execution and delivery of the lease by Lessor and approval of title by Lessee, all in accordance with the terms of said draft. Whether or not Lessee exercises its preferential right hereunder, then as long as this lease remains in effect, any new lease from Lessor shall be subordinate to this lease and shall not be construed as replacing or adding to Lessee's obligations hereunder.

16. Extension of Primary Term. For the consideration herein recited, Lessor hereby grants to Lessee the exclusive right and option to extend the primary term of this lease for five (5) additional years by mailing to Lessor at the address listed on this lease, on or before the end of the primary term, a bonus consideration equal to one hundred fifty percent (150%) of the bonus consideration originally paid for this lease, which payment shall represent payment in full of consideration for this extension.

17. 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.

x Cornelia M. Robinson, Tte — S.S.# 520-18-9095

Cornelia M. Robinson, Trustee of the Cornelia M. Robinson Trust and Successor Trustees

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STATE OF Arizona

COUNTY OF Maricopa

ss.

ACKNOWLEDGMENT–INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 20 day of March, 1998,

personally appeared Cornelia M. Robinson, Trustee of the Cornelia M. Robinson Trust

xxxx and Successor Trustees to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

IN WITNESS WH[redacted] fixed my notarial seal the day and year last above written.

My Commission Expires [redacted]

NOTARY PUBLIC
STATE OF ARIZONA
Maricopa County
LYNNETTE CUMMINGS
My Appointment Expires 1/09/2000

Notary Public
Address: Sun City AZ

STATE OF _____

COUNTY OF _____

ss.

CORPORATE
(For use in all states)

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.

Witness my hand and seal this _____ day of _____ AD., 19____.

My Commission Expires _____

Notary Public
Address: _____

565 11208

PRODUCERS 88-PAID UP

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 27th day of February, 1998, by and between Charles Kerry Cleeton, a married man dealing in his sole and separate property whose post office address is 134 Vlasis Dr. Baldwin, MO 63011 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden St., Suite 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten or more DOLLARS 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 along with all hydrocarbons and non-hydrocarbon substances produced in association therewith, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, helium, carbon dioxide, sulfur compounds and all other commercial gases (collectively "oil and gas" or "Hydrocarbons") 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:

RECORDED April 28 1998 M 3:50P
IN BOOK 107 PAGE 565
FEES $ 12.00 COUNTY CLERK
SUBLETTE COUNTY PINEDALE, WYOMING
By Gloria Pape

Please see Exhibit "A" for the Legal Description attached to and made a part of this lease.

266969

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing 853.83 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of 5 years from this date and as long thereafter as Hydrocarbons are produced from said leased premises or on acreage pooled communitized or unitized therewith, or drilling operations are continued as hereinafter provided. If, at the expiration of the primary term of this lease, Hydrocarbons are not being produced on the leased premises or on acreage pooled, communitized or unitized therewith but Lessee is then engaged in drilling or reworking for other operations or restoring production on the lease premises or then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises or on acreage pooled communitized or unitized therewith; and operations shall be considered to be continuously prosecuted if Lessee diligently prosecutes operations for obtaining or restoring production on the lease premises or, 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 Hydrocarbons on said land or on acreage pooled, communitized or unitized therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or reworking for other operations for obtaining or restoring production on the lease premises or operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If Hydrocarbons 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 Hydrocarbons are produced from the leased premises or on acreage pooled, communitized or unitized therewith.

2. This is a PAID-UP LEASE. For the consideration set forth above, 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. Royalty Payment. Royalties on Hydrocarbons shall be paid by Lessee to Lessor as follows:

(a) for oil and other liquid Hydrocarbons separated at Lessee's separator facilities, the royalty shall be one-eighth of such production, to be delivered at Lessee's option to Lessor at the wellhead or to the Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to sell such production to itself or an affiliate at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similarly grade and gravity;

(b) for gas (including casinghead gas) and all other gaseous Hydrocarbons, the royalty shall be one-eighth of the proceeds realized by the Lessee from the sale thereof, provided, that Lessee shall have the continuing right to sell such production to itself or an affiliate at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase agreements entered into on the same or in the nearest preceding date as the date on which the Lessee or its affiliate commences its purchases hereunder; and

(c) in calculating the royalties on production hereunder, Lessee may deduct Lessor's proportionate part of any ad valorem, production and excise taxes and any costs incurred by Lessee in treating, processing, delivering and otherwise marketing such production.

4. If after the primary term one or more wells on the lease premises or lands pooled to unitize therewith are capable of producing Hydrocarbons in paying quantities, but the other wells are either shut-in or production therefrom is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing in paying quantities for the purposes of maintaining this lease. If for a period of 120 consecutive days, such well or wells are shut-in or production therefrom is not sold by Lessee, then Lessee shall pay an aggregate shut-in royalty of $1.00 per acre then covered by this lease, with such payment to be made to Lessor or to Lessor's credit in a depository designated in this lease, on or before the end of said 120-day period and thereafter on or before the anniversary of the end of said 120-day period while the well or wells are shut-in or production therefrom is not being sold by Lessee; provided that if this lease is otherwise being maintained by the payment of rental or operations, or if production is being sold by Lessee from another well or wells on the lease premises or lands pooled to unitize therewith, no shut-in royalty shall be due until the end of the 120-day period following the end of the rental period or cessation of such operations or production, as the case may be. Lessee's failure to properly pay shut-in royalty hereunder shall render Lessee liable in the amount due, but shall not operate to terminate this lease.

5. If said Lessor owns less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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, communitize 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 Hydrocarbons, individually or in the aggregate, when in Lessee's judgment it is necessary or advisable to do so, and irrespective of whether authority similar to this exists with respect to such other land, lease or leases. Likewise, units previously formed to include formations not producing oil or gas may be reformed to exclude such non-producing formations. The forming or reforming of any unit shall be accomplished by Lessee executing and filing of record a declaration of such unitization or reformation, which declaration shall describe the unit. Any unit may include land upon which a well has theretofore been completed or upon which operations for drilling have theretofore been commenced. Production, drilling or reworking operations or a well shut-in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut-in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total

number of surface [redacted] ered by this lease and included in the unit be[redacted] total number of surface acres in such unit. In [redacted] to the foregoing, Lessee shall have the right to unitize, communitize, 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. Pooling, communitization, unitization or otherwise combining all or any portion of the above described lands shall not constitute a cross conveyance of interests.

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, an event of "force majeure" or if such failure is the result of, any such Law, Order, Rule or Regulation. "Force majeure" shall mean an event causing a delay in drilling, reworking, production or other operations which are prevented or delayed by laws, rules, regulations or orders, or by an inability to obtain necessary permits, equipment, services, materials, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike, or labor disputes, or by an inability to obtain a satisfactory market for production or a failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control. If Lessee's performance is affected by an event of force majeure, this lease shall not terminate and, at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall take all reasonable and necessary actions to remedy the event of force majeure. Lessee shall not be liable for breach of any provisions, either express or implied, to this lease during the continuance of an event of force majeure.

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. Preferential Right. If, during the term of this lease (but not more than 20 years after the date hereof), Lessor receives a bona fide offer from any party to purchase a new lease covering all or any part of the lands or substances covered hereby, and if Lessor is willing to accept such offer, then Lessor shall promptly notify Lessee in writing of the name and address of the offeror, and of all pertinent terms and conditions of the offer, including any lease bonus offered. Lessee shall have a period of 30 days after receipt of such notice to exercise a preferential right to purchase a new lease from Lessor in accordance with the terms and conditions of the offer, by giving Lessor written notice of such exercise. Promptly thereafter, Lessee shall furnish to Lessor the new lease for execution, along with a time draft for the lease bonus conditioned upon execution and delivery of the lease by Lessor and approval of title by Lessee, all in accordance with the terms of said draft. Whether or not Lessee exercises its preferential right hereunder, then as long as this lease remains in effect, any new lease from Lessor shall be subordinate to this lease and shall not be construed as replacing or adding to Lessee's obligations hereunder.

16. Extension of Primary Term. For the consideration herein recited, Lessor hereby grants to Lessee the exclusive right and option to extend the primary term of this lease for five (5) additional years by mailing to Lessor at the address listed on this lease, on or before the end of the primary term, a bonus consideration equal to one hundred fifty percent (150%) of the bonus consideration originally paid for this lease, which payment shall represent payment in full of consideration for this extension.

17. 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.

X Charles Kerry Cleeton S.S.# 488-42-0701

Charles Kerry Cleeton, a married man dealing in his sole and separate property

STATE OF Missouri
COUNTY OF Gasconade ss.

ACKNOWLEDGMENT–INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 16th day of March, 19 98,

personally appeared Charles Kerry Cleeton, a married man dealing in his sole and separate property

and _____ to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that X duly executed the same as _____ free and voluntary [illegible] the purposes therein set forth.

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

My Commission Expires Sept 29 2001

NOTARY PUBLIC STATE OF MISSOURI
GASCONADE COUNTY
MY COMMISSION EXP. SEPT 29,2001

Notary Public
Address: [redacted] Ballwin, MO

STATE OF _____
COUNTY OF _____ ss.

CORPORATE
(For use in all states)

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.

Witness my hand and seal this _____ day of _____ AD., 19___.

My Commission Expires _____

Notary Public
Address: _____

Exhibit "A"

Attached to and made a part of a certain Oil & Gas Lease dated February 27, 1998 by and between Charles Kerry Cleaton, a married man dealing in his sole and separate property, and High Plains Associates, Inc., as Lessee.

Legal Description

Township 34 North, Range 111 West, 6th P.M.
Section 34: S/2NE/4, SE/4
Section 35: SW/4NW/4, W/2SW/4

Township 33 North, Range 111 West, 6th P.M.
Section 2: Lot 4 (40.04) less and except
Township of Daniels 2nd Plat:
Lot 1-3.75 acres
Lots 2 & 10-2.28 acres
Lot 3-4.77 acres
Lot 6-1.05 acres
Lot 7-1.11 acres
Lot 8-9.79 acres

Second Subdivision Lot 9- .12 acres, metes/bounds descrip.
QCD Book 10 Page 111- .55 acres totaling .67 acres

Township of Daniels 3rd Plat:
Lot 1 previously described as Lots 2,3,4 Block 1- .2465 acres
Lot 1 previously described as Lots 5,6 Block 1- .1435 acres
Lot 2 (resurveyed)- 1.75 acres
Lot 3 (resurveyed)- 1.50 acres

metes/bounds descrip. QCD Book 6 Pages 162 & 421- .69 acres

metes/bounds description QCD Book 8 Page 583- .69 acres

Section 2: SW/4NW/4, NW/4SW/4, and S/2SW/4
metes/bounds descrip. in NW/4 WD Bk 37 Page 223- 2.00 acres

Section 3: Lot 1(40.10), Lot 2(40.13), S/2NE/4 and SE/4

Containing 853.83 Acres, more or less.

X CKC
C.K.C.

PRODUCERS 88-PAID UP

266970

OIL AND GAS LEASE

RECORDED April 22 1998 9:58 AM
IN BOOK 187 M&R PAGE 568
FEES $ 12.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
3:50P
By: Blair Page

AGREEMENT, Made and entered into the 5th day of March, 19 98, by and between Robert J. Travelute and Ola B. Travelute, husband and wife whose post office address is 4789 Harbor Dr. Morristown, TN 37814 hereinafter called Lessor (whether one or more) and High Plains Associates, Inc. whose post office address is 1557 Ogden St., Suite 300, Denver, CO 80218 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten or more DOLLARS 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 along with all hydrocarbons and non-hydrocarbon substances produced in association therewith, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, helium, carbon dioxide, sulfur compounds and all other commercial gases (collectively "oil and gas" or "Hydrocarbons") 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:

Please see Exhibit "A" for the Top Lease Rider, attached to and made a part of this lease.

Please see Exhibit "B" for the Legal Description attached to and made a part of this lease.

together with any reversionary rights therein, and together with all strips, or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing 828.58 acres, more or less. with an effective date of December 10, 1998

1. It is agreed that this lease shall remain in force for a term of (5) years [redacted] and as long thereafter as Hydrocarbons are produced from said leased premises or on acreage pooled communitized or unitized therewith, or drilling operations are continued as hereinafter provided. If, at the expiration of the primary term of this lease, Hydrocarbons are not being produced on the leased premises or on acreage pooled, communitized or unitized therewith but Lessee is then engaged in drilling or reworking for other operations or restoring production on the lease premises or then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises or on acreage pooled communitized or unitized therewith; and operations shall be considered to be continuously prosecuted if Lessee diligently prosecutes operations for obtaining or restoring production on the lease premises or, 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 Hydrocarbons on said land or on acreage pooled, communitized or unitized therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or reworking for other operations for obtaining or restoring production on the lease premises or operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If Hydrocarbons 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 Hydrocarbons are produced from the leased premises or on acreage pooled, communitized or unitized therewith.

2. This is a PAID-UP LEASE. For the consideration set forth above, 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. Royalty Payment. Royalties on Hydrocarbons shall be paid by Lessee to Lessor as follows:

(a) for oil and other liquid Hydrocarbons separated at Lessee's separator facilities, the royalty shall be one-eighth of such production, to be delivered at Lessee's option to Lessor at the wellhead or to the Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to sell such production to itself or an affiliate at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similarly grade and gravity;

(b) for gas (including casinghead gas) and all other gaseous Hydrocarbons, the royalty shall be one-eighth of the proceeds realized by the Lessee from the sale thereof, provided, that Lessee shall have the continuing right to sell such production to itself or an affiliate at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase agreements entered into on the same or in the nearest preceding date as the date on which the Lessee or its affiliate commences its purchases hereunder; and

(c) in calculating the royalties on production hereunder, Lessee may deduct Lessor's proportionate part of any ad valorem, production and excise taxes and any costs incurred by Lessee in treating, processing, delivering and otherwise marketing such production.

4. If after the primary term one or more wells on the lease premises or lands pooled to unitize therewith are capable of producing Hydrocarbons in paying quantities, but the other wells are either shut-in or production therefrom is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing in paying quantities for the purposes of maintaining this lease. If for a period of 120 consecutive days, such well or wells are shut-in or production therefrom is not sold by Lessee, then Lessee shall pay an aggregate shut-in royalty of $1.00 per acre then covered by this lease, with such payment to be made to Lessor or to Lessor's credit in a depository designated in this lease, on or before the end of said 120-day period and thereafter on or before the anniversary of the end of said 120-day period while the well or wells are shut-in or production therefrom is not being sold by Lessee; provided that if this lease is otherwise being maintained by the payment of rental or operations, or if production is being sold by Lessee from another well or wells on the lease premises or lands pooled to unitize therewith, no shut-in royalty shall be due until the end of the 120-day period following the end of the rental period or cessation of such operations or production, as the case may be. Lessee's failure to properly pay shut-in royalty hereunder shall render Lessee liable in the amount due, but shall not operate to terminate this lease.

5. If said Lessor owns less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line 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, communitize 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 Hydrocarbons, individually or in the aggregate, when in Lessee's judgment it is necessary or advisable to do so, and irrespective of whether authority similar to this exists with respect to such other land, lease or leases. Likewise, units previously formed to include formations not producing oil or gas may be reformed to exclude such non-producing formations. The forming or reforming of any unit shall be accomplished by Lessee executing and filing of record a declaration of such unitization or reformation, which declaration shall describe the unit. Any unit may include land upon which a well has theretofore been completed or upon which operations for drilling have theretofore been commenced. Production, drilling or reworking operations or a well shut-in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut-in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total

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, communitize, 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. Pooling, communitization, unitization or otherwise combining all or any portion of the above described lands shall not constitute a cross conveyance of interests.

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, an event of "force majeure" or if such failure is the result of, any such Law, Order, Rule or Regulation. "Force majeure" shall mean an event causing a delay in drilling, reworking, production or other operations which are prevented or delayed by laws, rules, regulations or orders, or by an inability to obtain necessary permits, equipment, services, materials, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike, or labor disputes, or by an inability to obtain a satisfactory market for production or a failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control. If Lessee's performance is affected by an event of force majeure, this lease shall not terminate and, at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall take all reasonable and necessary actions to remedy the event of force majeure. Lessee shall not be liable for breach of any provisions, either express or implied, to this lease during the continuance of an event of force majeure.

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. Preferential Right. If, during the term of this lease (but not more than 20 years after the date hereof), Lessor receives a bona fide offer from any party to purchase a new lease covering all or any part of the lands or substances covered hereby, and if Lessor is willing to accept such offer, then Lessor shall promptly notify Lessee in writing of the name and address of the offeror, and of all pertinent terms and conditions of the offer, including any lease bonus offered. Lessee shall have a period of 30 days after receipt of such notice to exercise a preferential right to purchase a new lease from Lessor in accordance with the terms and conditions of the offer, by giving Lessor written notice of such exercise. Promptly thereafter, Lessee shall furnish to Lessor the new lease for execution, along with a time draft for the lease bonus conditioned upon execution and delivery of the lease by Lessor and approval of title by Lessee, all in accordance with the terms of said draft. Whether or not Lessee exercises its preferential right hereunder, then as long as this lease remains in effect, any new lease from Lessor shall be subordinate to this lease and shall not be construed as replacing or adding to Lessee's obligations hereunder.

16. Extension of Primary Term. For the consideration herein recited, Lessor hereby grants to Lessee the exclusive right and option to extend the primary term of this lease for five (5) additional years by mailing to Lessor at the address listed on this lease, on or before the end of the primary term, a bonus consideration equal to one hundred fifty percent (150%) of the bonus consideration originally paid for this lease, which payment shall represent payment in full of consideration for this extension.

17. 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.

X Robert J. Travelute — S.S.# 520-20-6350

Robert J. Travelute, husband

X Ola B Travelute — S.S.# 455-50-2965

Ola B. Travelute, wife

STATE OF Tennessee

COUNTY OF Hamblen

ss.

ACKNOWLEDGMENT–INDIVIDUAL
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 23rd day of March, 1998,

personally appeared Robert J. Travelute and Ola B. Travelute, husband and wife

and _____ to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that They duly executed the same as Their free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires: 10-27-99

Joan Clement
Notary Public
Address: 400 West main Street
Morristown TN 37814

STATE OF _____

COUNTY OF _____

ss.

CORPORATE
(For use in all states)

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.

Witness my hand and seal this _____ day of _____ AD., 19____.

My Commission Expires _____

_____
Notary Public
Address: _____

EXHIBIT "A"

TOP LEASE RIDER

To Oil and Gas Lease dated March 5, 1998 ~~XXX~~ with an effective date of December 10, 1998
From Robert J. Travelute and Ola B. Travelute, husband and wife

as LESSOR(s) to High Plains Associates, Inc.

as LESSEE.

1. Lease Subject to Existing Lease. It is understood by the Lessor(s) and Lessee herein, that there is presently outstanding an oil and gas lease (hereinafter referred to as the "Existing Lease"), covering the lands which are described in this lease, dated December 9, 1993, recorded in Book 96 at Page 159 of the Records of Sublette County, Wyoming.

The execution of this lease by Lessor(s) shall not constitute a repudiation of the Existing Lease, and this lease shall not in any manner cloud, alter, impair, prejudice or adversely affect the rights, title, interests and estates of the Lessee and, or, the successors, heirs and assigns of the Lessee under the terms of the Existing Lease. However, subject to the other provisions hereof, this lease shall cover, apply to and bind the reversionary interests of the Lessor(s) in said land.

2. Extension of Existing Lease. Lessor(s) covenants and agrees not to extend, amend, modify, or renew the Existing Lease, or to take any action which would result in such extension, amendment, modification or renewal, as of the date of this lease.

3. Commencement Date. It is the intent of Lessor(s) and Lessee herein that this lease will commence only when the Existing Lease has terminated (hereinafter referred to as the "Commencement Date"). Accordingly, the Commencement Date of this lease will be as follows:

a. If the Existing Lease terminates upon the expiration of its stated primary term, this lease will commence immediately upon the end of the stated primary term (that is, on the Commencement Date shown in this lease).

b. If the Existing Lease terminates before the end of its stated primary term, for any reason whatsoever, this lease will commence immediately upon such termination and the Commencement Date as shown in this lease is amended accordingly.

c. If the Existing Lease shall be extended beyond its stated primary term under any provision contained therein, this lease will commence immediately upon the termination of the Existing Lease during its extended term (and the Commencement Date as shown in this lease is amended accordingly) provided, however, that such termination occurs within thirty-six (36) months following the expiration of the Existing Lease's stated primary term.

d. This lease will not commence and will become null and void if the Existing Lease shall be extended under any provision contained therein beyond its stated primary term for a period exceeding stated thirty-six (36) months above in sub-paragraph 3(c).

4. Primary Term Controlled By Commencement Date. In the event that this lease becomes good and valid as provided herein upon the termination of the Existing Lease, the Commencement Date of this lease will control as to the primary term of this lease, and said primary term shall begin on the date this lease becomes good and valid and shall continue to run for the time period specified herein, subject to the terms of this lease. Said Commencement Date of the primary term of this lease will control the payment of annual delay rentals hereunder, if applicable, as well as all other lease provisions under which the lease Commencement Date is critical.

5. Installment Bonus Payment. Lessee agrees to pay Lessor(s) consideration for the attached lease, the total amount set forth in two (2) drafts made payable to Lessor(s) in two (2) separate installments, subject to approval of title and the terms outlined herein. The first installment, of Thirty percent (30 %) of the total amount shall be paid to Lessor(s) by 30 day draft upon execution of this lease by Lessor(s), the receipt of which is hereby acknowledged by Lessor(s). Lessee shall have the option to either pay or tender to Lessor(s) the second installment consisting of Seventy percent (70 %) of the total bonus amount negotiated, within thirty (30) days following the Commencement Date of this lease, by Ten (10) day draft, or if Lessee , in its sole discretion, elects to allow this lease to lapse, Lessee may, instead of making this second installment payment, release this lease of record, giving notice of such relinquishment and release to Lessor(s) in writing at Lessor(s) address as shown in this lease. If Lessee elects not to make the second installment, or makes the second installment subject to the terms of this agreement, and elects not to pay the draft representing the second installment, Lessee shall be relieved of all further obligations hereunder, except the duty to release this lease. The right of Lessee to not honor the draft representing the second installment shall be exercised in Lessee's sole discretion.

6. In the event that this lease does not commence and becomes null and void, the Lessee's obligation to make any remaining payments hereunder will thereupon immediately cease, but Lessor(s) shall in such case be entitled to retain all payments previously made by Lessee. However, Lessor(s) shall return to Lessee the unpaid draft covering the second installment of the bonus consideration.

SIGNED FOR IDENTIFICATION

X Robert J Travelute
Robert J. Travelute

X Ola B Travelute
Ola B. Travelute

571

Exhibit "B"

Attached to and made a part of a certain Oil and Gas Dated March 5, 1998 with an effective date of December 10, 1998 by and between Robert J. Travelute and Ola B. Travelute, husband and wife, as Lessor and High Plains Associates, Inc. as Lessee.

Township 34 North, Range 111 West, 6th P.
Section 34: S/2NE/4, SE/4
Section 35: SW/4NW/4, W/2SW/4, Less and Except 3 Tracts

Township 33 North, Range 111 West, 6th P.M.
Section 2: Lot 4(40.04), Less and Except 2 Tracts
SW/4NW/4, NW/4SW/4, S/2SW/4, Less and Except 2 Tracts
Section 3: Lot 1(40.10), Lot 2(40.13), S/2NE/4, SE/4, Less and Except 1 Tract

Containing 828.58 Acres, more or less.
Sublette County, Wyoming

R.J.T. O.B.T.

[redacted] [redacted] [redacted]

10

Producers 88
Rocky Mountain 1989
(Paid-Up Rev. 1996)

PAID-UP
OIL AND GAS LEASE

THIS AGREEMENT, made and entered into this 10th day of February 19 98 by and between
Julie S. McInnis, also known as Julie Sears McInnis, a married woman dealing in her sole
and separate property
of 217 Bodine Drive, Evanston, WY 82930, hereinafter called lessor (whether one or more), and
Hanson & Strahn, Inc., of PO Box 3020, Cheyenne, WY 82003, 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 permitees, 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:

267043

RECORDED May 4, 1998 M 10140A
IN BOOK 107 OR PAGE 572
FEES $10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
BY Carl Easton

See 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.

For the purpose of calculating payments provided for herein, it shall be deemed that the lands covered by this lease contain 470.29 acres, whether there actually be more or less.

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, a well completed for the production of coalbed methane gas shall be deemed to be producing gas under this lease at all times when dewatering of the coal seams from which the coalbed methane gas will be produced is occurring. 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; drilling operations shall be deemed to be commenced 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 drilling operations shall be deemed to be commenced 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) 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) of the gas sold or used, provided that on gas sold the royalty shall be one-eighth (1/8) 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. This is a paid-up lease and all cash consideration first recited above and annual rentals have been paid to lessor in advance to keep this lease in full force and effect throughout the primary term. In consideration of the payment of such cash consideration and advance annual rentals, 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 the land described above, and as to any strata or stratum, by delivering to lessor or by filing of record a release or releases, and be relieved of all obligations thereafter accruing to the acreage surrendered.

4. Any payments required to be made to lessors pursuant to this lease, other than the payment of royalties, may be paid by lessee to the 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 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. All such payments may be made by cash, check or draft, mailed or delivered on or before the due date for that payment. Any payments so made shall be binding on the heirs, devisees, executors, administrators, and personal representatives of lessor and on lessor's successors in interest or on lessor's assigns.

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 continuously 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, an amount equal to $1.00 per year per net mineral acre covered by the lease. Such payments shall be made on or before the shut-in royalty payment date, as defined below, next occurring 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 anniversary date of this lease. Any shut-in royalty payment may be made by cash, draft or check, mailed or tendered on or before the shut-in royalty date. Lessee's failure to pay or tender, or properly 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 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. 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 which traverse cultivated lands 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 heretofore 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 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 covenants or conditions of this lease, either express or implied. No change in ownership of the land, royalties, or other payments, 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 royalties or other payments 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.

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 leased premises, and no royalties shall be payable hereunder upon any gas used for repressuring and recycling operations benefitting 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 through lessor's bank of record for payment.

15. In the event lessor considers that lessee has not complied with all its obligations hereunder, either express or implied, lessor shall notify lessee in writing, setting out specifically in what respects lessee has breached this lease. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by lessor. The service of said notice shall be precedent to the bringing of any action by lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on lessee. Neither the service of said notice nor the doing of any acts by lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that lessee has failed to perform all its obligations hereunder. 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, wars, 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.

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 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.

Julie S. McInnis

Julie S. McInnis, also known as Julie Sears McInnis
SS# 520 52 4230

STATE OF WYOMING
} ss.
COUNTY OF UINTA

INDIVIDUAL

On this 3RD day of MARCH, 19 98, before me personally appeared Julie S. McInnis, also known as Julie Sears McInnis, 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 3RD day of MARCH, 19 98.

My commission expires:
JUNE 24, 2001

Notary Public for the State of WYOMING
residing at 161 FERN [illegible] WY

STATE OF _____
} ss.
COUNTY OF _____

CORPORATE

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 _____ 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]

EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated February 10, 1998, by and between Julie S. McInnis, also known as Julie Sears McInnis, a married woman dealing in her sole and separate property, as Lessor, and Hanson & Strahn, Inc., as Lessee.

Township 32 North, Range 114 West, 6th P.M.
Section 11: Lots 2(15.61), 3(15.13), SE1/4NW1/4
Township 33 North, Range 113 West, 6th P.M.
Section 30: S1/2SE1/4
Section 31: Lots 2(39.75), 3(39.85), 4(39.95), N1/2NE1/4, SE1/4NW1/4, E1/2SW1/4

20. Lessee agrees that Lessor shall not bear any "on Lease" transportation or processing costs.

21. Prior to the construction of any roads, bridges, culverts or other access routes over the leased premises for oil, gas operations, Lessee shall consult with surface owner as to the direction and placement of same. Lessee shall also consult with surface owner as to the location of any well or wells, pipelines, tank batteries, fences or installation of other equipment on the leased premises before installing same.

22. Notwithstanding anything herein contained, wherever the fractional interest one-eighth (1/8th) royalty appears, it shall by this reference be amended to read one-sixth (1/6th) royalty.

Signed for Identification:

Julie S. McInnis Mar 3, 98
Julie S. McInnis, also known as Julie Sears McInnis

Producers 88
Rocky Mountain 1989
(Paid-Up Rev. 1998)

PAID-UP
OIL AND GAS LEASE

THIS AGREEMENT, made and entered into this 10th day of February, 19 98, by and between Gauis R. Shaver and Stella C. Shaver, individually and as Trustees of the Shaver Family 1990 Trust, dated April 26, 1990, and their successors of 1332 Via Del Oro, Fallbrook, CA 92028, hereinafter called lessor (whether one or more), and Hanson & Strahn, Inc., of PO Box 3020, Cheyenne, WY 82003, 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:

267044

RECORDED May 4 1998 M 10:40A
IN BOOK 107 OPR PAGE 575
FEES $ 10.00 COUNTY CLERK
SUBLETTE COUNTY PINEDALE, WYOMING By Cathy Sexton

See 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.

For the purpose of calculating payments provided for herein, it shall be deemed that the lands covered by this lease contain 470.29 acres, whether there actually be more or less.

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, a well completed for the production of coalbed methane gas shall be deemed to be producing gas under this lease at all times when dewatering of the coal seams from which the coalbed methane gas will be produced is occurring. 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; drilling operations shall be deemed to be commenced 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 drilling operations shall be deemed to be commenced 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) 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) of the gas sold or used, provided that on gas sold the royalty shall be one-eighth (1/8) 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. This is a paid-up lease and all cash consideration first recited above and annual rentals have been paid to lessor in advance to keep this lease in full force and effect throughout the primary term. In consideration of the payment of such cash consideration and advance annual rentals, 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 the land described above, and as to any strata or stratum, by delivering to lessor or by filing of record a release or releases, and be relieved of all obligations thereafter accruing to the acreage surrendered.

4. Any payments required to be made to lessors pursuant to this lease, other than the payment of royalties, may be paid by lessee to the lessor or to lessor's credit in the Bank of America, NXX at 1125 South Main St., Fallbrook, CA 92028 (or its successor or successors, or any bank with which it may be merged or consolidated, or which succeeds to its business 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. All such payments may be made by cash, check or draft, mailed or delivered on or before the due date for that payment. Any payments so made shall be binding on the heirs, devisees, executors, administrators, and personal representatives of lessor and on lessor's successors in interest or on lessor's assigns.

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 continuously 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, an amount equal to $1.00 per year per net mineral acre covered by the lease. Such payments shall be made on or before the shut-in royalty payment date, as defined below, next occurring 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 anniversary date of this lease. Any shut-in royalty payment may be made by cash, draft or check, mailed or tendered on or before the shut-in royalty date. Lessee's failure to pay or tender, or properly 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 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. 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 which traverse cultivated lands 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 heretofore 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 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 covenants or conditions of this lease, either express or implied. No change in ownership of the land, royalties, or other payments, 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 royalties or other payments 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.

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 leased premises, and no royalties shall be payable hereunder upon any gas used for repressuring and recycling operations benefitting 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 through lessor's bank of record for payment.

15. In the event lessor considers that lessee has not complied with all its obligations hereunder, either express or implied, lessor shall notify lessee in writing, setting out specifically in what respects lessee has breached this lease. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by lessor. The service of said notice shall be precedent to the bringing of any action by lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on lessee. Neither the service of said notice nor the doing of any acts by lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that lessee has failed to perform all its obligations hereunder. This lease shall never be forfeited or canceled 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, wars, 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.

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 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.

Shaver Family 1990 Trust, dated April 26, 1990, and their successors

x Gauis R Shaver
Gauis R. Shaver, individually and as Trustee
SS# 569-12-8224

x Stella C. Shaver
Stella G. Shaver, individually and as Trustee
SS# 558-80-0417

STATE OF CALIFORNIA
COUNTY OF SAN DIEGO } ss.

INDIVIDUAL

On this 27TH day of FEBRUARY, 19 98, before me personally appeared Gauis R. Shaver and Stella C. Shaver, individually and as Trustees of the Shaver Family 1990 Trust, dated April 26, 1990, and their successors
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 27TH day of FEBRUARY, 19 98.

My commission expires:
6/19/2000

OFFICIAL SEAL
JAMES G. DONART
NOTARY PUBLIC-CALIFORNIA
COMM. NO. 1102733
SAN DIEGO COUNTY
MY COMM. EXP. JUNE 19, 2000

James G. Donart
Notary Public for the State of CALIFORNIA
residing at FALLBROOK, CA

STATE OF _____
COUNTY OF _____ } ss.

CORPORATE

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 _____ 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 February 10, 1998, by and between Gauis R. Shaver and Stella C. Shaver, individually and as Trustees of the Shaver Family 1990 Trust, dated April 26, 1990, and their successors, as Lessor, and Hanson & Strahn, Inc., as Lessee.

Township 32 North, Range 114 West, 6th P.M.
Section 11: Lots 2(15.61), 3(15.13), SE1/4NW1/4
Township 33 North, Range 113 West, 6th P.M.
Section 30: S1/2SE1/4
Section 31: Lots 2(39.75), 3(39.85), 4(39.95), N1/2NE1/4, SE1/4NW1/4, E1/2SW1/4

20. Lessee agrees that Lessor shall not bear any "on Lease" transportation or processing costs.

21. Prior to the construction of any roads, bridges, culverts or other access routes over the leased premises for oil, gas operations, Lessee shall consult with surface owner as to the direction and placement of same. Lessee shall also consult with surface owner as to the location of any well or wells, pipelines, tank batteries, fences or installation of other equipment on the leased premises before installing same.

22. Notwithstanding anything herein contained, wherever the fractional interest one-eighth (1/8th) royalty appears, it shall by this reference be amended to read one-sixth (1/6th) royalty.

Signed for Identification:

Shaver Family 1990 Trust, dated April 26, 1990

x Gauis R. Shaver
Gauis R. Shaver individually and as Trustee

x Stella C. Shaver
Stella C. Shaver individually and as Trustee

[redacted] [redacted] [redacted]

10

Producers 88
Rocky Mountain 1989
(Paid-Up Rev. 1996)

PAID-UP
OIL AND GAS LEASE

THIS AGREEMENT, made and entered into this 3rd day of March 19 98 by and between
Pamela C. Johnson, also known as Pamela Chrisman Johnson, and Lou W. Johnson,
individually and as wife and husband
of 1267 East 5425, South Ogden, UT 84403, hereinafter called lessor (whether one or more), and
Hanson & Strahn, Inc., of PO Box 3020, Cheyenne, WY 82003, 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:

267045

RECORDED May 4 1998 AT 10:00 A M
IN BOOK 107 OF R PAGE 578
FEES $ 10.00 COUNTY CLERK
SUBLETTE COUNTY PINEDALE, WYOMING
BY Carol Sauder

See 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.

For the purpose of calculating payments provided for herein, it shall be deemed that the lands covered by this lease contain 470.29 acres, whether there actually be more or less.

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, a well completed for the production of coalbed methane gas shall be deemed to be producing gas under this lease at all times when dewatering of the coal seams from which the coalbed methane gas will be produced is occurring. 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; drilling operations shall be deemed to be commenced 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 drilling operations shall be deemed to be commenced 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) 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) of the gas sold or used, provided that on gas sold the royalty shall be one-eighth (1/8) 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. This is a paid-up lease and all cash consideration first recited above and annual rentals have been paid to lessor in advance to keep this lease in full force and effect throughout the primary term. In consideration of the payment of such cash consideration and advance annual rentals, 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 the land described above, and as to any strata or stratum, by delivering to lessor or by filing of record a release or releases, and be relieved of all obligations thereafter accruing to the acreage surrendered.

4. Any payments required to be made to lessors pursuant to this lease, other than the payment of royalties, may be paid by lessee to the 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 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. All such payments may be made by cash, check or draft, mailed or delivered on or before the due date for that payment. Any payments so made shall be binding on the heirs, devisees, executors, administrators, and personal representatives of lessor and on lessor's successors in interest or on lessor's assigns.

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 continuously 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, an amount equal to $1.00 per year per net mineral acre covered by the lease. Such payments shall be made on or before the shut-in royalty payment date, as defined below, next occurring 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 anniversary date of this lease next ensuing after the expiration of each applicable period of shut-in during which any such payment may be made by cash, draft or check, mailed or tendered on or before the shut-in royalty date. Lessee's failure to pay or tender, or properly pay or tender, any such amount 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 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. 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 which traverse cultivated lands 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 heretofore 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 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 covenants or conditions of this lease, either express or implied. No change in ownership of the land, royalties, or other payments, 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 royalties or other payments 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.

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 leased premises, and no royalties shall be payable hereunder upon any gas used for repressuring and recycling operations benefitting 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 through lessor's bank of record for payment.

15. In the event lessor considers that lessee has not complied with all its obligations hereunder, either express or implied, lessor shall notify lessee in writing, setting out specifically in what respects lessee has breached this lease. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by lessor. The service of said notice shall be precedent to the bringing of any action by lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on lessee. Neither the service of said notice nor the doing of any acts by lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that lessee has failed to perform all its obligations hereunder. 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, wars, 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.

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 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.

IN WITNESS WHEREOF witness our hands as of the day and year first above written.

Pamela C. Johnson, also known as Pamela Chrisman Johnson
SS# 520-48-1886

Lou W. Johnson
SS# 529-56-2560

STATE OF UTAH
COUNTY OF WEBER } ss.

INDIVIDUAL

On this ____ day of ____, 19 98, before me personally appeared Pamela C. Johnson, also known as Pamela Chrisman Johnson, and Lou W. Johnson, individually and as 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 26th day of March, 19 98.

My commission expires:
7-12-99

Robyn Hirabayashi
Notary Public for the State of Utah
residing at Ogden, UT

ROBYN HIRABAYASHI
NOTARY PUBLIC • STATE of UTAH
[illegible] HARRISON BLVD
OGDEN, UT 84403
COMM. EXP. 7-12-99

STATE OF ____
COUNTY OF ____ } ss.

CORPORATE

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 ____ 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]

EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated March 3, 1998, by and between Pamela C. Johnson, also known as Pamela Chrisman, and Lou W. Johnson, wife and husband, as Lessor, and Hanson & Strahn, Inc., as Lessee.

Township 32 North, Range 114 West, 6th P.M.
Section 11: Lots 2(15.61), 3(15.13), SE1/4NW1/4
Township 33 North, Range 113 West, 6th P.M.
Section 30: S1/2SE1/4
Section 31: Lots 2(39.75), 3(39.85), 4(39.95), N1/2NE1/4, SE1/4NW1/4, E1/2SW1/4

Notwithstanding anything herein contained, wherever the fractional interest one-eighth (1/8th) royalty appears, it shall by this reference be amended to read one-sixth (1/6th) royalty.

Signed for Identification:

Pamela C. Johnson, also known as Pamela Chrisman Johnson

Lou W. Johnson

Producers 88
Rocky Mountain 1989
(Paid-Up Rev. 1996)

PAID-UP
OIL AND GAS LEASE

THIS AGREEMENT, made and entered into this 10th day of February 19 98 by and between Frank W. Sears, also known as Frank W. "Bill" Sears, a married man dealing in his sole and separate property of PO Box 33, Opal, WY 83124, hereinafter called lessor (whether one or more), and Hanson & Strahn, Inc., of PO Box 3020, Cheyenne, WY 82003, 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:

267046

RECORDED May 4, 1998 M 10:40a
IN BOOK 107 Misc PAGE 581
FEES $ 10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING

See 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.

For the purpose of calculating payments provided for herein, it shall be deemed that the lands covered by this lease contain 470.29 acres, whether there actually be more or less.

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, a well completed for the production of coalbed methane gas shall be deemed to be producing gas under this lease at all times when dewatering of the coal seams from which the coalbed methane gas will be produced is occurring. 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; drilling operations shall be deemed to be commenced 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 drilling operations shall be deemed to be commenced 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. This is a paid-up lease and all cash consideration first recited above and annual rentals have been paid to lessor in advance to keep this lease in full force and effect throughout the primary term. In consideration of the payment of such cash consideration and advance annual rentals, 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 the land described above, and as to any strata or stratum, by delivering to lessor or by filing of record a release or releases, and be relieved of all obligations thereafter accruing to the acreage surrendered.

4. Any payments required to be made to lessors pursuant to this lease, other than the payment of royalties, may be paid by lessee to the 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 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. All such payments may be made by cash, check or draft, mailed or delivered on or before the due date for that payment. Any payments so made shall be binding on the heirs, devisees, executors, administrators, and personal representatives of lessor and on lessor's successors in interest or on lessor's assigns.

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 continuously 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, an amount equal to $1.00 per year per net mineral acre covered by the lease. Such payments shall be made on or before the shut-in royalty payment date, as defined below, next occurring 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 anniversary date of this lease. Any shut-in royalty payment may be made by cash, draft or check, mailed or tendered on or before the shut-in royalty date. Lessee's failure to pay or tender, or properly 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 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. 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 which traverse cultivated lands 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 heretofore 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 unit.

[redacted] [redacted] [redacted]

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 covenants or conditions of this lease, either express or implied. No change in ownership of the land, royalties, or other payments, 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 royalties or other payments 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.

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 leased premises, and no royalties shall be payable hereunder upon any gas used for repressuring and recycling operations benefitting 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 through lessor's bank of record for payment.

15. In the event lessor considers that lessee has not complied with all its obligations hereunder, either express or implied, lessor shall notify lessee in writing, setting out specifically in what respects lessee has breached this lease. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by lessor. The service of said notice shall be precedent to the bringing of any action by lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on lessee. Neither the service of said notice nor the doing of any acts by lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that lessee has failed to perform all its obligations hereunder. 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, wars, 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.

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 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.

Frank W. Sears, also known as Frank W. "Bill" Sears
SS# 520-52-8232

Frank W. Sears "Bill"

STATE OF WYOMING
COUNTY OF LINCOLN } ss. INDIVIDUAL

On this 26TH day of FEBRUARY, 19 98, before me personally appeared Frank W. Sears, also known as Frank W. "Bill" Sears, a married man dealing in his 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 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 26th day of February, 19 98.

My commission expires:

Faye M. Taylor
Notary Public for the State of Wyoming
residing at Cokeville, Wy.

STATE OF _____
COUNTY OF _____ } as. CORPORATE

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 _____ 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 February 10, 1998, by and between Frank W. Sears, also known as Frank W. "Bill" Sears, a married man dealing in his sole and separate property, as Lessor, and Hanson & Strahn, Inc., as Lessee.

Township 32 North, Range 114 West, 6th P.M.
Section 11: Lots 2(15.61), 3(15.13), SE1/4NW1/4
Township 33 North, Range 113 West, 6th P.M.
Section 30: S1/2SE1/4
Section 31: Lots 2(39.75), 3(39.85), 4(39.95), N1/2NE1/4, SE1/4NW1/4, E1/2SW1/4

20. Lessee agrees that Lessor shall not bear any "on Lease" transportation or processing costs.

21. Prior to the construction of any roads, bridges, culverts or other access routes over the leased premises for oil, gas operations, Lessee shall consult with surface owner as to the direction and placement of same. Lessee shall also consult with surface owner as to the location of any well or wells, pipelines, tank batteries, fences or installation of other equipment on the leased premises before installing same.

22. Notwithstanding anything herein contained, wherever the fractional interest one-eighth (1/8th) royalty appears, it shall by this reference be amended to read one-sixth (1/6th) royalty.

Signed for Identification:

Frank W Sears "Bill"
Frank W. Sears, also known as Frank W. "Bill" Sears

[redacted] [redacted] [redacted]

10

Producers 88
Rocky Mountain 1989
(Paid-Up Rev. 1998)

PAID-UP
OIL AND GAS LEASE

THIS AGREEMENT, made and entered into this 2nd day of April, 19 98, by and between

Margaret S. Ball, a widow

PO Box 788, Big Piney, WY 83113

of _____, hereinafter called lessor (whether one or more), and

Hanson & Strahn, Inc., of PO Box 3020, Cheyenne, WY 82003

_____, hereinafter called lessee:

WITNESSETH:

1. That lessor, for and in consideration of Ten & 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:

RECORDED May 4 1998 M 10:40A
IN BOOK 107 Misc PAGE 584
FEES $10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Saulsbury

See Exhibit "A" attached hereto and made a part hereof

267047

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.

For the purpose of calculating payments provided for herein, it shall be deemed that the lands covered by this lease contain 480.00 acres, whether there actually be more or less.

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) MCB 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, a well completed for the production of coalbed methane gas shall be deemed to be producing gas under this lease at all times when dewatering of the coal seams from which the coalbed methane gas will be produced is occurring. 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; drilling operations shall be deemed to be commenced 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 drilling operations shall be deemed to be commenced 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) 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) of the gas sold or used, provided that on gas sold the royalty shall be one-eighth (1/8) 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. This is a paid-up lease and all cash consideration first recited above and annual rentals have been paid to lessor in advance to keep this lease in full force and effect throughout the primary term. In consideration of the payment of such cash consideration and advance annual rentals, 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 the land described above, and as to any strata or stratum, by delivering to lessor or by filing of record a release or releases, and be relieved of all obligations thereafter accruing to the acreage surrendered.

4. Any payments required to be made to lessors pursuant to this lease, other than the payment of royalties, may be paid by lessee to the lessor or to lessor's credit in the 1st National Bank, at Pinedale WY (or its successor or successors, or any bank with which it may be merged or consolidated, or which succeeds to its business 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. All such payments may be made by cash, check or draft, mailed or delivered on or before the due date for that payment. Any payments so made shall be binding on the heirs, devisees, executors, administrators, and personal representatives of lessor and on lessor's successors in interest or on lessor's assigns.

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 continuously 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, an amount equal to $1.00 per year per net mineral acre covered by the lease. Such payments shall be made on or before the shut-in royalty payment date, as defined below, next occurring 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 anniversary date of this lease. Any shut-in royalty payment may be made by cash, draft or check, mailed or tendered on or before the shut-in royalty date. Lessee's failure to pay or tender, or properly 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 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. 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 which traverse cultivated lands 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 heretofore 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 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 covenants or conditions of this lease, either express or implied. No change in ownership of the land, royalties, or other payments, 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 royalties or other payments 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.

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 leased premises, and no royalties shall be payable hereunder upon any gas used for repressuring and recycling operations benefitting 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 through lessor's bank of record for payment.

15. In the event lessor considers that lessee has not complied with all its obligations hereunder, either express or implied, lessor shall notify lessee in writing, setting out specifically in what respects lessee has breached this lease. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by lessor. The service of said notice shall be precedent to the bringing of any action by lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on lessee. Neither the service of said notice nor the doing of any acts by lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that lessee has failed to perform all its obligations hereunder. 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, wars, 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.

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 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.

Margaret S Ball

Margaret S. Ball, a widow
SS# 551-40-9846

STATE OF Wyoming
COUNTY OF Sublette } ss.

INDIVIDUAL

On this 2nd day of April, 19 98, before me personally appeared Margaret S. Ball, 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 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 April, 19 98.

My commission expires: March

TAMMY EASTON – NOTARY PUBLIC
COUNTY OF SUBLETTE
STATE OF WYOMING
My Commission Expires March 9, 2002

Tammy Easton
Notary Public for the State of Wyoming
residing at Sublette County

STATE OF
COUNTY OF

CORPORATE

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 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]

EXHIBIT "A"

Exhibit "A" attached hereto and made a part hereof that certain Oil & Gas Lease dated this 2nd day of April, 1998, by and between Margaret S. Ball, a widow, as Lessor(s), and Hanson & Strahn, Inc., as Lessee.

SUBLETTE COUNTY, WYOMING

Township 33 North, Range 112 West, 6th P.M.
Section 29: SE/4 NE/4, E/2 SE/4
Section 32: E/2 NE/4, SW/4 NE/4, S/2 NW/4, N/2 S/2

Containing 480.0000 gross acres, more or less.

1: Wherever the term one-eighth (1/8th) appears in the subject Oil & 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 waterflooding or other recovery operations involving the introduction of extraneous forms of energy into any pool, repressuring or pressure maintenance operations, or cycling 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 this lease, express or implied, shall be satisfied by compliance with the drilling and development requirement 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 hereunder be operated under any such agreement, and the agreement provides for allocation or 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 so allocated.

3: This lease shall terminate at the end of the primary term as to all of the leased land except those included within a production or spacing unit prescribed by law or administrative authority on which is located well producing or capable of producing oil and/or gas or on which Lessee is engaged in drilling or reworking operations. This lease shall not terminate so long as drilling or reworking operations are being continuously prosecuted if not more than one hundred twenty (120) days shall elapse between the completion or abandonment of one well and the beginning of operations for the drilling of another well.

4: Notwithstanding any provisions herein to the contrary, it is agreed that this lease shall not be continued in force solely by reason of the shut-in well provisions for a period of more than three (3) years beyond the primary term of this lease, except where required for necessary repairs and maintenance; said times will not exceed a period of six (6) months in any year.

5: Paragraph 17 shall be modified to strike the words "warrants and agrees to defend title to the lands described above", and shall be amended to read "warrants and agrees to defend title to the lands herein described, by, through and under, but not otherwise."

6: It is understood and agreed between the parties hereto, that prior to entering said lands for the purpose of drilling operations, Lessee, its assignees or successors in interest, will negotiate in good faith, surface damages with said surface owner.

7: In the event this lease is not continued beyond its primary term by the provisions herein contained, lessee, its successors or assigns, has the option, but not the obligation, to extend this lease for an additional term of three (3) years from the expiration date of the primary term of the lease, and as long thereafter as oil and gas, or either of them, is produced from the leased premises or drilling operations are continuously prosecuted. This option to extend may be exercised by tendering to Lessor, their heirs, successors or assigns at the last known address, a net sum of Fifty dollars per net mineral acre, ($50.00), on or before the expiration date of the primary term of this lease. Should this option be exercised as herein provided, it shall be considered for all purposes as though this lease originally provided for a primary term of eight (8) years.

8: Notwithstanding anything to the contrary in the printed form of this lease, all stipulations or amendments to the lease in this Exhibit "A" shall take precedence over any conflict or ambiguities.

Executed this 2nd day of April, 1998.

Margaret S. Ball

Margaret S. Ball, a widow

Producers 88
Rocky Mountain 1989
(Paid-Up Rev. 1996)

PAID-UP
OIL AND GAS LEASE

THIS AGREEMENT, made and entered into this 18th day of March 19 98 by and between
Diocese of Cheyenne, a Wyoming religious and charitable nonprofit corporation

of PO Box 468, Cheyenne, WY 82003, hereinafter called lessor (whether one or more), and
Hanson & Strahn, Inc., of PO Box 3020, Cheyenne, WY 82003, 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:

267048

RECORDED May 4 1998 M 10:42a
IN BOOK 107 D&G PAGE 587
FEES $ 0 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
BY Cathy Sexton

See 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.

For the purpose of calculating payments provided for herein, it shall be deemed that the lands covered by this lease contain 760.00 acres, whether there actually be more or less.

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 compustible 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, a well completed for the production of coalbed methane gas shall be deemed to be producing gas under this lease at all times when dewatering of the coal seams from which the coalbed methane gas will be produced is occurring. 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; drilling operations shall be deemed to be commenced 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 drilling operations shall be deemed to be commenced 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) 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) of the gas sold or used, provided that on gas sold the royalty shall be one-eighth (1/8) 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. This is a paid-up lease and all cash consideration first recited above and annual rentals have been paid to lessor in advance to keep this lease in full force and effect throughout the primary term. In consideration of the payment of such cash consideration and advance annual rentals, 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 the land described above, and as to any strata or stratum, by delivering to lessor or by filing of record a release or releases, and be relieved of all obligations thereafter accruing to the acreage surrendered.

4. Any payments required to be made to lessors pursuant to this lease, other than the payment of royalties, may be paid by lessee to the lessor or to lessor's credit in the Norwest Bank, at Cheyenne (or its successor or successors, or any bank with which it may be merged or consolidated, or which succeeds to its business 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. All such payments may be made by cash, check or draft, mailed or delivered on or before the due date for that payment. Any payments so made shall be binding on the heirs, devisees, executors, administrators, and personal representatives of lessor and on lessor's successors in interest or on lessor's assigns.

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 continuously 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, an amount equal to $1.00 per year per net mineral acre covered by the lease. Such payments shall be made on or before the shut-in royalty payment date, as defined below, next occurring 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 anniversary date of this lease. Any shut-in royalty payment may be made by cash, draft or check, mailed or tendered on or before the shut-in royalty date. Lessee's failure to pay or tender, or properly 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 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. 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 which traverse cultivated lands 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 heretofore 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 unit.

[redacted] [redacted] [redacted]

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 covenants or conditions of this lease, either express or implied. No change in ownership of the land, royalties, or other payments, 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 royalties or other payments 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.

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 leased premises, and no royalties shall be payable hereunder upon any gas used for repressuring and recycling operations benefitting 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 through lessor's bank of record for payment.

15. In the event lessor considers that lessee has not complied with all its obligations hereunder, either express or implied, lessor shall notify lessee in writing, setting out specifically in what respects lessee has breached this lease. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by lessor. The service of said notice shall be precedent to the bringing of any action by lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on lessee. Neither the service of said notice nor the doing of any acts by lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that lessee has failed to perform all its obligations hereunder. This lease shall never be forfeited or canceled 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, wars, 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.

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 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.

Diocese of Cheyenne, A Wyoming religious and charitable nonprofit corporation

BY: _____
Hubert J. Hart, D.D.
Bishop of Cheyenne

TAX ID# 83-6002651

STATE OF _____ } ss.
COUNTY OF _____ }

INDIVIDUAL

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 } ss.
COUNTY OF LARAMIE }

CORPORATE

On this 30th day of March, 19 98, before me
Hubert J. Hart

to me personally known, who, being by me duly sworn, did say that he is the Bishop of Diocese of Cheyenne, a Wyoming religious and charitable nonprofit corporation

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 Hubert J. Hart acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and seal this 30th day of March, 19 98

My commission expires: 5-28-99

CAROL J. DeLOIS NOTARY PUBLIC
COUNTY OF LARAMIE STATE OF WYOMING
MY COMMISSION EXPIRES MAY 28, 1999

Carol J. DeLois

Notary Public for the State of Wyoming
residing at Cheyenne, WY

EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated March 18, 1998, by and between Diocese of Cheyenne, a Wyoming religious and charitable nonprofit corporation, as Lessor, and Hanson & Strahn, Inc., as Lessee.

Township 31 North, Range 113 West, 6th P.M.

Section 24: SW1/4SW1/4
Section 25: W1/2
Section 26: NE1/4NE1/4
Section 35: NE1/4SE1/4
Section 36: W1/2

Signed for Identification:

Diocese of Cheyenne, a Wyoming religious charitable nonprofit corporation

BY: _____
Hubert J. Hart, D. D.
Bishop of Cheyenne

[redacted] [redacted] [redacted]

10

PRODUCERS 88—PAID UP
Rev. 5-60, No. 2—4-89

Billings Blue Print
Billings, Montana

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 10th day of February, 19 98, by and between

Max F. Boroff, Jr. and Dianne Boroff, Co-Trustees, or their successor(s) in trust under the Max F. Boroff, Jr. Living Trust, dated November 18, 1997 whose post office address is Box 125, Daniel, Wyoming 83115, hereinafter called Lessor (whether one or more) and

Loma Energy Corp. whose post office address is P.O. Box 21395, Billings, Mt. 59104 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten and More DOLLARS, 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 34 North, Range 113 West, 6th P.M.
Section 9: S½NE¼, N½SE¼
Section 10: All

267049

RECORDED May 4 1998 M 10:40a
IN BOOK 107 OF R PAGE 590
FEES $ 9.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Seaton

590

See "ADDENDUM" to Oil and Gas Lease attached hereto and by this reference made a part hereof.

and containing 800.00 acres, more or less. /five (5)

1. It is agreed that this lease shall remain in force for a term of ~~ten~~ 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-eight (⅛) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor one-eighth (⅛) 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.

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 (⅛) of the proceeds, at the mouth of the well, payable monthly at the prevailing market rate.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the 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. Production, drilling or reworking operations or a well shut in for want of market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total 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 Lessors. 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.

X Dianne Boroff
Dianne Boroff, Co-Trustee under the Max F. Boroff, Jr. Living Trust, dated November 18, 1997

X Max F. Boroff, Jr.
Max F. Boroff, Jr., Co-Trustee under the Max F. Boroff, Jr. Living Trust, dated November 18, 1997

Trust I.D.# 520-50-9211

590

ACKNOWLEDGMENT FOR INDIVIDUAL

STATE OF Wyoming }
COUNTY OF Sublette } ss.

On this 17th day of February 19 98, before me personally appeared Max F. Boroff, Jr. and Dianne Boroff, Co-Trustees under the Max F. Boroff, Jr. Living Trust, dated November 18, 1997

known to me to be the person(s) described in and who executed the foregoing instrument, and who acknowledged to me that ~~he (she,~~ they) executed the same.

Tracey L Fields Hoover
Notary Public

My commission expires: 8/12/98

Residing at Cora, WY

ACKNOWLEDGMENT FOR INDIVIDUAL

STATE OF .....
COUNTY OF ..... } ss.

On this ..... day of ..... 19 ....., before me personally appeared

.....

.....

known to me to be the person(s) described in and who executed the foregoing instrument, and who acknowledged to me that he (she, they) executed the same.

.....
Notary Public

My commission expires:

.....

Residing at .....

ACKNOWLEDGMENT FOR CORPORATION

STATE OF .....
COUNTY OF ..... } ss.

On this ..... day of ..... 19 ....., before me personally appeared

..... known to me to be the .....

of .....

the corporation that executed the within instrument, and acknowledged to me that such corporation executed the same.

.....
Notary Public

My commission expires:

.....

Residing at .....

RECORDING DATA

"ADDENDUM"

OPTION AGREEMENT

Attached to and made a part of that certain Oil and Gas Lease dated February 10, 1998, by and between Max F. Boroff, Jr. and Dianne Boroff, Co-Trustees, or their successor(s) in trust under the Max F. Boroff,Jr. Living Trust, dated November 18,1997, Lessor(s), and Loma Energy Corp., Lessee.

Lessor hereby grants unto Lessee an option to extend the five-year primary term of this lease for an additional period of three-years at the same terms and conditions as hereinabove set out. Such option shall be exercisable by Lessee, by paying or tendering to Lessor prior to the expiration of the fifth year of the primary term an amount equal to $50.00 per net mineral acre then covered by this lease, which amount shall cover and include any and all delay rental payments due under the term of said lease as extended hereunder. Payment or tender of said amount may be made in the same manner as hereinabove provided for payment for the original five-year primary term.

Signed for Identification:

x _____
Max F. Boroff, Jr., Co-Trustee under the Max F. Boroff, Jr. Living Trust, dated November 18, 1997

x _____
Dianne Boroff, Co-Trustee under the Max F. Boroff, Jr. Living Trust, dated November 18, 1997

10

Producers 88
Rocky Mountain 1989
(Paid-Up Rev. 1988)

PAID-UP
OIL AND GAS LEASE

THIS AGREEMENT, made and entered into this 4th day of March 19 98 by and between
Cornelia M. Robinson, also known as Cornelia M. Jewett, individually and as Trustee of the Cornelia M. Robinson Trust
of 9025 North 109th Avenue, Sun City, AZ 85351, hereinafter called lessor (whether one or more), and
Hanson & Strahn, Inc., of PO Box 3020, Cheyenne, WY 82003, 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:

267050

RECORDED May 4, 1998 M 10:40a
IN BOOK 107 Oil PAGE 593
FEES $ 10.00 COUNTY CLERK
SUBLETTE COUNTY PINEDALE, WYOMING
By Cash Basin

See 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.

For the purpose of calculating payments provided for herein, it shall be deemed that the lands covered by this lease contain 715.67 acres, whether there actually be more or less.

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~~ 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, a well completed for the production of coalbed methane gas shall be deemed to be producing gas under this lease at all times when dewatering of the coal seams from which the coalbed methane gas will be produced is occurring. 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; drilling operations shall be deemed to be commenced 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 drilling operations shall be deemed to be commenced 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) 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) of the gas sold or used, provided that on gas sold the royalty shall be one-eighth (1/8) 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. This is a paid-up lease and all cash consideration first recited above and annual rentals have been paid to lessor in advance to keep this lease in full force and effect throughout the primary term. In consideration of the payment of such cash consideration and advance annual rentals, 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 the land described above, and as to any strata or stratum, by delivering to lessor or by filing of record a release or releases, and be relieved of all obligations thereafter accruing to the acreage surrendered. INITIAL HERE

4. Any payments required to be made to lessors pursuant to this lease, other than the payment of royalties, may be paid by lessee to the lessor or to lessor's credit at the Direct to Lessor ~~Bank at~~ _____ (or its successor or successors, or any bank with which it may be merged or consolidated, or which succeeds to its business 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. All such payments may be made by cash, check or draft, mailed or delivered on or before the due date for that payment. Any payments so made shall be binding on the heirs, devisees, executors, administrators, and personal representatives of lessor and on lessor's successors in interest or on lessor's assigns.

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 continuously 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, an amount equal to $1.00 per year per net mineral acre covered by the lease. Such payments shall be made on or before the shut-in royalty payment date, as defined below, next occurring 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 anniversary date of this lease. Any shut-in royalty payment may be made by cash, draft or check, mailed or tendered on or before the shut-in royalty date. Lessee's failure to pay or tender, or properly 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 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. 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 which traverse cultivated lands 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 heretofore 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 unit.

[redacted] [redacted] [redacted]

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 covenants or conditions of this lease, either express or implied. No change in ownership of the land, royalties, or other payments, 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 royalties or other payments 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.

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 leased premises, and no royalties shall be payable hereunder upon any gas used for repressuring and recycling operations benefitting 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 through lessor's bank of record for payment.

15. In the event lessor considers that lessee has not complied with all its obligations hereunder, either express or implied, lessor shall notify lessee in writing, setting out specifically in what respects lessee has breached this lease. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by lessor. The service of said notice shall be precedent to the bringing of any action by lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on lessee. Neither the service of said notice nor the doing of any acts by lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that lessee has failed to perform all its obligations hereunder. 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, wars, 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.

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 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.

Cornelia M. Robinson SS# 520-18-9095

Cornelia M. Robinson, also known as Cornelia M. Jewett, individually and as Trustee

STATE OF ARIZONA
COUNTY OF MARICOPA } ss. INDIVIDUAL

On this 16 day of March, 19 98, before me personally appeared Cornelia M. Robinson, also known as Cornelia M. Jewett, individually ans as Trustee of the Cornelia M. Robinson Trust
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 16 day of March, 19 98.

My commission expires: 2000

NOTARY PUBLIC
STATE OF ARIZONA
Maricopa County
LYNNETTE CUMMINGS
My Appointment Expires 1/09/2000

Lynnette Cummings
Notary Public for the State of Arizona
residing at Sun City Arizona

STATE OF _____
COUNTY OF _____ } ss. CORPORATE

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 _____ 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 _____

595

EXTENSION OF LEASE TERM

Attached to and made a part of that certain Oil and Gas Lease dated March 4, 1998, by and between Cornelia M. Robinson, also known as Cornelia M. Jewett, individually and as Trustee of the Cornelia M. Robinson Trust, as Lessor, and Hanson & Strahn, Inc., as Lessee.

LEGAL DESCRIPTION:

Township 33 North, Range 113 West, 6th P.M.
Section 03: Lots 3(39.18), 4(39.01), SW1/4NW1/4, NW1/4SW1/4
Section 04: Lots 1(38.83), 2(38.65), S1/2NE1/4
Township 34 North, Range 113 West, 6th P.M.
Section 15: S1/2SW1/4, W1/2SE1/4
Section 20: SW1/4NE1/4, E1/2SW1/4, SE1/4
Section 21: SE1/4NE1/4, N1/2SW1/4, SW1/4SW1/4, NW1/4SE1/4
Section 22: N1/2NW1/4, SW1/4NW1/4
Section 29: NW1/4NE1/4, SW1/4SE1/4
Section 32: NE1/4, N1/2SE1/4, SE1/4SE1/4
Section 33: SW1/4, SW1/4SE1/4
Section 34: E1/2SW1/4

In the event this lease is not continued beyond its primary term by the provisions herein contained, Lessee, its successors or assigns, has the option, but not the obligation, to extend this lease for an additional term of three (3) years from the 4th day of March, 2003, and as long thereafter as oil and gas or either of them is produced from said lands covered by this lease. Said extension to be under the terms and conditions as contained in this lease. This option to extend may be exercised by tendering to Lessor, their heirs, successors or assigns at the last known address, the sum of fifty dollars and 00/100 ($50.00) dollars per net mineral acre, on or before the expiration date of the first primary term of this lease.

Signed for Identification:

Cornelia M. Robinson

Cornelia M. Robinson, also known as Cornelia M. Jewett,
individually and as Trustee

[redacted] [redacted] [redacted]

:0

Producers 88
Rocky Mountain 1988
(Paid-Up Rev. 1996)

PAID-UP
OIL AND GAS LEASE

THIS AGREEMENT, made and entered into this 23rd day of February 19 98 by and between
B. J. Baker and Mary Ellen Baker, individually and as husband and wife

of 2031 West 40th Street, Casper, WY 82604, hereinafter called lessor (whether one or more), and
Hanson & Strahn, Inc., of PO Box 3020, Cheyenne, WY 82003, 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 34 North, Range 113 West, 6th P.M.
Section 02: SE1/4

267051

RECORDED May 4, 1998 M 10:40a
IN BOOK 107 OR6 PAGE 596
FEES $10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Saxton

See 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.

For the purpose of calculating payments provided for herein, it shall be deemed that the lands covered by this lease contain 160.00 acres, whether there actually be more or less.

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, a well completed for the production of coalbed methane gas shall be deemed to be producing gas under this lease at all times when dewatering of the coal seams from which the coalbed methane gas will be produced is occurring. 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; drilling operations shall be deemed to be commenced 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 drilling operations shall be deemed to be commenced 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) 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) of the gas sold or used, provided that on gas sold the royalty shall be one-eighth (1/8) 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. This is a paid-up lease and all cash consideration first recited above and annual rentals have been paid to lessor in advance to keep this lease in full force and effect throughout the primary term. In consideration of the payment of such cash consideration and advance annual rentals, 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 the land described above, and as to any strata or stratum, by delivering to lessor or by filing of record a release or releases, and be relieved of all obligations thereafter accruing to the acreage surrendered.

4. Any payments required to be made to lessors pursuant to this lease, other than the payment of royalties, may be paid by lessee to the lessor or to lessor's credit in the Norwest Bank Wyoming, N.A. Bank, at PO Box 2799, Casper, WY 82602 (or its successor or successors, or any bank with which it may be merged or consolidated, or which succeeds to its business 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. All such payments may be made by cash, check or draft, mailed or delivered on or before the due date for that payment. Any payments so made shall be binding on the heirs, devisees, executors, administrators, and personal representatives of lessor and on lessor's successors in interest or on lessor's assigns.

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 continuously 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, an amount equal to $1.00 per year per net mineral acre covered by the lease. Such payments shall be made on or before the shut-in royalty payment date, as defined below, next occurring 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 this 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 anniversary date of this lease. Any shut-in royalty payment may be made by cash, draft or check, mailed or tendered on or before the shut-in royalty date. Lessee's failure to pay or tender, or properly 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 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. 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 which traverse cultivated lands 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 heretofore 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 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 covenants or conditions of this lease, either express or implied. No change in ownership of the land, royalties, or other payments, 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 royalties or other payments 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.

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 leased premises, and no royalties shall be payable hereunder upon any gas used for repressuring and recycling operations benefitting 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 through lessor's bank of record for payment.

15. In the event lessor considers that lessee has not complied with all its obligations hereunder, either express or implied, lessor shall notify lessee in writing, setting out specifically in what respects lessee has breached this lease. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by lessor. The service of said notice shall be precedent to the bringing of any action by lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on lessee. Neither the service of said notice nor the doing of any acts by lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that lessee has failed to perform all its obligations hereunder. 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, wars, 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.

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 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.

B. J. Baker

B. J. Baker
SS# 520-34-3786

Mary Ellen Baker

Mary Ellen Baker
SS# 514-26-8063

STATE OF WYOMING
COUNTY OF NATRONA } ss.

INDIVIDUAL

On this 16th day of March, 19 98, before me personally appeared B. J. Baker and Mary Ellen Baker, individually and as 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 16th day of March, 19 98.

My commission expires:
Sept. 18, 2001

ANDREA K. BURLESON - NOTARY PUBLIC
County of Natrona State of Wyoming
My Commission Expires Sept. 18, 2001

Andrea K. Burleson
Notary Public for the State of Wyoming
residing at 1226 S. Willow Street, Casper, Wyo.

STATE OF
COUNTY OF } ss.

CORPORATE

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 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]

EXTENSION OF LEASE TERM

Attached to and made a part of that certain Oil and Gas Lease dated February 23, 1998, by and between B. J. Baker and Mary Ellen Baker, individually and as husband and wife, as Lessor, and Hanson & Strahn, Inc., as Lessee.

In the event this lease is not continued beyond its primary term by the provisions herein contained, Lessee, its successors or assigns, has the option, but not the obligation, to extend this lease for an additional term of three (3) years from the 23rd day of February, 2003, and as long thereafter as oil and gas or either of them is produced from said lands covered by this lease. Said extension to be under the terms and conditions as contained in this lease. This option to extend may be exercised by tendering to Lessor, their heirs, successors or assigns at the last known address, the sum of Fifty dollars and 00/100 ($50.00) dollars per net mineral acre, on or before the expiration date of the first primary term of this lease.

Notwithstanding anything herein contained, wherever the fractional interest one-eighth (1/8th) royalty appears, it shall by this reference be amended to read fifteen percent (15.00%) royalty.

Signed for Identification:

B. J. Baker

B. J. Baker

Mary Ellen Baker

Mary Ellen Baker

599

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Producers 88
Rocky Mountain 1989
(Paid-Up Rev. 1996)

PAID-UP
OIL AND GAS LEASE

THIS AGREEMENT, made and entered into this 19th day of March 19 98 by and between

James W. Brewer & Mildred P. Brewer, individually and as husband & wife

of 113 Hutchinson Road, Riverton, WY 82501, hereinafter called lessor (whether one or more), and

Hanson & Strahn, Inc., of PO Box 3020, Cheyenne, WY 82003, hereinafter called lessee:

WITNESSETH:

1. That lessor, for and in consideration of Ten & 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:

267052

RECORDED May 4 1998 M 10:40a
IN BOOK 107 OR 5 PAGE 599
FEES $10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
Kathy Sexton

See 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.

For the purpose of calculating payments provided for herein, it shall be deemed that the lands covered by this lease contain 160.0000 acres, whether there actually be more or less.

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 (5) Five ~~(XXXXX)~~ 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, a well completed for the production of coalbed methane gas shall be deemed to be producing gas under this lease at all times when dewatering of the coal seams from which the coalbed methane gas will be produced is occurring. 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; drilling operations shall be deemed to be commenced 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 drilling operations shall be deemed to be commenced 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) 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) of the gas sold or used, provided that on gas sold the royalty shall be one-eighth (1/8) 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. This is a paid-up lease and all cash consideration first recited above and annual rentals have been paid to lessor in advance to keep this lease in full force and effect throughout the primary term. In consideration of the payment of such cash consideration and advance annual rentals, 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 the land described above and as to any strata or stratum, by delivering to lessor or by filing of record a release or releases, and be relieved of all obligations thereafter accruing to the acreage surrendered.

4. Any payments required to be made to lessors pursuant to this lease, other than the payment of royalties, may be paid by lessee to the lessor or to lessor's credit in the 1st Interestate Bank Bank, at 323 East Main, Riverton, WY 82501 (or its successor or successors, or any bank with which it may be merged or consolidated, or which succeeds to its business 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. All such payments may be made by cash, check or draft, mailed or delivered on or before the due date for that payment. Any payments so made shall be binding on the heirs, devisees, executors, administrators, and personal representatives of lessor and on lessor's successors in interest or on lessor's assigns.

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 continuously 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, an amount equal to $1.00 per year per net mineral acre covered by the lease. Such payments shall be made on or before the shut-in royalty payment date, as defined below, next occurring 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 anniversary date of this lease. Any shut-in royalty payment may be made by cash, draft or check, mailed or tendered on or before the shut-in royalty date. Lessee's failure to pay or tender, or properly 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 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. 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 which traverse cultivated lands 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 heretofore 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 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 covenants or conditions of this lease, either express or implied. No change in ownership of the land, royalties, or other payments, 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 royalties or other payments 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.

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 leased premises, and no royalties shall be payable hereunder upon any gas used for repressuring and recycling operations benefitting 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 through lessor's bank of record for payment.

15. In the event lessor considers that lessee has not complied with all its obligations hereunder, either express or implied, lessor shall notify lessee in writing, setting out specifically in what respects lessee has breached this lease. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by lessor. The service of said notice shall be precedent to the bringing of any action by lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on lessee. Neither the service of said notice nor the doing of any acts by lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that lessee has failed to perform all its obligations hereunder. This lease shall never be forfeited or canceled 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, wars, 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.

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 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.

James W. Brewer
James W. Brewer
#520-34-9352

Mildred P. Brewer
Mildred P. Brewer

STATE OF Wyoming
COUNTY OF Sublette } ss.

INDIVIDUAL

On this 19th day of March, 19 98, before me personally appeared James W. Brewer & Mildred P. Brewer, individually and as husband & 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 19th day of March, 19 98.

My commission expires: 1/30/99

Delta McCormick
Notary Public for the State of Wyoming
residing at Pinedale, Sublette

STATE OF
COUNTY OF } ss.

CORPORATE

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 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

600

EXHIBIT "A"

Exhibit "A" attached hereto and made a part hereof that certain Oil & Gas Lease dated March 19th, 1998, by and between James W. Brewer and Mildred P. Brewer, individually and as husband and wife, as Lessor(s), and Hanson & Strahn, Inc., as Lessee.

SUBLETTE COUNTY, WYOMING

Township 34 North, Range 113 West, 6th P.M.
Section 9: N/2 N/2

Containing 160.0000 gross acres, more or less.

In the event this lease is not continued beyond its primary term by the provisions herein contained, lessee, its successors or assigns, has the option, but not the obligation, to extend this lease for an additional term of three (3) years from the date of the lease, and as long thereafter as oil and gas, or either of them, is produced from the leased premises or drilling operations are continuously prosecuted. This option to extend may be exercised by tendering to Lessor, their heirs, successors or assigns at the last known address, a net sum of Forty-Five Dollars per net mineral acre, ($45.00), on or before the expiration date of the primary term of this lease. Should this option be exercised as herein provided, it shall be considered for all purposes as though this lease originally provided for a primary term of eight (8) years.

Executed this 19th day of March, 1998.

James W. Brewer

Mildred P. Brewer

[redacted] [redacted] [redacted]

10

Producers 88
Rocky Mountain 1989
(Paid-Up Rev. 1996)

PAID-UP
OIL AND GAS LEASE

THIS AGREEMENT, made and entered into this 27th day of February 1998, by and between

Patrick Johnson, a widower

of 620 Tyler Avenue, Pinedale, WY 82941, hereinafter called lessor (whether one or more), and

Hanson & Strahn, Inc., of PO Box 3020, Cheyenne, WY 82003, hereinafter called lessee:

WITNESSETH:

1. That lessor, for and in consideration of Ten & 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 permitees, 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:

RECORDED May 4, 1998 M 10:40 A
IN BOOK 107 Misc PAGE 602
FEES $ 10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Saxton

See Exhibit "A" attached and made a part hereof

267053

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.

For the purpose of calculating payments provided for herein, it shall be deemed that the lands covered by this lease contain 320.00 acres, whether there actually be more or less.

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) PJ 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, a well completed for the production of coalbed methane gas shall be deemed to be producing gas under this lease at all times when dewatering of the coal seams from which the coalbed methane gas will be produced is occurring. 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; drilling operations shall be deemed to be commenced 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 drilling operations shall be deemed to be commenced 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) 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) of the gas sold or used, provided that on gas sold the royalty shall be one-eighth (1/8) 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. This is a paid-up lease and all cash consideration first recited above and annual rentals have been paid to lessor in advance to keep this lease in full force and effect throughout the primary term. In consideration of the payment of such cash consideration and advance annual rentals, 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 the land described above, and as to any strata or stratum, by delivering to lessor or by filing of record a release or releases, and be relieved of all obligations thereafter accruing to the acreage surrendered.

4. Any payments required to be made to lessors pursuant to this lease, other than the payment of royalties, may be paid by lessee to the lessor or to lessor's credit in the 1st National Bank, at PO Box 519, Pinedale, WY 82941 (or its successor or successors, or any bank with which it may be merged or consolidated, or which succeeds to its business 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. All such payments may be made by cash, check or draft, mailed or delivered on or before the due date for that payment. Any payments so made shall be binding on the heirs, devisees, executors, administrators, and personal representatives of lessor and on lessor's successors in interest or on lessor's assigns.

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 continuously 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, an amount equal to $1.00 per year per net mineral acre covered by the lease. Such payments shall be made on or before the shut-in royalty payment date, as defined below, next occurring 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 anniversary date of this lease. Any shut-in royalty payment may be made by cash, draft or check, mailed or tendered on or before the shut-in royalty date. Lessee's failure to pay or tender, or properly 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 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. 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 which traverse cultivated lands 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 heretofore 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 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 covenants or conditions of this lease, either express or implied. No change in ownership of the land, royalties, or other payments, 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 royalties or other payments 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.

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 leased premises, and no royalties shall be payable hereunder upon any gas used for repressuring and recycling operations benefitting 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 through lessor's bank of record for payment.

15. In the event lessor considers that lessee has not complied with all its obligations hereunder, either express or implied, lessor shall notify lessee in writing, setting out specifically in what respects lessee has breached this lease. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by lessor. The service of said notice shall be precedent to the bringing of any action by lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on lessee. Neither the service of said notice nor the doing of any acts by lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that lessee has failed to perform all its obligations hereunder. 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, wars, 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.

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 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.

Patrick Johnson

Patrick Johnson
SS# 520-42-0291

STATE OF Wyoming
COUNTY OF Sublette } ss.

INDIVIDUAL

On this 15th day of April, 19 98, before me personally appeared Patrick Johnson, a widower

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 15th day of April, 19 98.

My commission expires: 1-15-2000

Notary Public for the State of Wyoming
residing at Pinedale, Wyoming

STATE OF
COUNTY OF } ss.

CORPORATE

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 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]

EXHIBIT "A"

Exhibit "A" attached hereto and made a part hereof that certain Oil and Gas Lease dated February 27, 1998, by and between Patrick Johnson, a widower, as Lessor(s), and and Hanson & Strahn, Inc., as Lessee.

SUBLETTE COUNTY, WYOMING

Township 34 North, Range 113 West, 6th P.M.
Section 02: SW/4
Section 11: NW/4

Containing 320.0000 gross acres, more or less.

In the event this lease is not continued beyond its primary term by the provisions herein contained, Lessee, its successors or assigns, has the option, but not the obligation, to extend this lease for an additional term of three (3) years from the expiration date of the primary term of the lease, and as long thereafter as oil and gas or either of them, is produced from the leased premises or drilling operations are continuously prosecuted. This option to extend may be exercised by tendering to Lessor, their heirs, successors or assigns at the last known address, a net sum of Fifty dollars and 00/100 ($50.00) dollars per net mineral acre, on or before the expiration date of the primary term of this lease. Should this option be exercised as herein provided, it shall be considered for all purposes as though this lease originally provided for a primary term of eight (8) years.

Executed this 27th of February, 1998.

Patrick Johnson

Patrick Johnson, a widower

605

Producers 88
Rocky Mountain 1989
(Paid-Up Rev. 1996)

PAID-UP
OIL AND GAS LEASE

THIS AGREEMENT, made and entered into this 3rd day of March 19 98 by and between
Edith L. Barp, also known as Edith Barp, and George L. Barp, also known as George Barp, individually and as wife and husband

of PO Box 490, Big Piney, WY 83113, hereinafter called lessor (whether one or more), and
Hanson & Strahn, Inc., of PO Box 3020, Cheyenne, WY 82003, hereinafter called lessee:

WITNESSETH:

1. That lessor, for and in consideration of Ten & 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:

RECORDED May 4, 1998 M 10:40A
IN BOOK 107 Misc PAGE 605
FEES $ 15.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Easton

See Exhibit "A" attached hereto and made a part hereof

267054

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.

For the purpose of calculating payments provided for herein, it shall be deemed that the lands covered by this lease contain 1715.6700 acres, whether there actually be more or less.

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 ~~Three (3)~~ 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, a well completed for the production of coalbed methane gas shall be deemed to be producing gas under this lease at all times when dewatering of the coal seams from which the coalbed methane gas will be produced is occurring. 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; drilling operations shall be deemed to be commenced 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 drilling operations shall be deemed to be commenced 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) 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) of the gas sold or used, provided that on gas sold the royalty shall be one-eighth (1/8) 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. This is a paid-up lease and all cash consideration first recited above and annual rentals have been paid to lessor in advance to keep this lease in full force and effect throughout the primary term. In consideration of the payment of such cash consideration and advance annual rentals, 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 the land described above, and as to any strata or stratum, by delivering to lessor or by filing of record a release or releases, and be relieved of all obligations thereafter accruing to the acreage surrendered.

4. Any payments required to be made to lessors pursuant to this lease, other than the payment of royalties, may be paid by lessee to the lessor or to lessor's credit in the Community First National Bank, at 440 Budd Ave., 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 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. All such payments may be made by cash, check or draft, mailed or delivered on or before the due date for that payment. Any payments so made shall be binding on the heirs, devisees, executors, administrators, and personal representatives of lessor and on lessor's successors in interest or on lessor's assigns.

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 continuously 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, an amount equal to $1.00 per year per net mineral acre covered by the lease. Such payments shall be made on or before the shut-in royalty payment date, as defined below, next occurring 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 anniversary date of this lease. Any shut-in royalty payment may be made by cash, draft or check, mailed or tendered on or before the shut-in royalty date. Lessee's failure to pay or tender, or properly 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 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. 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 which traverse cultivated lands 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 heretofore 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 the lease and included in the unit bears to the total number of surface acres in such 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 covenants or conditions of this lease, either express or implied. No change in ownership of the land, royalties, or other payments, 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 royalties or other payments 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.

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 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 through lessor's bank of record for payment.

15. In the event lessor considers that lessee has not complied with all its obligations hereunder, either express or implied, lessor shall notify lessee in writing, setting out specifically in what respects lessee has breached this lease. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by lessor. The service of said notice shall be precedent to the bringing of any action by lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on lessee. Neither the service of said notice nor the doing of any acts by lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that lessee has failed to perform all its obligations hereunder. 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, wars, 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.

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 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.

Edith L Barp
Edith L. Barp, aka Edith Barp
SS#529-22-4767

George L. Barp
George L. Barp, aka George Barp

STATE OF Wyoming
COUNTY OF Sublette } ss.

INDIVIDUAL

On this 3rd day of March, 19 98, before me personally appeared Edith L. Barp, also known as Edith Barp, and George L. Barp, also known as George Barp, individually and as wife and husband
to me known to be the person S described in, and who executed the foregoing instrument, and who acknowledged to me that t he 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 3rd day of March, 19 98.

My commission expires: 9-16-2001

BARBARA A. WELLS - Notary Public
County of Sublette
State of Wyoming
My Commission Expires 9-16-2001

Barbara A Wells
Notary Public for the State of Wyoming
residing at Big Piney WY.

STATE OF _____
COUNTY OF _____ } ss.

CORPORATE

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 _____ 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 _____

6006

607

EXHIBIT "A"

Exhibit "A" attached hereto and made a part hereof that certain Oil & Gas Lease dated March 3rd, 1998, by and between Edith L. Barp, also known as Edith Barp, and George L. Barp, also known as Georg Barp, individually and as wife and husband, as Lessor(s), and Hanson & Strahn, Inc., as Lessee.

SUBLETTE COUNTY, WYOMING

Township 33 North, Range 113 West, 6th P.M.
Section 3: Lots 3(39.18), 4(39.01), SW/4 NW/4, NW/4 SW/4
Section 4: Lots 1(38.83), 2(38.65), S/2 NE/4

Township 34 North, Range 113 West, 6th P.M.
Section 15: S/2 SW/4, W/2 SE/4
Section 20: SW/4 NE/4, E/2 SW/4, SE/4
Section 21: SE/4 NE/4, N/2 SW/4, SW/4 SW/4, NW/4 SE/4
Section 22: N/2 NW/4, SW/4 NW/4
Section 29: NW/4 NE/4, SW/4 SE/4
Section 32: NE/4, N/2 SE/4, SE/4 SE/4
Section 33: SW/4, SW/4 SE/4
Section 34: E/2 SW/4

Containing 1715.6700 gross acres, more or less.

In the event this lease is not continued beyond its primary term by the provisions herein contained, lessee, its successors or assigns, has the option, but not the obligation, to extend this lease for an additional term of three (3) years from the date of the lease, and as long thereafter as oil and gas, or either of them, is produced from the leased premises or drilling operations are continuously prosecuted. This option to extend may be exercised by tendering to Lessor, their heirs, successors or assigns at the last known address, a net sum of Fifty Dollars per net mineral acre, ($50.00), on or before the expiration date of the primary term of this lease. Should this option be exercised as herein provided, it shall be considered for all purposes as though this lease originally provided for a primary term of eight (8) years.

Executed this 3rd day of March, 1998.

Edith L Barp
Edith L. Barp, aka Edith Barp

George L Barp
George L. Barp, aka George Barp

[redacted] [redacted] [redacted]

[redacted] [redacted] [redacted]

6

ASSIGNMENT OF OIL AND GAS LEASE

STATE OF WYOMING

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF SUBLETTE

THAT THE UNDERSIGNED, HANSON & STRAHN, INC., whose address is P.O. Box 3020, Cheyenne, Wyoming 82003-3020, hereinafter called "Assignor", for and in consideration of One Dollar ($1.00), the receipt whereof is hereby acknowledged, does hereby sell, assign, transfer and set over to ENRON OIL & GAS COMPANY, P.O. Box 4362, Houston, Texas 77210-4362, hereinafter called "Assignee", all of Assignor's right, title and interest in and to the oil and gas lease dated February 26, 1998, from Mary Nell (Hannon) McGinnis, a single woman, lessor, to Hanson & Strahn, Inc., lessee, recorded in Book 107 O&G, Page 128 insofar as said lease covers the following described land in Sublette County, State of Wyoming:

Township 28 North, Range 112 West, 6th P.M.
Section 11: SW1/4SW1/4
Section 14: W1/2NW1/4
Section 15: N1/2N1/2

and containing 280.00 acres, more or less. This Assignment is made without warranty of title except by, through and under Assignor.

TO HAVE AND HOLD unto the said Assignee, its successors, legal representatives and assigns forever.

EXECUTED and effective this 16th day of April, 1998.

Hanson & Strahn, Inc.

Marc Randal Strahn
President

(NO ATTEST REQUIRED)

ACKNOWLEDGMENT

10:40A

RECORDED May 4, 1998 M
IN BOOK 107 O&G PAGE 608
FEES $ 6.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Barton

267055

STATE OF WYOMING)
)
COUNTY OF LARAMIE)

On this 16th day of April, A.D. 1998, before me personally appeared MARC RANDAL STRAHN, President of Hanson & Strahn, Inc., to me personally known, who, being by me duly sworn, did say that he is the President of Hanson & Strahn, Inc. and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and said President acknowledged said instrument to be the free act and deed of said corporation.

Witness my hand and seal this 16th day of April, A.D. 1998.

PEGGY J. LOPEZ · NOTARY PUBLIC
COUNTY OF LARAMIE STATE OF WYOMING
MY COMMISSION EXPIRES MAR. 19, 1999

Peggy J. Lopez
Notary Public

My Commission Expires:_____

Address: Cheyenne, Wyoming

Form 3000-3
(January 1996)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0034
Expires: September 30, 1998

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.
WYW141881

Lease Effective Date
(Anniversary Date)
January 1, 1993

New Serial No.

Type or print plainly in ink and sign in ink.

PART A: ASSIGNMENT

1. Assignee*
Street
City, State, ZIP Code

GREEN RIVER PETROLEUM (USA) INC.
Suite 350, 323-10th Avenue S.W.
Calgary, Alberta, Canada T2R 0A5

*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	OVERRIDING ROYALTY b	c	d	e	f
Township 28 North, Range 109 West, 6th P.M. Section 24: all; 25: all; containing 1280.00 acres m/l Sublette County, Wyoming It is the intent of this assignment to convey one-half of one percent of eight-eights over-riding royalty.	267125				

RECORDED May 6 1998 3:10PM
IN BOOK 107 PAGE 609
FEES $ 8.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING
By Cathy Soeten

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 WYOMING)
) s
COUNTY OF NATRONA)

On the 28th day of April, 1998, personally appeared before me Kenneth K Farmer, signer of the above instrument, who duly acknowledged to me that he executed the same.

Given under my hand and seal this 28th day of April, 1998

MARILYN C. BURTON-NOTARY PUBLIC
County of Natrona State of Wyoming
My Commission Expires October 23, 2001

Marilyn C Burton
Notary Public residing at: Casper

My Commission Expires: October 23, 2001

PART B: CERTIFICATION AND REQUEST FOR APPROVAL

1. The Assignor certifies as owner of an interest in the above designated lease that he/she hereby assigns to the above assignee(s) the rights specified above.

2. Assignee certifies as follows: (a) Assignee 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 assignment of NPR-A leases, assignee is a citizen, national, or resident alien of the United States or 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 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; (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 (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 28th day of April, 19 98

Name of Assignor as shown on current lease Kenneth K. Farmer
Please type or print

Assignor Kenneth K. Farmer
(Signature)
or
Attorney-in-fact
(Signature)

P.O. Box 2895
(Assignor's Address)

Casper, Wyoming 82602-2895
(City) (State) (Zip Code)

Executed this _____ day of _____, 19

Assignee
(Signature)
or
Attorney-in-fact
(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, Bureau Clearance Officer (DW-110), Denver Federal Center, Building 40, P.O. Box 25047, Denver, CO 80225-0047 and the Office of Management and Budget, Paperwork Reduction Project (1004-0094), 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 1997: 573-004/41047

Form 3000-3
(January 1996)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0034
Expires: September 30, 1998

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.
WYW128039

Lease Effective Date
(Anniversary Date)
January 1, 1993

New Serial No.

Type or print plainly in ink and sign in ink.

PART A: ASSIGNMENT

1. Assignee*
   Street
   City, State, ZIP Code

GREEN RIVER PETROLEUM (USA) INC.
Suite 350, 323-10th Avenue S.W.
Calgary, Alberta, Canada T2R 0A5

*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
	OVERRIDING ROYALTY				
a	b	c	d	e	f
Township 28 North, Range 109 West, 6th P.M. Section 10: all; 14: all; containing 1280.00 acres m/l Sublette County, Wyoming It is the intent of this assignment to convey one-half of one percent of eight-eights over-riding royalty.	2.5%	0.5%	2.0%		

267126

RECORDED Mar. 6, 1998 3:40PM
IN BOOK 107 Misc. PAGE 611
FEES $8.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING
By Cat Socken

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)

[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. 4, if needed.

STATE OF WYOMING)
) s
COUNTY OF NATRONA)

On the 28th day of April, 1998 personally appeared before me Kenneth K Farmer, signer of the above instrument, who duly acknowledged to me that he executed the same.

Given under my hand and seal this 28th day of April, 1998

MARILYN C. BURTON-NOTARY PUBLIC
County of Natrona State of Wyoming
My Commission Expires October 23, 2001

Marilyn C Burton
Notary Public residing at: Casper

My Commission Expires: October 23, 2001

1. The Assignor certifies as owner of an interest in the above designated lease that he/she hereby assigns to the above assignee(s) the rights specified above.

2. Assignee certifies as follows: (a) Assignee 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 assignment of NPR-A leases, assignee is a citizen, national, or resident alien of the United States or 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 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; (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 (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 28th day of April, 19 98

Name of Assignor as shown on current lease Kenneth K. Farmer
Please type or print

Assignor Kenneth K. Farmer
(Signature)
or
Attorney-in-fact _____
(Signature)

P.O. Box 2895
(Assignor's Address)

Casper, Wyoming 82602-2895
(City) (State) (Zip Code)

Executed this _____ day of _____, 19

Assignee _____
(Signature)
or
Attorney-in-fact _____
(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, Bureau Clearance Officer (DW-110), Denver Federal Center, Building 40, P.O. Box 25047, Denver, CO 80225-0047 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 1997 473-004/41047

ASSIGNMENT OF OVERRIDING ROYALTY

KNOW ALL MEN BY THESE PRESENTS, that ULTRA RESOURCES, INC., 304 Inverness Way South, Suite 295, Englewood, CO 80112, Assignor, for the sum of One Dollar ($1.00) 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, overriding royalty unto the following parties in the amounts shown below:

NAME	ADDRESS	PERCENT
Richard Gerald Albertus	11253 Pinevalley Drive Franktown, CO 80116	0.3125%
Beryl Lucille Albertus	11253 Pinevalley Drive Franktown, CO 80116	0.3125%
Richard Todd Albertus	6956 Brook Forest Road Evergreen CO 80439	0.3125%
Michelle Marie Strobel	270 Choctaw Lyons, CO 80540	0.3125%
Patricia Granger Hughes	2681 South Chase Lane Lakewood, CO 80227	0.6250%
Leah Rachael Hughes	2681 South Chase Lane Lakewood, CO 80227	0.020833%
Marcus Garrett Hughes	2681 South Chase Lane Lakewood, CO 80227	0.020833%
Alexander Drake Hughes	2681 South Chase Lane Lakewood, CO 80227	0.020834%

BEING in all a total of an undivided 2.5% overriding royalty proportionately reduced by Assignor's interest therein, if less than 100%, of all of the oil, gas and other hydrocarbon substances that may be produced, saved and marketed from the oil and gas lease described as follows:

WY-1154
Lessor: USA WYW-131154
Lessee: Ann M. Trujillo
Lease Date: 4/1/94
Lands Covered: Township 31 North, Range 108 West
Section 10: W/2
Section 15: All
Section 4: S/2
Section 5: Lots 10-12
Section 8: NE/4, NE/4NW/4, N/2SE/4
Section 9: All
Sublette County, Wyoming

WITNESS my hand on this 20th day of April, 1998.

267133

RECORDED May 7 1998 9:45A M
IN BOOK 107 OR PAGE 613
FEES $6.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, Wyoming
By Cat Sexton

ULTRA RESOURCES, INC.

R. G. "Jerry" Albertus, President

STATE OF COLORADO)
) SS
COUNTY OF DOUGLAS)

BE IT KNOWN, that on this 20th day of April, 1998, before me, the undersigned authority, personally came and appeared **R. G. "Jerry" Albertus**, appearing in his capacity as President of **ULTRA RESOURCES, INC.**, to me personally known to the identical person whose name is subscribed to the foregoing instrument as the said President of said corporation, and declared and acknowledged to me, Notary, that he executed the same on behalf of said corporation with full authority of its Board of Directors, and 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.

Amy Barton
Notary Public

My commission expires:
7/18/2000

[redacted] [redacted] [redacted]

STATE OF WYOMING)
COUNTY OF SUBLETTE)

ASSIGNMENT, BILL OF SALE AND CONVEYANCE

KNOW ALL MEN BY THESE PRESENTS:

THAT, the undersigned **MOUNTAIN GAS RESOURCES, INC.**, with an address of 12200 N. Pecos St., Denver, Colorado 80234, (herein "Assignor") for and in consideration of Ten Dollars ($10.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, does hereby sell, assign, transfer and convey unto **RIS RESOURCES (USA) INC.,** (herein "Assignee"), with an address of 304 Inverness Way South, Suite 290, Englewood, Colorado 80112, the following properties, assets, and other rights, both real and personal, all of which together are herein called the "Assets":

a. An undivided 50% interest in and to the gas gathering pipeline, as further described and depicted on Exhibit A, attached hereto, and including all pipelines, valves, metering equipment, meter runs, fittings, flow lines, gathering lines, and together with all other equipment and facilities used in connection therewith or appurtenant thereto (the "Pipeline").

b. An undivided 50% interest in and to the rights of way, easements, servitudes, licenses, leaseholds and other rights and interest in land created by conveyances, grants, deeds, leases and other instruments described in Exhibit B, and all other rights of way, easements, servitudes, licenses, leaseholds and other rights and interest in land held by Assignor and used for or relating to the construction, ownership or operation of the Pipeline (the "Easements").

This Assignment is made expressly subject to and in accordance with the terms and conditions of that certain Asset Purchase Agreement between Assignor and Assignee, dated November 14, 1997, (the "Purchase Agreement"). By acceptance hereof, Assignee agrees to take and receive the Assets in accordance with the Purchase Agreement, the terms of which shall survive execution and delivery of this Assignment in accordance with their terms.

All of the provisions of this Assignment shall be available to and binding upon the respective successors and assigns of Assignor and Assignee herein.

With respect to the Assets assigned hereunder, and with respect the proportionate share of the properties retained by Assignor form which the Assets were obtained, collectively the Assets and Assignor's retained ownership being called the "Facilities":

a. For a period of 15 years following the execution of this Agreement, should any owner of a portion of the Facilities (herein "Owner") receive a bona fide, unsolicited offer, from an unaffiliated third party, for the purchase of its interest in the Facilities, and such Owner is willing to accept that offer, then all other Owners shall have a preferential right to purchase a share proportionate to their interest in the properties being sold after

267188

Z:\USERS\BSPECTOR\BIRDASN.DOC

RECORDED May 11, 1998 3:30 PM
IN BOOK 107 ON PAGE 614
FEES $ 57.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cat Cooter

first deducting the interest of the Owner desiring to sell. The preferential purchase shall be at a price equal to the highest price the selling Owner has received in that bona fide, written offer to purchase that interest from unaffiliated third parties. The selling Owner shall provide evidence of that bona fide offer to all other Owners who have a period of thirty (30) days in which to elect whether or not to purchase their proportionate share which shall include all details of the offer together with a true and correct copy of that offer. If any Owner elects not to purchase its proportionate share of the selling Owner's interest, then the remaining Owners shall have the right to proportionately purchase the interest in addition to the other proportionate interest which they are entitled to purchase. If the remaining Owners fail to elect to purchase one hundred percent (100%) of the selling Owner's interest (or all of such lesser interest as is included within the scope of the offer), within the 30-day period, then the selling Owner shall be free to convey its interest to the party which submitted the bona fide offer. Neither the mortgaging, pledging or other encumbrancing of an Owner's interest nor the merger, consolidation or corporate restructuring of Owner shall be considered a sale of that interest under this Section a; provided, none of the foregoing shall be permitted to the extent creating any liens or rights superior to those of Operator hereunder, except as expressly provided above.. Should the parties receiving the notice fail to exercise their right to acquire the interests being sold, then the rights under this Section 2 shall be extinguished and shall not apply to any further dispositions of the properties which were the subject of that Owner's notice. Should any Owners receiving that notice timely elect to purchase 100% of the selling Owner's interest (or all of such lesser interest as is included within the scope of the offer), then closing thereunder shall occur within 90 days following the date upon which the Owner(s) elected to purchase those interests.

b. Should any Owner ("Selling Owner") desire to sell its interests in the Facilities, it may send the other Owners a "Request for Bids". Within 15 business days of the receipt of the Request for Bids, any other Owner ("Offering Owner") may submit a written offer to the Selling Owner specifying the price and other terms on which the Offering Owner is willing to purchase the Ownership Interests of the Selling Owner. Should the other Owners fail to submit any offer to the Selling Owner within the 15-day period, then the Selling Owner shall be free to negotiate with and solicit third party offers for the sale of its Ownership Interest, and such third party offers may be accepted by Selling Owner free and clear of the preferential rights specified in Section a., above. Should an Offering Owner submit an offer to the Selling Party, the Selling Party may either (i) accept that offer, or (ii) may instead purchase the Ownership Interests of the Offering Party on the same price, terms and conditions as contained in the offer of the Offering Party (adjusted for the proportionate interest owned), or (iii) may seek third party bona fide offers for the sale of its Ownership Interests, which third party offers shall be subject to the other Owner's preferential rights under Section 2, above.

c. In addition to any other rights under this Assignment, at any time following the 5th anniversary of the Effective Date of the Agreement, each Owner shall have the right to

offer to purchase all of the interest of the other party hereunder at any time. The Owner desiring to buy out the others ("Offeror") shall exercise this right by giving written notice to the other Owners ("Offeree(s)") of its intent to purchase the interest of the Offeree(s) at a purchase price as set forth in that notice, with final closing to occur not later than 180 days from the date of the Notice. In the event that any of the Offeree(s) desires not to sell its interest to the Offeror on the terms specified in the Notice, that Offeree(s) shall notify the Offeror within 30 days of the Offeror's notice and upon that notification the Offeree(s) shall have the obligation to acquire all of the interest hereunder of the Offeror at the purchase price, as stated in the Offeror's notice (adjusted for the proportionate interest owned), with closing to occur within 180 days following the Offeree(s)' notice. If more than one Offeree elects to purchase the Offeror's interest, their participation in that acquisition shall be proportional based on their Ownership Interests (or in such other proportions as are agreed upon by them). If the Offeree(s) does not close on the purchase of the Offeror's interest within 180 days after the date of the Offeree's notice, then the Offeror has the right, within 30 days thereafter to acquire all of the interest of the Offeree on the terms as set forth in the Offeror's notice.

TO HAVE AND TO HOLD the Assets unto Assignee, its successors and assigns, forever; and Assignor does hereby bind itself and its successors and assigns to WARRANT AND FOREVER DEFEND all and singular the Assets unto Assignee, its successors and assigns against every person lawfully claiming or to claim the same or any part thereof, by, through or under Assignor, but not otherwise.

EXECUTED this 26th day of February, 1998, but effective for all purposes as of March 1, 1998, at 7:00 a.m., Mountain Time.

ASSIGNOR:
MOUNTAIN GAS RESOURCES, INC.

By: _____

Name: Edward Aabak

Title: ~~SR VICE PRESIDENT, OPERATIONS~~

ASSIGNEE:
RIS RESOURCES (USA) INC.

By: _____

Name: Mark A. Erickson

Title: Exec V.P.

6/16

THE STATE OF COLORADO)
)
COUNTY OF ADAMS)

The foregoing instrument was acknowledged before me this 26th day of February, 1998, by EDWARD AABAK, the SR. V.P. Operations of MOUNTAIN GAS RESOURCES, INC., on behalf of the Corporation.

Witness my Hand and Official Seal.
My Commission expires: JOAN H. BINGHAM NOTARY PUBLIC STATE OF COLORADO My Commission Expires July 16, 2000

Notary Public

THE STATE OF COLORADO)
)
COUNTY OF ADAMS)

The foregoing instrument was acknowledged before me this 26th day of February, 1998, by MARK A. ERICKSON, the EXECUTIVE V.P. of RIS RESOURCES (USA) INC., on behalf of the corporation.

Witness my Hand and Official Seal.
My Commission expires: JOAN H. BINGHAM NOTARY PUBLIC STATE OF COLORADO My Commission Expires July 16, 2000

Notary Public

[redacted] [redacted] [redacted]

EXHIBIT A
Description of Assets

Major Pipelines

- Approximately 27 miles of main trunk line from the Bird Canyon CDP in Section 34 of T27N/111W to the SW 1/4 of Section 34, T29N/108W. From this point the 12 inch line forks with the west leg extending northwest to the NE 1/4 of Section 21, T29N/108W and the east leg extending northeast to the Stud Horse Butte (SHB) 13-23 well in the SW 1/4 of Section 23, T29N/108W. The line material is 12-3/4 inch O.D., .203 wall, X-56 steel pipe.

- Approximately 15 miles of main trunk line from the SHB13-23 well to the Lizard Head area in Section 32, T31N/108W, consisting of 12-3/4 inch O.D., 203 wall, X-56 steel pipe.

- North Lizard Head pipeline extension project (in progress). Work completed to date includes installation of approximately 4,500 feet of 12 inch line and 4,500 feet of 16 inch line across the New Fork River. The river crossing scope of work which has been completed is described as a separate part of the Lizard Head Pipeline AFE # 307548 and its supplement. Total budget cost for this work is $637,840.

Wellhead Gathering Equipment

Pipe Inventory - 32,030 ft. of 8.625 x .250 pipe

Lizard Head 13-28 - 6" steel gathering line, one 5 mmcfd triethylene glycol (TEG) dehydrator and associated metering

Sand Draw 7-11 - 6" steel gathering line, one 5 mmcfd TEG dehydrator and associated metering

Sand Draw 13-12 - 8" steel gathering line, one 5 mmcfd TEG dehydrator and associated metering

Stud Horse Butte 7-21 - 6" steel gathering line, one 5 mmcfd TEG dehydrator, associated metering, tanks and wellhead equipment

Stud Horse Butte 15-21 - 6" steel gathering line, one 5 mmcfd TEG dehydrator, associated metering, tanks and wellhead equipment

Stud Horse Butte 5-23 - 6" steel gathering line, two 5 mmcfd TEG dehydrators, associated metering, tanks and wellhead equipment

Stud Horse Butte 7-23 - 8" steel gathering line, two 5 mmcfd TEG dehydrators, associated metering, tanks and wellhead equipment

Stud Horse Butte 13-23 - 8" steel gathering line, two 5 mmcfd TEG dehydrators, associated metering, tanks and wellhead equipment

Stud Horse Butte 15-23 - 6" steel gathering line, one 5 mmcfd TEG dehydrator, associated metering, tanks and wellhead equipment

Stud Horse Butte 5-24 - 6" steel gathering line, one 5 mmcfd TEG dehydrator, associated metering, tanks and wellhead equipment

Stud Horse Butte 7-24 - 10" steel gathering line, one 5 mmcfd TEG dehydrator, associated metering, tanks and wellhead equipment

Stud Horse Butte 13-24 - 6" steel gathering line, one 5 mmcfd TEG dehydrator, associated metering, tanks and wellhead equipment

Stud Horse Butte 15-24 - 6" steel gathering line, one 10 mmcfd TEG dehydrator, associated metering, tanks and wellhead equipment

EXHIBIT B
EASEMENTS
SUBLETTE COUNTY, WYOMING
16:27:18 02-24-98

COUNTY: WY*035

Lease no.	Lessor	Lessee	Lease Eff.date	Book	Page	Ref	Legal description
WY-24939	USA WYW-140014	WESTERN GAS RESOURCES INC	11/05/96	NOT	RECORDED		T29N R108W SEC 23: SW/4SW/4 T29N R108W SEC 26: E/2NW/4, NW/4NW/4,NE/4SW/4
WY-29477	USA WYW-140035	WESTERN GAS RESOURCES INC	12/02/96				T29N R108W SEC 22: SE/4SE/4 T29N R108W SEC 23: SW/4SW/4
WY-29501	USA WYW-140015	WESTERN GAS RESOURCES INC	12/23/96	NOT	RECORDED		T29N R108W SEC 21: SW/4SE/4 T29N R108W SEC 28: NW/4NE/4 AND E/2NW/4
WY-29567	USA WYW-140027	MOUNTAIN GAS RESOURCES INC	01/31/97	NOT	RECORDED		TRACT 1 T26N R111W SEC 5: LOT 3 AND 4 T26N R111W SEC 6: LOTS 1,2,3 AND 4 T26N R112W SEC 1: LOT 1 LINCOLN COUNTY, WYOMING TRACT 2 T27N R109W SEC 6: LOTS 2, 3 AND 4 T27N R110W SEC 1: LOTS 1 AND 2, SW/4NE/4, S/2NW/4 T27N R110W SEC 2: S/2N/2, NW/4SW/4 T27N R110W SEC 3: SE/4NE/4, N/2S/2, SW/4SW/4 T27N R110W SEC 4: SE/4SE/4 T27N R110W SEC 8: S/2SE/4, NE/4SE/4 T27N R110W SEC 9: S/2NW/4, NW/4SW/4, N/2NE/4, SW/4NE/4 T27N R110W SEC 17: S/2NW/4, NE/4NW/4, NW/4SW/4, NW/4NE/4 T27N R110W SEC 18: SE/4SW/4, S/2SE/4, NE/4SE/4 T27N R110W SEC 19: LOT 1 AND 2, NE/4NW/4 T27N R111W SEC 24: SE/4SW/4, N/2SE/4, SW/4SE/4, SE/4NE/4 T27N R111W SEC 25: N/2NW/4 T27N R111W SEC 26: SE/4NW/4, W/2SW/4, SW/4SW/4, S/2NE/4, NE/4NE/4 T27N R111W SEC 27: S/2SE/4, SW/4SW/4 T27N R111W SEC 28: S/2SE/4 T27N R111W SEC 32: LOTS 2 AND 3, N/2SE/4, SE/4NE/4 T27N R111W SEC 33: N/2NW/4, SW/4NW/4 T27N R111W SEC 34: N/2NW/4, NW/4NE/4 T28N R108W SEC 5: LOTS 2 AND 3, SW/4SW/4 T28N R108W SEC 6: SE/4SE/4 T28N R108W SEC 7: LOTS 3 AND 4, SW/4NE/4, SE/4NW/4, NE/4SW/4 T28N R109W SEC 13: E/2NE/4, N/2SE/4, SW/4SE/4 T28N R109W SEC 23: SE/4SE/4 T28N R109W SEC 24: E/2NW/4, SW/4NW/4, W/2SW/4 T28N R109W SEC 26: N/2NE/4, SW/4NE/4, SE/4NW/4, N/2SW/4, SW/4SW/4 T28N R109W SEC 27: S/2S/2 T28N R109W SEC 31: S/2SE/4 T28N R109W SEC 32: SE/4NE/4, N/2SE/4, SW/4SE/4, S/2SW/4 T28N R109W SEC 33: N/2N/2

No Federal rights-of-way are assignable in part. Contractual rights may be assigned in accordance with the Option Agreement.

EXHIBIT B
EASEMENTS
SUBLETTE COUNTY, WYOMING
16:27:18 02-24-98

COUNTY: WY*035

Lease no.	Lessor	Lessee	Lease Eff.date	Book	Page	Ref	Legal description
							T29N R108W SEC 21: SW/4SE/4 T29N R108W SEC 23: SW/4SW/4 T29N R108W SEC 26: E/2NW/4, NW/4NW/4, N/2SW/4, SW/4SW/4 T29N R108W SEC 27: SE/4SE/4 T29N R108W SEC 28: W/2NE/4, E/2NW/4, W/2SE/4 T29N R108W SEC 33: W/2NE/4, SE/4NE/4, E/2SE/4 T29N R108W SEC 34: N/2NE/4, SW/4NE/4, SE/4NW/4, SW/4 SUBLETTE COUNTY, WYOMING
WY-30456	USA WYW-142313	MOUNTAIN GAS RESOURCES INC	08/21/97	NOT RECORDED			T29N R108W SEC 23: S/2NW/4, NE/4SW/4
WY-30476	USA WYW-142305	MOUNTAIN GAS RESOURCES INC	07/21/97	NOT RECORDED			T29N R108W SEC 24: S/2SW/4
WY-30520	USA WYW-140661	MOUNTAIN GAS RESOURCES INC	06/11/97	NOT RECORDED			T29N R108W SEC 23: SE/4SW/4, SW/4SE/4 T29N R108W SEC 26: NE/4NW/4
WY-30523	USA WYW-142332	MOUNTAIN GAS RESOURCES INC	09/11/97	NOT RECORDED			T29N R108W SEC 23: SW/4NE/4
WY-30524	USA WYW-142314	MOUNTAIN GAS RESOURCES INC	09/11/97	NOT RECORDED			T29N R108W SEC 24: SW/4NW/4, NW/4SW/4
WY-30526	USA WYW-141911	MOUNTAIN GAS RESOURCES INC	07/25/97	NOT RECORDED			T29N R108W SEC 24: S/2SE/4
WY-30552	USA WYW-142316	MOUNTAIN GAS RESOURCES INC	09/15/97	NOT RECORDED			T29N R108W SEC 24: SW/4NE/4, NW/4SE/4
WY-30554	USA WYW-141912	MOUNTAIN GAS RESOURCES INC	09/15/97	NOT RECORDED			T29N R108W SEC 23: W/2SE/4, SW/4SE/4 T29N R108W SEC 24: W/2SW/4, SE/4SW/4, NW/4SE/4
WY-31103	USA WYW-143070	MOUNTAIN GAS RESOURCES INC	09/30/97	NOT RECORDED			T29N R108W SEC 11: S/2NE/4, E/2SE/4 T29N R108W SEC 12: SW/4NW/4, NW/4SW/4 T29N R108W SEC 14: NE/4NE/4, S/2NE/4, SE/4SW/4, W/2SE/4 T29N R108W SEC 23: E/2E/2W/2
WY-31226	USA WYW-141894	MOUNTAIN GAS RESOURCES INC	10/20/97	NOT RECORDED			T29N R108W SEC 21: NE/4NE/4, W/2E/2
WY-31426	USA WYW-143087	MOUNTAIN GAS RESOURCES INC	11/24/97	NOT RECORDED			T28N R109W SEC 22: W/2NE/4, N/2SE/4 SE/4SE/4 T28N R109W SEC 23: S/2SW/4 T28N R109W SEC 26: NW/4NE/4, NE/4NW/4

629

EXHIBIT B
EASEMENTS
SUBLETTE COUNTY, WYOMING
16:27:18 02-24-98

COUNTY: WY*035

Lease no.	Lessor	Lessee	Lease Eff.date	Book	Page	Ref	Legal description
WY-31750	USA WYW-142323	MOUNTAIN GAS RESOURCES INC	11/21/97	NOT	RECORDED		T29N R108W SEC 21: SW/4NE/4
WY-31753	USA WYW-143072	MOUNTAIN GAS RESOURCES INC	11/24/97	NOT	RECORDED		T29N R108W SEC 24: SE/4SW/4, SW/4SE/4
WY-31754	USA WYW-143073	MOUNTAIN GAS RESOURCES INC	11/24/97	NOT	RECORDED		T29N R108W SEC 1: SW/4SW/4 T29N R108W SEC 2: LOT 2, SW/4NE/4, SE/4NW/4, E/2SE/4, NW/4SE/4 T29N R108W SEC 12: W/2NW/4 T30N R108W SEC 4: LOTS 3 & 4, SE/4NW/4, NW/4SW/4, E/2SE/4 T30N R108W SEC 9: W/2NE/4, SE/4NE/4, E/2SE/4 T30N R108W SEC 10: S/2SW/4 T30N R108W SEC 15: W/2NE/4, NE/4NW/4, N/2SE/4, SE/4SE/4 T30N R108W SEC 22: NE/4NE/4 T30N R108W SEC 23: W/2NW/4, SE/4NW/4, NE/4SW/4, N/2SE/4, SE/4SE/4 T30N R108W SEC 25: SW/4NW/4, W/2SW/4 T30N R108W SEC 26: E/2NE/4, SE/4SE/4 T30N R108W SEC 35: E/2E/2, SW/4SE/4 T31N R108W SEC 28: SW/4SW/4 T31N R108W SEC 33: SE/4NE/4, NE/4SE/4 T31N R108W SEC 33: W/2W/2

623

Form 3000-3
(October 1992)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

WY-1180

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.
WYW-118159
Lease Effective Date (Anniversary Date)
12/1/89
New Serial No.

Type or print plainly in ink and sign in ink.

PART A: ASSIGNMENT

1. Assignee* ULTRA RESOURCES, INC.
Street 304 Inverness Way South, Suite 295
City, State, ZIP Code Englewood, CO 80112

*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 interest 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
Township 31 North, Range 108 West Section 27: W/2NE/4, W/2, SE/4 Section 28: All Section 33: E/2E/2, SW/4NE/4, NW/4SE/4 Section 34: All Section 35: W/2W/2 Containing 2,240.00 acres, more or less Sublette County, Wyoming	100%	100%	0%	None	Of record

267233

RECORDED May 15, 1998 11:20AM
IN BOOK 107 Or6 PAGE 623
FEES $8.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING
By Cathy Barton

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 for land description indicated on reverse of this form.

Assignment approved effective _____

By _____ _____ _____
(Authorized Officer) (Title) (Date)

[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 COLORADO)
)Ss
COUNTY OF DOUGLASS)

BE IT KNOWN, that on this 20 day of March, 1998, before me, the undersigned authority, personally came and appeared **Arthur Angell, of Ultra Petroleum (USA), Inc.**, to me personally known to the the identical person whose name is subscribed to the foregoing instrument as the said Attorney-in-Fact of said corporation, and declared and acknowledged to me, Notary, that he executed the same on behalf of said corporation with full authority of its Board of Directors, and 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 AMY BARTON STATE OF COLORADO

Amy Barton
Notary Public

My commission expires:
7/18/2000

PART B: CERTIFICATION AND REQUEST FOR APPROVAL

1. The Assignor certifies as owner of an interest in the above designated lease that he/she hereby assigns to the above assignee(s) the rights specified above.

2. Assignee certifies as follows: (a) Assignee 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 assignment of NPR-A leases, assignee is a citizen, national, or resident alien of the United States or 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 the assignment are located; (c) Assignee's chargeable interest, 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; (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 to 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 20th day of March, 19 98
ULTRA PETROLEUM (USA), INC.
Name of Assignor as shown on current lease
Please type or print

Assignor
(Signature)
or
Attorney-in-fact Arthur Angeli
Arthur Angeli (Signature)

304 Inverness Way South, Suite 295
(Assignor's Address)

Englewood, CO 80112,
(City) (State) (Zip Code)

Executed this 20th day of March, 19 98
ULTRA RESOURCES, INC.

Assignee
(Signature)
or
Attorney-in-fact
R. G. "Jerry" Albertus, (Signature)
President

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.

*U.S. GPO: 1992 - 774-017/67022

625

ASSIGNMENT OF OVERRIDING ROYALTY

KNOW ALL MEN BY THESE PRESENTS, that ULTRA RESOURCES, INC., 304 Inverness Way South, Suite 295, Englewood, CO 80112, Assignor, for the sum of One Dollar ($1.00) 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, overriding royalty unto the following parties in the amounts shown below:

NAME	ADDRESS	PERCENT
Gasconade Oil Company	633 17th Street, Suite 1910 Denver, CO 80202	1.66666%
The Roy H. Dubitzky Trust	6663 So. Prescott Way Littleton, CO 80120	1.66667%
Riggs Oil & Gas Corporation	P. O. Box 711 Farmington, NM 87499	1.66667%

BEING in all a total of an undivided 5% overriding royalty proportionately reduced by Assignor's interest therein, if less than 100%, of all of the oil, gas and other hydrocarbon substances that may be produced, saved and marketed from the oil and gas lease described as follows:

WY-1126

Lessor: USA WYW-06283
Lessee: Floyd H. Schroeder
Lease Date: 6/1/51
Lands Covered: INSOFAR AND ONLY INSOFAR AS LEASE COVERS:
Township 30 North, Range 108 West
Section 7: Lots 1, 2, E/2NW/4
Township 31 North, Range 108 West
Section 19: Lots 1, 2, 3, 4, E/2W/2
Sublette Co., Wyoming

WITNESS my hand on this 1st day of April, 1998.

ULTRA RESOURCES, INC.

R. G. "Jerry" Albertus, President

STATE OF COLORADO)
) SS
COUNTY OF DOUGLAS)

BE IT KNOWN, that on this 1st day of April, 1998, before me, the undersigned authority, personally came and appeared **R. G. "Jerry" Albertus**, appearing in his capacity as President of **ULTRA RESOURCES, INC.**, to me personally known to the the identical person whose name is subscribed to the foregoing instrument as the said President of said corporation, and declared and acknowledged to me, Notary, that he executed the same on behalf of said corporation with full authority of its Board of Directors, and 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.

Amy Barton
Notary Public

My commission expires:
7/18/2000

267271
RECORDED May 18, 1998 11:10AM
IN BOOK 107 OR PAGE 625
FEES $18.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING
By Cathy Sutton

Effective 11-86
Form ML-2
(Revised 4-96)
Filing Fee - $25.00 - Non-Refundable

STATE OF WYOMING
BOARD OF LAND COMMISSIONERS
OIL & GAS LEASE INTEREST ASSIGNMENT

Return To -
State Land & Farm Loan Office
122 West 25th Street
Herschler Building, 3 West
Cheyenne, WY 82002-0600

Wyoming Oil & Gas Lease Serial Number 94-00294 Assignment Approval Date - _____

ASSIGNOR, with name and address at: **Ultra Petroleum (USA) Inc.**
1112 Bonnie Brae
Casper, WY 82601

being the owner of 100 percent Undivided leasehold
(Type Interest: Leasehold/Operating Rights/Overriding Royalty)

interest in this lease, described in particular if less than the total leasehold as:

NW/4NE/4, S/2NE/4, NW/4, S/2 Sec. 36-33N-109W

For good and valuable consideration, hereby assigns to:**********

1) ASSIGNEE, with name and address at:

Ultra Resources, Inc.
304 Inverness Way South, Suite 295
Englewood, CO 80112

100 percent interest in the total leasehold, or as described in particular above.

2) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

3) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

4) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

5) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

and reserving unto ASSIGNOR, _____

This assignment is subject to any existing overriding royalties previously reserved. Reservations of overriding interests must be approved by the Director, and any such approval is subject to the condition that overriding Royalties, may be cancelled by the Board of Land Commissioners if it finds that such overriding royalties create a burden on the lease which prevents or unreasonably interferes with its development.

ASSIGNOR certifies by signature on reverse, that ASSIGNOR is the owner of the interest above herein transferred, and ASSIGNEE(S) certify(ies) by signing on the reverse that this assignment constitutes a binding acceptance of all the terms, conditions, stipulations, restrictions and statutes governing the lease described above, and of the Rules of the Board, at Chapter 6, Leasing of Subsurface Resources.

This form may be duplicated.
If space is needed for additional assignors or assignees submit copies of this form only.

Page 1 of 1 of Lease# 94-00294 assignment dated _____

267272

RECORDED May 18 19 98 11:10a M
IN BOOK 107 Oil & Gas PAGE 626
FEES $8.00 _____ COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING
By Cathy Easton

WY-1069

SEALED

SIGNED AS TO TRANSFER AND ACCEPTANCE this 23rd day of March 19 98

ASSIGNOR - ULTRA PETROLEUM (USA), INC.	Assignee (1) - ULTRA RESOURCES, INC.
By Charlotte Kauffman	By R. G. "Jerry" Albertus
Title - Charlotte Kauffman	Title - R. G. "Jerry" Albertus
Attest - General Counsel	Attest - President

STATE OF Wyoming)
) SS
COUNTY OF Natrona)

BE IT KNOWN, that on this 30th day of March, 1998, before me, the undersigned authority, personally came and appeared **Charlotte Kauffman, General Counsel of Ultra Petroleum (USA), Inc.**, to me personally known to the the identical person whose name is subscribed to the foregoing instrument as the said General Counsel of said corporation, and declared and acknowledged to me, Notary, that he executed the same on behalf of said corporation with full authority of its Board of Directors, and 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.

CINDY PALASZ NOTARY PUBLIC
COUNTY OF NATRONA STATE OF WYOMING
MY COMMISSION EXPIRES JUNE 26, 1999

Cindy Palasz
Notary Public

My commission expires:

June 26, 1999

Note: Assignments are not valid until approved by the Director, State Land and Farm Loan Office as per State Oil & Gas Lease Terms, and approval is solely for administrative purposes and should not be interpreted as warranty that any party to this assignment holds legal or equitable interest in this lease. Assignments which do not meet the requirements listed below and those in the Lease and Rules will be returned unapproved.

1) This form must be completed and submitted for any assignment of State Oil & Gas Lease leasehold interest, undivided or divided as to separate tracts, formations, zones or deposits, and for overriding royalty interest.

2) Assignments of less than a 100% leasehold interest, do not relieve the assignor of the obligations as a lessee under the terms of the lease regarding the interest conveyed unless the State first has in hand, a written agreement to be bound as lessee for all obligations under the lease for the assigned portion from the assignee. This requirement should not be construed in any way as a release or recision of the obligations of any surety bonding parties under the requirements of the State oil and gas lease, Board Rules or this assignment. (All lessees are ultimately responsible for the performance under the lease, and default subjects the entire lease to forfeiture not just the interest related to any performance obligation considered to be in default.)

3) A signed original and one copy of each assignment must be filed with the Wyoming State Land and Farm Loan Office.

4) Each assignment, if approved, is recognized by the State as effective as of the date of approval by the Director. Adequate bond must be furnished covering any and all productive zones prior to approval of any assignment of interest in an operating State oil and gas lease, whether wellbores exist on the leased lands or not, and in no case can drilling operations, including to prospectively productive zones under operating leases, begin without a bond first being in place.

5) If there is more than one party in interest to this assignment, then all such parties in interest must sign the document before assignment approval will be given.

6) The appropriate legal description of the conveyed lands interests must be given.

7) Assignments creating a separate (reserve) lease subject to the rules and regulations governing all State of Wyoming Oil & Gas Lease do not change the terms and conditions of the original lease, the lease anniversary date, nor the obligations and anniversary date of the lease created therefrom being considered as if it had been issued on the effective date of the original lease. (See Board Rules, Chapter 6, Section A.)

8) Corporations, limited liability companies, and limited partnerships must be qualified with the Wyoming Secretary of State's Office, and general partnership papers are required to be filed with the State Land and Farm Loan Office prior to, and as a condition of Board approval of any assignment.

9) Assignments will not be considered for approval where assignor or any assignee currently has a delinquent (late) royalty or rental payment obligation(s) for any State subsurface resource lease.

RECEIVED
LINCOLN COUNTY CLERK
98 APR 28 PM 3:06
MARSHA MOE
KEMMERER, WYOMING

850026

ASSIGNMENT OF OVERRIDING ROYALTY AFFECTING UNITED STATES OIL AND GAS LEASES

KNOW ALL MEN BY THESE PRESENTS THAT Marlene Diann Peter, Trustee of The Peter Family Trust, u/d/t January 6, 1992, assignor, does hereby convey, transfer, assign, and deliver without warranty, either expressed or implied an overriding royalty unto the following party in the amounts shown:

MARLENE DIANN PETER, or Successors, TRUSTEE OF THE PETER FAMILY EXEMPTION TRUST, u/d/t January 6, 1992

Being in all a total of an undivided 100% of assignors interest in an overriding royalty in all of the oil, gas and other hydrocarbon substances that may be produced, saved, and marketed from the following described lands situated in Lincoln County, State of Wyoming under the above designated oil and gas leases and any extension or renewal thereof, to-wit:

DO #0842132, S Hogsback Sec 8 Frntr Com Agrmt Ut Tr 5
SW/4 SW/4 and NE/4 NW/4 Section 12 - T27N - R114W, 6th P.M.

BOOK 411 PR PAGE 11

Dated: April 24, 1998

Marlene Diann Peter
Marlene Diann Peter, Trustee
The Peter Family Trust, u/d/t 01/06/92

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN LUIS OBISPO)

On April 24, 1998 before me, Joan M. Rich, notary public, personally appeared Marlene Diann Peter, personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my name and official seal.

Joan M. Rich
Notary Public

267278

JOAN M. RICH
Commission # 1106147
Notary Public — California
San Luis Obispo County
My Comm. Expires Nov 4, 2000

RECORDED May 18, 1998 12:05PM
IN BOOK 107 OR PAGE 628
FEES $8.00 M L Liddell COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING
By Cathy Sexton

PETER\Assign of Lease, Mobil.Lincoln

628

QUALIFICATIONS OF ASSIGNEE OF OVERRIDING ROYALTY UNDER UNITED STATES OIL AND GAS LEASES

The assignee requests approval of assignment of royalty and certifies as follows: 00 12

1. **Assignee is 21 years of age or over, and is a citizen of the United States:**

   _x_ Native Born

   0850026

2. **Assignee is a corporation or other legal entity, (kind)**

   Irrevocable Trust

3. **Assignee's interest, direct or indirect, does not exceed 246,080 chargeable acres in options and leases and offers to lease in the same state.**

4. **Assignee is the sole party in interest in this statement.**

5. **The undersigned agrees that the obligation to pay the overriding royalties or payments out of oil or production created herein, which when added to overriding royalties or payments out of production previously created and to the royalty payable to the United States, aggregate in excess of 17 ½ % shall be suspended when the average production of oil per well per day averaged on a monthly basis is 15 barrels or less.**

6. **Amount remitted: $25.00 Filing Fee: $25.00**

It is hereby certified that the statements made herein are true, complete, and correct to the best of the undersigned's knowledge and belief.

Executed this 24 day of April, 1998.

ASSIGNEE

Marlene Diann Peter

Marlene Diann Peter, Trustee
The Peter Family Exemption Trust
u/d/t 01/06/92

Address:

349 Fresno Avenue
Morro Bay, CA 93442

[redacted] [redacted] [redacted]

Effective 11-86
Form ML-2
(Revised 4-96)
Filing Fee - $25.00 - Non-Refundable

STATE OF WYOMING
BOARD OF LAND COMMISSIONERS
OIL & GAS LEASE INTEREST ASSIGNMENT

Return To -
State Land & Farm Loan Office
122 West 25th Street
Herschler Building, 3 West
Cheyenne, WY 82002-0600

Wyoming Oil & Gas Lease Serial Number 66-5165 **Assignment Approval Date -** _____

ASSIGNOR, with name and address at,
Amoco Production Company
P.O. Box 800
Denver, Colorado 80201

being the owner of 30 **percent** operating rights
(Type Interest: Leasehold/Operating Rights/Overriding Royalty)

interest in this lease, described in particular if less than the total leasehold as:
Township 28 North, Range 114 West
Section 16: SE/4NE/4, W/2NE/4, NW/4, NE/4NE/4
Surface to 100' below Fogarty Creek #2-16 @ 9,802'

For good and valuable consideration, hereby assigns to: **********

1) **ASSIGNEE, with name and address at:**
Howell Petroleum Corporation
1111 Fannin Street, Suite 1500
Houston, Texas 77002-6923

_____ **percent interest in the total leasehold, or as described in particular above.**

2) **ASSIGNEE, with name and address at:**

267280

RECORDED May 18 1998 12:30PM
IN BOOK 107016 PAGE 630
FEES $ 10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING
By Cathy Saxton

_____ **percent interest in the total leasehold, or as described in particular above.**

3) **ASSIGNEE, with name and address at:**

_____ **percent interest in the total leasehold, or as described in particular above.**

4) **ASSIGNEE, with name and address at:**

_____ **percent interest in the total leasehold, or as described in particular above.**

5) **ASSIGNEE, with name and address at:**

_____ **percent interest in the total leasehold, or as described in particular above.**

and reserving unto ASSIGNOR, no interest in operating rights

This assignment is subject to any existing overriding royalties previously reserved. Reservations of overriding interests must be approved by the Director, and any such approval is subject to the condition that overriding royalties may be cancelled by the Board of Land Commissioners if it finds that such overriding royalties create a burden on the lease which prevents or unreasonably interferes with its development.

ASSIGNOR certifies by signature on reverse, that ASSIGNOR is the owner of the interest above herein transferred, and ASSIGNEE(S) certify(ies) by signing on the reverse that this assignment constitutes a binding acceptance of all the terms, conditions, stipulations, restrictions and statutes governing the lease described above, and of the Rules of the Board, at Chapter 6, Leasing of Subsurface Resources.

This form may be duplicated.
If space is needed for additional assignors or assignees submit copies of this form only.

Page _____ of _____ of Lease # _____ assignment dated _____

SIGNED AS TO TRANSFER AND ACCEPTANCE this 1st day of April 1998.

ASSIGNOR - Amoco Production Company	Assignee (1) - Howell Petroleum Corporation
By - R.D. Howard	By - Robert T Moffett
Title - R.D. Howard Attorney-in-Fact	Title - Robert T. Moffett Vice-President
Attest -	Attest - John E. Brewster, Jr. Assistant Secretary
Assignee (2) -	Assignee (3) -
By -	By -
Title -	Title -
Attest -	Attest -
Assignee (4) -	Assignee (5) -
By -	By -
Title -	Title -
Attest -	Attest -

[redacted]

Assignment Requirements

Note: Assignments are not valid until approved by the Director, State Land and Farm Loan Office as per State Oil & Gas Lease Terms, and approval is solely for administrative purposes and should not be interpreted as warranty that any party to this assignment holds legal or equitable interest in this lease. Assignments which do not meet the requirements listed below and those in the Lease and Rules will be returned unapproved.

1) This form must be completed and submitted for any assignment of State Oil & Gas Lease leasehold interest, undivided or divided as to separate tracts, formations, zones or deposits, and for overriding royalty interest.

2) Assignments of less than a 100% leasehold interest, do not relieve the assignor of the obligations as a lessee under the terms of the lease regarding the interest conveyed unless the State first has in hand, a written agreement to be bound as lessee for all obligations under the lease for the assigned portion from the assignee. This requirement should not be construed in any way as a release or recision of the obligations of any surety bonding parties under the requirements of the State oil and gas lease, Board Rules or this assignment. (All lessees are ultimately responsible for the performance under the lease, and default subjects the entire lease to forfeiture not just the interest related to any performance obligation considered to be in default.)

3) A signed original and one copy of each assignment must be filed with the Wyoming State Land and Farm Loan Office.

4) Each assignment, if approved, is recognized by the State as effective as of the date of approval by the Director. Adequate bond must be furnished covering any and all productive zones prior to approval of any assignment of interest in an operating State oil and gas lease, whether wellbores exist on the leased lands or not, and in no case can drilling operations, including to prospectively productive zones under operating leases, begin without a bond first being in place.

5) If there is more than one party in interest to this assignment, then all such parties in interest must sign the document before assignment approval will be given.

6) The appropriate legal description of the conveyed lands interests must be given.

7) Assignments creating a separate (reissue) lease subject to the rules and regulations governing all State of Wyoming Oil & Gas Lease do not change the terms and conditions of the original lease, the lease anniversary date, nor the obligations and anniversary date of the lease created therefrom being considered as if it had been issued on the effective date of the original lease. (See Board Rules, Chapter 6, Section A.)

8) Corporations, limited liability companies, and limited partnerships must be qualified with the Wyoming Secretary of State's Office, and general partnership papers are required to be filed with the State Land and Farm Loan Office prior to, and as a condition of Board approval of any assignment.

9) Assignments will not be considered for approval where assignor or any assignee currently has a delinquent (late) royalty or rental payment obligation(s) for any State subsurface resource lease.

[redacted] [redacted] [redacted]

STATE OF COLORADO §
§
COUNTY OF DENVER §

The foregoing instrument was acknowledged before me this 1st day of April, 1998, by R.D. Howard, Attorney-in-Fact on behalf of AMOCO PRODUCTION COMPANY, a Delaware corporation.

My commission expires:

3-24-2001

Anna B. Lucas
Signature

ANNA B. LUCAS
Name (Printed, Typed or Stamped)
Notary Public in and for the
State of ~~Texas~~ COLORADO

STATE OF TEXAS §
§
COUNTY OF HARRIS §

The foregoing instrument was acknowledged before me this 2nd day of April, 1998, by Robert T. Moffett, Vice-President on behalf of HOWELL PETROLEUM CORPORATION.

My commission expires:

CHEREESA M. SCOTT
Notary Public, State of Texas
My Commission Expires
OCT. 19, 2001

Chereesa M. Scott
Signature

CHEREESA M. SCOTT
Name (Printed, Typed or Stamped)
Notary Public in and for the
State of Texas

633

Effective 11-86
Form ML-2
(Revised 4-96)
Filing Fee - $25.00 - Non-Refundable

STATE OF WYOMING
BOARD OF LAND COMMISSIONERS
OIL & GAS LEASE INTEREST ASSIGNMENT

Return To -
State Land & Farm Loan Office
122 West 25th Street
Herschler Building, 3 West
Cheyenne, WY 82002-0600

Wyoming Oil & Gas Lease Serial Number 66-5165 **Assignment Approval Date -** _____

ASSIGNOR, with name and address at,

Amoco Production Company
P.O. Box 300
Denver, Colorado 80201

being the owner of 30 **percent** operating rights
(Type Interest: Leasehold/Operating Rights/Overriding Royalty)

interest in this lease, described in particular if less than the total leasehold as:

Township 28 North, Range 114 West
Section 16: SW/4, SE/4
Surface to 9,802'

For good and valuable consideration, hereby assigns to: **********

1) ASSIGNEE, with name and address at:

Howell Petroleum Corporation
1111 Fannin Street, Suite 1500
Houston, Texas 77002-6923

percent interest in the total leasehold, or as described in particular above.

2) ASSIGNEE, with name and address at:

267281

RECORDED May 18, 1998 12:20PM
IN BOOK 107 O+G PAGE 633
FEES $10.00 Mary L Lyttle COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING
By Cathy Foster

percent interest in the total leasehold, or as described in particular above.

3) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

4) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

5) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

and reserving unto ASSIGNOR, no interest in operating rights

This assignment is subject to any existing overriding royalties previously reserved. Reservations of overriding interests must be approved by the Director, and any such approval is subject to the condition that overriding royalties may be cancelled by the Board of Land Commissioners if it finds that such overriding royalties create a burden on the lease which prevents or unreasonably interferes with its development.

ASSIGNOR certifies by signature on reverse, that ASSIGNOR is the owner of the interest above herein transferred, and ASSIGNEE(S) certify(ies) by signing on the reverse that this assignment constitutes a binding acceptance of all the terms, conditions, stipulations, restrictions and statutes governing the lease described above, and of the Rules of the Board, at Chapter 6, Leasing of Subsurface Resources.

This form may be duplicated.
If space is needed for additional assignors or assignees submit copies of this form only.

Page _____ of _____ of Lease # _____ assignment dated _____

[redacted] [redacted] [redacted]

IGNED AS TO TRANSFER AND ACCEPTANCE this 1st day of April 1998.

ASSIGNOR - Amoco Production Company	Assignee (1) - Howell Petroleum Corporation
By - R.D. Howard	By - Robert T Moffett
Title - R.D. Howard Attorney-in-Fact	Title - Robert T. Moffett Vice-President
Attest -	Attest - John E. Brewster, Jr. Secretary
Assignee (2) -	Assignee (3) -
By -	By -
Title -	Title -
Attest -	Attest -
Assignee (4) -	Assignee (5) -
By -	By -
Title -	Title -
Attest -	Attest -

ASSIGNMENT REQUIREMENTS

Note: Assignments are not valid until approved by the Director, State Land and Farm Loan Office as per State Oil & Gas Lease Terms, and approval is solely for administrative purposes and should not be interpreted as warranty that any party to this assignment holds legal or equitable interest in this lease. Assignments which do not meet the requirements listed below and those in the Lease and Rules will be returned unapproved.

1) This form must be completed and submitted for any assignment of State Oil & Gas Lease leasehold interest, undivided or divided as to separate tracts, formations, zones or deposits, and for overriding royalty interest.

2) Assignments of less than a 100% leasehold interest, do not relieve the assignor of the obligations as a lessee under the terms of the lease regarding the interest conveyed unless the State first has in hand, a written agreement to be bound as lessee for all obligations under the lease for the assigned portion from the assignee. This requirement should not be construed in any way as a release or recision of the obligations of any surety bonding parties under the requirements of the State oil and gas lease, Board Rules or this assignment. (All lessees are ultimately responsible for the performance under the lease, and default subjects the entire lease to forfeiture not just the interest related to any performance obligation considered to be in default.)

3) A signed original and one copy of each assignment must be filed with the Wyoming State Land and Farm Loan Office.

4) Each assignment, if approved, is recognized by the State as effective as of the date of approval by the Director. Adequate bond must be furnished covering any and all productive zones prior to approval of any assignment of interest in an operating State oil and gas lease, whether wellbores exist on the leased lands or not, and in no case can drilling operations, including to prospectively productive zones under operating leases, begin without a bond first being in place.

5) If there is more than one party in interest to this assignment, then all such parties in interest must sign the document before assignment approval will be given.

6) The appropriate legal description of the conveyed lands interests must be given.

7) Assignments creating a separate (reissue) lease subject to the rules and regulations governing all State of Wyoming Oil & Gas Lease do not change the terms and conditions of the original lease, the lease anniversary date, nor the obligations and anniversary date of the lease created therefrom being considered as if it had been issued on the effective date of the original lease. (See Board Rules, Chapter 6, Section A.)

8) Corporations, limited liability companies, and limited partnerships must be qualified with the Wyoming Secretary of State's Office, and general partnership papers are required to be filed with the State Land and Farm Loan Office prior to, and as a condition of Board approval of any assignment.

9) Assignments will not be considered for approval where assignor or any assignee currently has a delinquent (late) royalty or rental payment obligation(s) for any State subsurface resource lease.

STATE OF COLORADO §
§
COUNTY OF DENVER §

The foregoing instrument was acknowledged before me this 1st day of April, 1998, by R.D. Howard, Attorney-in-Fact on behalf of AMOCO PRODUCTION COMPANY, a Delaware corporation.

My commission expires:

1-24-2001

Anna B. Lucas
Signature

ANNA B. LUCAS
Name (Printed, Typed or Stamped)
Notary Public in and for the
State of ~~Texas~~ COLORADO

STATE OF TEXAS §
§
COUNTY OF HARRIS §

The foregoing instrument was acknowledged before me this 2nd day of April, 1998, by Robert T. Moffett, Vice-President on behalf of HOWELL PETROLEUM CORPORATION.

My commission expires:

CHEREESA M. SCOTT
Notary Public, State of Texas
My Commission Expires
OCT. 19, 2001

Chereesa M. Scott
Signature

CHEREESA M. SCOTT
Name (Printed, Typed or Stamped)
Notary Public in and for the
State of Texas

WY-1341

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.
WYW-144997

Lease Effective Date
(Anniversary Date)
12/1/89

New Serial No.

Type or print plainly in ink and sign in ink.

PART A: ASSIGNMENT

1. Assignee* ULTRA RESOURCES, INC.
Street 304 INVERNESS WAY SOUTH, SUITE 295
City, State, ZIP Code ENGLEWOOD, CO 80112

*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 interest 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
Township 31 North, Range 108 West, 6th P.M. Section 35: W/2NE/4, E/2W/2, SE/4 400.00 acres Sublette County, WY	100%	100%	-0-	-0-	-0-

267290

RECORDED May 18 1998 3:55 PM
IN BOOK 107 Misc PAGE 636
FEES $8.00 Mary L Lyle COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING
By Cathy Sorto

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)

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 COLORADO)
)Ss
COUNTY OF DOUGLASS)

BE IT KNOWN, that on this 12th day of May, 1998, before me, the undersigned authority, personally came and appeared **Arthur Angell, of Ultra Petroleum (USA), Inc.**, to me personally known to the the identical person whose name is subscribed to the foregoing instrument as the said Attorney-in-Fact of said corporation, and declared and acknowledged to me, Notary, that he executed the same on behalf of said corporation with full authority of its Board of Directors, and 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

Notary Public

My commission expires:

3.17.2000

PART B: CERTIFICATION AND REQUEST FOR APPROVAL

1. The Assignor certifies as owner of an interest in the above designated lease that he/she hereby assigns to the above assignee(s) the rights specified above.

2. Assignee certifies as follows: (a) Assignee 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 assignment of NPR-A leases, assignee is a citizen, national, or resident alien of the United States or 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 the assignment are located; (c) Assignee's chargeable interest, 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; (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 to 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 12th day of May, 19 98

Name of Assignor as shown on current lease: Ultra Petroleum (USA), Inc.
Please type or print

Assignor _____ (Signature)

or

Attorney-in-fact Arthur Angell (Signature)
Arthur Angell

304 Inverness Way South, Suite 295
(Assignor's Address)

Englewood, CO 80211
(City) (State) (Zip Code)

Executed this 12th day of May, 19 98

Assignee: Ultra Resources, Inc.

By: _____
R. G. "Jerry" Albertus, President

or

Attorney-in-fact _____ (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.

*U.S. GPO: 1992 - 774-017/67022

ASSIGNMENT OF OVERRIDING ROYALTY

KNOW ALL MEN BY THESE PRESENTS, that ULTRA RESOURCES, INC., 304 Inverness Way South, Suite 295, Englewood, CO 80112, Assignor, for the sum of One Dollar ($1.00) 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, overriding royalty unto the following parties in the amounts shown below:

NAME	ADDRESS	PERCENT
Richard Gerald Albertus	11253 Pinevalley Drive Franktown, CO 80116	0.3125%
Beryl Lucille Albertus	11253 Pinevalley Drive Franktown, CO 80116	0.3125%
Richard Todd Albertus	6956 Brook Forest Road Evergreen CO 80439	0.3125%
Michelle Marie Strobel	270 Choctaw Lyons, CO 80540	0.3125%
Patricia Granger Hughes	2681 South Chase Lane Lakewood, CO 80227	0.6250%
Leah Rachael Hughes	2681 South Chase Lane Lakewood, CO 80227	0.20833%
Marcus Garrett Hughes	2681 South Chase Lane Lakewood, CO 80227	0.20833%
Alexander Drake Hughes	2681 South Chase Lane Lakewood, CO 80227	0.20834%

BEING in all a total of an undivided 2.5% overriding royalty proportionately reduced by Assignor's interest therein, if less than 100%, of all of the oil, gas and other hydrocarbon substances that may be produced, saved and marketed from the oil and gas lease described as follows:

WY-1341
Lessor: USA WYW-144997
Lessee: Onager Enterprises
Lease Date: 12/01/89
Lands Covered: Township 31 North, Range 108 West
Section 35: W/2NE/4, E/2W/2, SE/4

Sublette County, Wyoming

WITNESS my hand on this 13th day of May,1998.

ULTRA RESOURCES, INC.

R. G. "Jerry" Albertus, President

STATE OF COLORADO)
) SS
COUNTY OF DOUGLAS)

BE IT KNOWN, that on this 20th day of April, 1998, before me, the undersigned authority, personally came and appeared **R. G. "Jerry" Albertus**, appearing in his capacity as President of **ULTRA RESOURCES, INC.**, to me personally known to the identical person whose name is subscribed to the foregoing instrument as the said President of said corporation, and declared and acknowledged to me, Notary, that he executed the same on behalf of said corporation with full authority of its Board of Directors, and 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.

E. MANIS NOTARY PUBLIC STATE OF COLORADO

My Commission Expires: 7-2-2000

267291

Notary Public

RECORDED May 18, 1998 3:55p M
IN BOOK 107 OR 1 PAGE 638
FEES $6.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING
By Cathy Sexton

ASSIGNMENT OF OVERRIDING ROYALTY

WHEREAS, BY ASSIGNMENT OF OVERRIDING ROYALTY DATED MARCH 26, 1998, RECORDED IN BOOK 107O&G AT PAGE 489 OF THE RECORDS OF SUBLETTE COUNTY, WYOMING, ULTRA RESOURCES, INC. DID ASSIGN OVERRIDING ROYALTIES TO RICHARD GERALD ALBERTUS, ETAL, IN THE AMOUNTS SET OUT OPPOSITE THEIR NAMES IN AND TO THE OIL AND GAS LEASES DESCRIBED ON EXHIBIT "A" ATTACHED HERETO; AND

WHEREAS SAID ASSIGNMENT DID RECITE THAT THE TOTAL OVERRIDING ROYALTY BEING ASSIGNED WAS 2.5% OVERRIDING ROYALTY; AND

WHEREAS SAID ASSIGNMENT DID, IF FACT, CONVEY ONLY A TOTAL OF 1.9375% OVERRIDING ROYALTY; AND

WHEREAS UNDER THE TERMS OF AN AGREEMENT BETWEEN THE PARTIES OR THEIR PREDECESSORS IN INTEREST, IT WAS THE INTENT THE TOTAL OVERRIDING ROYALTY TO BE CONVEYED WAS CORRECTLY STATE; AND

WHEREAS THE OVERRIDING ROYALTY INTERESTS CONVEYED TO THE BELOW-LISTED PARTIES WAS LESS THAN SUCH INDIVIDUALS WERE ENTITLED TO RECEIVE; AND

WHEREAS IT IS THE INTENT OF ULTRA RESOURCES, INC. TO CONVEY AN ADDITIONAL OVERRIDE TO THESE PARTIES TO COMPLETE THE CORRECT CONVEYANCING;

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that ULTRA RESOURCES, INC., 304 Inverness Way South, Suite 295, Englewood, CO 80112, Assignor, for the sum of One Dollar ($1.00) 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, overriding royalty unto the following parties in the amounts shown below:

NAME	ADDRESS	PERCENT
Leah Rachael Hughes	2681 South Chase Lane Lakewood, CO 80227	0.187497%
Marcus Garrett Hughes	2681 South Chase Lane Lakewood, CO 80227	0.187497%
Alexander Drake Hughes	2681 South Chase Lane Lakewood, CO 80227	0.187506%

BEING in all a total of an undivided .5625% overriding royalty proportionately reduced by Assignor's interest therein, if less than 100%, of all of the oil, gas and other hydrocarbon substances that may be produced, saved and marketed from the oil and gas leases described on Exhibit "A" attached hereto 267298 by reference made a part hereof.

WITNESS my hand on this 27th day of March, 1998.

RECORDED May 18, 1998 3:55 PM
IN BOOK 107 O+G PAGE 639
FEES $24.50 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING
By Cathy Burton

ULTRA RESOURCES, INC.

R. G. "Jerry" Albertus, President

STATE OF COLORADO)
) SS
COUNTY OF DOUGLAS)

BE IT KNOWN, that on this 27th day of March, 1998, before me, the undersigned authority, personally came and appeared **R. G. "Jerry" Albertus**, appearing in his capacity as President of **ULTRA RESOURCES, INC.**, to me personally known to the identical person whose name is subscribed to the foregoing instrument as the said President of said corporation, and declared and acknowledged to me, Notary, that he executed the same on behalf of said corporation with full authority of its Board of Directors, and 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.

DONNA K. LONG NOTARY PUBLIC STATE OF COLORADO

Donna K. Long
Notary Public

My commission expires:

My Commission Expires 01-02-2002

Exhibit "A" to Assignment of Overriding Royalty from Ultra Resources, Inc. to Richard Gerald Albertus, etal

WY-1180	USA WYW-118159	ONAGER ENTERPRISES	12/1/89	31N	108W	27	W/2NE/4, W/2, SE/4
						28	ALL
						33	E/2E/2, SW/4NE/4, NW/4SE/4
						34	ALL
						35	W/2W/2
WY-1153	USA WYW-118158	ONAGER ENTERPRISES	12/1/89	31N	108W	7	NE/4NE/4, S/2NE/4, SE/4
						8	S/2NW/4, SW/4, SW/4SE/4
						17	N/2, SE/4
						20	E/2
						21	ALL
WY-1238	USA WYW-117438	WELLS PETROLEUM INC.	9/1/89	28N	105W	18	LOTS 3 (34.23), 4 (34.27), E/2SW/4, SE/4
						19	LOTS 1 (34.27), 2 (34.26), 3 (34.24), 4 (34.23), E/2, E/2W/2
WY-1194	USA WYW-107020	FOSSIL ASSOCIATES	1/1/88				**INSOFAR ONLY AS LEASE COVERS:**
				26N	105W	1	LOTS 1, 2, 3, 4, S/2N/2, S/2
						2	LOTS 1, 3, 4, SE/4NE/4, S/2NW/4, W/2SW/4, NE/4SE/4, S/2SE/4
						3	LOTS 1, 2, 3, 4, S/2N/2, S/2
						11	W/2NW/4, E/2SW/4
WY-1181	USA WYW-118147	ONAGER ENTERPRISES	12/1/89	30N	107W	7	NE/4, E/2SE/4
						8	SW/4NE/4
WY-1182	USA WYW-118157	ONAGER ENTERPRISES	12/1/89	30N	108W	22	NW/4, W/2SW/4, SE/4SW/4, SE/4
						23	N/2NE/4, SE/4NE/4, S/2
						27	W/2W/2
						28	ALL
						33	NE/4, N/2NW/4
						34	S/2NW/4, NE/4SW/4
WY-1183	USA WYW-118167	ONAGER ENTERPRISES	12/1/89	32N	109W	30	LOTS 1 THROUGH 12, E/2

Exhibit "A" to Assignment of Overriding Royalty from Ultra Resources, Inc. to Richard Gerald Albertus, etal

						31	LOTS 1 THROUGH 12, E/2
WY-1184	USA WYW-118166	ONAGER ENTERPRISES	12/1/89	31N	109W	5	LOTS 3, 4, S/2NW/4, SW/4
						6	LOTS 1-14, S/2NE/4, SE/4
						8	ALL
						17	ALL
						28	E/2W/2, NW/4SW/4, SW/4SE/4
WY-1318	USA WYW-118156	ONAGER ENTERPRISES	12/1/89	30N	108W	17	SW/4, N/2SE/4, SW/4SE/4
						18	LOTS 1-4, W/2NE/4, SE/4NE/4, E/2W/2, SE/4
						20	ALL
						21	ALL
						35	W/2NE/4, E/2W/2, SE/4

CANCELLATION OF FARMOUT AGREEMENT

STATE OF WYOMING §
§
COUNTY OF SUBLETTE §

Reference is made to that certain Farmout Agreement from Starwood, Inc., a Texas corporation ("Starwood"), 100 Elk Run Drive, Suite 215, Basalt, CO 81621 to Aztec Energy Corporation, a Utah corporation ("Aztec"), 7801 Broadway, Suite 200, San Antonio, Texas 78209, dated January 27, 1998, which is filed of record in Book 106, Page 556, Oil and Gas Records of Sublette County, Wyoming (the "Farmout Agreement").

W I T N E S S E T H:

WHEREAS, Starwood and Aztec have negotiated a Letter Agreement which has resulted in Starwood assigning certain rights and titles to Aztec; and

WHEREAS, the terms and provisions supersede and replace the agreement between Starwood and Aztec as set forth in the Farmout Agreement;

NOW THEREFORE, 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, Starwood and Aztec hereby mutually agree to cancel the Farmout Agreement, and that it is no longer in force or of effect.

IN WITNESS WHEREOF, Starwood and Aztec have executed and delivered this Agreement on May 11, 1998.

STARWOOD, INC.

By: Don R Holloway
Donald R. Holloway
Its: President

AZTEC ENERGY CORPORATION

By: Dan C. Perry
Dan C. Perry
Its: President

267297

RECORDED May 19, 1998 8:50 AM
IN BOOK 107 OR PAGE 642
FEES $8.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING
By Cathy Easton

K:\DCP\Aztec\Holloway\FarmoutVoid.1

STATE OF COLORADO §
§
COUNTY OF Eagle §

The foregoing instrument was acknowledged before me this 11th day of May, 1998, by Donald R. Holloway, President of Starwood, Inc., a Texas corporation, on behalf of said corporation.

Wendee Fojo
NOTARY PUBLIC, State of Colorado

My Commission Expires:
My Commission expires 05/19/2001

Wendee Fojo
(Printed Notary Name)

NOTARY PUBLIC
WENDEE FOJO
STATE OF COLORADO

STATE OF TEXAS §
§
COUNTY OF BEXAR §

The foregoing instrument was acknowledged before me this 11 day of May, 1998, by Dan C. Perry, President of Aztec Energy Corporation, a Utah corporation, on behalf of said corporation.

Christina C. Vance
NOTARY PUBLIC, State of Texas

My Commission Expires:
5-30-2000

CHRISTINA C. VANCE
(Printed Notary Name)

CHRISTINA C. VANCE
NOTARY PUBLIC
STATE OF TEXAS
COMM. EXP. 05-30-2000

ASSIGNMENT OF OIL AND GAS LEASES

STATE OF WYOMING §
§
COUNTY OF SUBLETTE §

KNOW ALL MEN BY THESE PRESENTS: THAT this Assignment, made effective as of May 11, 1998, from Starwood, Inc., a Texas corporation ("Starwood"), 100 Elk Run Drive, Suite 215, Basalt, CO 81621 (hereinafter referred to as "ASSIGNOR") to Aztec Energy Corporation, a Utah corporation ("Aztec"), 7801 Broadway, Suite 200, San Antonio, Texas 78209 (hereinafter referred to as "ASSIGNEE").

W I T N E S S E T H:

WHEREAS, ASSIGNOR is the owner and holder of the oil and gas leasehold estate (i.e. the "working interest") with respect to the oil and gas leases (hereinafter referred to as the "Subject Leases") described on Exhibit "A" attached hereto and made a part hereof by this reference; and

WHEREAS, ASSIGNOR desires to assign to ASSIGNEE all of ASSIGNOR'S right, title and interest in and to the Subject Leases as provided herein, but only to the extent that the Subject Leases cover the lands described on Exhibit "A".

NOW THEREFORE, 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, ASSIGNOR does hereby sell, assign, set over, transfer and convey unto ASSIGNEE, all of the ASSIGNOR'S right, title and interest in and to the Subject Leases, but only to the extent that they cover the lands described on the attached Exhibit "A".

EXCEPTING AND RESERVING to ASSIGNOR, its successors and assigns, an overriding royalty interest equal to the difference, if any, between the total net revenue interest attributable to the working interest in the Subject Leases as of the Effective Date of this Assignment and seventy-five percent (75%) of all the oil, gas and associated substances produced, saved and marketed from the Subject Leases (the "Overriding Royalty"). The Overriding Royalty shall be inclusive to any overriding royalty interest which was vested prior to the Effective Date of this Assignment. It is the intent of ASSIGNOR to deliver to ASSIGNEE a net revenue interest attributable to the working interest conveyed herein equal to seventy-five percent (75%) with respect to each of the Subject Leases. Such Overriding Royalty shall be free and clear of all cost and expense but shall bear its proportionate part of all local, county, state, federal and any other applicable taxes on production. The Overriding Royalty shall be payable on all oil,

RECORDED May 19 1998 8:50AM 867298
IN BOOK 107 Oct & Lse PAGE 644
FEES $17.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING
By Cath Sexton

K:\DCP\Aztec\Holloway\Assignments\May 98 Asst.ast

gas and associated substances produced, saved and marketed from the Subject Leases. The Overriding Royalty may be pooled or unitized in the same manner as permitted by the provisions of the Subject Leases. ASSIGNEE shall have no obligation, express or implied to the Overriding royalty owners to explore or develop the Subject Leases. The Overriding Royalty shall survive and encumber any and all extensions, renewals or assignments of the Subject Leases, whether by Assignee or an entity affiliated by organization or contract.

PROVIDED HOWEVER, that this Assignment is made and shall in all respects be subject to the following:

1. That certain Letter Agreement dated effective May 11, 1998, by and between ASSIGNOR and ASSIGNEE ("Letter Agreement");

2. The terms and provisions of the Subject Leases including, but not limited to, both landowner's royalty and any overriding royalties existing of record prior to the effective date of this Assignment;

3. Any existing unit agreements, as amended, covering the Subject Leases;

4. This Assignment is made without warranty of title, either express or implied; provided, however, that ASSIGNOR warrants that the working interest of the Subject Leases is hereby conveyed free and clear of all liens, mortgages, encumbrances or other security interests except for the royalty and overriding royalty burdens provided for herein. ASSIGNOR does transfer and assign to ASSIGNEE the benefits and recourse rights heretofore available to ASSIGNOR by virtue of any and all warranties outstanding with respect to third parties.

5. This Assignment shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto, and the terms provisions and conditions herein contained shall be considered as covenants running with the ownership of the oil and gas leasehold estate covered by the Subject Leases.

TO HAVE AND HOLD unto the ASSIGNEE, its successors and assigns, but subject to the terms, covenants and conditions set forth above.

IN WITNESS WHEREOF, ASSIGNOR has executed and delivered this Assignment on the date set forth hereunder, but effective for all purposes as of May 11, 1998.

ASSIGNOR:

STARWOOD, INC.

By: Don R. Holloway
Donald R. Holloway
Its: President

STATE OF COLORADO §
§
COUNTY OF Eagle §

The foregoing instrument was acknowledged before me this 11th day of May, 1998, by Donald R. Holloway, President of Starwood, Inc., a Texas corporation, on behalf of said corporation.

Wendee Rojo
NOTARY PUBLIC, State of Colorado

My Commission Expires:
My Commission expires 05/19/2001

Wendee Rojo
(Printed Notary Name)

NOTARY PUBLIC WENDEE ROJO STATE OF COLORADO

After recording, return to Grantee's Address:

Aztec Energy Corporation
7801 Broadway, Suite 200
San Antonio, Texas 78209

Attn: Chrissy Vance
Land Manager

6446

EXHIBIT "A"
Attached to and made a part of that certain Assignment of Oil and Gas Leases between Starwood, Inc. and Aztec Energy Corporation dated May 11, 1998

Property Name	Tract	Lease Gross Acres	Lessor	Lease Date	Lessee	Lands	Recording
Green Piney	54	4021.91	Miller, Joan R	12/12/93	Starwood, Inc	32N-111W Sec. 7: Lots 3,4, E/2SW, S/2NE Sec. 8: W/2SW, SESW Sec. 17: SW, W/2NE/4, SENE Sec. 18: NESW, NE Sec. 20: NE Sec. 21: SW, W/2NE, SENE Sec. 28: NWNE	Bk 96, P 156
Green Piney	54	4021.91	Robinson, Cornelia M Trust	12/12/93	Starwood, Inc	same as above	Bk 96, P 172
Green Piney	54	4021.91	Pinson, Marian G	7/30/93	Starwood, Inc	same as above	Bk 94, P 92
Green Piney	54	4021.91	Allen, Beverly, et vir	8/2/93	Starwood, Inc	same as above	Bk 93, P 412
Green Piney	54	4021.91	Meeks, Mary M Trust	12/12/93	Starwood, Inc	same as above	Bk 96, P 165
Green Piney	54	4021.91	Martin, Jackie Mae and R Wilson	7/30/93	Starwood, Inc	same as above	Bk 94, P 198
Green Piney	54	4021.91	Gildea, Vernon J. et ux	12/12/93	Starwood, Inc	same as above	Bk 96, P 144
Green Piney	54	4021.91	Fury, Barbara and Tom	8/2/93	Starwood, Inc	same as above	Bk 93, P 400
Green Piney	54	4021.91	Conwell, Margaret E Trust B	12/15/93	Starwood, Inc	same as above	Bk 96, P 529
Green Piney	54	4021.91	Bennett, Vernon and Linda	8/2/93	Starwood, Inc	same as above	Bk 93, P 406
Green Piney	54	4021.91	Barp, George L and Edith L	12/12/93	Starwood, Inc	same as above	Bk 96, P 149
Green Piney	54	5218.30	O'Neill, Sue L	7/1/94	Starwood, Inc	32N-111W Sec. 7: Lot 3(37.30), Lot 4(37.32), E/2SW, S/2NE	Bk 98, P 233

Property Name	Tract	Lease Gross Acres	Lessor	Lease Date	Lessee	Lands	Recording
Green Piney	55	1842.00	High Mountain Ranches, Inc	12/16/93	Starwood, Inc	Sec. 8: W/2SW, SESW Sec. 17: SW, W/2NE, SENE Sec. 18: NESW, NE Sec. 20: NE Sec. 21: SW, W/2NE, SENE Sec. 28: NWNE 32N-111W Sec. 22: SW Sec. 25: N/2SW & SESW Sec. 26: NE, SESW, N/2SW Sec. 27: N/2NE, SW Sec. 28: E/2NE, SWNE	Bk 101, P 259
Green Piney	56	2196.47	Sanford, Thomas K and Sharon R.	7/28/93	Starwood, Inc	32N-111W Sec. 26: SWSW Sec. 27: S/2NE Sec. 34: NE Sec. 35: SENE, W/2NE, SW	Bk 96, P 409
Green Piney	56	2196.47	Carrick, Deborah C, et vir	7/28/93	Starwood, Inc	same as above	Bk 93, P 394
Green Piney	56	2196.47	Newcomb, John D	8/26/93	Starwood, Inc	same as above	Bk 96, P 54
Green Piney	56	2036.47	Child, Doyle F and Elaine C	2/28/94	Starwood, Inc.	32N-111W Sec. 26: SWSW Sec. 27: S/2NE Sec. 34: NE Sec. 35: SENE, W/2NE, SW	Bk 96, P 406
Green Piney	56	2036.47	Frome, Ted C and Betty B	2/28/94	Starwood, Inc	same as above	Bk 96, P 403
Green Piney	56	2036.47	Goodman, Richard L and Beverly	2/28/94	Starwood, Inc	same as above	Bk 96, P 400

948

ASSIGNMENT OF OVERRIDING ROYALTY

WHEREAS, BY ASSIGNMENT OF OVERRIDING ROYALTY DATED APRIL 20, 1998, RECORDED IN BOOK 107O&G AT PAGE 613 OF THE RECORDS OF SUBLETTE COUNTY, WYOMING, ULTRA RESOURCES, INC. DID ASSIGN OVERRIDING ROYALTIES TO RICHARD GERALD ALBERTUS, ETAL, IN THE AMOUNTS SET OUT OPPOSITE THEIR NAMES IN AND TO THE OIL AND GAS LEASES DESCRIBED ON EXHIBIT "A" ATTACHED HERETO; AND

WHEREAS SAID ASSIGNMENT DID RECITE THAT THE TOTAL OVERRIDING ROYALTY BEING ASSIGNED WAS 2.5% OVERRIDING ROYALTY; AND

WHEREAS SAID ASSIGNMENT DID, IF FACT, CONVEY ONLY A TOTAL OF 1.9375% OVERRIDING ROYALTY; AND

WHEREAS UNDER THE TERMS OF AN AGREEMENT BETWEEN THE PARTIES OR THEIR PREDECESSORS IN INTEREST, IT WAS THE INTENT THE TOTAL OVERRIDING ROYALTY TO BE CONVEYED WAS CORRECTLY STATE; AND

WHEREAS THE OVERRIDING ROYALTY INTERESTS CONVEYED TO THE BELOW-LISTED PARTIES WAS LESS THAN SUCH INDIVIDUALS WERE ENTITLED TO RECEIVE; AND

WHEREAS IT IS THE INTENT OF ULTRA RESOURCES, INC. TO CONVEY AN ADDITIONAL OVERRIDE TO THESE PARTIES TO COMPLETE THE CORRECT CONVEYANCING;

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that ULTRA RESOURCES, INC., 304 Inverness Way South, Suite 295, Englewood, CO 80112, Assignor, for the sum of One Dollar ($1.00) 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, overriding royalty unto the following parties in the amounts shown below:

NAME	ADDRESS	PERCENT
Leah Rachael Hughes	2681 South Chase Lane Lakewood, CO 80227	0.187497%
Marcus Garrett Hughes	2681 South Chase Lane Lakewood, CO 80227	0.187497%
Alexander Drake Hughes	2681 South Chase Lane Lakewood, CO 80227	0.187506%

BEING in all a total of an undivided .5625% overriding royalty proportionately reduced by Assignor's interest therein, if less than 100%, of all of the oil, gas and other hydrocarbon substances that may be produced, saved and marketed from the oil and gas leases described as follows:

WY-1154

Lessor: USA WYW-131154
Lessee: Ann M. Trujillo
Lease Date: 4/1/94
Lands Covered: Township 31 North, Range 108 West
Section 10: W/2
Section 15: All
Section 4: S/2
Section 5: Lots 10-12
Section 8: NE/4, NE/4NW/4, N/2SE/4
Section 9: All
Sublette County, Wyoming

WITNESS my hand on this 21st day of April, 1998.

ULTRA RESOURCES, INC.

R. G. "Jerry" Albertus, President

STATE OF COLORADO)
) SS
COUNTY OF DOUGLAS)

BE IT KNOWN, that on this 21st day of April, 1998, before me, the undersigned authority, personally came and appeared **R. G. "Jerry" Albertus**, appearing in his capacity as President of **ULTRA RESOURCES, INC.**, to me personally known to the identical person whose name is subscribed to the foregoing instrument as the said President of said corporation, and declared and acknowledged to me, Notary, that he executed the same on behalf of said corporation with full authority of its Board of Directors, and 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.

267387

Notary Public

My commission expires:
8.17.2000

RECORDED May 21 1998 3:10 PM
IN BOOK 107 O&G PAGE 649
FEES $16.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING
By Cathy Baxter

COUNTY OF SUBLETTE)
)
STATE OF WYOMING)

ASSIGNMENT OF OVERRIDING ROYALTY INTEREST

KNOW ALL MEN BY THESE PRESENTS:

That Wells Fargo Bank, N. A., formerly known as First Interstate Bank of Denver, N. A., as Trustee of the Anne J. Mitchell Trust, under the Will of Louis A. Walstrom, Jr., as Assignor, does hereby transfer, convey, set over and assign unto U. S. Bank National Association, d/b/a Colorado National Bank, Successor Trustee of the Anne J. Mitchell Trust established under the Will of Louis A. Walstrom, Jr., deceased, P. O. Box 17532, Denver, Colorado 80217, as Assignee, all of Assignor's overriding royalty interest in and to all oil, gas, casinghead gas, and other hydrocarbon substances, produced, saved and marketed from the leases covering the lands located in the County of Sublette, State of Wyoming, more particularly described on Exhibit "A" attached hereto and by reference made a part hereof.

To have and to hold all and singular, the above described interest subject to all conditions, restrictions and reservations of record; this conveyance being made without warranty or other assurances, express or implied. Assignor further disclaims all personal or individual liability or responsibility herein, it's responsibility being only in it's capacity as Trustee, and as such, only to the extent of Trustee.

Subject to all taxes, assessments and liens thereon and to all legal encumbrances existing as of the date of this Assignment.

WHEREAS this Assignment of Overriding Royalty Interest is executed this the 27th day of March, 1998.

Wells Fargo Bank, N. A., formerly known as First Interstate Bank of Denver, N. A., as Trustee of the Anne J. Mitchell Trust, under the Will of Louis A. Walstrom, Jr., deceased.

Timothy K. Davies
Assistant Vice President

Carolyn Bonde
Assistant Vice President

267391

RECORDED Mar 21 1998 4:00 PM
IN BOOK 107 Otc PAGE 650
FEES $ 10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING
By Cathy Seaton

State of Colorado)
)
City and County of Denver)

On this the 27th day of March, 1998, before me personally appeared Timothy K. Davies, Assistant Vice President and Carolyn Bonde, Assistant Vice President, both of Wells Fargo Bank, N. A., who are known to me to be the persons whose names are subscribed to the foregoing instrument in the capacity stated, and acknowledged before me they executed the same for the purposes and consideration therein expressed on behalf of Wells Fargo Bank, N. A. by authority of its Board of Directors.

WITNESS my hand and seal this the 27th day of March, 1998.

My commission expires: September 15, 2001

Deborah K. McKeown
Notary Public
Address: 633 17th Street, 21st Floor
Denver, Colorado 80217

DEBORAH K. MCKEOWN NOTARY PUBLIC STATE OF COLORADO

EXHIBIT "A"

Attached to and made a part of that certain Assignment of Overriding Royalty Interest, dated March 27, 1998, by and between, Wells Fargo Bank, N. A., formerly known as First Interstate Bank of Denver, N. A., as Trustee of the Anne J. Mitchell Trust, under the Will of Louis A. Walstrom, Jr., as Assignor, and U. S. Bank National Association, d/b/a Colorado National Bank, Successor Trustee of the Anne J. Mitchell Trust established under the Will of Louis A. Walstrom, Jr., deceased, as Assignee.

Walstrom Fed. #30-1	Sublette County, Wyoming W-64985 Township 27 North, Range 112 West, 6th P. M. Section 1: SW1/4 Section 2: Lot 8, NE1/4SW1/4, S1/2SW1/4, SE1/4 Section 12: N1/2NW1/4 Containing 558.35 acres, more or less.

653

ASSIGNMENT OF OIL AND GAS LEASES

North Pinedale Prospect
Rock Springs II

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, WLR, Inc., P.O. Box 4096, Casper, WY 82604, (hereinafter called Assignor), for and in consideration of One Dollar ($1.00) the receipt whereof is hereby acknowledged, does hereby assign, transfer and set over unto:

HS RESOURCES, INC., a Delaware corporation.....100.00%
1999 Broadway, Suite 3600
Denver, CO 80202

(hereinafter called Assignee), all of Assignor's right, title and interest in and to the following oil and gas leases in Sublette County, Wyoming as described in Exhibit "A" attached hereto and by this reference made a part hereof.

And for the same consideration the Assignor covenants with the Assignee, its heirs, successors or assigns that said leases are valid and subsisting leases on the land above described, and the Assignor will warrant and forever defend the same against all persons whomsoever claiming by, through, or under Assignor.

Executed, This 4th day of May, 1998.

WLR, Inc.

by: _____
Scott Edwards

Attest: _____
Michael Dever - Assistant Secretary

ACKNOWLEDGMENT

WYOMING)
) SS
COUNTY OF NATRONA)

On this 4th day of May, A.D. 1998, before me personally appeared Scott Edwards, to me personally known, who, being by me duly sworn, did say that he is the President of WLR, Inc. 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 Scott Edwards acknowledged said instrument to be the free act and deed of said corporation.

Witness my hand and seal this 4th day of May, A.D. 1998.

My Commission exprires: June 12, 1998

_____
Notary Public

(Seal)

MICHAEL T. DEVER
Notary Public
Natrona County, Wyoming

267393 4:20 p
RECORDED May 21 1998 M
IN BOOK 107 Ofc PAGE 653
FEES $ 11.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Sweten

EXHIBIT "A"

Attached to and by reference made a part of that certain Assignment of Oil & Gas Leases from WLR, Inc., as Assignor, to HS Resources, Inc., a Delaware corporation, as Assignee, and dated May 4, 1998.

LESSOR: Mark O. Steele and Terry D. Steele, husband and wife
LESSEE: WLR, Inc.
LEASE DATE: November 13, 1997
RECORDED: Book 106 O&G, Page 86
DESCRIPTION:

Township 34 North - Range 109 West, 6th P.M.
Section 30: Lot 4, E/2SW, NWSE
Section 31: Lots 1, 2, E/2NW
Sections 30 & 31: A metes and bounds tract located in the SWSE of Section 30 and the NE of Section 31 as described in lease.
Township 34 North - Range 110 West, 6th P.M.
Section 25: SESE

Containing 500.42 acres, m/l

LESSOR: Nancy Reinwald, a married woman dealing in her sole and separate property
LESSEE: WLR, Inc.
LEASE DATE: December 5, 1997
RECORDED: Book 106 O&G, Page 277
DESCRIPTION:

Township 34 North - Range 109 West, 6th P.M.
Sections 30 & 31: A metes and bounds tract located in the SWSE of Section 30 and the NE of Section 31 as described in lease.

Containing 158.03 acres, m/l

LESSOR: Sally Johnsen, a/k/a Sally Johnson, a married woman dealing in her sole and separate property
LESSEE: WLR, Inc.
LEASE DATE: December 5, 1997
RECORDED: Book 106 O&G, Page 282
DESCRIPTION:

Township 34 North - Range 109 West, 6th P.M.
Sections 30 & 31: A metes and bounds tract located in the SWSE of Section 30 and the NE of Section 31 as described in lease.

Containing 158.03 acres, m/l

LESSOR: Lester William Anderson and Grace Bodil Anderson, Trustees of the Talli Rose Manning Trust, a/k/a Talli Rose Manning
LESSEE: WLR, Inc.
LEASE DATE: November 14, 1997
RECORDED: Book 106 O&G, Page ~~210~~ 232
DESCRIPTION:

Township 34 North - Range 109 West, 6th P.M.
Sections 32: E/2NW, SWNW, NWNE less a metes and bounds tract containing 4.00 acres.

Containing 156.00 acres, m/l

LESSOR: May Alice Bertoncelj and Peter J. Bertoncelj, wife and husband
LESSEE: WLR, Inc.
LEASE DATE: November 8, 1997
RECORDED: Book 106 O&G, Page 99
DESCRIPTION:

Township 33 North - Range 109 West, 6th P.M.
Section 5: Lot 4, SWNW
Section 6: Lot 1, SENE

Containing 159.49 acres, m/l

LESSOR: Ellen Cole, a married woman dealing in her sole and separate property
LESSEE: WLR, Inc.
LEASE DATE: November 8, 1997
RECORDED: Book 106 O&G, Page 103
DESCRIPTION:

Township 33 North - Range 109 West, 6th P.M.
Section 5: Lot 4, SWNW
Section 6: Lot 1, SENE

Containing 159.49 acres, m/l

LESSOR: Elma Cantlin, a widow
LESSEE: WLR, Inc.
LEASE DATE: November 8, 1997
RECORDED: Book 106 O&G, Page 101
DESCRIPTION:

Township 33 North - Range 109 West, 6th P.M.
Section 5: Lot 4, SWNW
Section 6: Lot 1, SENE

Containing 159.49 acres, m/l

LESSOR: Elmer Reaveley and Norma Reaveley, husband and wife
LESSEE: WLR, Inc.
LEASE DATE: November 8, 1997
RECORDED: Book 106 O&G, Page 97
DESCRIPTION:

Township 33 North - Range 109 West, 6th P.M.
Section 5: Lot 4, SWNW
Section 6: Lot 1, SENE

Containing 159.49 acres, m/l

LESSOR: Alice Milburn and Wayne Milburn, wife and husband
LESSEE: WLR, Inc.
LEASE DATE: November 8, 1997
RECORDED: Book 106 O&G, Page 179
DESCRIPTION:

Township 33 North - Range 109 West, 6th P.M.
Section 5: Lot 4, SWNW
Section 6: Lot 1, SENE

Containing 159.49 acres, m/l

LESSOR: Louise Carey, a married woman dealing in her sole and separate property
LESSEE: WLR, Inc.
LEASE DATE: November 8, 1997
RECORDED: Book 106 O&G, Page 210
DESCRIPTION:

Township 33 North - Range 109 West, 6th P.M.
Section 5: Lot 4, SWNW
Section 6: Lot 1, SENE

Containing 159.49 acres, m/l

LESSOR: Paul Allen, a married man dealing in his sole and separate property
LESSEE: WLR, Inc.
LEASE DATE: November 8, 1997
RECORDED: Book 106 O&G, Page 177
DESCRIPTION:

Township 33 North - Range 109 West, 6th P.M.
Section 5: Lot 4, SWNW
Section 6: Lot 1, SENE

Containing 159.49 acres, m/l

LESSOR: Julian C. Clark, Executor of the Estate of Mary P. Clark, a/k/a Mary Clark, deceased
LESSEE: WLR, Inc.
LEASE DATE: November 8, 1997
RECORDED: Book 106 O&G, Page 336
DESCRIPTION:

Township 33 North - Range 110 West, 6th P.M.
Section 1: All of Lot 1, Excepting a 10.096 acre metes and bounds tract.
Township 34 North - Range 109 West, 6th P.M.
Section 6: All of Lots 3, 4, SENW, Excepting from the SENW a 10.00 acre metes and bounds tract.
Township 34 North - Range 109 West, 6th P.M.
Section 31: All of Lot 4

Containing 169.184 acres, m/l

LESSOR: Mary Lou Mariner, a married woman
LESSEE: WLR, Inc.
LEASE DATE: November 8, 1997
RECORDED: Book 107 O&G, Page 99
DESCRIPTION:

Township 33 North - Range 109 West, 6th P.M.
Section 6: A metes and bounds tract of land in the SENW containing 10.00 acres

Containing 10.00 acres, m/l

LESSOR: Nancy J. Merritt and Harold Merritt, wife and husband
LESSEE: WLR, Inc.
LEASE DATE: November 8, 1997
RECORDED: Book 106 O&G, Page 350
DESCRIPTION:

Township 33 North - Range 110 West, 6th P.M.
Section 1: A tract of land in the S/2 of Lot 1 being described as TRACT A, Merritt Lot Division

Containing 5.091 acres, m/l

656

Merritt Lot Division

Containing 5.091 acres, m/l

LESSOR: Iris Sommer, a widow
LESSEE: WLR, Inc.
LEASE DATE: December 1, 1997
RECORDED: Book 106 O&G, Page 355
DESCRIPTION:

Township 34 North - Range 109 West, 6th P.M.
Section 32: A metes and bounds tract containing approximately 4.00 acres

Containing 4.00 acres, m/l

LESSOR: Wilda Kernek, a widow
LESSEE: WLR, Inc.
LEASE DATE: December 10, 1997
RECORDED: Book 107 O&G, Page 162
DESCRIPTION:

Township 34 North - Range 109 West, 6th P.M.
Section 30: NWNE, NENW

Containing 80.00 acres, m/l

LESSOR: Lester William Anderson and Grace Bodil Anderson, Trustees of the Anderson Trust dated March 1, 1977
LESSEE: WLR, Inc.
LEASE DATE: December 4, 1997
RECORDED: Book 106 O&G, Page 258
DESCRIPTION:

Township 34 North - Range 109 West, 6th P.M.
Section 34: NESE, S/2SE

Containing 120.00 acres, m/l

LESSOR: Sidney A. Roberts and Linda H. Roberts, husband and wife
LESSEE: WLR, Inc.
LEASE DATE: February 12, 1998
RECORDED: Book 107 O&G, Page 164
DESCRIPTION:

Township 33 North - Range 109 West, 6th P.M.
Section 5: Lot 17 of the Bloom Subdivision

Containing 1.00 acres, m/l

LESSOR: Brent V. Cheeney and Elizabeth N. Cheeney, husband and wife
LESSEE: WLR, Inc.
LEASE DATE: February 20, 1998
RECORDED: Book 107 O&G, Page 470
DESCRIPTION:

Township 33 North - Range 109 West, 6th P.M.
Section 5: Lot 13 of the Bloom Subdivision

Containing 1.00 acres, m/l

RATIFICATION OF OIL AND GAS LEASE

WHEREAS, High Plains Associates, Inc., herein called "Lessee" is the owner of the following described Oil, Gas and Mineral Lease, dated May 5, 1997, recorded in Volume ____, at page ____ of the County Records of Sublette County (Parish), State of Wyoming, between Jeptha E. Richie, a single man and Norman H. Richie, a single man as Lessor(s), and High Plains Associates, Inc., as Lessee, in so far as said lease covers the following lands situated in said County (Parish) and State:

Township 31 North, Range 108 West, 6th P.M.

Section 4: Lot 2(40.24 acres), Lot 3(40.40 acres) & Lot 4(40.56 acres)

Township 32 North, Range 108 West, 6th P.M.

Section 21: E/2
Section 28: E/2
Section 33: E/2 & SW/4
Section 34: All of the SW/4 lying South and East of the East Fork River

Excepting And Reserving Therefrom the following described tracts, to wit:

1. A parcel or tract of land situate in the SE/4SE/4, Section 33-T32N-R108W, 6th P.M., Sublette County, Wyoming, said parcel being more particularly described as follows: Beginning at the Southeast corner of Section 33, thence North along the East line of the Section, a distanc eof 295.16 feet; thence N.89degrees50minutes West, parallel with the south line of the section, a distance of 295.16 feet; thence South, parallel with the East line of the section, a distance of 295.16 feet; thence S.89degrees50minutes East, along the South line of the section, a distance of 295.16 feet to the point of beginning.

2. A parcel or tract of land situate in the SE/4NE/4, Section 33-T32N-R108W, 6th P.M., Sublette County, Wyoming, said parcel being more particularly described as follows: Beginning at a point which bears South 139.7 feet distant from the Northeast Corner of the SE/4NE/4 of Section 33; thence South 696.02 feet; thence West 208.70 feet; thence North 153.81 feet; thence West 208.70 feet; thence North 264.51 feet; thence East 208.70 feet; thence North 277.70 feet; thence East 208.70 feet to the point of beginning.

WHEREAS, the undersigned desire to ratify, adopt and confirm said lease;

THEREFORE, for valuable consideration paid to the undersigned, receipt of which is hereby acknowledged, the undersigned hereby ratify, adopt and confirm said lease, and hereby grant, lease, and let to Lessee, or its heirs, successors, and assigns, the land covered by said lease, as set out above, upon and subject to the same terms and conditions set out in said lease; provided however, the undersigned shall not be paid any portion of the initial bonus considerations nor rentals payable under said lease, but such bonus considerations and rentals shall be paid to Lessor therein named, his (her) heirs, legal representatives, or assigns. And I do hereby agree and declare that said lease in all of its terms and provisions is binding on me and is a valid and subsisting oil, gas and mineral lease.

Witness our hands and seals this 5th day of May, 1997.

267394

John Wade Roop

RECORDED Mar 21, 1998 4:30 PM
IN BOOK 107 OR PAGE 658
FEES $ 8.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING
By Cathy Loader WY-1061

658

State Of Utah
County of Salt Lake ss.

Acknowledgement-Individual
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 5th Day of May, 1997, personally appeared John Wade Roop and _____ to me known to be the identical person(s) described in and who executed the within foregoing instrument of writing and acknowledged to me that he duly executed the same as his free and voluntary act and deed for the 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.

Notary Public
ALTA L. BENNETT
474 West 900 North
Salt Lake City, Utah 84103
My Commission Expires
January 1, 1998
State of Utah

My Commission Expires _____

Alta L. Bennett
Notary Public
Address: Salt Lake City, Utah

State Of _____
County of _____ ss.

Acknowledgement-Individual
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ Day of _____, 19___, personally appeared _____ and _____ to me known to be the identical person(s) described in and who executed the within foregoing instrument of writing and acknowledged to me that ____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires _____

_____
Notary Public
Address: _____

State Of _____
County of _____ ss.

Acknowledgement-Corporate
(For use in all states)

On this _____ day of _____, A.D. 19____, before me personaly 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.

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

My Commission Expires _____

_____
Notary Public
Address: _____

4EC785

RATIFICATION OF OIL AND GAS LEASE

WHEREAS, High Plains Associates, Inc., herein called "Lessee" is the owner of the following described Oil, Gas and Mineral Lease, dated May 5, 1997, recorded in Volume _____, at page _____ of the County Records of Sublette County (Parish), State of Wyoming, between Jeptha E. Richie, a single man and Norman H. Richie, a single man as Lessor(s), and High Plains Associates, Inc., as Lessee, in so far as said lease covers the following lands situated in said County (Parish) and State:

Township 31 North, Range 108 West, 6th P.M.

Section 4: Lot 2(40.24 acres), Lot 3(40.40 acres) & Lot 4(40.56 acres)

Township 32 North, Range 108 West, 6th P.M.

Section 21: E/2
Section 28: E/2
Section 33: E/2 & SW/4
Section 34: All of the SW/4 lying South and East of the East Fork River

Excepting And Reserving Therefrom the following described tracts, to wit:

1. A parcel or tract of land situate in the SE/4SE/4, Section 33-T32N-R108W, 6th P.M., Sublette County, Wyoming, said parcel being more particularly described as follows: Beginning at the Southeast corner of Section 33, thence North along the East line of the Section, a distanc eof 295.16 feet; thence N.89degrees50minutes West, parallel with the south line of the section, a distance of 295.16 feet; thence South, parallel with the East line of the section, a distance of 295.16 feet; thence S.89degrees50minutes East, along the South line of the section, a distance of 295.16 feet to the point of beginning.

2. A parcel or tract of land situate in the SE/4NE/4, Section 33-T32N-R108W, 6th P.M., Sublette County, Wyoming, said parcel being more particularly described as follows: Beginning at a point which bears South 139.7 feet distant from the Northeast Corner of the SE/4NE/4 of Section 33; thence South 696.02 feet; thence West 208.70 feet; thence North 153.81 feet; thence West 208.70 feet; thence North 264.51 feet; thence East 208.70 feet; thence North 277.70 feet; thence East 208.70 feet to the point of beginning.

WHEREAS, the undersigned desire to ratify, adopt and confirm said lease;

THEREFORE, for valuable consideration paid to the undersigned, receipt of which is hereby acknowledged, the undersigned hereby ratify, adopt and confirm said lease, and hereby grant, lease, and let to Lessee, or its heirs, successors, and assigns, the land covered by said lease, as set out above, upon and subject to the same terms and conditions set out in said lease; provided however, the undersigned shall not be paid any portion of the initial bonus considerations nor rentals payable under said lease, but such bonus considerations and rentals shall be paid to Lessor therein named, his (her) heirs, legal representatives, or assigns. And I do hereby agree and declare that said lease in all of its terms and provisions is binding on me and is a valid and subsisting oil, gas and mineral lease.

Witness our hands and seals this 5th day of May, 1997. **267395**

JoAnn Ring
JoAnn Ring

RECORDED May 21, 1998 4:30 PM
IN BOOK 107 PAGE 660
FEES $ 8.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING
By Cathy Easton

660

WY-1061

State Of Oklahoma
County of Pottawatomie ss.

Acknowledgement-Individual
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 5th Day of May , 1997, personally appeared JoAnn Ring and _____ to me known to be the identical person(s) described in and who executed the within foregoing instrument of writing and acknowledged to me that she duly executed the same as her free and voluntary act and deed for the 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.

JAMES J. ENOS JR. NOTARY PUBLIC IN AND FOR THE STATE OF OKLAHOMA POTTAWATOMIE COUNTY

My Commission Expires _____

Notary Public
Address: 1939 N Harrison, Shawnee OK 74801

State Of _____
County of _____ ss.

Acknowledgement-Individual
(For use in all states)

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ Day of _____ , 19___, personally appeared _____ and _____ to me known to be the identical person(s) described in and who executed the within foregoing instrument of writing and acknowledged to me that ____ duly executed the same as _____ free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires _____

Notary Public
Address: _____

State Of _____
County of _____ ss.

Acknowledgement-Corporate
(For use in all states)

On this _____ day of _____, A.D. 19____, before me personaly 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.

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

My Commission Expires _____

Notary Public
Address: _____

[redacted]

COUNTY OF SUBLETTE

STATE OF WYOMING

267455

RECORDED Mar 27, 1998 3:25 PM
IN BOOK 107 OR 2 PAGE 662
FEES $12.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING
By Cat Sexton

ASSIGNMENT, BILL OF SALE AND CONVEYANCE

KNOW ALL MEN BY THESE PRESENTS:

THAT **Pittencrieff America, Inc.,** with offices at P. O. Box 6129, Abilene, Texas 79608-6129, hereinafter referred to as "Assignor," for the sum of Ten Dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby grant, bargain, sell, transfer, and convey unto **Keepa Oil Corporation,** whose mailing address is 100 Park Ave #1008, Oklahoma City, OK 73102, hereinafter referred to as "Assignee," all of Assignor's right, title and interest in and to the oil and gas leases more particularly described in Exhibit "A" attached hereto and made a part hereof (hereinafter referred to as the "Leases"), together with all of Assignor's right, title and interest in and to the wells identified on Exhibit "A", the wellhead and leasehold equipment, fixtures and other personal property located on the Leases and used in connection with producing, gathering and marketing of oil or gas (hereinafter referred to as the "Personal Property"), as well as all of Assignor's interest in any permits, licenses, easements and contracts to the extent the same are associated with the production of oil or gas from the Leases. Such properties, rights and interest conveyed herein are hereinafter referred to as the "Subject Property."

It is understood and agreed that this Assignment, Bill of Sale and Conveyance is subject to the following terms and conditions:

1. Assignee hereby acknowledges and agrees that it has inspected the Personal Property, THAT ASSIGNOR MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, AS TO THE QUALITY, CONDITION, SERVICEABILITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR USE OF THE PERSONAL PROPERTY, and that Assignee accepts the Personal Property on an "AS IS, WHERE IS" basis and condition.
2. This Assignment, Bill of Sale and Conveyance is subject to all valid and subsisting contracts, agreements and orders affecting the Subject Property, including but not by way of limitation the Leases. Assignee hereby agrees to assume all the obligations imposed upon the Lessee under the provisions of said leases, and shall bear any and all royalties, excess royalties, overriding royalty interests or other payments out of production which may burden said Leases.
3. Assignee hereby agrees to assume and fully perform, and to indemnify and hold Assignor harmless from and against, any and all liability, obligations and duties that now exist or may arise out of the Subject Property, including without limitation any and all liability, obligations and duties with respect to the plugging and abandonment of all wells located on the Subject Property and any pollution and environmental damage or response costs, including without limitation those costs arising under the U.S. Comprehensive Environmental Response, Compensation and Liability Act, as amended. In addition, Assignee agrees that if a well located on the Subject Property is plugged and abandoned, Assignee shall restore the surface as nearly as possible to its original condition.
4. Assignee agrees to pay all use, sales and other similar taxes which are imposed as a result of the transfer of the Subject Property hereunder.

5. Each party agrees to execute and deliver such other and further instruments and will do such other and further acts as may be necessary or desirable to carry out more effectively the intents and purposes of this Assignment, Bill of Sale and Conveyance.
6. This Assignment, Bill of Sale and Conveyance is made with full substitution and subrogation of Assignee, its successors and assigns in and to all covenants and warranties heretofore given or made in respect of any of the Subject Property, and Assignor hereby assigns and conveys to Assignee all such covenants and warranties and all of Assignor's rights thereunder.
7. This Assignment, Bill of Sale and Conveyance is being made without warranty of title on the part of Assignor, either express or implied.
8. This Assignment, Bill of Sale and Conveyance shall bind and inure to the benefit of Assignor and Assignee and their respective successors and assigns.

TO HAVE AND TO HOLD the Subject Property unto Assignee, its successors and assigns forever.

IN WITNESS WHEREOF, this instrument is executed this 30TH day of April, 1998, but shall be deemed effective as of the 1st day of March, 1998 at 7:00 a.m., local time at the location of the Subject Property.

ASSIGNOR:
PITTENCRIEFF AMERICA, INC.

John C. Weaver
Chief Operating Officer

ASSIGNEE:
Keepa Oil Corporation

Lawrence H. Davis
Vice President

ACKNOWLEDGEMENT

STATE OF TEXAS)
) ss.
COUNTY OF TAYLOR)

The foregoing instrument was acknowledged before me this 30TH day of APRIL, 1998 by John C. Weaver, Chief Operating Officer of Pittencrieff America, Inc., a Nevada corporation, on behalf of said corporation.

NOTARY PUBLIC STATE OF TEXAS
CAROLYN R. WILSON
Notary Public, State of Texas
My Commission Exp 06-18-01

Carolyn R. Wilson
NOTARY PUBLIC

STATE OF Oklahoma)
) ss.
COUNTY OF Oklahoma)

The foregoing instrument was acknowledged before me this 30th day of April, 1998, by Lawrence H. Davis, Vice President of Keepa Oil Corporation, an Oklahoma corporation, on behalf of said corporation.

[redacted] OKLAHOMA CITY
My [redacted] expires: 8-15-2000

Ricki L. Rhoden
NOTARY PUBLIC

EXHIBIT "A"

Attached to and made a part of that certain Assignment, Bill of Sale and Conveyance dated _____, 1998 by and between Pittencrieff America, Inc., as Assignor and Keepa Oil Corporation, as Assignee.

SUBLETTE COUNTY, WYOMING

LEASE	LEASE NAME OR LESSOR NO.	LEASE DATE	EXPIRE DATE	OUR GROSS LEASE ACRES	LESSOR NET LEASE ACRES	RECORD DATA BOOK PAGE
002730	USA-W-54913	06-01-76	05-31-83	320.00	320.00	
Description: T27N R112W Section 14:	S2					
002731	USA-W54914-KGS	06-01-76	06-01-81	320.00	320.00	
Description: Section 23:	SW,NW					
002910	USA-W51473	01-01-78	01-01-88	200.00	200.00	
Description: Section 23: Section 24:	S2SE SENW, E2SW					

605

WY-1103

Form 3000-3a
(October 1992)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0034
Expires: July 31, 1995

TRANSFER OF OPERATING RIGHTS (SUB LEASE) IN A LEASE FOR OIL AND GAS OR GEOTHERMAL RESOURCES

Lease Serial No.
WYW-131911

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)* ULTRA RESOURCES, INC.
Street 304 Inverness Way South, Ste 295
City, State, ZIP Code Englewood, CO 80112

*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 interest 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 31 North, Range 110 West, 6th P.M. Section 1: Lots 1, 2, 3, 4, S/2N/2 Containing 319.92 acres, more or less Sublette Co., WY	100%	100%	None	None	6.5%

267464

RECORDED May 28 1998 9:15a M
IN BOOK 107 046 PAGE 667
FEES $ 8.00 M Y Lyle COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING
By Cathy Saxton

FOR BLM USE ONLY- DO NOT WRITE BELOW THIS LINE

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)

pages 667-672
are Duplicated

STATE OF Colorado)
) SS
COUNTY OF Douglas)

BE IT KNOWN, that on this 1 day of ~~March~~ APRIL, 1998, before me, the undersigned authority, personally came and appeared **Charlotte Kauffman, General Counsel of Ultra Petroleum (USA), Inc.**, to me personally known to the the identical person whose name is subscribed to the foregoing instrument as the said General Counsel of said corporation, and declared and acknowledged to me, Notary, that he executed the same on behalf of said corporation with full authority of its Board of Directors, and 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.

DONNA K. LONG NOTARY PUBLIC STATE OF COLORADO

Donna K. Long
Notary Public

My commission expires:

My Commission Expires 01-02-2002

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: The 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 association 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 interest, 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; (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 to all applicable terms, conditions, stipulations and restrictions pertaining to the lease described herein. Applicable terms and conditions include, but are not limited to, and 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 (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 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 1st day of April, 19 98

Name of Transferor ULTRA PETROLEUM (USA) INC.
Please type or print

Transferor _____ (Signature)

or
Attorney-in-fact _____ (Signature)

Charlotte Kauffman, General Counsel

304 Inverness Way South, Suite 295
(Transferor's Address)

Englewood, CO 80112
(City) (State) (Zip Code)

Executed this 1st day of April, 19 98

ULTRA RESOURCES, INC.
By: R. G. "Jerry" Albertus

Transferee _____ (Signature)

or
Attorney-in-fact _____ (Signature)

President

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: 1992 - 774-017/67023

MEMORANDUM OF LEASE AGREEMENT

FLYING W LAND AND LIVESTOCK, a Wyoming corporation, the address of which is P.O. Box 33, Opal, WY 83116 (hereinafter referred to as "Lessor"), and **ROCKING CHAIR CATTLE CO.**, a Wyoming corporation, the address of which is P.O. Box 608, Big Piney, WY 83113 (hereinafter referred to as "Lessee"), hereby enter into this Memorandum of Lease Agreement and give notice as follows:

1. Effective the first day of January, 1998, Lessor, for and in consideration of the covenants and agreements contained in said Lease to be kept and performed by Lessee, demised and leased to Lessee all of the premises and properties situated, lying and being in Sublette County, Wyoming, which is more particularly described as follows, to-wit:

> The property more specifically described on Exhibit "A" attached hereto and by this reference made a part hereof, together with all appurtenances situate thereon and appertaining thereto, subject, however to all exceptions, reservations and restrictions of record. This lease is of the surface estate of said property only and does not extend to any portion of the mineral estate of said lands.

2. The term of said lease commenced upon the first day of January, 1998, and continues for, during and until the 31st day of December, 2002, it being the intention of the parties hereto that the total lease term shall equal five (5) grazing seasons from the commencement thereof. The term of said lease is subject to the right of Lessor, under certain circumstances set out in said Lease, to terminate the lease.

3. The said lease is also subject to the various covenants and agreements of the parties contained in the aforesaid writing, which various covenants and agreements are not here set forth by agreement of the parties.

IN WITNESS WHEREOF, the parties have executed this Memorandum of Lease Agreement as set forth hereinabove.

LESSOR:

FLYING W LAND AND LIVESTOCK, a Wyoming corporation

By: Frank W Sears
Frank W. Sears, President

LESSEE:

ROCKING CHAIR CATTLE CO., a Wyoming corporation

By: John J Chrisman
John J. Chrisman, President

267457

RECORDED May 27, 1998 4:00 PM
IN BOOK 107 Misc PAGE 667
FEES $ 10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING
By Cathy Lacton

667 A

STATE OF WYOMING)
) ss.
COUNTY OF UINTA)

On this 27 day of April, 1998, before me personally appeared Frank W. Sears to me personally known, who being by me duly sworn, did say that he is the President of Flying W Land and Livestock Company and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and said Frank W. Sears acknowledged said instrument to be the free act and deed of said corporation.

WITNESS my hand and official seal.

KERRI M. BUMGARDNER NOTARY PUBLIC COMMISSION EXPIRES AUGUST 7, 2001 UINTA COUNTY, WYOMING

Notary Public

STATE OF WYOMING)
) ss.
COUNTY OF UINTA)

On this 27 day of April, 1998, before me personally appeared John J. Chrisman to me personally known, who being by me duly sworn, did say that he is the President of Rocking Chair Cattle Co., and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and said John J. Chrisman acknowledged said instrument to be the free act and deed of said corporation.

WITNESS my hand and official seal.

KERRI M. BUMGARDNER NOTARY PUBLIC COMMISSION EXPIRES AUGUST 7, 2001 UINTA COUNTY, WYOMING

Notary Public

[redacted] [redacted] [redacted]

LAND

The "Home" place & Corder Ranch on South Piney Creek; Approx. 1946 acres
The North Piney Place (Leased to Mickelsons); Approx. 520 acres
Cottonwood place; Approx. 1590 acres
TOTAL ACRES: 4056

Legal Description: T. 29 N., R. 113 W., 6th P.M. Sublette Co. Wyoming
Section 4: S2SE4
Section 9: NE4
Section 10: NE4, N2NW4, SE4NW4, E2SE4, NW4SE4
Section 11: S2
Section 12: W2SW4, SE4SW4, S2SE4
Section 13: N2N2, SE4NE4, SE4SW4, SE4, S2NW4
Section 14: N2NE4, NE4NW4
T. 32 N., R. 114 W., 6TH P.M., Sublette Co., Wyoming
Section 11: Lots 2 & 3; SE4NW4
T. 33 N., R. 113 W.
Section 30: S2SE4
Section 31: Lots 2, 3, & 4, SE4NW4, E2SW4, N2NE4
T. 33N., R. 114 W.
Section 26: S2S2
Section 35: NE4, NW4
Section 36: All
T. 31 N., R. 113 w., 6th P.M., Sublette Co., Wyoming *(North Piney)
Section 15: S2S2
Section 21: E2NE4
Section 22: N2N2, S2NW4, SW4NE4
*This place is being leased to Mickelson's at this time

[redacted]

EXHIBIT
A

669 A

670 A

MEMORANDUM OF LEASE AGREEMENT

FLYING W LAND AND LIVESTOCK, a Wyoming corporation, the address of which is P.O. Box 33, Opal, WY 83116 (hereinafter referred to as "Lessor"), and **HARRY HAMILTON and PAMELA C. HAMILTON**, husband and wife, whose address is P.O. Box 398, Big Piney, WY 83113 (hereinafter referred to as "Lessee"), hereby enter into this Memorandum of Lease Agreement and give notice as follows:

1. Effective the first day of January, 1998, Lessor, for and in consideration of the covenants and agreements contained in said Lease to be kept and performed by Lessee, demised and leased to Lessee all of the premises and properties situated, lying and being in Lincoln and Sublette Counties, Wyoming, which is more particularly described as follows, to-wit:

> The property more specifically described on Exhibit "A" attached hereto and by this reference made a part hereof, together with all appurtenances situate thereon and appertaining thereto, subject, however to all exceptions, reservations and restrictions of record. This lease is of the surface estate of said property only and does not extend to any portion of the mineral estate of said lands.

2. The term of said lease commenced upon the first day of January, 1998, and continues for, during and until the 31st day of December, 2002, it being the intention of the parties hereto that the total lease term shall equal five (5) grazing seasons from the commencement thereof. The term of said lease is subject to the right of Lessor, under certain circumstances set out in said Lease, to terminate the lease.

3. The said lease is also subject to the various covenants and agreements of the parties contained in the aforesaid writing, which various covenants and agreements are not here set forth by agreement of the parties.

IN WITNESS WHEREOF, the parties have executed this Memorandum of Lease Agreement as set forth hereinabove.

LESSOR:

FLYING W LAND AND LIVESTOCK, a Wyoming corporation

By: Frank W Sears
Frank W. Sears, President

No Corporate Seal

LESSEE:

Harry Hamilton
Harry Hamilton

Pamela C Hamilton
Pamela C. Hamilton

267458

RECORDED May 27, 1998 4:00 PM
IN BOOK 107 Oil & Gas PAGE 670
FEES $10.00 [illegible] COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING
By Cathy Saxton

STATE OF WYOMING)
) ss.
COUNTY OF UINTA)

On this 27 day of April, 1998, before me personally appeared Frank W. Sears to me personally known, who being by me duly sworn, did say that he is the President of Flying W Land and Livestock Company and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and said Frank W. Sears acknowledged said instrument to be the free act and deed of said corporation.

WITNESS my hand and official seal.

KERRI M. BUMGARDNER NOTARY PUBLIC COMMISSION EXPIRES AUGUST 7, 2001 UINTA COUNTY, WYOMING

Kerri M Bumgardner
Notary Public

STATE OF WYOMING)
) ss.
COUNTY OF UINTA)

The foregoing instrument was acknowledged before me by Harry Hamilton and Pamela C. Hamilton this 27 day of April, 1998.

WITNESS my hand and official seal.

KERRI M. BUMGARDNER NOTARY PUBLIC COMMISSION EXPIRES AUGUST 7, 2001 UINTA COUNTY, WYOMING

Kerri M Bumgardner
Notary Public

671 A

672 A

[redacted]

LaBarge Rocking Chair Ranch, Lincoln County, WY: Total 1,785.62 Acres

T26 R113	Section 19	Lot 5
		Lots 20,21,28,29,30
		Lots 48,49,52,53
	Section 29	Lots 4,5
	Section 32	NW4NE4 Lot 1
	Section 33	S2NE4 SE4NW4 Lots 2,,4

LaBarge McGinnis Ranch, Lincoln County, WY: Total 603 Acres

T26 R113	Section 22	S2NW4, W2SW4
	Section 28	Lot 50 (Less the 20 acres that has been legally deeded to Anastacio Garcia as per the will of Charles Chrisman.
		Lot 51

Johnson Ranch, Sublette County, WY: Total 581 Acres

T29N R11W	Section 21	NESE, Lots 1,6,7,13
	Section 22	SWSW
	Section 27	NWNW, S2NW, N2SW
	Section 28	SENE, Lots 1,6,7

Fish Creek Ranch, Sublette County, WY Total 320 Acres

T30ON R114W	Section 24	SE
	Section 34	E2SE
	Section 35	S2SW

EXHIBIT
A

[redacted]

ASSIGNMENT OF OVERRIDING ROYALTY

KNOW ALL MEN BY THESE PRESENTS, that ULTRA RESOURCES, INC., 304 Inverness Way South, Suite 295, Englewood, CO 80112, Assignor, for the sum of One Dollar ($1.00) 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, overriding royalty unto the following parties in the amounts shown below:

NAME	ADDRESS	PERCENT
Gasconade Oil Company	633 17th Street, Suite 1910 Denver, CO 80202	1.66666%
The Roy H. Dubitzky Trust	6663 So. Prescott Way Littleton, CO 80120	1.66667%
Riggs Oil & Gas Corporation	P. O. Box 711 Farmington, NM 87499	1.66667%

BEING in all a total of an undivided 5% overriding royalty proportionately reduced by Assignor's interest therein, if less than 100%, of all of the oil, gas and other hydrocarbon substances that may be produced, saved and marketed from the oil and gas leases described as follows:

WY-1147
Lessor: USA WYW-061655
Lease Date: 7/1/52
Lands Covered: **INSOFAR AND ONLY INSOFAR AS LEASE COVERS:**
Township 30 North, Range 107 West
Section 7: W/2SE/4
Section 18: All

WY-1132
Lessor: USA WYW-016168
Lease Date: 7/1/52
Lands Covered: **INSOFAR AND ONLY INSOFAR AS LEASE COVERS**
Township 30 North, Range 107 West
Section 7: Lots 1, 2, 3, 4, E/2W/2
Township 30 North, Range 108 West
Section 26: All
Section 34: NE/4, N/2SE/4, N/2NW/4
Section 35: N/2, N/2S/2, S/2SE/4

WY-1130
Lessor: USA WYW-0156316
Lease Date: 6/1/52
Lands Covered: **INSOFAR AND ONLY INSOFAR AS LEASE COVERS**
Township 30 North, Range 108 West
Section 3: SW/4
Section 4: All
Township 31 North, Range 108 West
Section 29: E/2
Section 32: E/2
Section 33: SW/4

WITNESS my hand on this 5th day of May, 1998.

ULTRA RESOURCES, INC.

R. G. "Jerry" Albertus, President

STATE OF COLORADO)
) SS
COUNTY OF DOUGLAS)

BE IT KNOWN, that on this 5th day of May, 1998, before me, the undersigned authority, personally came and appeared **R. G. "Jerry" Albertus**, appearing in his capacity as President of **ULTRA RESOURCES, INC.**, to me personally known to the identical person whose name is subscribed to the foregoing instrument as the said President of said corporation, and declared and acknowledged to me, Notary, that he executed the same on behalf of said corporation with full authority of its Board of Directors, and 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.

267465

Notary Public

My commission expires:
5.17.2000

RECORDED May 28 1998 9:20 AM
IN BOOK 107 O&G PAGE 669
FEES $ 6.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING

669

670

ASSIGNMENT OF OVERRIDING ROYALTY

KNOW ALL MEN BY THESE PRESENTS, that ULTRA RESOURCES, INC., 304 Inverness Way South, Suite 295, Englewood, CO 80112, Assignor, for the sum of One Dollar ($1.00) 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, overriding royalty unto the following parties in the amounts shown below:

NAME	ADDRESS	PERCENT
Gasconade Oil Company	633 17th Street, Suite 1910 Denver, CO 80202	1.66666%
The Roy H. Dubitzky Trust	6663 So. Prescott Way Littleton, CO 80120	1.66667%
Riggs Oil & Gas Corporation	P. O. Box 711 Farmington, NM 87499	1.66667%

BEING in all a total of an undivided 5% overriding royalty proportionately reduced by Assignor's interest therein, if less than 100%, of all of the oil, gas and other hydrocarbon substances that may be produced, saved and marketed from the oil and gas leases described as follows:

WY-1144
Lessor: USA WYW-133768
Lessee: LCM Ltd LLC
Lease Date: 10/1/94
Lands Covered: **INSOFAR AND ONLY INSOFAR AS LEASE COVERS:**
Township 30 North, Range 109 West
Section 13: S/2NW/4, S/2

WY-1136
Lessor: USA WYW-026025
Lessee: Griselda M. Bennett
Lease Date: 4/1/50
Lands Covered: **INSOFAR AND ONLY INSOFAR AS LEASE COVERS**
Township 31 North, Range 109 West
Section 22: NW/4, E/2
Section 27: E/2NE/4

WITNESS my hand on this 5th day of May, 1998.

ULTRA RESOURCES, INC.

R. G. "Jerry" Albertus, President

STATE OF COLORADO)
) SS
COUNTY OF DOUGLAS)

BE IT KNOWN, that on this 5th day of May, 1998, before me, the undersigned authority, personally came and appeared **R. G. "Jerry" Albertus**, appearing in his capacity as President of **ULTRA RESOURCES, INC.**, to me personally known to the identical person whose name is subscribed to the foregoing instrument as the said President of said corporation, and declared and acknowledged to me, Notary, that he executed the same on behalf of said corporation with full authority of its Board of Directors, and 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

267466

My commission expires:
3-17-2000

RECORDED 5 May 98 1998 9:25 AM
IN BOOK 107 P & G PAGE 670
FEES $ 6.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING

ASSIGNMENT OF OVERRIDING ROYALTY

KNOW ALL MEN BY THESE PRESENTS, that ULTRA RESOURCES, INC., 304 Inverness Way South, Suite 295, Englewood, CO 80112, Assignor, for the sum of One Dollar ($1.00) 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, overriding royalty unto the following parties in the amounts shown below:

NAME	ADDRESS	PERCENT
Gasconade Oil Company	633 17th Street, Suite 1910 Denver, CO 80202	1.66666%
The Roy H. Dubitzky Trust	6663 So. Prescott Way Littleton, CO 80120	1.66667%
Riggs Oil & Gas Corporation	P. O. Box 711 Farmington, NM 87499	1.66667%

BEING in all a total of an undivided 5% overriding royalty proportionately reduced by Assignor's interest therein, if less than 100%, of all of the oil, gas and other hydrocarbon substances that may be produced, saved and marketed from the oil and gas leases described as follows:

WY-1135

Lessor: USA WYW-018039
Lessee: Morris Kline
Lease Date: 10/1/52
Lands Covered: Township 30 North, Range 108 West
Section 3: SW/4SE/4
Section 14: SW/4SE/4, NW/4NW/4
Section 17: SE/4SE/4
Section 18: NE/4NE/4
Section 22: NE/4SW/4
Section 23: SW/4NE/4
Township 31 North, Range 108 West
Section 33: NW/4NE/4, SW/4SE/4

WITNESS my hand on this 5th day of May, 1998.

ULTRA RESOURCES, INC.

R. G. "Jerry" Albertus, President

STATE OF COLORADO)
) SS
COUNTY OF DOUGLAS)

BE IT KNOWN, that on this 5th day of May, 1998, before me, the undersigned authority, personally came and appeared **R. G. "Jerry" Albertus**, appearing in his capacity as President of **ULTRA RESOURCES, INC.**, to me personally known to the identical person whose name is subscribed to the foregoing instrument as the said President of said corporation, and declared and acknowledged to me, Notary, that he executed the same on behalf of said corporation with [illegible] of its Board of Directors, and that the said instrument is the free act and deed of the [illegible]on and was executed for the uses, purposes and benefits therein expressed.

Notary Public

My commission expires:
7. 2000

267467

RECORDED May 28 1998 9:25 AM
IN BOOK 107 O-G PAGE 671
FEES $ 6.00 [illegible] COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING
By [illegible]

671

ASSIGNMENT OF OVERRIDING ROYALTY

KNOW ALL MEN BY THESE PRESENTS, that ULTRA RESOURCES, INC., 304 Inverness Way South, Suite 295, Englewood, CO 80112, Assignor, for the sum of One Dollar ($1.00) 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, overriding royalty unto the following parties in the amounts shown below:

NAME	ADDRESS	PERCENT
Gasconade Oil Company	633 17th Street, Suite 1910 Denver, CO 80202	1.66666%
The Roy H. Dubitzky Trust	6663 So. Prescott Way Littleton, CO 80120	1.66667%
Riggs Oil & Gas Corporation	P. O. Box 711 Farmington, NM 87499	1.66667%

BEING in all a total of an undivided 5% overriding royalty proportionately reduced by Assignor's interest therein, if less than 100%, of all of the oil, gas and other hydrocarbon substances that may be produced, saved and marketed from the oil and gas leases described as follows:

WY-113#

Lessor: USA WYW-016162
Lessee: Paul D. Helmig
Lease Date: 7/1/52
Lands Covered: INSOFAR AND ONLY INSOFAR AS LEASE COVERS:
Township 30 North, Range 108 West
Section 1: Lots 2, 3, 4, SW/4NE/4, S/2, S/2NW/4
Section 2: All
Section 3: Lots 1,2,3,4, S/2N/2, N/2SE/4, SE/4SE/4
Section 27: E/2, E/2W/2

WITNESS my hand on this 5th day of May, 1998.

ULTRA RESOURCES, INC.

R. G. "Jerry" Albertus, President

STATE OF COLORADO)
) SS
COUNTY OF DOUGLAS)

BE IT KNOWN, that on this 5th day of May, 1998, before me, the undersigned authority, personally came and appeared **R. G. "Jerry" Albertus**, appearing in his capacity as President of **ULTRA RESOURCES, INC.**, to me personally known to the identical person whose name is subscribed to the foregoing instrument as the said President of said corporation, and declared and acknowledged to me, Notary, that he executed the same on behalf of said corporation with full authority of its Board of Directors, and 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

Notary Public

267468

My commission expires:
5-7-2000

RECORDED May 28 1998 9:25 AM
IN BOOK 107 O&G PAGE 672
FEES $ 6.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE WYOMING

ASSIGNMENT OF OVERRIDING ROYALTY

Anschutz Western Corporation, Suite 2400, 555 17th Street, Denver, Colorado 80202, hereinafter called Assignor, for and in consideration of the sum of Ten Dollars ($10.00) cash in hand paid and other good and valuable consideration, the receipt of which is hereby acknowledged, does hereby grant, sell, bargain, convey, transfer, assign and deliver unto the following named party the interest set out opposite his name, of all oil and/or gas produced, saved and sold from the oil and gas leasehold estates, with respect to the oil and gas leases and lands described on Exhibit "A" attached hereto and made a part hereof:

John A. Masters and Lenora P. Masters, as Joint Tenants with the Right of Survivorship
P.O. Box 335
Castle Rock, CO 80104
an undivided .4012 of 1% of 8/8ths

Piedmont Minerals Company
5838 S. Stanida Circle
Salt Lake City, UT 84121
an undivided .05 of 1% of 8/8ths

William J. Miller and Nancy Miller, as Joint Tenants with the Right of Survivorship
5233 West Capri Place
Littleton, CO 80123
an undivided .15 of 1% of 8/8ths

Hal B. Koerner, Jr. and Diane Lynn Koerner, as Joint Tenants with the Right of Survivorship
6811 Hillridge Place
Parker, CO 80134
an undivided .1 of 1% of 8/8ths

Dolly Family Limited Partnership
74 Fir Lane
Evergreen, CO 80439
an undivided .15 of 1% of 8/8ths

Gary Young
4511 Christensen Circle
Littleton, CO 80123
an undivided .15 of 1% of 8/8ths

Dave Dlouhy
6128 S. Coventry Lane East
Littleton, CO 80123
an undivided .0875 of 1% of 8/8ths

Anschutz Exploration Corporation Royalty Pool
555 17th Street, Suite 2400
Denver, CO 80202
an undivided .75 of 1% of 8/8ths

C L Machinery Company
555 17th Street, Suite 2400
Denver, CO 80202
an undivided .1613 of 1% of 8/8ths

267521

RECORDED July 2 1992 M 12:45 P
IN BOOK 167 MR PAGE 673
FEES $ 12.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING

The overriding royalty interest hereinabove assigned is subject to the following terms, provisions and conditions:

A. Said overriding royalty interest is subject to the terms and provisions of said leases described on Exhibit "A", and any amendments or modifications of said leases.

B. Said overriding royalty interest shall be free and clear of all drilling developing, operating costs and expenses except such costs, if any, incurred in dehydrating, treating, transporting, boosting, compressing or otherwise processing same in order to make same marketable, and same shall be calculated after deducting oil and gas used for operations on the premises, with the option on the part of Assignor to deduct the proportionate part of fuel used in any central plant serving the premises or of using other than the identical oil and gas produced for operations on the premises, and deducting any so used, but Assignee shall bear and pay all taxes of every nature whatever, which may now or hereafter be applicable to or in any manner connected with or a lien upon Assignee's overriding royalty interest or the production attributable thereto, including without limitation all production, severance, gathering, transportation or similar taxes attributable to Assignee's interest, and such other costs and charges as shall be applicable to and borne by lessor's royalties under the terms of the leases. If Assignor shall reinject gas produced under said leases or from land pooled therewith into injection wells situated on land covered by said Exhibit "A" leases or lands pooled therewith in connection with any recycling or pressure maintenance program, the quantity of gas produced under said leases or from land pooled therewith which is thus reinjected into said injection wells shall be deducted before the overriding royalties herein assigned are computed. No overriding royalties shall be payable upon gas and casinghead gas used for recycling or repressuring operations benefiting said lands. In the event the leases above described provide that shut-in gas payments shall be made as royalties rather than rentals, Assignee herein shall not be entitled to any payment with respect to said overriding royalty in connection with such payments. Except as may be otherwise provided in this assignment, the overriding royalty herein assigned shall be treated computed, paid and/or delivered to the Assignee in the same manner and under the same terms and conditions as are provided in each lease for the payment or delivery of royalties to the lessor therein.

C. The overriding royalty may be pooled and unitized in the same manner and under the same and identical terms, conditions and provisions as the lessor's royalties may be pooled and unitized under the terms of each lease above described.

N:\ORRUONAH-6.AWC

D. The overriding royalty herein assigned is based upon the assumption that the leases described on Exhibit "A" cover and affect the entire fee simple mineral estate in the lands covered thereby. In the event of loss or failure of title as to the whole or any portion of the leased premises, the overriding royalty interest as to such lease and lands affected by such loss or failure of title shall be reduced in the proportion in which title shall have failed, and in such event the overriding royalty interest herein assigned shall be proportionately reduced. If the lease described in Exhibit "A" attached hereto covers less than the entire and undivided fee simple estate therein, then and in such event the overriding royalty interest herein assigned shall be proportionately reduced.

E. No obligations, either expressed or implied, shall arise by reason of the assignment herein by Assignor of overriding royalty interest which shall obligate Assignor to keep, drill, produce, operate and maintain the said leases in force and effect either by the payment of rentals, compensatory royalties or other payments, or by the drilling of any wells upon the lands with respect which the overriding royalty interest in said leases is hereby assigned, it being expressly understood that Assignee is to receive said overriding royalty interest in such production only out of the oil, gas and other hydrocarbon substances and minerals, if, as and when produced, saved and marketed at the sole will of Assignor from said lands under the terms and provisions of each lease, and Assignor herein, his heirs, successors, assigns and/or legal representatives, may release said leases or any part thereof at will and without liability to Assignee, their heirs, successors, assigns and/or legal representatives.

F. The overriding royalty interest herein assigned shall be applicable to any renewal, extension or new lease taken or acquired by Assignor, its successors and assigns, within a period of six (6) months from date of the termination of any lease described in Exhibit "A" as to the land and minerals covered and affected by said new lease.

This Assignment is made without covenants of warranty, either expressed or implied but shall be binding upon and inure to the benefit of the heirs, representatives, successors and assigns of the parties hereto.

This instrument executed this 4th day of March, 1998.

ATTEST:

By: _____

ANSCHUTZ WESTERN CORPORATION

By: _____
Nancy E. Holtz
Assistant Vice President

ACKNOWLEDGMENT FOR CORPORATION

STATE OF COLORADO)
) SS.
COUNTY OF DENVER)

Before me, the undersigned authority, on this day personally appeared NANCY E. HOLTZ, Assistant Vice President of ANSCHUTZ WESTERN CORPORATION, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed and in the capacity therein stated as the act and deed of said company.

Given under my hand and seal of office this 4th day of March, 1998.

_____
Denise Papoi, Notary Public

My commission expires: 4/29/00

N:\ORR\JONAH-6.AWC

ANSCHUTZ WESTERN CORPORATION
Jonah Prospect #2698
Page 1

LEASE SCHEDULE

EXHIBIT "A," STATE OF WYOMING COUNTY OF SUBLETTE

LEASE NUMBER WY-2698	LESSOR	LESSEE	DATE	TERM	DESCRIPTION
00002	USA-WYW-130316	McLish Resources L.P.	10/1/93	HBP	T29N-R108W Section 1: Lot 4, SW¼NE¼, S½NW¼, S½ Section 12: NW¼, E½, E½SW¼, NW¼SW¼ Section 13: NE¼, N½NW¼, NE¼SE¼
00003	USA-WYW-130317	McLish Resources L.P.	10/1/93	HBP	T29N-R108W Section 2: Lots 1-4, S½N½, S½ Section 3: S½NE¼, SE¼NW¼, N½SE¼, SE¼SE¼ Section 11: E½NE¼, NW¼NE¼, N½NW¼, SE¼NW¼, N½SE¼, SE¼SE¼

WHEN RECORDED, PLEASE RETURN TO
THE ANSCHUTZ CORPORATION
555 17TH STREET, SUITE 2400
DENVER, COLORADO 80202

675

676

ASSIGNMENT OF OVERRIDING ROYALTY

Anschutz Western Corporation, Suite 2400, 555 17th Street, Denver, Colorado 80202, hereinafter called Assignor, for and in consideration of the sum of Ten Dollars ($10.00) cash in hand paid and other good and valuable consideration, the receipt of which is hereby acknowledged, does hereby grant, sell, bargain, convey, transfer, assign and deliver unto the following named party the interest set out opposite his name, of all oil and/or gas produced, saved and sold from the oil and gas leasehold estates, with respect to the oil and gas leases and lands described on Exhibit "A" attached hereto and made a part hereof:

Edward M. Warner
1512 Larimer, Suite 1000
Denver, CO 80202
an undivided .5 of 1% of 8/8ths

267522

RECORDED June 2 1998 M 12:45 P
IN BOOK 107 Q-R PAGE 676
FEES $ 10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Shirlee Pape

The overriding royalty interest hereinabove assigned is subject to the following terms, provisions and conditions:

A. Said overriding royalty interest is subject to the terms and provisions of said leases described on Exhibit "A", and any amendments or modifications of said leases.

B. Said overriding royalty interest shall be free and clear of all drilling developing, operating costs and expenses except such costs, if any, incurred in dehydrating, treating, transporting, boosting, compressing or otherwise processing same in order to make same marketable, and same shall be calculated after deducting oil and gas used for operations on the premises, with the option on the part of Assignor to deduct the proportionate part of fuel used in any central plant serving the premises or of using other than the identical oil and gas produced for operations on the premises, and deducting any so used, but Assignee shall bear and pay all taxes of every nature whatever, which may now or hereafter be applicable to or in any manner connected with or a lien upon Assignee's overriding royalty interest or the production attributable thereto, including without limitation all production, severance, gathering, transportation or similar taxes attributable to Assignee's interest, and such other costs and charges as shall be applicable to and borne by lessor's royalties under the terms of the leases. If Assignor shall reinject gas produced under said leases or from land pooled therewith into injection wells situated on land covered by said Exhibit "A" leases or lands pooled therewith in connection with any recycling or pressure maintenance program, the quantity of gas produced under said leases or from land pooled therewith which is thus reinjected into said injection wells shall be deducted before the overriding royalties herein assigned are computed. No overriding royalties shall be payable upon gas and casinghead gas used for recycling or repressuring operations benefiting said lands. In the event the leases above described provide that shut-in gas payments shall be made as royalties rather than rentals, Assignee herein shall not be entitled to any payment with respect to said overriding royalty in connection with such payments. Except as may be otherwise provided in this assignment, the overriding royalty herein assigned shall be treated computed, paid and/or delivered to the Assignee in the same manner and under the same terms and conditions as are provided in each lease for the payment or delivery of royalties to the lessor therein.

C. The overriding royalty may be pooled and unitized in the same manner and under the same and identical terms, conditions and provisions as the lessor's royalties may be pooled and unitized under the terms of each lease above described.

D. The overriding royalty herein assigned is based upon the assumption that the leases described on Exhibit "A" cover and affect the entire fee simple mineral estate in the lands covered thereby. In the event of loss or failure of title as to the whole or any portion of the leased premises, the overriding royalty interest as to such lease and lands affected by such loss or failure of title shall be reduced in the proportion in which title shall have failed, and in such event the overriding royalty interest herein assigned shall be proportionately reduced. If the lease described in Exhibit "A" attached hereto covers less than the entire and undivided fee simple estate therein, then and in such event the overriding royalty interest herein assigned shall be proportionately reduced.

E. No obligations, either expressed or implied, shall arise by reason of the assignment herein by Assignor of overriding royalty interest which shall obligate Assignor to keep, drill, produce, operate and maintain the said leases in force and effect either by the payment of rentals, compensatory royalties or other payments, or by the drilling of any wells upon the lands with respect which the overriding royalty interest in said leases is hereby assigned, it being expressly understood that Assignee is to receive said overriding royalty interest in such production only out of the oil, gas and other hydrocarbon substances and minerals, if, as and when produced, saved and marketed at the sole will of Assignor from said lands under the terms and provisions of each lease, and Assignor herein, his heirs, successors, assigns and/or legal representatives, may release said leases or any part thereof at will and without liability to Assignee, their heirs, successors, assigns and/or legal representatives.

[redacted] [redacted] [redacted]

F. The overriding royalty interest herein assigned shall be applicable to any renewal, extension or new lease taken or acquired by Assignor, its successors and assigns, within a period of six (6) months from date of the termination of any lease described in Exhibit "A" as to the land and minerals covered and affected by said new lease.

This Assignment is made without covenants of warranty, either expressed or implied but shall be binding upon and inure to the benefit of the heirs, representatives, successors and assigns of the parties hereto.

This instrument executed this 4th day of March, 1998.

ATTEST:

By: _____
Pamela S. Kalstrom
Assistant Secretary

ANSCHUTZ WESTERN CORPORATION

By: _____
Nancy E. Holtz
Assistant Vice President

ACKNOWLEDGMENT FOR CORPORATION

STATE OF COLORADO)
) SS.
COUNTY OF DENVER)

Before me, the undersigned authority, on this day personally appeared NANCY E. HOLTZ, Assistant Vice President of ANSCHUTZ WESTERN CORPORATION, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed and in the capacity therein stated as the act and deed of said company.

Given under my hand and seal of office this 4th day of March, 1998.

_____
Denise Papoi, Notary Public

My commission expires: 4/29/00

N:\ORR\JONAH-8.AWC

ANSCHUTZ WESTERN CORPORATION
Jonah Prospect #2698

LEASE SCHEDULE

EXHIBIT "A," STATE OF WYOMING COUNTY OF SUBLETTE

LEASE NUMBER WY-2698	LESSOR	LESSEE	DATE	TERM	DESCRIPTION
00002	USA-WYW-130316	McLish Resources L.P.	10/1/93	HBP	T29N-R108W Section 1: Lot 4, SW¼NE¼, S½NW¼, S½ Section 12: NW¼, E½, E½SW¼, NW¼SW¼ Section 13: NE¼, N½NW¼, NE¼SE¼
00003	USA-WYW-130317	McLish Resources L.P.	10/1/93	HBP	T29N-R108W Section 2: Lots 1-4, S½N½, S½ Section 3: S½NE¼, SE¼NW¼, N½SE¼, SE¼SE¼ Section 11: E½NE¼, NW¼NE¼, N½NW¼, SE¼NW¼, N½SE¼, SE¼SE¼

WHEN RECORDED, PLEASE RETURN TO
THE ANSCHUTZ CORPORATION
555 17TH STREET, SUITE 2400
DENVER, COLORADO 80202

678

ASSIGNMENT OF OVERRIDING ROYALTY

Anschutz Western Corporation, Suite 2400, 555 17th Street, Denver, Colorado 80202, hereinafter called Assignor, for and in consideration of the sum of Ten Dollars ($10.00) cash in hand paid and other good and valuable consideration, the receipt of which is hereby acknowledged, does hereby grant, sell, bargain, convey, transfer, assign and deliver unto the following named party the interest set out opposite his name, of all oil and/or gas produced, saved and sold from the oil and gas leasehold estates, with respect to the oil and gas leases and lands described on Exhibit "A" attached hereto and made a part hereof:

Edward M. Warner
1512 Larimer, Suite 1000
Denver, CO 80202
an undivided 1% of 8/8ths

267523

RECORDED June 2 1998 M 12:45 P
IN BOOK 104 Q-6 PAGE 472
FEES $ 10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Stephi Pope

The above stated overriding royalty opposite each parties name shall be as stated above until, if upon the occurrence of "payout" (as defined in that certain Farmout Contract dated December 23, 1996, as amended, by and between Anschutz Exploration Corporation, as Farmee, and McLish Resources, L.P., et al, as Farmor), McLish Resources, L.P., et al elects to participate for an undivided fifty percent (50%) leasehold working interest in the proration unit for the Sand Draw #7-11 Well, then in such event, effective as of "payout of the Sand Draw #7-11 Well, the overriding royalty interest hereinabove conveyed shall be reduced to the following overriding royalty interest set out hereinbelow.

Edward M. Warner
1512 Larimer, Suite 1000
Denver, CO 80202
an undivided .5 of 1% of 8/8ths

The overriding royalty interest hereinabove assigned is subject to the following terms, provisions and conditions:

A. Said overriding royalty interest is subject to the terms and provisions of said leases described on Exhibit "A", and any amendments or modifications of said leases.

B. Said overriding royalty interest shall be free and clear of all drilling developing, operating costs and expenses except such costs, if any, incurred in dehydrating, treating, transporting, boosting, compressing or otherwise processing same in order to make same marketable, and same shall be calculated after deducting oil and gas used for operations on the premises, with the option on the part of Assignor to deduct the proportionate part of fuel used in any central plant serving the premises or of using other than the identical oil and gas produced for operations on the premises, and deducting any so used, but Assignee shall bear and pay all taxes of every nature whatever, which may now or hereafter be applicable to or in any manner connected with or a lien upon Assignee's overriding royalty interest or the production attributable thereto, including without limitation all production, severance, gathering, transportation or similar taxes attributable to Assignee's interest, and such other costs and charges as shall be applicable to and borne by lessor's royalties under the terms of the leases. If Assignor shall reinject gas produced under said leases or from land pooled therewith into injection wells situated on land covered by said Exhibit "A" leases or lands pooled therewith in connection with any recycling or pressure maintenance program, the quantity of gas produced under said leases or from land pooled therewith which is thus reinjected into said injection wells shall be deducted before the overriding royalties herein assigned are computed. No overriding royalties shall be payable upon gas and casinghead gas used for recycling or repressuring operations benefiting said lands. In the event the leases above described provide that shut-in gas payments shall be made as royalties rather than rentals, Assignee herein shall not be entitled to any payment with respect to said overriding royalty in connection with such payments. Except as may be otherwise provided in this assignment, the overriding royalty herein assigned shall be treated computed, paid and/or delivered to the Assignee in the same manner and under the same terms and conditions as are provided in each lease for the payment or delivery of royalties to the lessor therein.

C. The overriding royalty may be pooled and unitized in the same manner and under the same and identical terms, conditions and provisions as the lessor's royalties may be pooled and unitized under the terms of each lease above described.

D. The overriding royalty herein assigned is based upon the assumption that the leases described on Exhibit "A" cover and affect the entire fee simple mineral estate in the lands covered thereby. In the event of loss or failure of title as to the whole or any portion of the leased premises, the overriding royalty interest as to such lease and lands affected by such loss or failure of title shall be reduced in the proportion in which title shall have failed, and in such event the overriding royalty interest herein assigned shall be proportionately reduced. If the lease described in Exhibit "A" attached hereto covers less than the entire and undivided fee simple estate therein, then and in such event the overriding royalty interest herein assigned shall be proportionately reduced.

E. No obligations, either expressed or implied, shall arise by reason of the assignment herein by Assignor of overriding royalty interest which shall obligate Assignor to keep, drill, produce, operate and maintain the said leases in force and effect either by the payment of rentals, compensatory

royalties or other payments, or by the drilling of any wells upon the lands with respect which the overriding royalty interest in said leases is hereby assigned, it being expressly understood that Assignee is to receive said overriding royalty interest in such production only out of the oil, gas and other hydrocarbon substances and minerals, if, as and when produced, saved and marketed at the sole will of Assignor from said lands under the terms and provisions of each lease, and Assignor herein, his heirs, successors, assigns and/or legal representatives, may release said leases or any part thereof at will and without liability to Assignee, their heirs, successors, assigns and/or legal representatives.

F. The overriding royalty interest herein assigned shall be applicable to any renewal, extension or new lease taken or acquired by Assignor, its successors and assigns, within a period of six (6) months from date of the termination of any lease described in Exhibit "A" as to the land and minerals covered and affected by said new lease.

This Assignment is made without covenants of warranty, either expressed or implied but shall be binding upon and inure to the benefit of the heirs, representatives, successors and assigns of the parties hereto.

This instrument executed this 4th day of March, 1998, but effective as of first production of the Sand Draw Fed. #7-11 Well.

ATTEST:

By: _____
Pamela S. Kalstrom
Assistant Secretary

ANSCHUTZ WESTERN CORPORATION

By: _____
Nancy E. Holtz
Assistant Vice President

ACKNOWLEDGMENT FOR CORPORATION

STATE OF COLORADO)
) SS.
COUNTY OF DENVER)

Before me, the undersigned authority, on this day personally appeared NANCY E. HOLTZ, Assistant Vice President of ANSCHUTZ WESTERN CORPORATION, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed and in the capacity therein stated as the act and deed of said company.

Given under my hand and seal of office this 4th day of March, 1998.

_____
Denise Papoi, Notary Public

My commission expires: 4/29/00

N:\ORR\JONAH-4.AWC

ANSCHUTZ WESTERN CORPORATION
Jonah Prospect #2698
Page 1

LEASE SCHEDULE

EXHIBIT "A," STATE OF WYOMING COUNTY OF SUBLETTE

LEASE NUMBER WY-2698	LESSOR	LESSEE	DATE	TERM	DESCRIPTION
00003	USA-WYW-130317	McLish Resources L.P.	10/1/93	HBP	T29N-R108W Section 11: SW¼NE¼

WHEN RECORDED, PLEASE RETURN TO
THE ANSCHUTZ CORPORATION
555 17TH STREET, SUITE 2400
DENVER, COLORADO 80202

681

682

ASSIGNMENT OF OVERRIDING ROYALTY

Anschutz Western Corporation, Suite 2400, 555 17th Street, Denver, Colorado 80202, hereinafter called Assignor, for and in consideration of the sum of Ten Dollars ($10.00) cash in hand paid and other good and valuable consideration, the receipt of which is hereby acknowledged, does hereby grant, sell, bargain, convey, transfer, assign and deliver unto the following named party the interest set out opposite his name, of all oil and/or gas produced, saved and sold from the oil and gas leasehold estates, with respect to the oil and gas leases and lands described on Exhibit "A" attached hereto and made a part hereof:

John A. Masters and Lenora P. Masters, as Joint Tenants with the Right of Survivorship
P.O. Box 335
Castle Rock, CO 80104
an undivided .8024 of 1% of 8/8ths

Piedmont Minerals Company
5838 S. Stanida Circle
Salt Lake City, UT 84121
an undivided .1 of 1% of 8/8ths

William J. Miller and Nancy Miller, as Joint Tenants with the Right of Survivorship
5233 West Capri Place
Littleton, CO 80123
an undivided .3 of 1% of 8/8ths

Hal B. Koerner, Jr. and Diane Lynn Koerner, as Joint Tenants with the Right of Survivorship
6811 Hillridge Place
Parker, CO 80134
an undivided .2 of 1% of 8/8ths

Dolly Family Limited Partnership
74 Fir Lane
Evergreen, CO 80439
an undivided .3 of 1% of 8/8ths

Gary Young
4511 Christensen Circle
Littleton, CO 80123
an undivided .3 of 1% of 8/8ths

Dave Dlouhy
6128 S. Coventry Lane East
Littleton, CO 80123
an undivided .175 of 1% of 8/8ths

Anschutz Exploration Corporation Royalty Pool
555 17th Street, Suite 2400
Denver, CO 80202
an undivided 1.5% of 8/8ths

C L Machinery Company
555 17th Street, Suite 2400
Denver, CO 80202
an undivided .3226 of 1% of 8/8ths

267524

RECORDED June 2 1998 M 12:45 P
IN BOOK 187 Misc. PAGE 682
FEES $12.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By [illegible]

The above stated overriding royalty opposite each parties name shall be as stated above until, if upon the occurrence of "payout" (as defined in that certain Farmout Contract dated December 23, 1996, as amended, by and between Anschutz Exploration Corporation, as Farmee, and McLish Resources, L.P., et al, as Farmor), McLish Resources, L.P., et al elects to participate for an undivided fifty percent (50%) leasehold working interest in the proration unit for the Sand Draw #7-11 Well, then in such event, effective as of "payout of the Sand Draw #7-11 Well, the overriding royalty interest hereinabove conveyed shall be reduced to the following overriding royalty interest set out hereinbelow.

John A. Masters and Lenora P. Masters, as Joint Tenants with the Right of Survivorship
P.O. Box 335
Castle Rock, CO 80104
an undivided .4012 of 1% of 8/8ths

Piedmont Minerals Company
5838 S. Stanida Circle
Salt Lake City, UT 84121
an undivided .05 of 1% of 8/8ths

William J. Miller and Nancy Miller, as Joint Tenants with the Right of Survivorship
5233 West Capri Place
Littleton, CO 80123
an undivided .15 of 1% of 8/8ths

Hal B. Koerner, Jr. and Diane Lynn Koerner, as Joint Tenants with the Right of Survivorship
6811 Hillridge Place
Parker, CO 80134
an undivided .1 of 1% of 8/8ths

Dolly Family Limited Partnership
74 Fir Lane
Evergreen, CO 80439
an undivided .15 of 1% of 8/8ths

Gary Young
4511 Christensen Circle
Littleton, CO 80123
an undivided .15 of 1% of 8/8ths

Dave Dlouhy
6128 S. Coventry Lane East
Littleton, CO 80123
an undivided .0875 of 1% of 8/8ths

Anschutz Exploration Corporation Royalty Pool
555 17th Street, Suite 2400
Denver, CO 80202
an undivided .75 of 1% of 8/8ths

C L Machinery Company
555 17th Street, Suite 2400
Denver, CO 80202
an undivided .1613 of 1% of 8/8ths

N:\ORR\JONAH-2.AWC

[redacted] [redacted] [redacted]

[redacted] [redacted] [redacted]

The overriding royalty interest hereinabove assigned is subject to the following terms, provisions and conditions:

A. Said overriding royalty interest is subject to the terms and provisions of said leases described on Exhibit "A", and any amendments or modifications of said leases.

B. Said overriding royalty interest shall be free and clear of all drilling developing, operating costs and expenses except such costs, if any, incurred in dehydrating, treating, transporting, boosting, compressing or otherwise processing same in order to make same marketable, and same shall be calculated after deducting oil and gas used for operations on the premises, with the option on the part of Assignor to deduct the proportionate part of fuel used in any central plant serving the premises or of using other than the identical oil and gas produced for operations on the premises, and deducting any so used, but Assignee shall bear and pay all taxes of every nature whatever, which may now or hereafter be applicable to or in any manner connected with or a lien upon Assignee's overriding royalty interest or the production attributable thereto, including without limitation all production, severance, gathering, transportation or similar taxes attributable to Assignee's interest, and such other costs and charges as shall be applicable to and borne by lessor's royalties under the terms of the leases. If Assignor shall reinject gas produced under said leases or from land pooled therewith into injection wells situated on land covered by said Exhibit "A" leases or lands pooled therewith in connection with any recycling or pressure maintenance program, the quantity of gas produced under said leases or from land pooled therewith which is thus reinjected into said injection wells shall be deducted before the overriding royalties herein assigned are computed. No overriding royalties shall be payable upon gas and casinghead gas used for recycling or repressuring operations benefiting said lands. In the event the leases above described provide that shut-in gas payments shall be made as royalties rather than rentals, Assignee herein shall not be entitled to any payment with respect to said overriding royalty in connection with such payments. Except as may be otherwise provided in this assignment, the overriding royalty herein assigned shall be treated computed, paid and/or delivered to the Assignee in the same manner and under the same terms and conditions as are provided in each lease for the payment or delivery of royalties to the lessor therein.

C. The overriding royalty may be pooled and unitized in the same manner and under the same and identical terms, conditions and provisions as the lessor's royalties may be pooled and unitized under the terms of each lease above described.

D. The overriding royalty herein assigned is based upon the assumption that the leases described on Exhibit "A" cover and affect the entire fee simple mineral estate in the lands covered thereby. In the event of loss or failure of title as to the whole or any portion of the leased premises, the overriding royalty interest as to such lease and lands affected by such loss or failure of title shall be reduced in the proportion in which title shall have failed, and in such event the overriding royalty interest herein assigned shall be proportionately reduced. If the lease described in Exhibit "A" attached hereto covers less than the entire and undivided fee simple estate therein, then and in such event the overriding royalty interest herein assigned shall be proportionately reduced.

E. No obligations, either expressed or implied, shall arise by reason of the assignment herein by Assignor of overriding royalty interest which shall obligate Assignor to keep, drill, produce, operate and maintain the said leases in force and effect either by the payment of rentals, compensatory royalties or other payments, or by the drilling of any wells upon the lands with respect which the overriding royalty interest in said leases is hereby assigned, it being expressly understood that Assignee is to receive said overriding royalty interest in such production only out of the oil, gas and other hydrocarbon substances and minerals, if, as and when produced, saved and marketed at the sole will of Assignor from said lands under the terms and provisions of each lease, and Assignor herein, his heirs, successors, assigns and/or legal representatives, may release said leases or any part thereof at will and without liability to Assignee, their heirs, successors, assigns and/or legal representatives.

F. The overriding royalty interest herein assigned shall be applicable to any renewal, extension or new lease taken or acquired by Assignor, its successors and assigns, within a period of six (6) months from date of the termination of any lease described in Exhibit "A" as to the land and minerals covered and affected by said new lease.

This Assignment is made without covenants of warranty, either expressed or implied but shall be binding upon and inure to the benefit of the heirs, representatives, successors and assigns of the parties hereto.

This instrument executed this 4th day of March, 1998, but effective as of first production of the Sand Draw Fed. #7-11 Well.

ATTEST:

[illegible]rom
[illegible]retary

N:\ORR\JOHN\PF\AWC

ANSCHUTZ WESTERN CORPORATION

By: Nancy E. Holtz
Nancy E. Holtz
Assistant Vice President

684

ACKNOWLEDGMENT FOR CORPORATION

STATE OF COLORADO)
) SS.
COUNTY OF DENVER)

Before me, the undersigned authority, on this day personally appeared NANCY E. HOLTZ, Assistant Vice President of ANSCHUTZ WESTERN CORPORATION, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed and in the capacity therein stated as the act and deed of said company.

Given under my hand and seal of office this 4th day of March, 1998.

NOTARY PUBLIC STATE OF COLORADO

Denise Papoi
Denise Papoi, Notary Public

My commission expires: 4/29/00

N:\ORR\JONAH-2.AWC

WHEN RECORDED, PLEASE RETURN TO
THE ANSCHUTZ CORPORATION
555 17TH STREET, SUITE 2400
DENVER, COLORADO 80202

ANSCHUTZ WESTERN CORPORATION

Jonah Prospect #2698

Page 1

LEASE SCHEDULE

EXHIBIT "A," STATE OF WYOMING COUNTY OF SUBLETTE

LEASE NUMBER WY-2698	LESSOR	LESSEE	DATE	TERM	DESCRIPTION
00003	USA-WYW-130317	McLish Resources L.P.	10/1/93	HBP	T29N-R108W Section 11: SW¼NE¼

585

686

ASSIGNMENT OF OVERRIDING ROYALTY

Anschutz Western Corporation, Suite 2400, 555 17th Street, Denver, Colorado 80202, hereinafter called Assignor, for and in consideration of the sum of Ten Dollars ($10.00) cash in hand paid and other good and valuable consideration, the receipt of which is hereby acknowledged, does hereby grant, sell, bargain, convey, transfer, assign and deliver unto the following named party the interest set out opposite his name, of all oil and/or gas produced, saved and sold from the oil and gas leasehold estates, with respect to the oil and gas leases and lands described on Exhibit "A" attached hereto and made a part hereof:

John A. Masters and Lenora P. Masters, as Joint Tenants with the Right of Survivorship
P.O. Box 335
Castle Rock, CO 80104
an undivided .8024 of 1% of 8/8ths

Piedmont Minerals Company
5838 S. Stanida Circle
Salt Lake City, UT 84121
an undivided .1 of 1% of 8/8ths

William J. Miller and Nancy Miller, as Joint Tenants with the Right of Survivorship
5233 West Capri Place
Littleton, CO 80123
an undivided .3 of 1% of 8/8ths

Hal B. Koerner, Jr. and Diane Lynn Koerner, as Joint Tenants with the Right of Survivorship
6811 Hillridge Place
Parker, CO 80134
an undivided .2 of 1% of 8/8ths

Dolly Family Limited Partnership
74 Fir Lane
Evergreen, CO 80439
an undivided .3 of 1% of 8/8ths

Gary Young
4511 Christensen Circle
Littleton, CO 80123
an undivided .3 of 1% of 8/8ths

Dave Dlouhy
6128 S. Coventry Lane East
Littleton, CO 80123
an undivided .175 of 1% of 8/8ths

Anschutz Exploration Corporation Royalty Pool
555 17th Street, Suite 2400
Denver, CO 80202
an undivided 1.5% of 8/8ths

C L Machinery Company
555 17th Street, Suite 2400
Denver, CO 80202
an undivided .3226 of 1% of 8/8ths

267525

RECORDED Aug 3 1998 M 12:45 P
IN BOOK 167 R&P PAGE 686
FEES $ 12.00 CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Sharon Pape

The above stated overriding royalty opposite each parties name shall be as stated above until, if upon the occurrence of "payout" (as defined in that certain Farmout Contract dated December 23, 1996, as amended, by and between Anschutz Exploration Corporation, as Farmee, and McLish Resources, L.P., et al, as Farmor), McLish Resources, L.P., et al elects to participate for an undivided fifty percent (50%) leasehold working interest in the proration unit for the Sand Draw #13-12 Well, then in such event, effective as of "payout of the Sand Draw #13-12 Well, the overriding royalty interest hereinabove conveyed shall be reduced to the following overriding royalty interest set out hereinbelow.

John A. Masters and Lenora P. Masters, as Joint Tenants with the Right of Survivorship
P.O. Box 335
Castle Rock, CO 80104
an undivided .4012 of 1% of 8/8ths

Piedmont Minerals Company
5838 S. Stanida Circle
Salt Lake City, UT 84121
an undivided .05 of 1% of 8/8ths

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Littleton, CO 80123
an undivided .15 of 1% of 8/8ths

Hal B. Koerner, Jr. and Diane Lynn Koerner, as Joint Tenants with the Right of Survivorship
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Parker, CO 80134
an undivided .1 of 1% of 8/8ths

Dolly Family Limited Partnership
74 Fir Lane
Evergreen, CO 80439
an undivided .15 of 1% of 8/8ths

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Littleton, CO 80123
an undivided .15 of 1% of 8/8ths

Dave Dlouhy
6128 S. Coventry Lane East
Littleton, CO 80123
an undivided .0875 of 1% of 8/8ths

Anschutz Exploration Corporation Royalty Pool
555 17th Street, Suite 2400
Denver, CO 80202
an undivided .75 of 1% of 8/8ths

C L Machinery Company
555 17th Street, Suite 2400
Denver, CO 80202
an undivided .1613 of 1% of 8/8ths

N:\ORR\JONAH-1.AWC

[redacted] [redacted] [redacted]

[redacted] [redacted] [redacted]

The overriding royalty interest hereinabove assigned is subject to the following terms, provisions and conditions:

A. Said overriding royalty interest is subject to the terms and provisions of said leases described on Exhibit "A", and any amendments or modifications of said leases.

B. Said overriding royalty interest shall be free and clear of all drilling developing, operating costs and expenses except such costs, if any, incurred in dehydrating, treating, transporting, boosting, compressing or otherwise processing same in order to make same marketable, and same shall be calculated after deducting oil and gas used for operations on the premises, with the option on the part of Assignor to deduct the proportionate part of fuel used in any central plant serving the premises or of using other than the identical oil and gas produced for operations on the premises, and deducting any so used, but Assignee shall bear and pay all taxes of every nature whatever, which may now or hereafter be applicable to or in any manner connected with or a lien upon Assignee's overriding royalty interest or the production attributable thereto, including without limitation all production, severance, gathering, transportation or similar taxes attributable to Assignee's interest, and such other costs and charges as shall be applicable to and borne by lessor's royalties under the terms of the leases. If Assignor shall reinject gas produced under said leases or from land pooled therewith into injection wells situated on land covered by said Exhibit "A" leases or lands pooled therewith in connection with any recycling or pressure maintenance program, the quantity of gas produced under said leases or from land pooled therewith which is thus reinjected into said injection wells shall be deducted before the overriding royalties herein assigned are computed. No overriding royalties shall be payable upon gas and casinghead gas used for recycling or repressuring operations benefiting said lands. In the event the leases above described provide that shut-in gas payments shall be made as royalties rather than rentals, Assignee herein shall not be entitled to any payment with respect to said overriding royalty in connection with such payments. Except as may be otherwise provided in this assignment, the overriding royalty herein assigned shall be treated computed, paid and/or delivered to the Assignee in the same manner and under the same terms and conditions as are provided in each lease for the payment or delivery of royalties to the lessor therein.

C. The overriding royalty may be pooled and unitized in the same manner and under the same and identical terms, conditions and provisions as the lessor's royalties may be pooled and unitized under the terms of each lease above described.

D. The overriding royalty herein assigned is based upon the assumption that the leases described on Exhibit "A" cover and affect the entire fee simple mineral estate in the lands covered thereby. In the event of loss or failure of title as to the whole or any portion of the leased premises, the overriding royalty interest as to such lease and lands affected by such loss or failure of title shall be reduced in the proportion in which title shall have failed, and in such event the overriding royalty interest herein assigned shall be proportionately reduced. If the lease described in Exhibit "A" attached hereto covers less than the entire and undivided fee simple estate therein, then and in such event the overriding royalty interest herein assigned shall be proportionately reduced.

E. No obligations, either expressed or implied, shall arise by reason of the assignment herein by Assignor of overriding royalty interest which shall obligate Assignor to keep, drill, produce, operate and maintain the said leases in force and effect either by the payment of rentals, compensatory royalties or other payments, or by the drilling of any wells upon the lands with respect which the overriding royalty interest in said leases is hereby assigned, it being expressly understood that Assignee is to receive said overriding royalty interest in such production only out of the oil, gas and other hydrocarbon substances and minerals, if, as and when produced, saved and marketed at the sole will of Assignor from said lands under the terms and provisions of each lease, and Assignor herein, his heirs, successors, assigns and/or legal representatives, may release said leases or any part thereof at will and without liability to Assignee, their heirs, successors, assigns and/or legal representatives.

F. The overriding royalty interest herein assigned shall be applicable to any renewal, extension or new lease taken or acquired by Assignor, its successors and assigns, within a period of six (6) months from date of the termination of any lease described in Exhibit "A" as to the land and minerals covered and affected by said new lease.

This Assignment is made without covenants of warranty, either expressed or implied but shall be binding upon and inure to the benefit of the heirs, representatives, successors and assigns of the parties hereto.

This instrument executed this 4th day of March, 1998, but effective as of first production of the Sand Draw Fed. #13-12 Well.

ATTEST:

By: Pamela S. Johnson
Assistant Secretary

N:\ORRUONAH\AWC

ANSCHUTZ WESTERN CORPORATION

By: Nancy E Holtz
Nancy E. Holtz
Assistant Vice President

ACKNOWLEDGMENT FOR CORPORATION

STATE OF COLORADO)
) SS.
COUNTY OF DENVER)

Before me, the undersigned authority, on this day personally appeared NANCY E. HOLTZ, Assistant Vice President of ANSCHUTZ WESTERN CORPORATION, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed and in the capacity therein stated as the act and deed of said company.

Given under my hand and seal of office this 4th day of March, 1998.

NOTARY PUBLIC SEAL STATE OF COLORADO

Denise Papoi

Denise Papoi, Notary Public

My commission expires: 4/29/00

N:\ORR\JONAH-1.AWC

[redacted]

[redacted]

WHEN RECORDED, PLEASE RETURN TO
THE ANSCHUTZ CORPORATION
555 17TH STREET, SUITE 2400
DENVER, COLORADO 80202

[redacted]

ANSCHUTZ WESTERN CORPORATION

Jonah Prospect #2698

LEASE SCHEDULE

EXHIBIT "A," STATE OF WYOMING COUNTY OF SUBLETTE

LEASE NUMBER WY-2698	LESSOR	LESSEE	DATE	TERM	DESCRIPTION
00002	USA-WYW-130316	McLish Resources L.P.	10/1/93	HBP	T29N-R108W Section 12: SW¼SW¼

690

ASSIGNMENT OF OVERRIDING ROYALTY

Anschutz Western Corporation, Suite 2400, 555 17th Street, Denver, Colorado 80202, hereinafter called Assignor, for and in consideration of the sum of Ten Dollars ($10.00) cash in hand paid and other good and valuable consideration, the receipt of which is hereby acknowledged, does hereby grant, sell, bargain, convey, transfer, assign and deliver unto the following named party the interest set out opposite his name, of all oil and/or gas produced, saved and sold from the oil and gas leasehold estates, with respect to the oil and gas leases and lands described on Exhibit "A" attached hereto and made a part hereof:

Edward M. Warner
1512 Larimer, Suite 1000
Denver, CO 80202
an undivided 1% of 8/8ths

RECORDED June 2 1998 M 12:45 P
IN BOOK 187 A-A PAGE 690
FEES $ 10.00 COUNTY CLERK
SUBLETTE COUNTY
By Kate Pape

267526

The above stated overriding royalty opposite each parties name shall be as stated above until, if upon the occurrence of "payout" (as defined in that certain Farmout Contract dated December 23, 1996, as amended, by and between Anschutz Exploration Corporation, as Farmee, and McLish Resources, L.P., et al, as Farmor), McLish Resources, L.P., et al elects to participate for an undivided fifty percent (50%) leasehold working interest in the proration unit for the Sand Draw #13-12 Well, then in such event, effective as of "payout of the Sand Draw #13-12 Well, the overriding royalty interest hereinabove conveyed shall be reduced to the following overriding royalty interest set out hereinbelow.

Edward M. Warner
1512 Larimer, Suite 1000
Denver, CO 80202
an undivided .5 of 1% of 8/8ths

The overriding royalty interest hereinabove assigned is subject to the following terms, provisions and conditions:

A. Said overriding royalty interest is subject to the terms and provisions of said leases described on Exhibit "A", and any amendments or modifications of said leases.

B. Said overriding royalty interest shall be free and clear of all drilling developing, operating costs and expenses except such costs, if any, incurred in dehydrating, treating, transporting, boosting, compressing or otherwise processing same in order to make same marketable, and same shall be calculated after deducting oil and gas used for operations on the premises, with the option on the part of Assignor to deduct the proportionate part of fuel used in any central plant serving the premises or of using other than the identical oil and gas produced for operations on the premises, and deducting any so used, but Assignee shall bear and pay all taxes of every nature whatever, which may now or hereafter be applicable to or in any manner connected with or a lien upon Assignee's overriding royalty interest or the production attributable thereto, including without limitation all production, severance, gathering, transportation or similar taxes attributable to Assignee's interest, and such other costs and charges as shall be applicable to and borne by lessor's royalties under the terms of the leases. If Assignor shall reinject gas produced under said leases or from land pooled therewith into injection wells situated on land covered by said Exhibit "A" leases or lands pooled therewith in connection with any recycling or pressure maintenance program, the quantity of gas produced under said leases or from land pooled therewith which is thus reinjected into said injection wells shall be deducted before the overriding royalties herein assigned are computed. No overriding royalties shall be payable upon gas and casinghead gas used for recycling or repressuring operations benefiting said lands. In the event the leases above described provide that shut-in gas payments shall be made as royalties rather than rentals, Assignee herein shall not be entitled to any payment with respect to said overriding royalty in connection with such payments. Except as may be otherwise provided in this assignment, the overriding royalty herein assigned shall be treated computed, paid and/or delivered to the Assignee in the same manner and under the same terms and conditions as are provided in each lease for the payment or delivery of royalties to the lessor therein.

C. The overriding royalty may be pooled and unitized in the same manner and under the same and identical terms, conditions and provisions as the lessor's royalties may be pooled and unitized under the terms of each lease above described.

D. The overriding royalty herein assigned is based upon the assumption that the leases described on Exhibit "A" cover and affect the entire fee simple mineral estate in the lands covered thereby. In the event of loss or failure of title as to the whole or any portion of the leased premises, the overriding royalty interest as to such lease and lands affected by such loss or failure of title shall be reduced in the proportion in which title shall have failed, and in such event the overriding royalty interest herein assigned shall be proportionately reduced. If the lease described in Exhibit "A" attached hereto covers less than the entire and undivided fee simple estate therein, then and in such event the overriding royalty interest herein assigned shall be proportionately reduced.

E. No obligations, either expressed or implied, shall arise by reason of the assignment herein by Assignor of overriding royalty interest which shall obligate Assignor to keep, drill, produce, operate and maintain the said leases in force and effect either by the payment of rentals, compensatory

[redacted] [redacted] [redacted]

[redacted] [redacted] [redacted]

royalties or other payments, or by the drilling of any wells upon the lands with respect which the overriding royalty interest in said leases is hereby assigned, it being expressly understood that Assignee is to receive said overriding royalty interest in such production only out of the oil, gas and other hydrocarbon substances and minerals, if, as and when produced, saved and marketed at the sole will of Assignor from said lands under the terms and provisions of each lease, and Assignor herein, his heirs, successors, assigns and/or legal representatives, may release said leases or any part thereof at will and without liability to Assignee, their heirs, successors, assigns and/or legal representatives.

F. The overriding royalty interest herein assigned shall be applicable to any renewal, extension or new lease taken or acquired by Assignor, its successors and assigns, within a period of six (6) months from date of the termination of any lease described in Exhibit "A" as to the land and minerals covered and affected by said new lease.

This Assignment is made without covenants of warranty, either expressed or implied but shall be binding upon and inure to the benefit of the heirs, representatives, successors and assigns of the parties hereto.

This instrument executed this 4th day of March, 1998, but effective as of first production of the Sand Draw Fed. #13-12 Well.

ATTEST:

By: _____
Pamela S. Kaufman
Assistant Secretary

ANSCHUTZ WESTERN CORPORATION

By: _____
Nancy E. Holtz
Assistant Vice President

ACKNOWLEDGMENT FOR CORPORATION

STATE OF COLORADO)
) SS.
COUNTY OF DENVER)

Before me, the undersigned authority, on this day personally appeared NANCY E. HOLTZ, Assistant Vice President of ANSCHUTZ WESTERN CORPORATION, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed and in the capacity therein stated as the act and deed of said company.

Given under my hand and seal of office this 4th day of March, 1998.

_____
Denise Papoi, Notary Public

My commission expires: 4/29/00

N:\ORR\JONAH-3.AWC

ANSCHUTZ WESTERN CORPORATION
Jonah Prospect #2698
Page 1

LEASE SCHEDULE

EXHIBIT "A," STATE OF WYOMING COUNTY OF SUBLETTE

LEASE NUMBER WY-2698	LESSOR	LESSEE	DATE	TERM	DESCRIPTION
00002	USA-WYW-130316	McLish Resources L.P.	10/1/93	HBP	T29N-R108W Section 12: SW¼SW¼

WHEN RECORDED, PLEASE RETURN TO
THE ANSCHUTZ CORPORATION
555 17TH STREET, SUITE 2400
DENVER, COLORADO 80202

192

[redacted] [redacted] [redacted]

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-107040

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)*
   Street
   City, State, ZIP Code

Yates Petroleum Corporation 30%
105 South Fourth Street
Artesia, New Mexico 88210

*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 29 North, Range 108 West, 6th PM Section 8: W/2SE Containing 80.00 acres, more or less Sublette County, Wyoming Limited from the surface to 11,986' below the surface Subject to Farmout Agreement dated 8-20-97 between the parties hereto. Estelle H. Yates Estate of Peggy A. Yates John A. Yates Estate of Lillie M. Yates	100%	69.722221%	11.666667% 5.416667% 5.416667% 7.777778% 30.277779%	12.5% until pay-out of the Gobblers Knob Fed. #2 Well	none

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 _____

267540

RECORDED June 3 1998 M 9:40a
IN BOOK 107 Or 6 PAGE 693
FEES $ 9.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Scott

By _____ _____ _____
(Authorized Officer) (Title) (Date)

Part A (Continued): ADDITIONAL SPACE for Names and Interests of Lessees

Yates Drilling Company	10.166667%
Weed Oil & Gas, a Partnership	[illegible]
Sharbro Oil Ltd. Co.	7.777777%
Abo Petroleum Corporation	12.500000%
Myco Industries, Inc.	7.777777%

105 South Fourth Street
[illegible]

STATE OF NEW MEXICO)
:ss
COUNTY OF EDDY)

The foregoing instrument was acknowledged before me this 22nd day of May, 1998 by JOHN A. YATES, individually and as Personal Representative of the ESTATE OF PEGGY A. YATES, DECEASED; ESTELLE H. YATES; Frank Yates, Jr. as Attorney-in-Fact for S.P. Yates, B.W. Harper and Frank Yates, Jr., Personal Representatives of THE ESTATE OF LILLIE M. YATES, DECEASED.

[illegible] and official seal.

Notary Public

My Commission Expires:

1-27-2001

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 22 day of May, 1998, but effective December 20, 1997.

Transferor
Estate of Peggy A. Yates
John A. Yates
By: [signature]

Estelle H. Yates
By: [signature]

Estate of Lillie M. Yates
By: [signature]
Frank Yates, Jr., Attorney-in-Fact for S.P. Yates, Frank Yates, Jr., and B.W. Harper, Personal Representatives of the Estate of Lillie M. Yates, Deceased

Executed this _____ day of _____, 19 ____

Transferee _____
(Signature)
or
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: 1998-[illegible]

ASSIGNMENT AND BILL OF SALE

267549

RECORDED June 3 1998 M 11:35A
IN BOOK 107 O-G PAGE 695
FEES $ 101.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Shelia Page

STATE OF WYOMING §
§
COUNTY OF SUBLETTE §

This ASSIGNMENT AND BILL OF SALE ("Assignment") dated the 22nd day of May, 1998, but effective as of the 1st day of January, 1998 ("Effective Time"), is from Amoco Production Company, a Delaware corporation, with an office at 501 WestLake Park Boulevard, Houston, Texas 77079 (hereinafter referred to as "Assignor") to Snyder Oil Corporation, a Delaware corporation, with an office at 777 Main Street, Suite 1400, Fort Worth, Texas 76102 (hereinafter referred to as "Assignee").

FOR Ten Dollars and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor hereby GRANTS, CONVEYS, SELLS and ASSIGNS to Assignee the following properties (real, personal or mixed) and rights (contractual or otherwise):

(1) Assignor's right, title and interests in, to and under, or derived from, the oil and gas leasehold interests, royalty interests, overriding royalty interests, mineral interests, production payments, net profits interests, surface interests and water rights which are attributable to the interests described in Exhibit "A";

(2) Assignor's right, title and interests in, to and under, or derived from, the presently existing and valid unitization, communization and pooling declarations, orders, and agreements (including units formed by voluntary agreement and those formed under the rules, regulations, orders or other official acts of any governmental entity or tribal authority having appropriate jurisdiction) to the extent they relate to any of the interests which are described in Exhibit "A", or the production of oil, gas or other hydrocarbon and non-hydrocarbon substances attributable thereto;

(3) Assignor's right, title and interests in, to and under, or derived from, the presently existing and valid oil sales contracts, casinghead gas sales contracts, gas sales contracts, processing contracts, gathering contracts, transportation contracts, easements, rights-of-way, servitudes, surface leases, subsurface leases, purchase and sale agreements, farmout agreements, farmin contracts, joint operating contracts, preferential right to purchase contract provisions, microwave tower lease, permits, licenses, farm-out contracts, farm-in contracts, balancing contracts, operating agreements and other contracts, agreements and instruments, and any rights of subrogation to any claims, to the extent they relate to any of the interests which are described in Exhibit "A", or the

production of oil, gas or other hydrocarbon and non-hydrocarbon substances attributable thereto;

(4) Assignor's right, title and interests in, to and under, or derived from, the personal property, improvements, fixtures, wells (whether producing, plugged and abandoned, shut-in, injection, disposal or water supply), tanks, boilers, buildings, machinery, vehicles, equipment, pipelines, gathering lines, plants, utility lines, power lines, telephone lines, roads and other appurtenances, to the extent the same are situated upon and used or held for use by Assignor solely in connection with the ownership, operation, maintenance or repair of the interests which are described in Exhibit "A", or the production of oil, gas or other hydrocarbon and non-hydrocarbon substances attributable thereto; and

(5) Assignor's right, title and interests in, to and under, or derived from, the geologic, geophysical and core information and data (where not excluded below) to the extent the same relates to any of the interests which are described in Exhibit "A", or the production of oil, gas or hydrocarbon and non-hydrocarbon substances attributable thereto.

ASSIGNOR EXCEPTS, RESERVES AND RETAINS, unto itself, its Affiliates, successors and assigns from the Properties the following properties (real, personal or mixed) and appurtenant rights (contractual or otherwise):

(a) Any and all ownership interests of seismic information and data;

(b) Any and all geologic or geophysical information and data that are: (i) covered by an obligation of non-disclosure (provided however, Assignor shall use reasonable efforts to obtain authority to disclose said information and data), (ii) covered by an obligation of confidentiality (provided however, Assignor shall use reasonable efforts to obtain authority to disclose said information and data), and (iii) covered by a prohibition against transfer (provided however, Assignor shall use reasonable efforts to obtain authority to transfer said information and data);

(c) Any and all pipelines, equipment, facilities, permits, contracts, agreements, easements, rights-of-way, surface leases and subsurface leases owned by an affiliate of Assignor;

(d) Any and all records which consist of previous offers and economic analyses associated with the purchase, sale or exchange of the Properties, reserve data, confidential internal communications, personnel information, tax information, information covered by a non-disclosure obligation and information covered by a legal privilege;

[redacted] [redacted] [redacted]

(e) The properties (real, personal and mixed) and appurtenant rights (contractual or otherwise) described in Exhibit "B";

(f) A concurrent interest in, to and under, or derived from, the contracts, agreements, instruments, permits, easements, rights-of-way, servitudes, surface leases, subsurface leases and any other rights (contractual or otherwise) to the extent that they relate to or affect the interests not conveyed herein; and

(g) The right to claim under Assignor's insurance policies.

All of the properties (real, personal and mixed) and rights (contractual or otherwise) described are referred to as "Properties".

TO HAVE AND TO HOLD the Properties subject to the following terms and conditions:

1. Special Warranty Of Title. **Assignor shall warrant title to and forever defend title to the Properties conveyed to Assignee against every person whomsoever lawfully claiming title to the Properties, or any part thereof by, through or under Assignor, but not otherwise.**

2. Agreements. This Assignment is made subject to and shall be burdened by the terms, covenants and conditions contained in any contracts, agreements and instruments affecting the Properties; and at and after the Effective Time, Assignee expressly agrees to be bound by, assume the obligations arising under, and shall perform all of the terms, covenants and conditions contained therein.

3. Compliance With Laws: This Assignment is made subject to all applicable laws, statutes, ordinances, permits, decrees, orders, judgments, rules and regulations which are promulgated, issued or enacted by a governmental entity or tribal authority having appropriate jurisdiction, and Assignee shall comply with the same at and after the Effective Time.

4. Successors and Assigns. The terms, covenants and conditions contained in this Assignment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, and such terms, covenants and conditions shall be covenants running with the land and with each subsequent transfer or assignment of the Properties, or any part thereof.

5. Exchange Agreement. This Assignment (a copy of which can be obtained from Assignee at the above referenced address) is made in accordance with and is subject to the terms, covenants and conditions contained in that certain EXCHANGE AGREEMENT dated the 22nd day of May, 1998, by and

between Assignor and Assignee, including without limitation the preferential right to purchase provision contained therein ("Exchange Agreement"), and the terms, covenants and conditions contained in the Exchange Agreement are incorporated herein by reference as though said terms, covenants and conditions were fully set forth verbatim herein. If there is a conflict between the provisions of the Exchange Agreement and this Assignment, the provisions of the Exchange Agreement shall control the rights and obligations of the parties, and their authorized successors and assigns.

EXECUTED on the day and year first referenced above, but effective as of the Effective Time.

AMOCO PRODUCTION COMPANY

By: Lon O. Buehner
Name: Lon O. Buehner
Title: Attorney-in-Fact

SNYDER OIL CORPORATION

By: Steven G. Van Hook
Name: Steven G. Van Hook
Title: Attorney-in-Fact

STATE OF COLORADO §
§
CITY & COUNTY OF DENVER §

The foregoing instrument was acknowledged before me this 22nd day of May, 1998, by Steven G. Van Hook, Attorney-in-Fact on behalf of Snyder Oil Corporation, a Delaware corporation.

My commission expires:

Signature

Name (Printed, Typed or Stamped)
Notary Public in and for the
State of Colorado

STATE OF COLORADO §
§
CITY & COUNTY OF DENVER §

The foregoing instrument was acknowledged before me this 22nd day of May, 1998, by Lon O. Buehner, Attorney-in-Fact on behalf of Amoco Production Company, a Delaware corporation.

My commission expires:

Signature

Name (Printed, Typed or Stamped)
Notary Public in and for the
State of Colorado

EXHIBIT "A"

Attached to and made part of that certain Assignment and Bill of Sale dated May 22, 1998, between Amoco Production Company, as "Assignor", and Snyder Oil Corporation, as "Assignee".

b. Leases

SOCO LEASE #	EFF DATE	LESSOR	LESSEE	RECORDING	T-R	SEC	DESCRIPTION	GROSS ACRES
A. Sublette County, Wyoming								
20567	12-01-1992	USA WYW 127853	MCMURRY OIL COMPANY	BK 92 PG 200	027N107W	6	LOTS 3, 4, 5, SE/4NW/4, SE/4	1107.5
					027N107W	7	LOTS 1, 2, E/2NW/4	
					027N108W	1	LOTS 3, 4, S/2NW/4, SE/4	
					027N108W	12	NW/4, SE/4	
20445	04-02-1994	ST WY 94-00110	ROBERT L SCHUH	NOT AVAILABLE	027N105W	17	SE/4NE/4	40
20446	04-02-1994	ST WY 94-00109	L R MCSWEYN	NOT AVAILABLE	027N105W	16	ALL	640
20447	04-02-1994	ST WY 94-00112	L R MCSWEYN	NOT AVAILABLE	027N105W	36	ALL	640
20434	04-02-1994	ST WY 94-00126	L R MCSWEYN	NOT AVAILABLE	027N106W	16	ALL	640
20441	04-02-1994	ST WY 94-00128	JOE CURRIE	NOT AVAILABLE	027N106W	36	ALL	640
20448	04-02-1994	ST WY 94-00125	L R MCSWEYN	NOT AVAILABLE	027N106W	7	LOT 6	80.55
						18	SW/4NE/4	
20461 A	04-27-1994	PULLEY, IRENE M, A WIDOW	OGM RESOURCES	BK 96 PG 727	027N106W	34	E/2NE/4	80
20461 B	04-23-1994	PULLEY, JOHN ET UX	OGM RESOURCES	BK 96 PG 701	027N106W	34	E/2NE/4	
20461 C	04-23-1994	PULLEY, ROGER ET UX	OGM RESOURCES	BK 96 PG 699	027N106W	34	E/2NE/4	
20461 D	04-23-1994	PULLEY, KENT ET UX	OGM RESOURCES	BK 96 PG 715	027N106W	34	E/2NE/4	
20461 E	05-09-1994	FRYBURGER, VELLA MAE ET VIR	OGM RESOURCES	BK 96 PG 713	027N106W	34	E/2NE/4	
20461 F	05-11-1994	PULLEY, SANOFORD T	OGM RESOURCES	BK 97 PG 349	027N106W	34	E/2NE/4	
20461 G	05-11-1994	MILLER, CAROL A ET VIR	OGM RESOURCES	BK 96 PG 725	027N106W	34	E/2NE/4	
20461 H	05-11-1994	LUZMOOR, BETH L. ET VIR	OGM RESOURCES	BK 96 PG 697	027N106W	34	E/2NE/4	
20466	05-01-1992	USA WYW 126771	JOHN P LOCKRIDGE	NOT AVAILABLE	027N106W	20	W/2, W/2SE/4	1640
					027N106W	21	SE/4SW/4, S/2SE/4	
					027N106W	22	S/2S/2	
					027N106W	23	S/2SW/4	
					027N106W	25	NW/4, W/2SW/4, SE/4SW/4, N/2SE/4, SE/4SE/4	
					027N106W	26	N/2, NE/4SW/4, N/2SE/4, SE/4SE/4	
20431	09-01-1988	USA WYW 90671	ELDON W HEAD	NOT AVAILABLE	027N107W	17	S/2SE/4	80
20442	04-02-1994	ST WY 94-00145	L R MCSWEYN	NOT AVAILABLE	027N107W	1	LOT 2, SW/4NE/4, W/2SE/4	279.72
					027N107W	12	E/2NE/4, NE/4SE/4	
20538	08-01-1987	USA WYW 104178	HPC, INC.	NOT AVAILABLE	027N107W	9	NW/4, SE/4	1274.17
					027N107W	10	NW/4, SE/4	
					027N107W	15	NW/4, SE/4	

700

EXHIBIT "A"

Attached to and made part of that certain Assignment and Bill of Sale dated May 22, 1998, between Amoco Production Company, as "Assignor", and Snyder Oil Corporation, as "Assignee".

b. Leases

SOCO LEASE #	EFF DATE	LESSOR	LESSEE	RECORDING	T-R	SEC	DESCRIPTION	GROSS ACRES
					027N107W	18	LOTS 1, 2, E/2NW/4, SE/4	
20548	04-02-1992	ST WY 92-00189	MCMURRY OIL COMPANY	BK 88 PG 439	027N107W	8	SW/4SE/4	40
20561	07-01-1992	USA WYW 127189	MCMURRY OIL COMPANY	BK 88 PG 732	027N107W	4	LOTS 3, 4, S/2NW/4, SE/4	1318.76
					027N107W	5	LOTS 3, 4, S/2NW/4, SE/4	
					027N107W	7	SE/4	
					027N107W	8	NW/4, N/2SE/4, SE/4SE/4	
					027N107W	17	NW/4, N/2SE/4	
20562	07-01-1992	USA WYW 127190	MCMURRY OIL COMPANY	BK 88 PG 735	027N107W	14	NW/4, SE/4	640
					027N107W	23	NW/4, SE/4	
20568	12-01-1992	USA WYW 127854	MCMURRY OIL COMPANY	BK 92 PG 202	027N107W	19	LOTS 1, 2, E/2NW/4, SE/4	953.81
					027N107W	20	NW/4, SE/4	
					027N107W	21	NW/4, SE/4	
20639	08-01-1993	USA WYW 129973	TEXACO EXPLORATION	NOT AVAILABLE	027N107W	30	LOTS 1, 2, 3, & 4, E/2, E/2W/2	1266.56
					027N107W	32	ALL	
20450	09-01-1993	USA WYW 129993	KAY PAPULAK	NOT AVAILABLE	027N108W	26	NW/4NE/4	360
					027N108W	28	SW/4	
					027N108W	29	NE/4	
20533	03-01-1992	USA WYW 126474	MCMURRY OIL COMPANY	BK 88 PG 456	027N108W	17	SW/4	629.56
					027N108W	18	LOTS 1, 2, E/2NW/4	
					027N108W	19	LOTS 1, 2, E/2NW/4	
					027N108W	20	SE/4	
20536	03-01-1992	USA WYW 126473	MCMURRY OIL COMPANY	BK 88 PG 455	027N108W	4	LOTS 3, 4, S/2NW/4, SE/4	960.28
					027N108W	5	LOTS 3, 4, S/2NW/4, SE/4	
					027N108W	8	NW/4, SE/4	
20584	04-01-1989	USA WYW 115608	JAS O BREENE JR	NOT AVAILABLE	027N108W	6	LOTS 3, 4, 5, SE/4NW/4, SE/4	313.92
20452	10-01-1993	USA WYW 130318	KAY PAPULAK	NOT AVAILABLE	027N109W	12	N/2,SW/4	1880
					027N109W	13	NW/4	
					027N109W	14	W/2NW/4, SE/4	
					027N109W	15	N/2, N/2S/2, SW/4SW/4	
					027N109W	23	E/2	
					027N109W	24	SW/4	
20583	02-01-1989	USA WYW 114848	JAS O BREENE JR	NOT AVAILABLE	027N109W	11	NW/4	320
					027N109W	23	W/2W/2	
20440	04-02-1994	ST WY 94-00130	ROBERT L SCHUH	NOT AVAILABLE	028N106W	19	NE/4SW/4	112.52
					028N106W	30	LOTS 3 & 4	
20469 A	04-27-1994	CASE, ANN MARIE ET VIR	OGM RESOURCES	BK 96 PG 703	028N106W	4	LOTS 2, 3, 4	978.71
					028N106W	5	LOTS 1, SE/4SE/4	
					028N106W	8	E/2NE/4, SW/4NE/4, N/2SW/4, NW/4SE/4, SW/4SW/4	

EXHIBIT "A"

Attached to and made part of that certain Assignment and Bill of Sale dated May 22, 1998, between Amoco Production Company, as "Assignor", and Snyder Oil Corporation, as "Assignee".

b. Leases

SOCO LEASE #	EFF DATE	LESSOR	LESSEE	RECORDING	T-R	SEC	DESCRIPTION	GROSS ACRES
					028N106W	17	W/2NW/4	
					028N106W	18	SE/4NE/4, W/2SE/4, SE/4SW/4	
					028N106W	19	NE/4NW/4	
					028N106W	23	SW/4	
					028N106W	26	NW/4NW/4	
20469 B	04-23-1994	ERRAMOUSPE, JOHN B ET UX	OGM RESOURCES	BK 96 PG 707	028N106W	4	LOTS 2, 3, 4	
					028N106W	5	LOT 1, SE/4SE/4	
					028N106W	8	E/2NE/4, SW/4NE/4, N/2SW/4, NW/4SE/4, SW/4SW/4	
					028N106W	17	W/2NW/4	
					028N106W	18	SE/4NE/4, W/2SE/4, SE/4SW/4	
					028N106W	19	NE/4NW/4	
					028N106W	23	SW/4	
					028N106W	26	NW/4NW/4	
20469 C	04-27-1994	ERRAMOUSPE, JOSEPH J ET UX	OGM RESOURCES	BK 96 PG 709	028N106W	4	LOTS 2, 3, 4	
					028N106W	5	LOT 1, SE/4SE/4	
					028N106W	8	E/2NE/4, SW/4NE/4, N/2SW/4, NW/4SE/4, SW/4SW/4	
					028N106W	17	W/2NW/4	
					028N106W	18	SE/4NE/4, W/2SE/4, SE/4SW/4	
					028N106W	19	NE/4NW/4	
					028N106W	23	SW/4	
					028N106W	26	NW/4NW/4	
20469 D	04-27-1994	CANESTRINI, CATHERINE ET VIR	OGM RESOURCES	BK 96 PG 705	028N106W	4	LOTS 2, 3, 4	
					028N106W	5	LOT 1, SE/4SE/4	
					028N106W	8	E/2NE/4, SW/4NE/4, N/2SW/4, NW/4SE/4, SW/4SW/4	
					028N106W	17	W/2NW/4	
					028N106W	18	SE/4NE/4, W/2SE/4, SE/4SW/4	
					028N106W	19	NE/4NW/4	
					028N106W	23	SW/4	
					028N106W	26	NW/4NW/4	
20469 E	04-27-1994	ERRAMOUSPE, PAUL S ET UX	OGM RESOURCES	BK 96 PG 721	028N106W	4	LOTS 2, 3, & 4	
					028N106W	5	LOT 1, SE/4SE/4	
					028N106W	8	E/2NE/4, SW/4NE/4, N/2SW/4, NW/4SE/4, SW/4SW/4	
					028N106W	17	W/2NW/4	
					028N106W	18	SE/4NE/4, W/2SE/4, SE/4SW/4	
					028N106W	19	NE/4NW/4	
					028N106W	23	SW/4	
					028N106W	26	NW/4NW/4	
20469 F	04-27-1994	MOSSMAN, GRACE ET VIR	OGM RESOURCES	BK 96 PG 719	028N106W	4	LOTS 2, 3, & 4	
					028N106W	5	LOT 1, SE/4SE/4	
					028N106W	8	E/2NE/4, SW/4NE/4, N/2SW/4, NW/4SE/4, SW/4SW/4	
					028N106W	17	W/2NW/4	
					028N106W	18	SE/4NE/4, W/2SE/4, SE/4SW/4	
					028N106W	19	NE/4NW/4	
					028N106W	23	SW/4	
					028N106W	26	NW/4NW/4	

703

EXHIBIT "A"

Attached to and made part of that certain Assignment and Bill of Sale dated May 22, 1998, between Amoco Production Company, as "Assignor", and Snyder Oil Corporation, as "Assignee".

b. Leases

SOCO LEASE #	EFF DATE	LESSOR	LESSEE	RECORDING	T-R	SEC	DESCRIPTION	GROSS ACRES
20469 G	04-27-1994	SELLYEI, MARGUERITE LOUISE ET	OGM RESOURCES	BK 96 PG 717	028N106W	4	LOTS 2, 3, & 4	
					028N106W	5	LOT 1, SE/4SE/4	
					028N106W	8	E/2NE/4, SW/4NE/4, N/2SW/4, NW/4SE/4, SW/4SW/4	
					028N106W	17	W/2NW/4	
					028N106W	18	SE/4NE/4, W/2SE/4, SE/4SW/4	
					028N106W	19	NE/4NW/4	
					028N106W	23	SW/4	
					028N106W	26	NW/4NW/4	
20469 H	04-23-1994	ERRAMOUSPE, SISTER MIRIAM GRACE	OGM RESOURCES	BK 96 PG 711	028N106W	4	LOTS 2, 3, & 4	
					028N106W	5	LOT 1, SE/4SE/4	
					028N106W	8	E/2NE/4, SW/4NE/4, N/2SW/4, NW/4SE/4, SW/4SW/4	
					028N106W	17	W/2NW/4	
					028N106W	18	SE/4NE/4, W/2SE/4, SE/4SW/4	
					028N106W	19	NE/4NW/4	
					028N106W	23	SW/4	
					028N106W	26	NW/4NW/4	
20469 I	05-10-1994	GOSAR, BERNADETTE	OGM RESOURCES	BK 96 PG 723	028N106W	4	LOTS 2, 3, & 4	
					028N106W	5	LOT 1, SE/4SE/4	
					028N106W	8	E/2NE/4, SW/4NE/4, N/2SW/4, NW/4SE/4, SW/4SW/4	
					028N106W	17	W/2NW/4	
					028N106W	18	SE/4NE/4, W/2SE/4, SE/4SW/4	
					028N106W	19	NE/4NW/4	
					028N106W	23	SW/4	
					028N106W	26	NW/4NW/4	
20439	04-02-1994	ST WY 94-00146	L R MCSWEYN	NOT AVAILABLE	028N107W	36	ALL	640
20563	07-01-1992	USA WYW 127191	MCMURRY OIL COMPANY	BK 88 PG 738	028N107W	5	SE/4	794.56
					028N107W	17	NW/4, SE/4	
					028N107W	18	LOTS 1, 2, E/2NW/4, SE/4	
20582	12-01-1992	USA WYW 127856	JOHN P STRANG	NOT AVAILABLE	028N107W	23	W/2W/2	160
20525	01-01-1992	USA WYW 125946	HIGH PLAINS ENERGY CO	NOT AVAILABLE	028N108W	23	NW/4, SE/4	320
20526	01-01-1992	USA WYW 125947	HIGH PLAINS ENERGY CO	NOT AVAILABLE	028N108W	26	NW/4, SE/4	480
					028N108W	27	NW/4, SE/4	
					028N108W	28	NW/4, SE/4	
50210	01-01-1982	USA WYW 14200	HIGH PLAINS ENERGY CO.	NOT AVAILABLE	028N108W	29	NW/4, SE/4	320
20540	10-01-1987	USA WYW 107206	LIBERTY PETROLEUM CORP	NOT AVAILABLE	028N108W	13	NW/4, SE/4	640
					028N108W	24	NW/4, SE/4	
50208	10-01-87	USA WYW 141998	LIBERTY PETROLEUM CORP	NOT AVAILABLE	028N108W	12	NW/4, SE/4	320
20541	10-01-1987	USA WYW 100901	LIBERTY PETROLEUM CORP	NOT AVAILABLE	028N108W	14	NW/4, SE/4	320
20542	12-01-1989	USA WYW 118151	HOME PETROLEUM CORP	BK 84 PG 590	028N108W	1	LOTS 1, 2, S/2SE/4	162.71

703

EXHIBIT "A"

Attached to and made part of that certain Assignment and Bill of Sale dated May 22, 1998, between Amoco Production Company, as "Assignor", and Snyder Oil Corporation, as "Assignee".

b. Leases

SOCO LEASE #	EFF DATE	LESSOR	LESSEE	RECORDING	T-R	SEC	DESCRIPTION	GROSS ACRES
20543	12-01-1989	USA WYW 118152	HOME PETROLEUM CORP	BK 84 PG 585	028N108W	30	LOTS 1, 2, E/2NW/4, SE/4	626.96
					028N108W	31	LOTS 1, 2, E/2NW/4, SE/4	
20544	12-01-1989	USA WYW 118153	HOME PETROLEUM CORP	BK 84 PG 580	028N108W	25	NW/4, SE/4	960
					028N108W	34	NW/4, SE/4	
					028N108W	35	NW/4, SE/4	
50209	12-01-1989	USA WYW 141999	HOME PETROLEUM CORP.	BK 84 PG 580	028N108W	33	NW/4, SE/4	320
20569	12-02-1992	ST WY 92-00412	MCMURRY OIL COMPANY	BK 91 PG 363	028N108W	36	NW/4, SE/4	320
20574	11-01-1990	USA WYW 122309	STANDARD ENERGY CORP	NOT AVAILABLE	028N108W	32	NW/4, SE/4	320
50075	01-01-1992	USA WYW 125945	HIGH PLAINS ENERGY CO	NOT AVAILABLE	028N108W	15	ALL	640
20573	09-01-1993	USA WYW 130232	MCMURRY OIL COMPANY	BK 93 PG 321	028N109W	11	SW/4	160
20576	01-01-1993	USA WYW 128039	KENNETH K FARMER	BK 92 PG 407	028N109W	10	NE/4, SW/4	480
					028N109W	14	SW/4	
50196	01-01-1993	USA WYW 141861	KENNETH K. FARMER	BK 92 PG 407	028N109W	25	NW/4, SE/4	320
20577	12-01-1993	USA WYW 130730	MCMURRY OIL COMPANY	BK 94 PG 461	028N109W	2	LOTS 3 & 4, S/2SW/4	461.21
					028N109W	3	LOTS 3 & 4, S/2SW/4	
					029N109W	34	SW/4	
20578	12-02-1993	ST WY 93-00553	MCMURRY OIL COMPANY	BK 96 PG 3	028N109W	16	NE/4, SW/4	320
20579	12-02-1993	ST WY 93-00554	MCMURRY OIL COMPANY	BK 96 PG 5	028N109W	36	NW/4, SE/4	320
20647	08-01-1994	USA WYW 133071	MCMURRY OIL COMPANY	BK 97 PG 459	028N109W	4	LOT 3, SW/4SW/4	407.46
					028N109W	9	NE/4, SW/4	
50007	08-01-1992	USA WYW 127204	JAVELINA PARTNERS	NOT RECORDED	028N109W	4	LOT 4, SE/4SW/4	89.67
20436	04-02-1994	ST WY 94-00134	L R MCSWEYN	NOT AVAILABLE	029N105W	24	N/2SE/4, SW/4SE/4	320
					029N105W	25	W/2NE/4, S/2NW/4, NW/4SW/4	
20437	04-02-1994	ST WY 94-00132	L R MCSWEYN	NOT AVAILABLE	029N105W	16	ALL	640
50194	01-01-1992	USA WYW 141878	HIGH PLAINS ENERGY CO	NOT AVAILABLE	029N108W	18	LOTS 3, 4, E/2SW/4, NE/4	308.56
20528	01-01-1992	USA WYW 125949	HIGH PLAINS ENERGY CO	NOT AVAILABLE	029N108W	19	LOTS 3, 4, E/2SW/4	152.78
20532	01-01-1992	USA WYW 126100	MCMURRY OIL COMPANY	BK 88 PG 452	029N108W	7	LOTS 3, 4, E/2SW/4, NE/4	1424.87
					029N109W	1	LOTS 1, 2, S/2NE/4, SW/4	
					029N109W	9	NE/4, SW/4	
					029N109W	10	NE/4, SW/4	
					029N109W	12	SW/4	

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b. Leases

SOCO LEASE #	EFF DATE	LESSOR	LESSEE	RECORDING	T-R	SEC	DESCRIPTION	GROSS ACRES
50195	01-01-1992	USA WYA 141880	MCMURRY OIL COMPANY	BK 88 PG 452	029N108W	6	LOTS 1, 2, 6, 7, E/2SW/4, S/2NE/4	300.69
20529	01-01-1992	USA WYW 125952	HIGH PLAINS ENERGY CO	NOT AVAILABLE	029N109W	13	NE/4, SW/4	1280
					029N109W	14	NE/4, SW/4	
					029N109W	23	NE/4, SW/4	
					029N109W	24	NE/4, SW/4	
20530	01-01-1992	USA WYW 125953	HIGH PLAINS ENERGY CO	NOT AVAILABLE	029N109W	15	SW/4	480
					029N109W	22	NE/4, SW/4	
20531	01-01-1992	USA WYW 125954	HIGH PLAINS ENERGY CO	NOT AVAILABLE	029N109W	25	NE/4, SW/4	320
20546	12-01-1989	USA WYW 118163	HOME PETROLEUM CORP	BK 84 PG 568	029N109W	20	NE/4, SW/4	960
					029N109W	21	NE/4, SW/4	
					029N109W	28	NE/4, SW/4	
20547	12-01-1989	USA WYW 118164	HOME PETROLEUM CORP	BK 84 PG 562	029N109W	26	NE/4, SW/4	640
					029N109W	27	NE/4, SW/4	
20555	04-02-1992	ST WY 92-00199	MCMURRY OIL COMPANY	BK 88 PG 448	029N109W	36	NE/4, SW/4	320
20571	04-02-1993	ST WY 93-00109	MCMURRY OIL COMPANY	BK 92 PG 273	029N109W	16	NE/4, SW/4	320
20648	08-01-1994	USA WYW 133072	MCMURRY OIL COMPANY	BK 97 PG 460	029N109W	2	SW/4	160
50198	08-01-1994	USA WYW 141884	MCMURRY OIL COMPANY	NOT AVAILABLE	029N109W	19	NE/4NE/4, SW/4NE/4, NE/4SW/4, & LOT 4	162.75
20649	08-01-1994	USA WYW 133073	MCMURRY OIL COMPANY	NOT AVAILABLE	029N109W	34	NE/4	160
50005	12-01-1989	USA WYW 118162	LIBERTY PETROLEUM CORP	NOT RECORDED	029N109W	3	S/2SW/4	1051.86
					029N109W	7	NE/4, LOT 3, 4, E/2SW/4	
					029N109W	11	NE/4, SW/4	
					029N109W	17	NE/4, SW/4	
50006	07-01-1991	USA WYW 124622	GREGOR KLURFELD	NOT RECORDED	029N109W	3	LOTS 1, 2, S/2NE/4, N/2SW/4	954.7
					029N109W	4	LOTS 1, 2, S/2NE/4, SW/4	
					029N109W	5	LOTS 1, 2, S/2NE/4, SW/4	
					030N109W	33	S/2SW/4	
50050	04-01-1996	USA WYW 138524	SNYDER OIL CORPORATION	NOT RECORDED	029N109W	6	LOTS 1, 2, 6, 7, S/2NE/4, E/2SW/4	
					029N109W	8	NE/4, SW/4	
50199	04-01-1996	USA WYW 141885	SNYDER OIL CORPORAITON	NOT RECORDED	029N109W	18	LOTS 3, 4, NE/4, E/2SW/4	
20535	01-01-1992	USA WYW 126101	MCMURRY OIL COMPANY	BK 88 PG 453	030N109W	10	SW/4	1552.15
					030N109W	18	NE/4	
					030N109W	19	LOTS 3, 4, E/2SW/4, NE/4	
					030N109W	30	LOTS 3, 4, E/2SW/4, NE/4	
					030N109W	32	NE/4, SW/4	
					030N109W	33	NE/4, N2SW/4	

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b. Leases

SOCO LEASE #	EFF DATE	LESSOR	LESSEE	RECORDING	T-R	SEC	DESCRIPTION	GROSS ACRES
20539	07-01-1985	USA WYW 106728	CONOCO, INC.	NOT AVAILABLE	030N109W	29	NE/4, SW/4	654.27
					030N109W	31	LOTS 3, 4, E/2SW/4, NE/4	
20560	05-01-1992	USA WYW 126772	MCMURRY OIL COMPANY	BK 88 PG 470	030N109W	3	LOT 2, SW/4NE/4	79.94
50183	05-01-1992	USA WYW 135470	MCMURRY OIL COMPANY	BK 88 PG 470	030N109W	13	NE/4NW/4	40
B. Sweetwater County, Wyoming								
20640	05-25-1994	MCMURRY TRUST	THAMES PROPERTIES INC	BK 857 PG 859	024N106W	2	LOTS 3, 4, SW/4	1113.56
					024N106W	3	LOT 1, NE/4SE/4	
					024N106W	10	S/2NE/4	
					024N106W	11	NW/4, N/2SW/4	
					025N105W	31	FARM UNIT E-4 AS DESCRIBED IN PLAT BOOK 1 AT PAGE 20,	
					025N105W	31	LESS & EXCEPT A PARCEL IN THE W/2SW/4 SEC 31 AS	
					025N105W	31	DESCRIBED IN BOOK 848 PG 177	
20430 A	05-12-1994	CHILTON, DARRYL T	OGM RESOURCES	BK 851 PG 1169	025N105W	7	LOTS 1, 2, 3, 4	159.75
20430 B	07-15-1994	ROUTH, CHERILL A., A WIDOW	OGM RESOURCES	BK 855 PG 240	025N105W	7	LOTS 1, 2, 3, 4	
20430 C	07-15-1994	ROUTH, STACEY ANN	OGM RESOURCES	BK 855 PG 236	025N105W	7	LOTS 1, 2, 3, 4	
20430 D	07-15-1994	LEE ANN INVESTMENT COMPANY	OGM RESOURCES	BK 858 PG 526	025N105W	7	LOTS 1, 2, 3, 4	
20443	04-02-1994	ST WY 94-00104	JOE CURRIE	NOT AVAILABLE	025N105W	20	S/2NE/4	160
					025N105W	21	S/2NW/4	
20458	04-20-1994	KUSECK, JOSEPH R ET UX	OGM RESOURCES	VOL 851 PG 1149	025N105W	18	LOTS 1, 2	79.48
20467 A	04-20-1994	QUINLAN, JUNE A, A WIDOW	OGM RESOURCES	BK 851 PG 1158	025N105W	18	NE/4NW/4	40
20467 B	04-21-1994	DAYTON, MARGARET C	OGM RESOURCES	BK 851 PG 1165	025N105W	18	NE/4NW/4	
20524	06-08-1994	MOSQUITO CREEK OUTFITTERS, INC	OGM RESOURCES	BK 851 PG 1928	025N105W	18	NE/4, SE/4NW/4	200
20428	05-07-1994	ANDERSON, THEODORE L ET UX	OGM RESOURCES	BK 851 PG 1171	025N106W	23	A TRACT OF LAND SITUATED IN FARM UNIT NO. 14 OF THE EDEN	38.57
					025N106W	23	PROJECT, ACCORDING TO A PLAT THEREOF RECORDED IN THE	
					025N106W	23	OFFICE OF THE COUNTY CLERK, IN PLAT BOOK 1, AT PAGE 49,	
					025N106W	23	AND MORE PARTICULARLY DESCRIBED IN THAT CERTAIN WARRANTY	
					025N106W	23	DEED RECORDED IN BK 773, PG 704 OF THE COUNTY RECORDS.	
20429	05-07-1994	LACEY, RICHARD J	OGM RESOURCES	BK 851 PG 1167	025N106W	23	A TRACT OF LAND SITUATED IN FARM UNIT NO. 14 OF THE EDEN	5
					025N106W	23	PROJECT, ACCORDING TO A PLAT THEREOF RECORDED IN THE	
					025N106W	23	OFFICE OF THE COUNTY CLERK, IN PLAT BOOK 1, AT PAGE 49,	
					025N106W	23	AND MORE PARTICULARLY DESCRIBED IN THAT CERTAIN WARRANTY	
					025N106W	23	DEED RECORDED IN BOOK 778, PAGE 832 OF THE COUNTY RECORDS	
20432 A	05-10-1994	WRIGHT, FRANK T	OGM RESOURCES	BK 851 PG 1173	025N106W	13	W/2, SE/4	720
					025N106W	24	N/2NW/4, E/2NE/4, N/2SE/4	

706

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b. Leases

SOCO LEASE #	EFF DATE	LESSOR	LESSEE	RECORDING	T-R	SEC	DESCRIPTION	GROSS ACRES
20432 B	05-03-1994	STOUT, GERALD W ET UX	OGM RESOURCES	BK 851 PG 1147	025N106W	24	NE/4NE/4	40
20433 A	04-30-1994	CASENAVE, FRANKIEANN ET VIR	OGM RESOURCES	BK 851 PG 1178	025N106W	14	SE/4NE/4, E/2SE/4	120
20433 B	05-01-1994	COPPES, WILLIAM J	OGM RESOURCES	BK 851 PG 1180	025N106W	14	SE/4NE/4, E/2SE/4	
20433 C	04-30-1994	BARONI, MARIE ET VIR	OGM RESOURCES	BK 851 PG 1175	025N106W	14	SE/4NE/4, E/2SE/4	
20444	04-02-1994	ST WY 94-00121	JOE CURRIE	NOT AVAILABLE	025N106W	16	N/2, SW/4, NW/4SE/4	520
20459 A	04-19-1994	STOUT, GERALD W ET UX	OGM RESOURCES	BK 851 PG 1155	025N106W	12	E/2SW/4; FARM UNIT F-9 OF THE EDEN VALLEY PROJECT,	550.51
					025N106W	12	MORE PARTICULARLY DESCRIBED IN PLAT BOOK 1, PAGE 57,	
					025N106W	12	OF THE OFFICE OF THE COUNTY CLERK, SWEETWATER COUNTY,	
					025N106W	12	WYOMING, BEING A PART OF SECS. 11, 12,	
					025N106W	15	FARM UNIT NO. F-15 OF THE EDEN VALLEY PROJECT, MORE PARTICULARL	
					025N106W	15	DESCRIBED IN PLAT BOOK 1, PAGE 51, OF THE OFFICE OF THE COUNTY	
					025N106W	15	CLERK , SWEETWATER COUNTY, WYOMING BEING PART OF SECTIONS	
					025N106W	15	15 AND 22	
20459 B	04-26-1994	MILLER, DONALD S ET UX	OGM RESOURCES	BK 851 PG 1153	025N106W	15	A TRACT OF LAND BEING A PORTION OF FARM UNIT NO. F-15 OF THE EDEN	
					025N106W	15	PROJECT, SWEETWATER COUNTY, WYOMING, MORE PARTICULARLY	
					025N106W	15	DESCRIBED IN BOOK 514, PAGE 1 OF THE OFFICE OF THE COUNTY CLERK,	
					025N106W	15	SWEETWATER COUNTY, WYOMING, AND LOCATED IN THE NE/4SW/4	
					025N106W	15	& S/2SW/4 OF SEC.15 AND THE N/2NW/4, SE/4NW/4, NE/4SW/4, S/2SW/4	
					025N106W	15	OF SEC 22	
20459 C	05-04-1994	STOUT, ALLEN R ET UX	OGM RESOURCES	BK 851 PG 1160	025N106W	15	TRACT OF LAND, BEING A PORTION OF FARM UNIT NO F-15 OF EDEN	
					025N106W	15	VALLEY PROJECT, SWEETWATER COUNTY, WYOMING, MORE	
					025N106W	15	PARTICULARLY DESCRIBED IN BOOK 542, PAGE 234 OF THE OFFICE OF TH	
					025N106W	15	COUNTY CLERK, SWEETWATER COUNTY, WYOMING	
20459 D	05-07-1994	KAYE, MICHAEL ET UX	OGM RESOURCES	BK 851 PG 1162	025N106W	12	W/2SE/4; SE/4SE/4; E/2SW/4	
					025N106W	12	FARM UNIT F-9 OF THE EDEN VALLEY PROJECT, MORE	
					025N106W	12	PARTICULARLY DESCRIBED IN PLAT BOOK 1, PAGE 57, OF	
					025N106W	12	THE OFFICE OF THE COUNTY CLERK, SWEETWATER COUNTY, WY,	
					025N106W	12	BEING A PART OF SECTIONS 11,12 AND CONTAINING 269.21	
					025N106W	12	ACRES, MORE OR LESS.	
					025N106W	13	NE/4	
20464 A	04-24-1994	SKORCZ, DONALD D ET UX	OGM RESOURCES	BK 851 PG 1151	025N106W	23	A TRACT IN THE W/2NE/4 (BEING PART OF FARM UNIT F-14,	65
					025N106W	23	OF THE EDEN PROJECT) AS RECORDED IN PLAT BOOK 1 AT PAGE 49	
20611 A	07-06-1994	AULD, ROBERT J ET UX	OGM RESOURCES	BK 853, PG 1591	025N106W	23	NE/4NE/4 AND FARM UNIT F-14A OF THE EDEN PROJECT	40
20611 B	07-06-1994	AULD, SCOTT AKA SCOTT J AULD	OGM RESOURCES	BK 853, PG 1593	025N106W	23	NE/4NE/4 AND FARM UNIT F-14A OF THE EDEN PROJECT	
20611 C	07-06-1994	MORTENSEN, ROSE MARIE	OGM RESOURCES	BK 853, PG 1595	025N106W	23	NE/4NE/4 AND FARM UNIT F-14A OF THE EDEN PROJECT.	
20611 D	07-06-1994	ICE, ANNETTE L	OGM RESOURCES	BK 853, PG 1597	025N106W	23	NE/4NE/4 AND FARM UNIT F-14A OF THE EDEN PROJECT.	
20435	04-02-1994	ST WY 94-00143	JOE CURRIE	NOT AVAILABLE	025N107W	16	ALL	640

707

EXHIBIT "A"

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b. Leases

SOCO LEASE #	EFF DATE	LESSOR	LESSEE	RECORDING	T-R	SEC	DESCRIPTION	GROSS ACRES
20438	04-02-1994	ST WY 94-00123	JOE CURRIE	NOT AVAILABLE	026N106W	16	ALL	640
20449	06-01-1994	USA WYW 132400	JOE CURRIE	NOT AVAILABLE	026N107W	23	ALL	2560
					026N107W	24	ALL	
					026N107W	26	ALL	
					026N107W	27	ALL	
20462	06-01-1994	USA WYW 132399	JOE CURRIE	NOT AVAILABLE	026N107W	19	LOTS 1, 2, NE/4, E/2NW/4	1586.11
					026N107W	29	ALL	
					026N107W	30	LOTS 1, 2, 3, 4, E/2, E/2W/2	
20519	12-02-1993	ST WY 93-00550	DAVE W HOLWEGNER	NOT AVAILABLE	026N107W	16	ALL	640
20523	06-01-1994	USA WYW 132398	JOE CURRIE	NOT AVAILABLE	026N107W	10	ALL	2560
					026N107W	11	ALL	
					026N107W	12	ALL	
					026N107W	13	ALL	
20610	08-01-1988	USA WYW 104798	MARVIN E. WOLF	NOT AVAILABLE	026N107W	34	ALL	1280
					026N107W	35	ALL	
20451	09-01-1993	USA WYW 129982	KAY PAPULAK	NOT AVAILABLE	026N108W	10	ALL	3520
					026N108W	13	ALL	
					026N108W	14	ALL	
					026N108W	15	ALL	
					026N108W	17	SE/4	
					026N108W	21	ALL	
					026N108W	29	NE/4	

708

EXHIBIT "B"
TO ASSIGNMENT AND BILL OF SALE
By AND BETWEEN
AMOCO PRODUCTION COMPANY
AND
SNYDER OIL CORPORATION
DATED THE 22ND DAY OF MAY, 1998

1. Assignor expressly reserves unto itself all of its right, title and interests in and to the properties (real, personal, mixed, contractual or otherwise) to the extent such interest are below the base of the Mesa Verde formation (which is defined as the stratigraphic equivalent depth of 12,250 feet as found in the Woods Cutlass Unit #2 Well located in the SW/4, Section 18, T28N, R109W, Sublette County, Wyoming); to wit:

Township - North	Range - West	Section (s)	Description
28	108	4-8, 18	All
28	109	1	All
28	109	2	E/2
28	109	11	E/2
28	109	12-13	All
28	109	14	E/2
29	107	1-36	All
29	108	3-4, 9-10	All
29	108	13	S/2 SE/4, SW/4 SW/4 NW/4
29	108	14-17	All
29	108	19	E/2
29	108	20-36	All
30	107	1-36	All
30	108	36	All

Sublette and Sweetwater Counties, Wyoming

710

Effective 11-86
Form ML-2
(Revised 4-96)
Filing Fee - $25.00 - Non-Refundable

STATE OF WYOMING
BOARD OF LAND COMMISSIONERS
OIL & GAS LEASE INTEREST ASSIGNMENT

Return To -
State Land & Farm Loan Office
122 West 25th Street
Herschler Building, 3 West
Cheyenne, WY 82002-0600

Wyoming Oil & Gas Lease Serial Number 97-00351 **Assignment Approval Date -** _____

ASSIGNOR, with name and address at,

Ultra Resources, Inc.
304 Inverness Way South, Suite 295
Englewood, CO 80112

being the owner of 100 percent Undivided leasehold
(Type Interest: Leasehold/Operating Rights/Overriding Royalty)

interest in this lease, described in particular if less than the total leasehold as:

For good and valuable consideration, hereby assigns to:**********

1) ASSIGNEE, with name and address at:

Lance Oil and Gas Company, Inc.
12200 North Pecos Street
Denver, CO 80234

15 percent interest in the total leasehold, or as described in particular above.

2) ASSIGNEE, with name and address at:

267607

RECORDED June 8 1998 M 9:00
IN BOOK 107 O&G PAGE 710
FEES $ 10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Lacton

percent interest in the total leasehold, or as described in particular above.

3) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

4) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

5) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

and reserving unto ASSIGNOR, 85 percent interest

This assignment is subject to any existing overriding royalties previously reserved. Reservations of overriding interests must be approved by the Director, and any such approval is subject to the condition that overriding Royalties, may be cancelled by the Board of Land Commissioners if it finds that such overriding royalties create a burden on the lease which prevents or unreasonably interferes with its development.

ASSIGNOR certifies by signature on reverse, that ASSIGNOR is the owner of the interest above herein transferred, and ASSIGNEE(S) certify(ies) by signing on the reverse that this assignment constitutes a binding acceptance of all the terms, conditions, stipulations, restrictions and statutes governing the lease described above, and of the Rules of the Board, at Chapter 6, Leasing of Subsurface Resources.

This form may be duplicated.
If space is needed for additional assignors or assignees submit copies of this form only.

Page 1 of 1 of Lease# 97-00351 assignment dated _____

WY-1022

[redacted] [redacted] [redacted]

SIGNED AS TO TRANSFER AND ACCEPTANCE this 6th day of May 19 98.

ULTRA RESOURCES, INC.	LANCE OIL AND GAS COMPANY, INC.
ASSIGNOR -	Assignee (1) -
By - R. G. "Jerry" Albertus	By - Ralph W. Ponfick
Title - President	Title - Ralph W. Ponfick, Attorney-in-Fact
Attest -	Attest -
Assignee (2) -	Assignee (3) -
By -	By -
Title -	Title -
Attest -	Attest -
Assignee (4) -	Assignee (5) -
By -	By -
Title -	Title -
Attest -	Attest -

ASSIGNMENT REQUIREMENTS

Note: Assignments are not valid until approved by the Director, State Land and Farm Loan Office as per State Oil & Gas Lease Terms, and approval is solely for administrative purposes and should not be interpreted as warranty that any party to this assignment holds legal or equitable interest in this lease. Assignments which do not meet the requirements listed below and those in the Lease and Rules will be returned unapproved.

1) This form must be completed and submitted for any assignment of State Oil & Gas Lease leasehold interest, undivided or divided as to separate tracts, formations, zones or deposits, and for overriding royalty interest.

2) Assignments of less than a 100% leasehold interest, do not relieve the assignor of the obligations as a lessee under the terms of the lease regarding the interest conveyed unless the State first has in hand, a written agreement to be bound as lessee for all obligations under the lease for the assigned portion from the assignee. This requirement should not be construed in any way as a release or reclaim of the obligations of any surety bonding parties under the requirements of the State oil and gas lease, Board Rules or this assignment. (All lessees are ultimately responsible for the performance under the lease, and default subjects the entire lease to forfeiture not just the interest related to any performance obligation considered to be in default.)

3) A signed original and one copy of each assignment must be filed with the Wyoming State Land and Farm Loan Office.

4) Each assignment, if approved, is recognized by the State as effective as of the date of approval by the Director. Adequate bond must be furnished covering any and all productive zones prior to approval of any assignment of interest in an operating State oil and gas lease, whether wellbores exist on the leased lands or not, and in no case can drilling operations, including to prospectively productive zones under operating leases, begin without a bond first being in place.

5) If there is more than one party in interest to this assignment, then all such parties in interest must sign the document before assignment approval will be given.

6) The appropriate legal description of the conveyed lands interests must be given.

7) Assignments creating a separate (reissue) lease subject to the rules and regulations governing all State of Wyoming Oil & Gas Lease do not change the terms and conditions of the original lease, the lease anniversary date, nor the obligations and anniversary date of the lease created therefrom being considered as if it had been issued on the effective date of the original lease. (See Board Rules, Chapter 6, Section A.)

8) Corporations, limited liability companies, and limited partnerships must be qualified with the Wyoming Secretary of State's Office, and general partnership papers are required to be filed with the State Land and Farm Loan Office prior to, and as a condition of Board approval of any assignment.

9) Assignments will not be considered for approval where assignor or any assignee currently has a delinquent (late) royalty or rental payment obligation(s) for any State subsurface resource lease.

State of COLORADO)
) ss.
County of DOUGLAS)

ACKNOWLEDGMENT (For use by Corporation)

On this 6th day of May, 1998, before me personally appeared R. G. "Jerry" Albertus, to me personally known, who, being by me duly sworn, did say that he is the President of Ultra Resources, Inc. and that this instrument was signed in behalf of said corporation by the authority of its Board of Directors and said R. G. "Jerry" Albertus acknowledged said instrument to be the free act and deed of said corporation.

Witness my hand and seal this 6th day of May, 1998.

NOTARY PUBLIC AMY BARTON STATE OF COLORADO

Amy Barton
NOTARY PUBLIC

(SEAL)

My Commission expires: 11/18/2000

STATE OF COLORADO)
) ss.
COUNTY OF ADAMS)

The foregoing instrument was acknowledged before me this 12th day of May, 1998 by Ralph W. Ponfick, Attorney -in-Fact for LANCE OIL & GAS COMPANY, INC., a Delaware corporation, on behalf of the corporation.

WITNESS my hand and official seal.

E. JUNE TODD
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expires Apr. 3, 2000

E. June Todd
E. June Todd, Notary State of Colorado
12200 N. Pecos Street
Denver, CO 80234

Effective 11-86
Form ML-2
(Revised 4-96)
Filing Fee - $25.00 - Non-Refundable

STATE OF WYOMING
BOARD OF LAND COMMISSIONERS
OIL & GAS LEASE INTEREST ASSIGNMENT

Return To -
State Land & Farm Loan Office
122 West 25th Street
Herschler Building, 3 West
Cheyenne, WY 82002-0600

Wyoming Oil & Gas Lease Serial Number 97-00352 **Assignment Approval Date -** _____

ASSIGNOR, with name and address at:

Ultra Resources, Inc.
304 Inverness Way South, Suite 295
Englewood, CO 80112

being the owner of 100 percent Undivided leasehold
(Type Interest: Leasehold/Operating Rights/Overriding Royalty)

interest in this lease, described in particular if less than the total leasehold as:

For good and valuable consideration, hereby assigns to:**********

1) ASSIGNEE, with name and address at:

Lance Oil and Gas Company, Inc.
12200 North Pecos Street
Denver, CO 80234

15 percent interest in the total leasehold, or as described in particular above.

2) ASSIGNEE, with name and address at:

267608

RECORDED June 8 1998 9:00A M
IN BOOK 107016 PAGE 713
FEES $ 10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Sarton

percent interest in the total leasehold, or as described in particular above.

3) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

4) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

5) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

and reserving unto ASSIGNOR, 85 percent interest

This assignment is subject to any existing overriding royalties previously reserved. Reservations of overriding interests must be approved by the Director, and any such approval is subject to the condition that overriding Royalties, may be cancelled by the Board of Land Commissioners if it finds that such overriding royalties create a burden on the lease which prevents or unreasonably interferes with its development.

ASSIGNOR certifies by signature on reverse, that ASSIGNOR is the owner of the interest above herein transferred, and ASSIGNEE(S) certify(ies) by signing on the reverse that this assignment constitutes a binding acceptance of all the terms, conditions, stipulations, restrictions and statutes governing the lease described above, and of the Rules of the Board, at Chapter 6, Leasing of Subsurface Resources.

This form may be duplicated.
If space is needed for additional assignors or assignees submit copies of this form only.

Page 1 of 1 of Lease# 97-00352 assignment dated _____

WY-1023

713

SIGNED AS TO TRANSFER AND ACCEPTANCE this 26th day of March 1998.

ULTRA RESOURCES, INC.	**LANCE OIL AND GAS COMPANY, INC.**
ASSIGNOR -	Assignee (1) -
By -	By -
Title - R. G. "Jerry" Albertus President	Title - Ralph W. Ponfick, Attorney-in-Fact
Attest -	Attest -
Assignee (2) -	Assignee (3) -
By -	By -
Title -	Title -
Attest -	Attest -
Assignee (4) -	Assignee (5) -
By -	By -
Title -	Title -
Attest -	Attest -

Assignment Requirements

Note: Assignments are not valid until approved by the Director, State Land and Farm Loan Office as per State Oil & Gas Lease Terms, and approval is solely for administrative purposes and should not be interpreted as warranty that any party to this assignment holds legal or equitable interest in this lease. Assignments which do not meet the requirements listed below and those in the Lease and Rules will be returned unapproved.

1) This form must be completed and submitted for any assignment of State Oil & Gas Lease leasehold interest, undivided or divided as to separate tracts, formations, zones or deposits, and for overriding royalty interest.

2) Assignments of less than a 100% leasehold interest, do not relieve the assignor of the obligations as a lessee under the terms of the lease regarding the interest conveyed unless the State first has in hand, a written agreement to be bound as lessee for all obligations under the lease for the assigned portion from the assignee. This requirement should not be construed in any way as a release or recision of the obligations of any surety bonding parties under the requirements of the State oil and gas lease, Board Rules or this assignment. (All lessees are ultimately responsible for the performance under the lease, and default subjects the entire lease to forfeiture not just the interest related to any performance obligation considered to be in default.)

3) A signed original and one copy of each assignment must be filed with the Wyoming State Land and Farm Loan Office.

4) Each assignment, if approved, is recognized by the State as effective as of the date of approval by the Director. Adequate bond must be furnished covering any and all productive zones prior to approval of any assignment of interest in an operating State oil and gas lease, whether wellbores exist on the leased lands or not, and in no case can drilling operations, including to prospectively productive zones under operating leases, begin without a bond first being in place.

5) If there is more than one party in interest to this assignment, then all such parties in interest must sign the document before assignment approval will be given.

6) The appropriate legal description of the conveyed lands interests must be given.

7) Assignments creating a separate (reissue) lease subject to the rules and regulations governing all State of Wyoming Oil & Gas Leases do not change the terms and conditions of the original lease, the lease anniversary date, nor the obligations and anniversary date of the lease created therefrom being considered as if it had been issued on the effective date of the original lease. (See Board Rules, Chapter 6, Section A.)

8) Corporations, limited liability companies, and limited partnerships must be qualified with the Wyoming Secretary of State's Office, and general partnership papers are required to be filed with the State Land and Farm Loan Office prior to, and as a condition of Board approval of any assignment.

9) Assignments will not be considered for approval where assignor or any assignee currently has a delinquent (late) royalty or rental payment obligation(s) for any State subsurface resource lease.

[redacted] [redacted] [redacted]

State of COLORADO)
) ss.
County of DOUGLAS)

ACKNOWLEDGMENT (For use by Corporation)

On this 26th day of March, 1998, before me personally appeared R. G. "Jerry" Albertus, to me personally known, who, being by me duly sworn, did say that he is the President of Ultra Resources, Inc. and that this instrument was signed in behalf of said corporation by the authority of its Board of Directors and said R. G. "Jerry" Albertus acknowledged said instrument to be the free act and deed of said corporation.

Witness my hand and seal this 26th day of March, 1998.

Amy Barton
NOTARY PUBLIC

(SEAL)

My Commission expires: 7/18/2000

STATE OF COLORADO
COUNTY OF ADAMS

The foregoing instrument was acknowledged before me this 12th day of May, 1998 by Ralph W. Pontek, Attorney-in-Fact for LANCE OIL & GAS COMPANY, INC., a Delaware corporation, on behalf of the corporation.

WITNESS my hand and official seal.

E. June Todd, Notary State of Colorado
12200 N. Pecos Street
Denver, CO 80234

E. JUNE TODD
NOTARY PUBLIC
STATE OF COLORADO

My Commission Expires Apr 3, 2000

Effective 11-86
Form ML-2
(Revised 4-96)
Filing Fee - $25.00 - Non-Refundable

STATE OF WYOMING
BOARD OF LAND COMMISSIONERS
OIL & GAS LEASE INTEREST ASSIGNMENT

Return To -
State Land & Farm Loan Office
122 West 25th Street
Herschler Building, 3 West
Cheyenne, WY 82002-0600

Wyoming Oil & Gas Lease Serial Number 97-00353 **Assignment Approval Date -** _____

ASSIGNOR, with name and address at,

Ultra Resources, Inc.
304 Inverness Way South, Suite 295
Englewood, CO 80112

being the owner of 100 percent Undivided leasehold
(Type Interest: Leasehold/Operating Rights/Overriding Royalty)

interest in this lease, described in particular if less than the total leasehold is:

For good and valuable consideration, hereby assigns to:**********

1) ASSIGNEE, with name and address at:

Lance Oil and Gas Company, Inc.
12200 North Pecos Street
Denver, CO 80234

15 percent interest in the total leasehold, or as described in particular above.

2) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

3) ASSIGNEE, with name and address at:

267609

RECORDED June 8 1998 9:00A M
IN BOOK 107 OF 6 PAGE 716
FEES $ 10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Saxton

percent interest in the total leasehold, or as described in particular above.

4) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

5) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

and reserving unto ASSIGNOR, 85 percent interest

This assignment is subject to any existing overriding royalties previously reserved. Reservations of overriding interests must be approved by the Director, and any such approval is subject to the condition that overriding Royalties, may be cancelled by the Board of Land Commissioners if it finds that such overriding royalties create a burden on the lease which prevents or unreasonably interferes with its development.

ASSIGNOR certifies by signature on reverse, that ASSIGNOR is the owner of the interest above herein transferred, and ASSIGNEE(S) certify(ies) by signing on the reverse that this assignment constitutes a binding acceptance of all the terms, conditions, stipulations, restrictions and statutes governing the lease described above, and of the Rules of the Board, at Chapter 6, Leasing of Subsurface Resources.

This form may be duplicated.
If space is needed for additional assignors or assignees submit copies of this form only.

Page 1 of 1 of Lease# 97-00353 assignment dated _____

WY-1024

[redacted] [redacted] [redacted]

SIGNED AS TO TRANSFER AND ACCEPTANCE this 26th day of March 1998.

ASSIGNOR - **ULTRA RESOURCES, INC.**	Assignee (1) - **LANCE OIL AND GAS COMPANY, INC.**
By -	By -
Title - R. G. Jerry Albertus, President	Title - Ralph W. Ponfick, Attorney-in-Fact
Attest -	Attest -
Assignee (2) -	Assignee (3) -
By -	By -
Title -	Title -
Attest -	Attest -
Assignee (4) -	Assignee (5) -
By -	By -
Title -	Title -
Attest -	Attest -

Assignment Requirements

Note: Assignments are not valid until approved by the Director, State Land and Farm Loan Office as per State Oil & Gas Lease Terms, and approval is solely for administrative purposes and should not be interpreted as warranty that any party to this assignment holds legal or equitable interest in this lease. Assignments which do not meet the requirements listed below and those in the Lease and Rules will be returned unapproved.

1) This form must be completed and submitted for any assignment of State Oil & Gas Lease leasehold interest, undivided or divided as to separate tracts, formations, zones or deposits, and for overriding royalty interest.

2) Assignments of less than a 100% leasehold interest, do not relieve the assignor of the obligations as a lessee under the terms of the lease regarding the interest conveyed unless the State first has in hand, a written agreement to be bound as lessee for all obligations under the lease for the assigned portion from the assignee. This requirement should not be construed in any way as a release or recision of the obligations of any surety bonding parties under the requirements of the State oil and gas lease, Board Rules or this assignment. (All lessees are ultimately responsible for the performance under the lease, and default subjects the entire lease to forfeiture not just the interest related to any performance obligation considered to be in default.)

3) A signed original and one copy of each assignment must be filed with the Wyoming State Land and Farm Loan Office.

4) Each assignment, if approved, is recognized by the State as effective as of the date of approval by the Director. Adequate bond must be furnished covering any and all productive zones prior to approval of any assignment of interest in an operating State oil and gas lease, whether wellbores exist on the leased lands or not, and in no case can drilling operations, including to prospectively productive zones under operating leases, begin without a bond first being in place.

5) If there is more than one party in interest to this assignment, then all such parties in interest must sign the document before assignment approval will be given.

6) The appropriate legal description of the conveyed lands interests must be given.

7) Assignments creating a separate (reissue) lease subject to the rules and regulations governing all State of Wyoming Oil & Gas Leases do not change the terms and conditions of the original lease, the lease anniversary date, nor the obligations and anniversary date of the lease created therefrom being considered as if it had been issued on the effective date of the original lease. (See Board Rules, Chapter 6, Section A.)

8) Corporations, limited liability companies, and limited partnerships must be qualified with the Wyoming Secretary of State's Office, and general partnership papers are required to be filed with the State Land and Farm Loan Office prior to, and as a condition of Board approval of any assignment.

9) Assignments will not be considered for approval where assignor or any assignee currently has a delinquent (late) royalty or rental payment obligation(s) for any State subsurface resource lease.

ACKNOWLEDGMENT (For use by Corporation)

State of COLORADO)
) ss.
County of DOUGLAS)

On this 20th day of March 1998, before me personally appeared R. G. "Jerry" Albertus, to me personally known, who, being by me duly sworn, did say that he is the President of Ultra Resources, Inc. and that this instrument was signed in behalf of said corporation by the authority of its Board of Directors and said R. G. "Jerry" Albertus acknowledged said instrument to be the free act and deed of said corporation.

Witness my hand and seal this 20th day of March, 1998.

Amy Barton
NOTARY PUBLIC

(SEAL)

My Commission expires: 7/18/2000

STATE OF COLORADO §
§ ss.
COUNTY OF ADAMS §

The foregoing instrument was acknowledged before me this 12th day of May, 1998 by Ralph W. Ponfick, Attorney-in-Fact for LANCE OIL & GAS COMPANY, INC., a Delaware corporation, on behalf of the corporation.

WITNESS my hand and official seal.

E. JUNE TODD
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expires Apr 3, 2000

E. June Todd
E. June Todd, Notary State of Colorado
12200 N. Pecos Street
Denver, CO 80234

[redacted] [redacted] [redacted]

Effective 11-86
Form ML-2
(Revised 4-96)
Filing Fee - $25.00 - Non-Refundable

STATE OF WYOMING
BOARD OF LAND COMMISSIONERS
OIL & GAS LEASE INTEREST ASSIGNMENT

Return To -
State Land & Farm Loan Office
122 West 25th Street
Herschler Building, 3 West
Cheyenne, WY 82002-0600

Wyoming Oil & Gas Lease Serial Number 97-00354 Assignment Approval Date - _____

ASSIGNOR, with name and address at,

Ultra Resources, Inc.
304 Inverness Way South, Suite 295
Englewood, CO 80112

being the owner of 100 percent Undivided leasehold
(Type Interest: Leasehold/Operating Rights/Overriding Royalty)

interest in this lease, described in particular if less than the total leasehold as:

For good and valuable consideration, hereby assigns to:**********

1) ASSIGNEE, with name and address at:

Lance Oil and Gas Company, Inc.
12200 North Pecos Street
Denver, CO 80234

15 percent interest in the total leasehold, or as described in particular above.

2) ASSIGNEE, with name and address at:

267610

RECORDED June 8 1998 9:00A M
IN BOOK 107 016 PAGE 719
FEES $ 10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Seaton

percent interest in the total leasehold, or as described in particular above.

3) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

4) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

5) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

and reserving unto ASSIGNOR, 85 percent interest

This assignment is subject to any existing overriding royalties previously reserved. Reservations of overriding interests must be approved by the Director, and any such approval is subject to the condition that overriding Royalties, may be cancelled by the Board of Land Commissioners if it finds that such overriding royalties create a burden on the lease which prevents or unreasonably interferes with its development.

ASSIGNOR certifies by signature on reverse, that ASSIGNOR is the owner of the interest above herein transferred, and ASSIGNEE(S) certify(ies) by signing on the reverse that this assignment constitutes a binding acceptance of all the terms, conditions, stipulations, restrictions and statutes governing the lease described above, and of the Rules of the Board, at Chapter 6, Leasing of Subsurface Resources.

This form may be duplicated.
If space is needed for additional assignors or assignees submit copies of this form only.

Page 1 of 1 of Lease# 97-00354 assignment dated _____

WY-1025

719

SIGNED AS TO TRANSFER AND ACCEPTANCE this 6th day of May 1998.

ULTRA RESOURCES, INC.	**LANCE OIL AND GAS COMPANY, INC.**
Assignor -	Assignee (1) -
By - R. G. "Jerry" Albertus	By - Ralph W. Ponfick
Title - President	Title - Ralph W. Ponfick, Attorney-in-Fact
Attest -	Attest -
Assignee (2) -	Assignee (3) -
By -	By -
Title -	Title -
Attest -	Attest -
Assignee (4) -	Assignee (5) -
By -	By -
Title -	Title -
Attest -	Attest -

Assignment Requirements

Note: Assignments are not valid until approved by the Director, State Land and Farm Loan Office as per State Oil & Gas Lease Terms, and approval is solely for administrative purposes and should not be interpreted as warranty that any party to this assignment holds legal or equitable interest in this lease. Assignments which do not meet the requirements listed below and those in the Lease and Rules will be returned unapproved.

1) This form must be completed and submitted for any assignment of State Oil & Gas Lease leasehold interest, undivided or divided as to separate tracts, formations, zones or deposits, and for overriding royalty interest.

2) Assignments of less than a 100% leasehold interest, do not relieve the assignor of the obligations as a lessee under the terms of the lease regarding the interest conveyed unless the State first has in hand, a written agreement to be bound as lessee for all obligations under the lease for the assigned portion from the assignee. This requirement should not be construed in any way as a release or recision of the obligations of any surety bonding parties under the requirements of the State oil and gas lease, Board Rules or this assignment. (All lessees are ultimately responsible for the performance under the lease, and default subjects the entire lease to forfeiture not just the interest related to any performance obligation considered to be in default.)

3) A signed original and one copy of each assignment must be filed with the Wyoming State Land and Farm Loan Office.

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9) Assignments will not be considered for approval where assignor or any assignee currently has a delinquent (late) royalty or rental payment obligation(s) for any State subsurface resource lease.

ACKNOWLEDGMENT (For use by Corporation)

State of COLORADO)
) ss.
County of DOUGLAS)

On this 10th day of May, 1998, before me personally appeared R. G. "Jerry" Albertus, to me personally known, who, being by me duly sworn, did say that he is the President of Ultra Resources, Inc. and that this instrument was signed in behalf of said corporation by the authority of its Board of Directors and said R. G. "Jerry" Albertus acknowledged said instrument to be the free act and deed of said corporation.

Witness my hand and seal this 10th day of May, 1998.

Amy Barton
NOTARY PUBLIC

(SEAL)

My Commission expires: 7/18/2000

STATE OF COLORADO §
§ ss.
COUNTY OF ADAMS §

The foregoing instrument was acknowledged before me this 12th day of May, 1998 by Ralph W. Ponfick, Attorney-in-Fact for LANCE OIL & GAS COMPANY, INC., a Delaware corporation, on behalf of the corporation.

WITNESS my hand and official seal.
E. JUNE TODD
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expires Apr. 3, 2000

E. June Todd
E. June Todd, Notary State of Colorado
12200 N. Pecos Street
Denver, CO 80234

722

Effective 11-86
Form ML-2
(Revised 4-96)
Filing Fee - $25.00 - Non-Refundable

STATE OF WYOMING
BOARD OF LAND COMMISSIONERS
OIL & GAS LEASE INTEREST ASSIGNMENT

Return To -
State Land & Farm Loan Office
122 West 25th Street
Herschler Building, 3 West
Cheyenne, WY 82002-0600

Wyoming Oil & Gas Lease Serial Number 97-00355 Assignment Approval Date - _____

ASSIGNOR, with name and address at,

Ultra Resources, Inc.
304 Inverness Way South, Suite 295
Englewood, CO 80112

being the owner of 100 percent Undivided leasehold
(Type Interest: Leasehold/Operating Rights/Overriding Royalty)

interest in this lease, described in particular if less than the total leasehold as:

For good and valuable consideration, hereby assigns to:**********

1) ASSIGNEE, with name and address at:

Lance Oil and Gas Company, Inc.
12200 North Pecos Street
Denver, CO 80234

15 percent interest in the total leasehold, or as described in particular above.

2) ASSIGNEE, with name and address at:

267611

RECORDED June 8 1998 M
IN BOOK 107046 PAGE 948
FEES $ 10.00 9:00a
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Saxton

percent interest in the total leasehold, or as described in particular above.

3) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

4) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

5) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

and reserving unto ASSIGNOR, 85 percent interest

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This form may be duplicated.
If space is needed for additional assignors or assignees submit copies of this form only.

[redacted] [redacted] [redacted]

SIGNED AS TO TRANSFER AND ACCEPTANCE this 26th day of March 1998.

ULTRA RESOURCES, INC.	LANCE OIL AND GAS COMPANY, INC.
Assignor -	Assignee (1) -
By -	By -
Title - R. G. "Jerry" Albertus, President	Title - Ralph W. Ponfick, Attorney-in-Fact
Attest -	Attest -
Assignee (2) -	Assignee (3) -
By -	By -
Title -	Title -
Attest -	Attest -
Assignee (4) -	Assignee (5) -
By -	By -
Title -	Title -
Attest -	Attest -

Assignment Requirements

Note: Assignments are not valid until approved by the Director, State Land and Farm Loan Office as per State Oil & Gas Lease Terms, and approval is solely for administrative purposes and should not be interpreted as warranty that any party to this assignment holds legal or equitable interest in this lease. Assignments which do not meet the requirements listed below and those in the Lease and Rules will be returned unapproved.

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2) Assignments of less than a 100% leasehold interest, do not relieve the assignor of the obligations as a lessee under the terms of the lease regarding the interest conveyed unless the State first has in hand, a written agreement to be bound as lessee for all obligations under the lease for the assigned portion from the assignee. This requirement should not be construed in any way as a release or recision of the obligations of any surety bonding parties under the requirements of the State oil and gas lease, Board Rules or this assignment. (All lessees are ultimately responsible for the performance under the lease, and default subjects the entire lease to forfeiture not just the interest related to any performance obligation considered to be in default.)

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4) Each assignment, if approved, is recognized by the State as effective as of the date of approval by the Director. Adequate bond must be furnished covering any and all productive zones prior to approval of any assignment of interest in an operating State oil and gas lease, whether wellbores exist on the leased lands or not, and in no case can drilling operations, including to prospectively productive zones under operating leases, begin without a bond first being in place.

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6) The appropriate legal description of the conveyed lands interests must be given.

7) Assignments creating a separate (riverse) lease subject to the rules and regulations governing all State of Wyoming Oil & Gas Lease do not change the terms and conditions of the original lease, the lease anniversary date, nor the obligations and anniversary date of the lease created therefrom being considered as if it had been issued on the effective date of the original lease. (See Board Rules, Chapter 6, Section A.)

8) Corporations, limited liability companies, and limited partnerships must be qualified with the Wyoming Secretary of State's Office, and general partnership papers are required to be filed with the State Land and Farm Loan Office prior to, and as a condition of Board approval of any assignment.

9) Assignments will not be considered for approval where assignor or any assignee currently has a delinquent (late) royalty or rental payment obligation(s) for any State subsurface resource lease.

State of COLORADO)
) ss.
County of DOUGLAS)

ACKNOWLEDGMENT (For use by Corporation)

On this 20th day of March, 1998, before me personally appeared R. G. "Jerry" Albertus, to me personally known, who, being by me duly sworn, did say that he is the President of Ultra Resources, Inc. and that this instrument was signed in behalf of said corporation by the authority of its Board of Directors and said R. G. "Jerry" Albertus acknowledged said instrument to be the free act and deed of said corporation.

Witness my hand and seal this 20th day of March, 1998.

Amy Barton

NOTARY PUBLIC

(SEAL)

My Commission expires: 7/18/2000

STATE OF COLORADO §
§ ss.
COUNTY OF ADAMS §

The foregoing instrument was acknowledged before me this 12th day of May, 1998 by Ralph W. Ponfick, Attorney -in-Fact for LANCE OIL & GAS COMPANY, INC., a Delaware corporation, on behalf of the corporation.

WITNESS my hand and official seal.

E. JUNE TODD
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expires Apr. 3, 2000

E. June Todd

E. June Todd, Notary State of Colorado
12200 N. Pecos Street
Denver, CO 80234

[redacted] [redacted] [redacted]

Effective 11-86
Form ML-2
(Revised 4-96)
Filing Fee - $25.00 - Non-Refundable

STATE OF WYOMING
BOARD OF LAND COMMISSIONERS
OIL & GAS LEASE INTEREST ASSIGNMENT

Return To -
State Land & Farm Loan Office
122 West 25th Street
Herschler Building, 3 West
Cheyenne, WY 82002-0600

Wyoming Oil & Gas Lease Serial Number 97-00356 **Assignment Approval Date -** _____

ASSIGNOR, with name and address at, **Ultra Resources, Inc.**
304 Inverness Way South, Suite 295
Englewood, CO 80112

being the owner of 100 percent Undivided leasehold
(Type Interest: Leasehold/Operating Rights/Overriding Royalty)

interest in this lease, described in particular if less than the total leasehold as:

For good and valuable consideration, hereby assigns to:**********

1) ASSIGNEE, with name and address at:

Lance Oil and Gas Company, Inc.
12200 North Pecos Street
Denver, CO 80234

15 percent interest in the total leasehold, or as described in particular above.

9:00a

RECORDED June 8 19 98 M
IN BOOK 107 Off 6 PAGE 725
FEES $10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Saxton

267612

2) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

3) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

4) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

5) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

and reserving unto ASSIGNOR, 85 percent interest

This assignment is subject to any existing overriding royalties previously reserved. Reservations of overriding interests must be approved by the Director, and any such approval is subject to the condition that overriding Royalties, may be cancelled by the Board of Land Commissioners if it finds that such overriding royalties create a burden on the lease which prevents or unreasonably interferes with its development.

ASSIGNOR certifies by signature on reverse, that ASSIGNOR is the owner of the interest above herein transferred, and ASSIGNEE(S) certify(ies) by signing on the reverse that this assignment constitutes a binding acceptance of all the terms, conditions, stipulations, restrictions and statutes governing the lease described above, and of the Rules of the Board, at Chapter 6, Leasing of Subsurface Resources.

This form may be duplicated.
If space is needed for additional assignors or assignees submit copies of this form only.

Page 1 of 1 of Lease# 97-00356 assignment dated _____

WY-1027

725

SIGNED AS TO TRANSFER AND ACCEPTANCE this 26th day of March 1998.

ASSIGNOR - ULTRA RESOURCES, INC.	Assignee (1) - LANCE OIL AND GAS COMPANY, INC.
By - R. G. Jerry Albertus	By - Ralph W. Ponfick
Title - President	Title - Ralph W. Ponfick, Attorney-in-Fact
Attest -	Attest -
Assignee (2) -	Assignee (3) -
By -	By -
Title -	Title -
Attest -	Attest -
Assignee (4) -	Assignee (5) -
By -	By -
Title -	Title -
Attest -	Attest -

Assignment Requirements

Note: Assignments are not valid until approved by the Director, State Land and Farm Loan Office as per State Oil & Gas Lease Terms, and approval is solely for administrative purposes and should not be interpreted as warranty that any party to this assignment holds legal or equitable interest in this lease. Assignments which do not meet the requirements listed below and those in the Lease and Rules will be returned unapproved.

1) This form must be completed and submitted for any assignment of State Oil & Gas Lease leasehold interest, undivided or divided as to separate tracts, formations, zones or deposits, and for overriding royalty interest.

2) Assignments of less than a 100% leasehold interest, do not relieve the assignor of the obligations as a lessee under the terms of the lease regarding the interest conveyed unless the State first has in hand, a written agreement to be bound as lessee for all obligations under the lease for the assigned portion from the assignee. This requirement should not be construed in any way as a release or recision of the obligations of any surety bonding parties under the requirements of the State oil and gas lease, Board Rules or this assignment. (All lessees are ultimately responsible for the performance under the lease, and default subjects the entire lease to forfeiture not just the interest related to any performance obligation considered to be in default.)

3) A signed original and one copy of each assignment must be filed with the Wyoming State Land and Farm Loan Office.

4) Each assignment, if approved, is recognized by the State as effective as of the date of approval by the Director. Adequate bond must be furnished covering any and all productive zones prior to approval of any assignment of interest in an operating State oil and gas lease, whether wellbores exist on the leased lands or not, and in no case can drilling operations, including to prospectively productive zones under operating leases, begin without a bond first being in place.

5) If there is more than one party in interest to this assignment, then all such parties in interest must sign the document before assignment approval will be given.

6) The appropriate legal description of the conveyed lands interests must be given.

7) Assignments creating a separate (reissue) lease subject to the rules and regulations governing all State of Wyoming Oil & Gas Lease do not change the terms and conditions of the original lease, the lease anniversary date, nor the obligations and anniversary date of the lease created therefrom being considered as if it had been issued on the effective date of the original lease. (See Board Rules, Chapter 6, Section A.)

8) Corporations, limited liability companies, and limited partnerships must be qualified with the Wyoming Secretary of State's Office, and general partnership papers are required to be filed with the State Land and Farm Loan Office prior to, and as a condition of Board approval of any assignment.

9) Assignments will not be considered for approval where assignor or any assignee currently has a delinquent (late) royalty or rental payment obligation(s) for any State subsurface resource lease.

[redacted] [redacted] [redacted]

State of COLORADO)
) ss.
County of DOUGLAS)

ACKNOWLEDGMENT (For use by Corporation)

On this 20th day of March, 1998, before me personally appeared R. G. "Jerry" Albertus, to me personally known, who, being by me duly sworn, did say that he is the President of Ultra Resources, Inc. and that this instrument was signed in behalf of said corporation by the authority of its Board of Directors and said R. G. "Jerry" Albertus acknowledged said instrument to be the free act and deed of said corporation.

Witness my hand and seal this 20th day of March, 1998.

Amy Barton
NOTARY PUBLIC

(SEAL)

My Commission expires: 7/18/2000

STATE OF COLORADO)
) ss.
COUNTY OF ADAMS)

The foregoing instrument was acknowledged before me this 12th day of May, 1998 by Ralph W. Ponfick, Attorney-in-Fact for LANCE OIL & GAS COMPANY, INC., a Delaware corporation, on behalf of the corporation.

WITNESS my hand and official seal.

E. JUNE TODD
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expires Apr. 3, 2000

E. June Todd
E. June Todd, Notary State of Colorado
12200 N. Pecos Street
Denver, CO 80234

728

Effective 11-86
Form ML-2
(Revised 4-96)
Filing Fee - $25.00 - Non-Refundable

STATE OF WYOMING
BOARD OF LAND COMMISSIONERS
OIL & GAS LEASE INTEREST ASSIGNMENT

Return To -
State Land & Farm Loan Office
122 West 25th Street
Herschler Building, 3 West
Cheyenne, WY 82002-0600

Wyoming Oil & Gas Lease Serial Number 97-00357 Assignment Approval Date - _____

ASSIONOR, with name and address at, **Ultra Resources, Inc.**
304 Inverness Way South, Suite 295
Englewood, CO 80112

being the owner of 100 percent Undivided leasehold
(Type Interest: Leasehold/Operating Rights/Overriding Royalty)

interest in this lease, described in particular if less than the total leasehold as:

For good and valuable consideration, hereby assigns to:**********

1) ASSIGNEE, with name and address at:

Lance Oil and Gas Company, Inc.
12200 North Pecos Street
Denver, CO 80234

15 percent interest in the total leasehold, or as described in particular above.

2) ASSIGNEE, with name and address at: **267613**

RECORDED June 8 1998 9:00 M
IN BOOK D76+6 PAGE 728
FEES $ 10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Sorton

percent interest in the total leasehold, or as described in particular above.

3) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

4) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

5) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

and reserving unto ASSIGNOR, 85 percent interest

This assignment is subject to any existing overriding royalties previously reserved. Reservations of overriding interests must be approved by the Director, and any such approval is subject to the condition that overriding Royalties, may be cancelled by the Board of Land Commissioners if it finds that such overriding royalties create a burden on the lease which prevents or unreasonably interferes with its development.

ASSIGNOR certifies by signature on reverse, that ASSIGNOR is the owner of the interest above herein transferred, and ASSIGNEE(S) certify(ies) by signing on the reverse that this assignment constitutes a binding acceptance of all the terms, conditions, stipulations, restrictions and statutes governing the lease described above, and of the Rules of the Board, at Chapter 6, Leasing of Subsurface Resources.

This form may be duplicated.
If space is needed for additional assignors or assignees submit copies of this form only.

Page 1 of 1 of Lease# 97-00357 assignment dated _____

WY-1028

[redacted] [redacted] [redacted]

SIGNED AS TO TRANSFER AND ACCEPTANCE this 26th day of March 19 98.

ASSIGNOR - **ULTRA RESOURCES, INC.**	Assignee (1) - **LANCE OIL AND GAS COMPANY, INC.**
By -	By - Ralph W. Ponfick
Title - R. G. "Jerry" Albertus President	Title - Ralph W. Ponfick, Attorney-in-Fact
Attest -	Attest -
Assignee (2) -	Assignee (3) -
By -	By -
Title -	Title -
Attest -	Attest -
Assignee (4) -	Assignee (5) -
By -	By -
Title -	Title -
Attest -	Attest -

ASSIGNMENT REQUIREMENTS

Note: Assignments are not valid until approved by the Director, State Land and Farm Loan Office as per State Oil & Gas Lease Terms, and approval is solely for administrative purposes and should not be interpreted as warranty that any party to this assignment holds legal or equitable interest in this lease. Assignments which do not meet the requirements listed below and those in the Lease and Rules will be returned unapproved.

1) This form must be completed and submitted for any assignment of State Oil & Gas Lease leasehold interest, undivided or divided as to separate tracts, formations, zones or deposits, and for overriding royalty interest.

2) Assignments of less than a 100% leasehold interest, do not relieve the assignor of the obligations as a lessee under the terms of the lease regarding the interest conveyed unless the State first has in hand, a written agreement to be bound as lessee for all obligations under the lease for the assigned portion from the assignee. This requirement should not be construed in any way as a release or recision of the obligations of any surety bonding parties under the requirements of the State oil and gas lease, Board Rules or this assignment. (All lessees are ultimately responsible for the performance under the lease, and default subjects the entire lease to forfeiture not just the interest related to any performance obligation considered to be in default.)

3) A signed original and one copy of each assignment must be filed with the Wyoming State Land and Farm Loan Office.

4) Each assignment, if approved, is recognized by the State as effective as of the date of approval by the Director. Adequate bond must be furnished covering any and all productive zones prior to approval of any assignment of interest in an operating State oil and gas lease, whether wellbores exist on the leased lands or not, and in no case can drilling operations, including to prospectively productive zones under operating leases, begin without a bond first being in place.

5) If there is more than one party in interest to this assignment, then all such parties in interest must sign the document before assignment approval will be given.

6) The appropriate legal description of the conveyed lands interests must be given.

7) Assignments creating a separate (reissue) lease subject to the rules and regulations governing all State of Wyoming Oil & Gas Lease do not change the terms and conditions of the original lease, the lease anniversary date, nor the obligations and anniversary date of the lease created therefrom being considered as if it had been issued on the effective date of the original lease. (See Board Rules, Chapter 6, Section A.)

8) Corporations, limited liability companies, and limited partnerships must be qualified with the Wyoming Secretary of State's Office, and general partnership papers are required to be filed with the State Land and Farm Loan Office prior to, and as a condition of Board approval of any assignment.

9) Assignments will not be considered for approval where assignor or any assignee currently has a delinquent (late) royalty or rental payment obligation(s) for any State subsurface resource lease.

State of COLORADO)
) ss.
County of DOUGLAS)

ACKNOWLEDGMENT (For use by Corporation)

On this 26th day of March, 1998, before me personally appeared R. G. "Jerry" Albertus, to me personally known, who, being by me duly sworn, did say that he is the President of Ultra Resources, Inc. and that this instrument was signed in behalf of said corporation by the authority of its Board of Directors and said R. G. "Jerry" Albertus acknowledged said instrument to be the free act and deed of said corporation.

Witness my hand and seal this 26th day of March, 1998.

(SEAL)

My Commission expires 7/12/2000

Amy Barton
NOTARY PUBLIC

STATE OF COLORADO)
) ss.
COUNTY OF ADAMS)

The foregoing instrument was acknowledged before me this 12th day of May, 1998 by Ralph W. Pontick, Attorney-in-Fact for LANCE [illegible] corporation, on behalf of the corporation.

WITNESS my hand and official seal.

E. JUNE TODD
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expires Apr. 9, 2000

E. June Todd
E. June Todd, Notary State of Colorado
12200 N. Pecos Street
Denver, CO 80234

[redacted] [redacted] [redacted]

STATE OF WYOMING
BOARD OF LAND COMMISSIONERS
OIL & GAS LEASE INTEREST ASSIGNMENT

Effective 11-86
Form ML-2
(Revised 4-96)
Filing Fee - $25.00 - Non-Refundable

Return To -
State Land & Farm Loan Office
122 West 25th Street
Herschler Building, 3 West
Cheyenne, WY 82002-0600

Wyoming Oil & Gas Lease Serial Number 97-00358 Assignment Approval Date - _____

ASSIGNOR, with name and address at,

Ultra Resources, Inc.
304 Inverness Way South, Suite 295
Englewood, CO 80112

being the owner of 100 percent Undivided leasehold
(Type Interest: Leasehold/Operating Rights/Overriding Royalty)

interest in this lease, described in particular if less than the total leasehold as:

For good and valuable consideration, hereby assigns to:**********

1) ASSIGNEE, with name and address at:

Lance Oil and Gas Company, Inc.
12200 North Pecos Street
Denver, CO 80234

15 percent interest in the total leasehold, or as described in particular above.

2) ASSIGNEE, with name and address at:

267614

RECORDED June 8 1998 9:00 M
IN BOOK 107 016 PAGE 731
FEES $ 10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Saxton

percent interest in the total leasehold, or as described in particular above.

3) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

4) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

5) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

and,reserving unto ASSIGNOR, 85 percent interest

This assignment is subject to any existing overriding royalties previously reserved. Reservations of overriding interests must be approved by the Director, and any such approval is subject to the condition that overriding Royalties, may be cancelled by the Board of Land Commissioners if it finds that such overriding royalties create a burden on the lease which prevents or unreasonably interferes with its development.

ASSIGNOR certifies by signature on reverse, that ASSIGNOR is the owner of the interest above herein transferred, and ASSIGNEE(S) certify(ies) by signing on the reverse that this assignment constitutes a binding acceptance of all the terms, conditions, stipulations, restrictions and statutes governing the lease described above, and of the Rules of the Board, at Chapter 6, Leasing of Subsurface Resources.

This form may be duplicated.
If space is needed for additional assignors or assignees submit copies of this form only.

Page 1 of 1 of Lease# 97-00358 assignment dated _____

WY-1029

731

SIGNED AS TO TRANSFER AND ACCEPTANCE this 6th day of May 1998.

ASSIGNOR - ULTRA RESOURCES, INC.	Assignee (1) - LANCE OIL AND GAS COMPANY, INC.
By -	By - Ralph W. Ponfick
Title - R. G. "Jerry" Albertus, President	Title - Ralph W. Ponfick, Attorney-in-Fact
Attest -	Attest -
Assignee (2) -	Assignee (3) -
By -	By -
Title -	Title -
Attest -	Attest -
Assignee (4) -	Assignee (5) -
By -	By -
Title -	Title -
Attest -	Attest -

ASSIGNMENT REQUIREMENTS

Note: Assignments are not valid until approved by the Director, State Land and Farm Loan Office as per State Oil & Gas Lease Terms, and approval is solely for administrative purposes and should not be interpreted as warranty that any party to this assignment holds legal or equitable interest in this lease. Assignments which do not meet the requirements listed below and those in the Lease and Rules will be returned unapproved.

1) This form must be completed and submitted for any assignment of State Oil & Gas Lease leasehold interest, undivided or divided as to separate tracts, formations, zones or deposits, and for overriding royalty interest.

2) Assignments of less than a 100% leasehold interest, do not relieve the assignor of the obligations as a lessee under the terms of the lease regarding the interest conveyed unless the State first has in hand, a written agreement to be bound as lessee for all obligations under the lease for the assigned portion from the assignee. This requirement should not be construed in any way as a release or recision of the obligations of any surety bonding parties under the requirements of the State oil and gas lease, Board Rules or this assignment. (All lessees are ultimately responsible for the performance under the lease, and default subjects the entire lease to forfeiture not just the interest related to any performance obligation considered to be in default.)

3) A signed original and one copy of each assignment must be filed with the Wyoming State Land and Farm Loan Office.

4) Each assignment, if approved, is recognized by the State as effective as of the date of approval by the Director. Adequate bond must be furnished covering any and all productive zones prior to approval of any assignment of interest in an operating State oil and gas lease, whether wellbores exist on the leased lands or not, and in no case can drilling operations, including to prospectively productive zones under operating leases, begin without a bond first being in place.

5) If there is more than one party in interest to this assignment, then all such parties in interest must sign the document before assignment approval will be given.

6) The appropriate legal description of the conveyed lands interests must be given.

7) Assignments creating a separate (riserve) lease subject to the rules and regulations governing all State of Wyoming Oil & Gas Leases do not change the terms and conditions of the original lease, the lease anniversary date, nor the obligations and anniversary date of the lease created therefrom being considered as if it had been issued on the effective date of the original lease. (See Board Rules, Chapter 6, Section A.)

8) Corporations, limited liability companies, and limited partnerships must be qualified with the Wyoming Secretary of State's Office, and general partnership papers are required to be filed with the State Land and Farm Loan Office prior to, and as a condition of Board approval of any assignment.

9) Assignments will not be considered for approval where assignor or any assignee currently has a delinquent (late) royalty or rental payment obligation(s) for any State subsurface resource lease.

[redacted] [redacted] [redacted]

State of COLORADO)
) ss.
County of DOUGLAS)

ACKNOWLEDGMENT (For use by Corporation)

On this 10th day of May, 1998, before me personally appeared R. G. "Jerry" Albertus, to me personally known, who, being by me duly sworn, did say that he is the President of Ultra Resources, Inc. and that this instrument was signed in behalf of said corporation by the authority of its Board of Directors and said R. G. "Jerry" Albertus acknowledged said instrument to be the free act and deed of said corporation.

Witness my hand and seal this 10th day of May, 1998.

Nancy Barton
NOTARY PUBLIC

(SEAL)

My Commission expires: 7/15/2000

STATE OF COLORADO §
§ ss.
COUNTY OF ADAMS §

The foregoing instrument was acknowledged before me this 12th day of May, 1998 by Ralph W. Ponfick, Attorney-in-Fact for LANCE OIL & GAS COMPANY, INC., a Delaware corporation, on behalf of the corporation.

WITNESS my hand and official seal.

E. JUNE TODD
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expires Apr. 3, 2000

E. June Todd
E. June Todd, Notary State of Colorado
12200 N. Pecos Street
Denver, CO 80234

734

Effective 11-86
Form ML-2
(Revised 4-96)
Filing Fee - $25.00 - Non-Refundable

STATE OF WYOMING
BOARD OF LAND COMMISSIONERS
OIL & GAS LEASE INTEREST ASSIGNMENT

Return To -
State Land & Farm Loan Office
122 West 25th Street
Herschler Building, 3 West
Cheyenne, WY 82002-0600

Wyoming Oil & Gas Lease Serial Number 97-00359 Assignment Approval Date - _____

ASSIGNOR, with name and address at: **Ultra Resources, Inc.**
304 Inverness Way South, Suite 295
Englewood, CO 80112

being the owner of 100 percent Undivided leasehold
(Type Interest: Leasehold/Operating Rights/Overriding Royalty)

interest in this lease, described in particular if less than the total leasehold as:

For good and valuable consideration, hereby assigns to:**********

1) ASSIGNEE, with name and address at:

Lance Oil and Gas Company, Inc.
12200 North Pecos Street
Denver, CO 80234

15 percent interest in the total leasehold, or as described in particular above.

2) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

267615

RECORDED June 8 1998 9:00A M
IN BOOK 107646 PAGE 734
FEES $10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Sexton

3) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

4) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

5) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

and reserving unto ASSIGNOR, 85 percent interest

This assignment is subject to any existing overriding royalties previously reserved. Reservations of overriding interests must be approved by the Director, and any such approval is subject to the condition that overriding Royalties, may be cancelled by the Board of Land Commissioners if it finds that such overriding royalties create a burden on the lease which prevents or unreasonably interferes with its development.

ASSIGNOR certifies by signature on reverse, that ASSIGNOR is the owner of the interest above herein transferred, and ASSIGNEE(S) certify(ies) by signing on the reverse that this assignment constitutes a binding acceptance of all the terms, conditions, stipulations, restrictions and statutes governing the lease described above, and of the Rules of the Board, at Chapter 6, Leasing of Subsurface Resources.

This form may be duplicated.
If space is needed for additional assignors or assignees submit copies of this form only.

Page 1 of 1 of Lease# 97-00359 assignment dated _____

WY-1030

[redacted] [redacted] [redacted]

SIGNED AS TO TRANSFER AND ACCEPTANCE this 20th day of March 1998.

ASSIGNOR - ULTRA RESOURCES, INC.	Assignee (1) - LANCE OIL AND GAS COMPANY, INC.
By - R. G. "Jerry" Albertus	By - Ralph W. Ponfick
Title - President	Title - Ralph W. Ponfick, Attorney-in-Fact
Attest -	Attest -
Assignee (2) -	Assignee (3) -
By -	By -
Title -	Title -
Attest -	Attest -
Assignee (4) -	Assignee (5) -
By -	By -
Title -	Title -
Attest -	Attest -

ASSIGNMENT REQUIREMENTS

Note: Assignments are not valid until approved by the Director, State Land and Farm Loan Office as per State Oil & Gas Lease Terms, and approval is solely for administrative purposes and should not be interpreted as warranty that any party to this assignment holds legal or equitable interest in this lease. Assignments which do not meet the requirements listed below and those in the Lease and Rules will be returned unapproved.

1) This form must be completed and submitted for any assignment of State Oil & Gas Lease leasehold interest, undivided or divided as to separate tracts, formations, zones or deposits, and for overriding royalty interest.

2) Assignments of less than a 100% leasehold interest, do not relieve the assignor of the obligations as a lessee under the terms of the lease regarding the interest conveyed unless the State first has in hand, a written agreement to be bound as lessee for all obligations under the lease for the assigned portion from the assignee. This requirement should not be construed in any way as a release or recision of the obligations of any surety bonding parties under the requirements of the State oil and gas lease, Board Rules or this assignment. (All lessees are ultimately responsible for the performance under the lease, and default subjects the entire lease to forfeiture not just the interest related to any performance obligation considered to be in default.)

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5) If there is more than one party in interest to this assignment, then all such parties in interest must sign the document before assignment approval will be given.

6) The appropriate legal description of the conveyed lands interests must be given.

7) Assignments creating a separate (seisms) lease subject to the rules and regulations governing all State of Wyoming Oil & Gas Lease do not change the terms and conditions of the original lease, the lease anniversary date, nor the obligations and anniversary date of the lease created therefrom being considered as if it had been issued on the effective date of the original lease. (See Board Rules, Chapter 6, Section A.)

8) Corporations, limited liability companies, and limited partnerships must be qualified with the Wyoming Secretary of State's Office, and general partnership papers are required to be filed with the State Land and Farm Loan Office prior to, and as a condition of Board approval of any assignment.

9) Assignments will not be considered for approval where assignor or any assignee currently has a delinquent (late) royalty or rental payment obligation(s) for any State subsurface resource lease.

ACKNOWLEDGMENT (For use by Corporation)

State of COLORADO)
) ss.
County of DOUGLAS)

On this 20th day of March, 1998, before me personally appeared R. G. "Jerry" Albertus, to me personally known, who, being by me duly sworn, did say that he is the President of Ultra Resources, Inc. and that this instrument was signed in behalf of said corporation by the authority of its Board of Directors and said R. G. "Jerry" Albertus acknowledged said instrument to be the free act and deed of said corporation.

Witness my hand and seal this 20th day of March, 1998.

(SEAL)

My Commission expires: 7/18/2000

Amy Barton
NOTARY PUBLIC

STATE OF COLORADO §
§ ss.
COUNTY OF ADAMS §

The foregoing instrument was acknowledged before me this 12th day of May, 1998 by Ralph W. Ponfick, Attorney -in-Fact for LANCE OIL & GAS COMPANY, INC., a Delaware corporation, on behalf of the corporation.

WITNESS my hand and official seal.

E. JUNE TODD
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expires Apr. 3, 2000

E. June Todd
B. June Todd, Notary State of Colorado
12200 N. Pecos Street
Denver, CO 80234

Effective 11-86
Form ML-2
(Revised 4-96)
Filing Fee - $25.00 - Non-Refundable

STATE OF WYOMING
BOARD OF LAND COMMISSIONERS
OIL & GAS LEASE INTEREST ASSIGNMENT

Return To -
State Land & Farm Loan Office
122 West 25th Street
Herschler Building, 3 West
Cheyenne, WY 82002-0600

Wyoming Oil & Gas Lease Serial Number 97-00360 **Assignment Approval Date -** _____

ASSIGNOR, with name and address at,

Ultra Resources, Inc.
304 Inverness Way South, Suite 295
Englewood, CO 80112

being the owner of 100 percent Undivided leasehold
(Type Interest: Leasehold/Operating Rights/Overriding Royalty)

interest in this lease, described in particular if less than the total leasehold as:

For good and valuable consideration, hereby assigns to:**********

1) ASSIGNEE, with name and address at:

Lance Oil and Gas Company, Inc.
12200 North Pecos Street
Denver, CO 80234

15 percent interest in the total leasehold, or as described in particular above.

2) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

3) ASSIGNEE, with name and address at:

267616

RECORDED June 8 1998 9:00 AM
IN BOOK 107 of 8 PAGE 737
FEES $10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Barton

percent interest in the total leasehold, or as described in particular above.

4) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

5) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

and reserving unto ASSIGNOR, 85 percent interest

This assignment is subject to any existing overriding royalties previously reserved. Reservations of overriding interests must be approved by the Director, and any such approval is subject to the condition that overriding Royalties, may be cancelled by the Board of Land Commissioners if it finds that such overriding royalties create a burden on the lease which prevents or unreasonably interferes with its development.

ASSIGNOR certifies by signature on reverse, that ASSIGNOR is the owner of the interest above herein transferred, and ASSIGNEE(S) certify(ies) by signing on the reverse that this assignment constitutes a binding acceptance of all the terms, conditions, stipulations, restrictions and statutes governing the lease described above, and of the Rules of the Board, at Chapter 6, Leasing of Subsurface Resources.

This form may be duplicated.
If space is needed for additional assignors or assignees submit copies of this form only.

Page 1 of 1 of Lease# 97-00360 assignment dated _____

WY-1031

SIGNED AS TO TRANSFER AND ACCEPTANCE this 26th day of March 1998.

ASSIGNOR - ULTRA RESOURCES, INC.	Assignee (1) - LANCE OIL AND GAS COMPANY, INC.
By -	By -
Title - R. D. "Jerry" Albertus President	Title - Ralph W. Ponfick, Attorney-in-Fact
Attest -	Attest -
Assignee (2) -	Assignee (3) -
By -	By -
Title -	Title -
Attest -	Attest -
Assignee (4) -	Assignee (5) -
By -	By -
Title -	Title -
Attest -	Attest -

Assignment Requirements

Note: Assignments are not valid until approved by the Director, State Land and Farm Loan Office as per State Oil & Gas Lease Terms, and approval is solely for administrative purposes and should not be interpreted as warranty that any party to this assignment holds legal or equitable interest in this lease. Assignments which do not meet the requirements listed below and those in the Lease and Rules will be returned unapproved.

1) This form must be completed and submitted for any assignment of State Oil & Gas Lease leasehold interest, undivided or divided as to separate tracts, formations, zones or deposits, and for overriding royalty interest.

2) Assignments of less than a 100% leasehold interest, do not relieve the assignor of the obligations as a lessee under the terms of the lease regarding the interest conveyed unless the State first has in hand, a written agreement to be bound as lessee for all obligations under the lease for the assigned portion from the assignee. This requirement should not be construed in any way as a release or recision of the obligations of any surety bonding parties under the requirements of the State oil and gas lease, Board Rules or this assignment. (All lessees are ultimately responsible for the performance under the lease, and default subjects the entire lease to forfeiture not just the interest related to any performance obligation considered to be in default.)

3) A signed original and one copy of each assignment must be filed with the Wyoming State Land and Farm Loan Office.

4) Each assignment, if approved, is recognized by the State as effective as of the date of approval by the Director. Adequate bond must be furnished covering any and all productive zones prior to approval of any assignment of interest in an operating State oil and gas lease, whether wellbores exist on the leased lands or not, and in no case can drilling operations, including to prospectively productive zones under operating leases, begin without a bond first being in place.

5) If there is more than one party in interest to this assignment, then all such parties in interest must sign the document before assignment approval will be given.

6) The appropriate legal description of the conveyed lands interests must be given.

7) Assignments creating a separate (reissue) lease subject to the rules and regulations governing all State of Wyoming Oil & Gas Leases do not change the terms and conditions of the original lease, the lease anniversary date, nor the obligations and anniversary date of the lease created therefrom being considered as if it had been issued on the effective date of the original lease. (See Board Rules, Chapter 6, Section A.)

8) Corporations, limited liability companies, and limited partnerships must be qualified with the Wyoming Secretary of State's Office, and general partnership papers are required to be filed with the State Land and Farm Loan Office prior to, and as a condition of Board approval of any assignment.

9) Assignments will not be considered for approval where assignor or any assignee currently has a delinquent (late) royalty or rental payment obligation(s) for any State subsurface resource lease.

[redacted] [redacted] [redacted]

ACKNOWLEDGMENT (For use by Corporation)

State of COLORADO)
) ss.
County of DOUGLAS)

On this 26th day of March, 1998, before me personally appeared R. G. "Jerry" Albertus, to me personally known, who, being by me duly sworn, did say that he is the President of Ultra Resources, Inc. and that this instrument was signed in behalf of said corporation by the authority of its Board of Directors and said R. G. "Jerry" Albertus acknowledged said instrument to be the free act and deed of said corporation.

Witness my hand and seal this 26th day of March, 1998.

(SEAL)

My Commission expires:

Amy Barton
NOTARY PUBLIC

STATE OF COLORADO)
) ss.
COUNTY OF ADAMS)

The foregoing instrument was acknowledged before me this 12th day of May, 1998 by Ralph W. Poelfick, Attorney -in-Fact for LANCE OIL & GAS COMPANY, INC., a Delaware corporation, on behalf of the corporation.

WITNESS my hand and official seal.

E. JUNE TODD
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expires Apr. 3, 2000

E. June Todd
B. June Todd, Notary State of Colorado
12200 N. Pecos Street
Denver, CO 80234

740

Effective 11-86
Form ML-2
(Revised 4-96)
Filing Fee - $25.00 - Non-Refundable

STATE OF WYOMING
BOARD OF LAND COMMISSIONERS
OIL & GAS LEASE INTEREST ASSIGNMENT

Return To -
State Land & Farm Loan Office
122 West 25th Street
Herschler Building, 3 West
Cheyenne, WY 82002-0600

Wyoming Oil & Gas Lease Serial Number 97-00361 **Assignment Approval Date -** _____

ASSIGNOR, with name and address at,

Ultra Resources, Inc.
304 Inverness Way South, Suite 295
Englewood, CO 80112

being the owner of 100 percent Undivided leasehold
(Type Interest: Leasehold/Operating Rights/Overriding Royalty)

interest in this lease, described in particular if less than the total leasehold as:

For good and valuable consideration, hereby assigns to:**********

1) ASSIGNEE, with name and address at:

Lance Oil and Gas Company, Inc.
12200 North Pecos Street
Denver, CO 80234

15 percent interest in the total leasehold, or as described in particular above.

2) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

3) ASSIGNEE, with name and address at:

267617

RECORDED June 8 1998 9:00A M
IN BOOK 107016 PAGE 740
FEES $0.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Euston

percent interest in the total leasehold, or as described in particular above.

4) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

5) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

and reserving unto ASSIGNOR, 85 percent interest

This assignment is subject to any existing overriding royalties previously reserved. Reservations of overriding interests must be approved by the Director, and any such approval is subject to the condition that overriding Royalties, may be cancelled by the Board of Land Commissioners if it finds that such overriding royalties create a burden on the lease which prevents or unreasonably interferes with its development.

ASSIGNOR certifies by signature on reverse, that ASSIGNOR is the owner of the interest above herein transferred, and ASSIGNEE(S) certify(ies) by signing on the reverse that this assignment constitutes a binding acceptance of all the terms, conditions, stipulations, restrictions and statutes governing the lease described above, and of the Rules of the Board, at Chapter 6, Leasing of Subsurface Resources.

This form may be duplicated.
If space is needed for additional assignors or assignees submit copies of this form only.

Page 1 of 1 of Lease# 97-00361 assignment dated _____

WY-1032

[redacted] [redacted] [redacted]

[redacted] [redacted] [redacted]

SIGNED AS TO TRANSFER AND ACCEPTANCE this 26th day of March 1998.

ASSIGNOR - **ULTRA RESOURCES, INC.**	Assignee (1) - **LANCE OIL AND GAS COMPANY, INC.**
By -	By - Ralph W. Ponfick
Title - R. G. "Jerry" Albertus President	Title - Ralph W. Ponfick, Attorney-in-Fact
Attest -	Attest -
Assignee (2) -	Assignee (3) -
By -	By -
Title -	Title -
Attest -	Attest -
Assignee (4) -	Assignee (5) -
By -	By -
Title -	Title -
Attest -	Attest -

Assignment Requirements

Note: Assignments are not valid until approved by the Director, State Land and Farm Loan Office as per State Oil & Gas Lease Terms, and approval is solely for administrative purposes and should not be interpreted as warranty that any party to this assignment holds legal or equitable interest in this lease. Assignments which do not meet the requirements listed below and those in the Lease and Rules will be returned unapproved.

1) This form must be completed and submitted for any assignment of State Oil & Gas Lease leasehold interest, undivided or divided as to separate tracts, formations, zones or deposits, and for overriding royalty interest.

2) Assignments of less than a 100% leasehold interest, do not relieve the assignor of the obligations as a lessee under the terms of the lease regarding the interest conveyed unless the State first has in hand, a written agreement to be bound as lessee for all obligations under the lease for the assigned portion from the assignee. This requirement should not be construed in any way as a release or recision of the obligations of any surety bonding parties under the requirements of the State oil and gas lease, Board Rules or this assignment. (All lessees are ultimately responsible for the performance under the lease, and default subjects the entire lease to forfeiture not just the interest related to any performance obligation considered to be in default.)

3) A signed original and one copy of each assignment must be filed with the Wyoming State Land and Farm Loan Office.

4) Each assignment, if approved, is recognized by the State as effective as of the date of approval by the Director. Adequate bond must be furnished covering any and all productive zones prior to approval of any assignment of interest in an operating State oil and gas lease, whether wellbores exist on the leased lands or not, and in no case can drilling operations, including to prospectively productive zones under operating leases, begin without a bond first being in place.

5) If there is more than one party in interest to this assignment, then all such parties in interest must sign the document before assignment approval will be given.

6) The appropriate legal description of the conveyed lands interests must be given.

7) Assignments creating a separate (reissue) lease subject to the rules and regulations governing all State of Wyoming Oil & Gas Lease do not change the terms and conditions of the original lease, the lease anniversary date, nor the obligations and anniversary date of the lease created therefrom being considered as if it had been issued on the effective date of the original lease. (See Board Rules, Chapter 6, Section A.)

8) Corporations, limited liability companies, and limited partnerships must be qualified with the Wyoming Secretary of State's Office, and general partnership papers are required to be filed with the State Land and Farm Loan Office prior to, and as a condition of Board approval of any assignment.

9) Assignments will not be considered for approval where assignor or any assignee currently has a delinquent (late) royalty or rental payment obligation(s) for any State subsurface resource lease.

ACKNOWLEDGMENT (For use by Corporation)

State of COLORADO)
) ss.
County of DOUGLAS)

On this 26th day of March, 1998, before me personally appeared R. G. "Jerry" Albertus, to me personally known, who, being by me duly sworn, did say that he is the President of Ultra Resources, Inc. and that this instrument was signed in behalf of said corporation by the authority of its Board of Directors and said R. G. "Jerry" Albertus acknowledged said instrument to be the free act and deed of said corporation.

Witness my hand and seal this 26th day of March, 1998.

(SEAL)

My Commission expires: 7/19/2000

Amy Barton
NOTARY PUBLIC

STATE OF COLORADO §
§ ss.
COUNTY OF ADAMS §

The foregoing instrument was acknowledged before me this 12th day of May, 1998 by Ralph W. Ponfick, Attorney -in-Fact for LANCE OIL & GAS COMPANY, INC., a Delaware corporation, on behalf of the corporation.

WITNESS my hand and official seal.

E. JUNE TODD
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expires Apr. 3, 2000

E. June Todd
E. June Todd, Notary State of Colorado
12200 N. Pecos Street
Denver, CO 80234

Effective 11-86
Form ML-2
(Revised 4-96)
Filing Fee - $25.00 - Non-Refundable

STATE OF WYOMING
BOARD OF LAND COMMISSIONERS
OIL & GAS LEASE INTEREST ASSIGNMENT

Return To -
State Land & Farm Loan Office
122 West 25th Street
Herschler Building, 3 West
Cheyenne, WY 82002-0600

Wyoming Oil & Gas Lease Serial Number 97-00362 Assignment Approval Date - _____

ASSIGNOR, with name and address at,

Ultra Resources, Inc.
304 Inverness Way South, Suite 295
Englewood, CO 80112

being the owner of 100 percent Undivided leasehold
(Type Interest: Leasehold/Operating Rights/Overriding Royalty)

interest in this lease, described in particular if less than the total leasehold as:

For good and valuable consideration, hereby assigns to:**********

1) ASSIGNEE, with name and address at:

Lance Oil and Gas Company, Inc.
12200 North Pecos Street
Denver, CO 80234

15 percent interest in the total leasehold, or as described in particular above.

2) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

3) ASSIGNEE, with name and address at:

267618

RECORDED June 8 1998 9:00 M
IN BOOK 107 of R PAGE 743
FEES $10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Saxton

percent interest in the total leasehold, or as described in particular above.

4) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

5) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

and reserving unto ASSIGNOR, 85 percent interest

This assignment is subject to any existing overriding royalties previously reserved. Reservations of overriding interests must be approved by the Director, and any such approval is subject to the condition that overriding Royalties, may be cancelled by the Board of Land Commissioners if it finds that such overriding royalties create a burden on the lease which prevents or unreasonably interferes with its development.

ASSIGNOR certifies by signature on reverse, that ASSIGNOR is the owner of the interest above herein transferred, and ASSIGNEE(S) certify(ies) by signing on the reverse that this assignment constitutes a binding acceptance of all the terms, conditions, stipulations, restrictions and statutes governing the lease described above, and of the Rules of the Board, at Chapter 6, Leasing of Subsurface Resources.

This form may be duplicated.
If space is needed for additional assignors or assignees submit copies of this form only.

Page 1 of 1 of Lease# 97-00362 assignment dated _____

WY-1033

743

SIGNED AS TO TRANSFER AND ACCEPTANCE this 24th day of March 1998.

ULTRA RESOURCES, INC.	LANCE OIL AND GAS COMPANY, INC.
Assignor -	Assignee (1) -
By -	By - Ralph W. Ponfick
Title - R.G. "Jerry" Albertus President	Title - Ralph W. Ponfick, Attorney-in-Fact
Attest -	Attest -

Assignee (2) -	Assignee (3) -
By -	By -
Title -	Title -
Attest -	Attest -

Assignee (4) -	Assignee (5) -
By -	By -
Title -	Title -
Attest -	Attest -

Assignment Requirements

Note: Assignments are not valid until approved by the Director, State Land and Farm Loan Office as per State Oil & Gas Lease Terms, and approval is solely for administrative purposes and should not be interpreted as warranty that any party to this assignment holds legal or equitable interest in this lease. Assignments which do not meet the requirements listed below and those in the Lease and Rules will be returned unapproved.

1) This form must be completed and submitted for any assignment of State Oil & Gas Lease leasehold interest, undivided or divided as to separate tracts, formations, zones or deposits, and for overriding royalty interest.

2) Assignments of less than a 100% leasehold interest, do not relieve the assignor of the obligations as a lessee under the terms of the lease regarding the interest conveyed unless the State first has in hand, a written agreement to be bound as lessee for all obligations under the lease for the assigned portion from the assignee. This requirement should not be construed in any way as a release or recision of the obligations of any surety bonding parties under the requirements of the State oil and gas lease, Board Rules or this assignment. (All lessees are ultimately responsible for the performance under the lease, and default subjects the entire lease to forfeiture not just the interest related to any performance obligation considered to be in default.)

3) A signed original and one copy of each assignment must be filed with the Wyoming State Land and Farm Loan Office.

4) Each assignment, if approved, is recognized by the State as effective as of the date of approval by the Director. Adequate bond must be furnished covering any and all productive zones prior to approval of any assignment of interest in an operating State oil and gas lease, whether wellbores exist on the leased lands or not, and in no case can drilling operations, including to prospectively productive zones under operating leases, begin without a bond first being in place.

5) If there is more than one party in interest to this assignment, then all such parties in interest must sign the document before assignment approval will be given.

6) The appropriate legal description of the conveyed lands interests must be given.

7) Assignments creating a separate (reissue) lease subject to the rules and regulations governing all State of Wyoming Oil & Gas Lease do not change the terms and conditions of the original lease, the lease anniversary date, nor the obligations and anniversary date of the lease created therefrom being considered as if it had been issued on the effective date of the original lease. (See Board Rules, Chapter 6, Section A.)

8) Corporations, limited liability companies, and limited partnerships must be qualified with the Wyoming Secretary of State's Office, and general partnership papers are required to be filed with the State Land and Farm Loan Office prior to, and as a condition of Board approval of any assignment.

9) Assignments will not be considered for approval where assignor or any assignee currently has a delinquent (late) royalty or rental payment obligation(s) for any State subsurface resource lease.

[redacted] [redacted] [redacted]

ACKNOWLEDGMENT (For use by Corporation)

State of COLORADO)
) ss.
County of DOUGLAS)

On this 26th day of March, 1998, before me personally appeared R. G. "Jerry" Albertus, to me personally known, who, being by me duly sworn, did say that he is the President of Ultra Resources, Inc. and that this instrument was signed in behalf of said corporation by the authority of its Board of Directors and said R. G. "Jerry" Albertus acknowledged said instrument to be the free act and deed of said corporation.

Witness my hand and seal this 26th day of March, 1998.

Amy Barton
NOTARY PUBLIC

(SEAL)

My Commission expires: 7/18/2000

STATE OF COLORADO)
) ss.
COUNTY OF ADAMS)

The foregoing instrument was acknowledged before me this 12th day of May, 1998 by Ralph W. Ponfick, Attorney-in-Fact for LANCE OIL & GAS COMPANY, INC., a Delaware corporation, on behalf of the corporation.

WITNESS my hand and official seal.

E. JUNE TODD
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expires Apr. 3, 2000

E. June Todd
E. June Todd, Notary State of Colorado
12200 N. Pecos Street
Denver, CO 80234

746

Effective 11-86
Form ML-2
(Revised 4-96)
Filing Fee - $25.00 - Non-Refundable

STATE OF WYOMING
BOARD OF LAND COMMISSIONERS
OIL & GAS LEASE INTEREST ASSIGNMENT

Return To -
State Land & Farm Loan Office
122 West 25th Street
Herschler Building, 3 West
Cheyenne, WY 82002-0600

Wyoming Oil & Gas Lease Serial Number 97-00363 **Assignment Approval Date -** _____

ASSIGNOR, with name and address at,

Ultra Resources, Inc.
304 Inverness Way South, Suite 295
Englewood, CO 80112

being the owner of 100 percent Undivided leasehold
(Type Interest: Leasehold/Operating Rights/Overriding Royalty)

interest in this lease, described in particular if less than the total leasehold as:

For good and valuable consideration, hereby assigns to:**********

1) ASSIGNEE, with name and address at:

Lance Oil and Gas Company, Inc.
12200 North Pecos Street
Denver, CO 80234

15 percent interest in the total leasehold, or as described in particular above.

2) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

3) ASSIGNEE, with name and address at:

267619

RECORDED June 8 1998 M 9:00a
IN BOOK 107 OF 6 PAGE 746
FEES $10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Sarton

percent interest in the total leasehold, or as described in particular above.

4) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

5) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

and reserving unto ASSIGNOR, 85 percent interest

This assignment is subject to any existing overriding royalties previously reserved. Reservations of overriding interests must be approved by the Director, and any such approval is subject to the condition that overriding Royalties, may be cancelled by the Board of Land Commissioners if it finds that such overriding royalties create a burden on the lease which prevents or unreasonably interferes with its development.

ASSIGNOR certifies by signature on reverse, that ASSIGNOR is the owner of the interest above herein transferred, and ASSIGNEE(S) certify(ies) by signing on the reverse that this assignment constitutes a binding acceptance of all the terms, conditions, stipulations, restrictions and statutes governing the lease described above, and of the Rules of the Board, at Chapter 6, Leasing of Subsurface Resources.

This form may be duplicated.
If space is needed for additional assignors or assignees submit copies of this form only.

Page 1 of 1 of Lease# 97-00363 assignment dated _____

WY-1034

[redacted] [redacted] [redacted]

[redacted] [redacted] [redacted]

SIGNED AS TO TRANSFER AND ACCEPTANCE this 26th day of March 1998.

ULTRA RESOURCES, INC.	LANCE OIL AND GAS COMPANY, INC.
ASSIGNOR -	Assignee (1) -
By -	By - Ralph W. Ponfick
Title - R. G. "Jerry" Albertus President	Title - Ralph W. Ponfick, Attorney-in-Fact
Attest -	Attest -
Assignee (2) -	Assignee (3) -
By -	By -
Title -	Title -
Attest -	Attest -
Assignee (4) -	Assignee (5) -
By -	By -
Title -	Title -
Attest -	Attest -

ASSIGNMENT REQUIREMENTS

Note: Assignments are not valid until approved by the Director, State Land and Farm Loan Office as per State Oil & Gas Lease Terms, and approval is solely for administrative purposes and should not be interpreted as warranty that any party to this assignment holds legal or equitable interest in this lease. Assignments which do not meet the requirements listed below and those in the Lease and Rules will be returned unapproved.

1) This form must be completed and submitted for any assignment of State Oil & Gas Lease leasehold interest, undivided or divided as to separate tracts, formations, zones or deposits, and for overriding royalty interest.

2) Assignments of less than a 100% leasehold interest, do not relieve the assignor of the obligations as a lessee under the terms of the lease regarding the interest conveyed unless the State first has in hand, a written agreement to be bound as lessee for all obligations under the lease for the assigned portion from the assignee. This requirement should not be construed in any way as a release or reclaim of the obligations of any surety bonding parties under the requirements of the State oil and gas lease, Board Rules or this assignment. (All lessees are ultimately responsible for the performance under the lease, and default subjects the entire lease to forfeiture not just the interest related to any performance obligation considered to be in default.)

3) A signed original and one copy of each assignment must be filed with the Wyoming State Land and Farm Loan Office.

4) Each assignment, if approved, is recognized by the State as effective as of the date of approval by the Director. Adequate bond must be furnished covering any and all productive zones prior to approval of any assignment of interest in an operating State oil and gas lease, whether wellbores exist on the leased lands or not, and in no case can drilling operations, including to prospectively productive zones under operating leases, begin without a bond first being in place.

5) If there is more than one party in interest to this assignment, then all such parties in interest must sign the document before assignment approval will be given.

6) The appropriate legal description of the conveyed lands interests must be given.

7) Assignments creating a separate (reissue) lease subject to the rules and regulations governing all State of Wyoming Oil & Gas Leases do not change the terms and conditions of the original lease, the lease anniversary date, nor the obligations and anniversary date of the lease created therefrom being considered as if it had been issued on the effective date of the original lease. (See Board Rules, Chapter 6, Section A.)

8) Corporations, limited liability companies, and limited partnerships must be qualified with the Wyoming Secretary of State's Office, and general partnership papers are required to be filed with the State Land and Farm Loan Office prior to, and as a condition of Board approval of any assignment.

9) Assignments will not be considered for approval where assignor or any assignee currently has a delinquent (late) royalty or rental payment obligation(s) for any State subsurface resource lease.

State of COLORADO)
) ss.
County of DOUGLAS)

ACKNOWLEDGMENT (For use by Corporation)

On this 30th day of March, 1998, before me personally appeared R. G. "Jerry" Albertus, to me personally known, who, being by me duly sworn, did say that he is the President of Ultra Resources, Inc. and that this instrument was signed in behalf of said corporation by the authority of its Board of Directors and said R. G. "Jerry" Albertus acknowledged said instrument to be the free act and deed of said corporation.

Witness my hand and seal this 30th day of March 1998.

NOTARY PUBLIC STATE OF COLORADO AMY BARTON

Amy Barton
NOTARY PUBLIC

(SEAL)

My Commission expires: 7/18/2000

STATE OF COLORADO)
) ss.
COUNTY OF ADAMS)

The foregoing instrument was acknowledged before me this 12th day of May, 1998 by Ralph W. Ponfick, Attorney -in-Fact for LANCE OIL & GAS COMPANY, INC., a Delaware corporation, on behalf of the corporation.

WITNESS my hand and official seal.

E. JUNE TODD
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expires Apr. 3, 2000

E. June Todd
B. Juna Todd, Notary State of Colorado
12200 N. Pecos Street
Denver, CO 80234

[redacted] [redacted] [redacted]

STATE OF WYOMING
BOARD OF LAND COMMISSIONERS
OIL & GAS LEASE INTEREST ASSIGNMENT

Effective 11-86
Form ML-2
(Revised 4-96)
Filing Fee - $25.00 - Non-Refundable

Return To -
State Land & Farm Loan Office
122 West 25th Street
Herschler Building, 3 West
Cheyenne, WY 82002-0600

Wyoming Oil & Gas Lease Serial Number 97-00364 Assignment Approval Date - _____

ASSIGNOR, with name and address at, **Ultra Resources, Inc.**
304 Inverness Way South, Suite 295
Englewood, CO 80112

being the owner of 100 percent Undivided leasehold _____
(Type Interest: Leasehold/Operating Rights/Overriding Royalty)

interest in this lease, described in particular if less than the total leasehold as:

For good and valuable consideration, hereby assigns to:**********

1) ASSIGNEE, with name and address at:

Lance Oil and Gas Company, Inc.
12200 North Pecos Street
Denver, CO 80234

15 percent interest in the total leasehold, or as described in particular above.

2) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

3) ASSIGNEE, with name and address at:

267620

RECORDED June 8 1998 9:00 M
IN BOOK 107046 PAGE 749
FEES $10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Saxton

percent interest in the total leasehold, or as described in particular above.

4) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

5) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

and reserving unto ASSIGNOR, 85 percent interest _____

This assignment is subject to any existing overriding royalties previously reserved. Reservations of overriding interests must be approved by the Director, and any such approval is subject to the condition that overriding Royalties, may be cancelled by the Board of Land Commissioners if it finds that such overriding royalties create a burden on the lease which prevents or unreasonably interferes with its development.

ASSIGNOR certifies by signature on reverse, that ASSIGNOR is the owner of the interest above herein transferred, and ASSIGNEE(S) certify(ies) by signing on the reverse that this assignment constitutes a binding acceptance of all the terms, conditions, stipulations, restrictions and statutes governing the lease described above, and of the Rules of the Board, at Chapter 6, Leasing of Subsurface Resources.

This form may be duplicated.
If space is needed for additional assignors or assignees submit copies of this form only.

Page 1 of 1 of Lease# 97-00364 assignment dated _____

WY-1035

749

SIGNED AS TO TRANSFER AND ACCEPTANCE this 26th day of March 19 98.

ASSIGNOR - ULTRA RESOURCES, INC.	Assignee (1) - LANCE OIL AND GAS COMPANY, INC.
By -	By -
Title - R. G. "Jerry" Albertus, President	Title - Ralph W. Ponfick, Attorney-in-Fact
Attest -	Attest -
Assignee (2) -	Assignee (3) -
By -	By -
Title -	Title -
Attest -	Attest -
Assignee (4) -	Assignee (5) -
By -	By -
Title -	Title -
Attest -	Attest -

Assignment Requirements

Note: Assignments are not valid until approved by the Director, State Land and Farm Loan Office as per State Oil & Gas Lease Terms, and approval is solely for administrative purposes and should not be interpreted as warranty that any party to this assignment holds legal or equitable interest in this lease. Assignments which do not meet the requirements listed below and those in the Lease and Rules will be returned unapproved.

1) This form must be completed and submitted for any assignment of State Oil & Gas Lease leasehold interest, undivided or divided as to separate tracts, formations, zones or deposits, and for overriding royalty interest.

2) Assignments of less than a 100% leasehold interest, do not relieve the assignor of the obligations as a lessee under the terms of the lease regarding the interest conveyed unless the State first has in hand, a written agreement to be bound as lessee for all obligations under the lease for the assigned portion from the assignee. This requirement should not be construed in any way as a release or recision of the obligations of any surety bonding parties under the requirements of the State oil and gas lease, Board Rules or this assignment. (All lessees are ultimately responsible for the performance under the lease, and default subjects the entire lease to forfeiture not just the interest related to any performance obligation considered to be in default.)

3) A signed original and one copy of each assignment must be filed with the Wyoming State Land and Farm Loan Office.

4) Each assignment, if approved, is recognized by the State as effective as of the date of approval by the Director. Adequate bond must be furnished covering any and all productive zones prior to approval of any assignment of interest in an operating State oil and gas lease, whether wellbores exist on the leased lands or not, and in no case can drilling operations, including to prospectively productive zones under operating leases, begin without a bond first being in place.

5) If there is more than one party in interest to this assignment, then all such parties in interest must sign the document before assignment approval will be given.

6) The appropriate legal description of the conveyed lands interests must be given.

7) Assignments creating a separate (reissue) lease subject to the rules and regulations governing all State of Wyoming Oil & Gas Leases do not change the terms and conditions of the original lease, the lease anniversary date, nor the obligations and anniversary date of the lease created therefrom being considered as if it had been issued on the effective date of the original lease. (See Board Rules, Chapter 6, Section A.)

8) Corporations, limited liability companies, and limited partnerships must be qualified with the Wyoming Secretary of State's Office, and general partnership papers are required to be filed with the State Land and Farm Loan Office prior to, and as a condition of Board approval of any assignment.

9) Assignments will not be considered for approval where assignor or any assignee currently has a delinquent (late) royalty or rental payment obligation(s) for any State subsurface resource lease.

[redacted] [redacted] [redacted]

State of COLORADO)
) ss.
County of DOUGLAS)

ACKNOWLEDGMENT (For use by Corporation)

On this 20th day of March, 1998, before me personally appeared R. G. "Jerry" Albertus, to me personally known, who, being by me duly sworn, did say that he is the President of Ultra Resources, Inc. and that this instrument was signed in behalf of said corporation by the authority of its Board of Directors and said R. G. "Jerry" Albertus acknowledged said instrument to be the free act and deed of said corporation.

Witness my hand and seal this 20th day of March, 1998.

NOTARY PUBLIC
AMY BARTON
STATE OF COLORADO

(SEAL)

My Commission expires 3/18/2000

Amy Barton
NOTARY PUBLIC

STATE OF COLORADO §
§ ss.
COUNTY OF ADAMS §

The foregoing instrument was acknowledged before me this 12th day of May, 1998 by Ralph W. Pontick, Attorney -in-Fact for LANCE OIL & GAS COMPANY, INC., a Delaware corporation, on behalf of the corporation.

WITNESS my hand and official seal.

E. JUNE TODD
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expires Apr. 3, 2000

E. June Todd
E. June Todd, Notary State of Colorado
12200 N. Pecos Street
Denver, CO 80234

752

STATE OF WYOMING
BOARD OF LAND COMMISSIONERS
OIL & GAS LEASE INTEREST ASSIGNMENT

Effective 11-86
Form ML-2
(Revised 4-96)
Filing Fee - $25.00 - Non-Refundable

Return To -
State Land & Farm Loan Office
122 West 25th Street
Herschler Building, 3 West
Cheyenne, WY 82002-0600

Wyoming Oil & Gas Lease Serial Number 97-00365 **Assignment Approval Date -** _____

ASSIGNOR, with name and address at, **Ultra Resources, Inc.**
304 Inverness Way South, Suite 295
Englewood, CO 80112

being the owner of 100 percent Undivided leasehold
(Type Interest: Leasehold/Operating Rights/Overriding Royalty)

interest in this lease, described in particular if less than the total leasehold as:

For good and valuable consideration, hereby assigns to:**********

1) ASSIGNEE, with name and address at:

Lance Oil and Gas Company, Inc.
12200 North Pecos Street
Denver, CO 80234

15 percent interest in the total leasehold, or as described in particular above.

2) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

3) ASSIGNEE, with name and address at:

267621

RECORDED June 8 1998 M
IN BOOK 107 Oth PAGE 752
FEES $ 0.00 COUNTY CLERK
SUBLETTE COUNTY PINEDALE, WYOMING
By Cathy Saxton

9:00A

percent interest in the total leasehold, or as described in particular above.

4) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

5) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

and reserving unto ASSIGNOR, 85 percent interest

This assignment is subject to any existing overriding royalties previously reserved. Reservations of overriding interests must be approved by the Director, and any such approval is subject to the condition that overriding Royalties, may be cancelled by the Board of Land Commissioners if it finds that such overriding royalties create a burden on the lease which prevents or unreasonably interferes with its development.

ASSIGNOR certifies by signature on reverse, that ASSIGNOR is the owner of the interest above herein transferred, and ASSIGNEE(S) certify(ies) by signing on the reverse that this assignment constitutes a binding acceptance of all the terms, conditions, stipulations, restrictions and statutes governing the lease described above, and of the Rules of the Board, at Chapter 6, Leasing of Subsurface Resources.

This form may be duplicated.
If space is needed for additional assignors or assignees submit copies of this form only.

Page 1 *of* 1 *of Lease#* 97-00365 *assignment dated* _____

WY-1036

SIGNED AS TO TRANSFER AND ACCEPTANCE this 26th day of March 1998.

ASSIGNOR - **ULTRA RESOURCES, INC.**	Assignee (1) - **LANCE OIL AND GAS COMPANY, INC.**
By - M. Jerry Albertus	By - Ralph W. Ponfick
Title - R. G. "Jerry" Albertus President	Title - Ralph W. Ponfick, Attorney-in-Fact
Attest -	Attest -
Assignee (2) -	Assignee (3) -
By -	By -
Title -	Title -
Attest -	Attest -
Assignee (4) -	Assignee (5) -
By -	By -
Title -	Title -
Attest -	Attest -

Assignment Requirements

Note: Assignments are not valid until approved by the Director, State Land and Farm Loan Office as per State Oil & Gas Lease Terms, and approval is solely for administrative purposes and should not be interpreted as warranty that any party to this assignment holds legal or equitable interest in this lease. Assignments which do not meet the requirements listed below and those in the Lease and Rules will be returned unapproved.

1) This form must be completed and submitted for any assignment of State Oil & Gas Lease leasehold interest, undivided or divided as to separate tracts, formations, zones or deposits, and for overriding royalty interest.

2) Assignments of less than a 100% leasehold interest, do not relieve the assignor of the obligations as a lessee under the terms of the lease regarding the interest conveyed unless the State first has in hand, a written agreement to be bound as lessee for all obligations under the lease for the assigned portion from the assignee. This requirement should not be construed in any way as a release or recision of the obligations of any surety bonding parties under the requirements of the State oil and gas lease, Board Rules or this assignment. (All lessees are ultimately responsible for the performance under the lease, and default subjects the entire lease to forfeiture not just the interest related to any performance obligation considered to be in default.)

3) A signed original and one copy of each assignment must be filed with the Wyoming State Land and Farm Loan Office.

4) Each assignment, if approved, is recognized by the State as effective as of the date of approval by the Director. Adequate bond must be furnished covering any and all productive zones prior to approval of any assignment of interest in an operating State oil and gas lease, whether wellbores exist on the leased lands or not, and in no case can drilling operations, including to prospectively productive zones under operating leases, begin without a bond first being in place.

5) If there is more than one party in interest to this assignment, then all such parties in interest must sign the document before assignment approval will be given.

6) The appropriate legal description of the conveyed lands interests must be given.

7) Assignments creating a separate (reissue) lease subject to the rules and regulations governing all State of Wyoming Oil & Gas Leases do not change the terms and conditions of the original lease, the lease anniversary date, nor the obligations and anniversary date of the lease created therefrom being considered as if it had been issued on the effective date of the original lease. (See Board Rules, Chapter 6, Section A.)

8) Corporations, limited liability companies, and limited partnerships must be qualified with the Wyoming Secretary of State's Office, and general partnership papers are required to be filed with the State Land and Farm Loan Office prior to, and as a condition of Board approval of any assignment.

9) Assignments will not be considered for approval where assignor or any assignee currently has a delinquent (late) royalty or rental payment obligation(s) for any State subsurface resource lease.

State of COLORADO)
) ss.
County of DOUGLAS)

ACKNOWLEDGMENT (For use by Corporation)

On this 26th day of March, 1998, before me personally appeared R. G. "Jerry" Albertus, to me personally known, who, being by me duly sworn, did say that he is the President of Ultra Resources, Inc. and that this instrument was signed in behalf of said corporation by the authority of its Board of Directors and said R. G. "Jerry" Albertus acknowledged said instrument to be the free act and deed of said corporation.

Witness my hand and seal this 26th day of March, 1998.

NOTARY PUBLIC STATE OF COLORADO AMY BARTON

Amy Barton
NOTARY PUBLIC

(SEAL)

My Commission Expires 7/18/2000

STATE OF COLORADO)
) ss.
COUNTY OF ADAMS)

The foregoing instrument was acknowledged before me this 12th day of May, 1998 by Ralph W. Pontick, Attorney -in-Fact for LANCE OIL & GAS COMPANY, INC., a Delaware corporation, on behalf of the corporation.

WITNESS my hand and official seal.

E. JUNE TODD
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expires Apr. 3, 2000

E. June Todd
E. June Todd, Notary State of Colorado
12200 N. Pecos Street
Denver, CO 80234

[redacted] [redacted] [redacted]

STATE OF WYOMING
BOARD OF LAND COMMISSIONERS
OIL & GAS LEASE INTEREST ASSIGNMENT

Effective 11-86
Form ML-2
(Revised 4-96)
Filing Fee - $25.00 - Non-Refundable

Return To -
State Land & Farm Loan Office
122 West 25th Street
Herschler Building, 3 West
Cheyenne, WY 82002-0600

Wyoming Oil & Gas Lease Serial Number 97-00367 **Assignment Approval Date -** _____

ASSIGNOR, with name and address at,

Ultra Resources, Inc.
304 Inverness Way South, Suite 295
Englewood, CO 80112

being the owner of 100 percent Undivided leasehold
(Type Interest: Leasehold/Operating Rights/Overriding Royalty)

interest in this lease, described in particular if less than the total leasehold as:

For good and valuable consideration, hereby assigns to:**********

1) ASSIGNEE, with name and address at:

Lance Oil and Gas Company, Inc.
12200 North Pecos Street
Denver, CO 80234

15 percent interest in the total leasehold, or as described in particular above.

2) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

3) ASSIGNEE, with name and address at:

267622

RECORDED June 8 1998 9:00 M
IN BOOK 107 Misc PAGE 755
FEES $ 10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Boston

percent interest in the total leasehold, or as described in particular above.

4) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

5) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

and reserving unto ASSIGNOR, 85 percent interest

This assignment is subject to any existing overriding royalties previously reserved. Reservations of overriding interests must be approved by the Director, and any such approval is subject to the condition that overriding Royalties, may be cancelled by the Board of Land Commissioners if it finds that such overriding royalties create a burden on the lease which prevents or unreasonably interferes with its development.

ASSIGNOR certifies by signature on reverse, that ASSIGNOR is the owner of the interest above herein transferred, and ASSIGNEE(S) certify(ies) by signing on the reverse that this assignment constitutes a binding acceptance of all the terms, conditions, stipulations, restrictions and statutes governing the lease described above, and of the Rules of the Board, at Chapter 6, Leasing of Subsurface Resources.

This form may be duplicated.
If space is needed for additional assignors or assignees submit copies of this form only.

Page 1 *of* 1 *of Lease#* 97-00367 *assignment dated* _____

WY-1037

SIGNED AS TO TRANSFER AND ACCEPTANCE this 26th day of March 1998.

ASSIGNOR - ULTRA RESOURCES, INC.	Assignee (1) - LANCE OIL AND GAS COMPANY, INC.
By -	By - Ralph W. Ponfick
Title - R. G. "Jerry" Albertus President	Title - Ralph W. Ponfick, Attorney-in-Fact
Attest -	Attest -
Assignee (2) -	Assignee (3) -
By -	By -
Title -	Title -
Attest -	Attest -
Assignee (4) -	Assignee (5) -
By -	By -
Title -	Title -
Attest -	Attest -

Assignment Requirements

Note: Assignments are not valid until approved by the Director, State Land and Farm Loan Office as per State Oil & Gas Lease Terms, and approval is solely for administrative purposes and should not be interpreted as warranty that any party to this assignment holds legal or equitable interest in this lease. Assignments which do not meet the requirements listed below and those in the Lease and Rules will be returned unapproved.

1) This form must be completed and submitted for any assignment of State Oil & Gas Lease leasehold interest, undivided or divided as to separate tracts, formations, zones or deposits, and for overriding royalty interest.

2) Assignments of less than a 100% leasehold interest, do not relieve the assignor of the obligations as a lessee under the terms of the lease regarding the interest conveyed unless the State first has in hand, a written agreement to be bound as lessee for all obligations under the lease for the assigned portion from the assignee. This requirement should not be construed in any way as a release or recision of the obligations of any surety bonding parties under the requirements of the State oil and gas lease, Board Rules or this assignment. (All lessees are ultimately responsible for the performance under the lease, and default subjects the entire lease to forfeiture not just the interest related to any performance obligation considered to be in default.)

3) A signed original and one copy of each assignment must be filed with the Wyoming State Land and Farm Loan Office.

4) Each assignment, if approved, is recognized by the State as effective as of the date of approval by the Director. Adequate bond must be furnished covering any and all productive zones prior to approval of any assignment of interest in an operating State oil and gas lease, whether wellbores exist on the leased lands or not, and in no case can drilling operations, including to prospectively productive zones under operating leases, begin without a bond first being in place.

5) If there is more than one party in interest to this assignment, then all such parties in interest must sign the document before assignment approval will be given.

6) The appropriate legal description of the conveyed lands interests must be given.

7) Assignments creating a separate (reissue) lease subject to the rules and regulations governing all State of Wyoming Oil & Gas Lease do not change the terms and conditions of the original lease, the lease anniversary date, nor the obligations and anniversary date of the lease created therefrom being considered as if it had been issued on the effective date of the original lease. (See Board Rules, Chapter 6, Section A.)

8) Corporations, limited liability companies, and limited partnerships must be qualified with the Wyoming Secretary of State's Office, and general partnership papers are required to be filed with the State Land and Farm Loan Office prior to, and as a condition of Board approval of any assignment.

9) Assignments will not be considered for approval whose assignor or any assignee currently has a delinquent (late) royalty or rental payment obligation(s) for any State subsurface resource lease.

[redacted] [redacted] [redacted]

State of COLORADO)
) ss.
County of DOUGLAS)

ACKNOWLEDGMENT (For use by Corporation)

On this 20th day of March, 1998, before me personally appeared R. G. "Jerry" Albertus, to me personally known, who, being by me duly sworn, did say that he is the President of Ultra Resources, Inc. and that this instrument was signed in behalf of said corporation by the authority of its Board of Directors and said R. G. "Jerry" Albertus acknowledged said instrument to be the free act and deed of said corporation.

Witness my hand and seal this 20th day of March, 1998.

Amy Barton
NOTARY PUBLIC

(SEAL)

My Commission expires: 7/18/2000

STATE OF COLORADO §
§ ss.
COUNTY OF ADAMS §

The foregoing instrument was acknowledged before me this 12th day of May, 1998 by Ralph W. Ponfick, Attorney -in-Fact for LANCE OIL & GAS COMPANY, INC., a Delaware corporation, on behalf of the corporation.

WITNESS my hand and official seal.

E. JUNE TODD
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expires Apr. 3, 2000

E. June Todd
E. June Todd, Notary State of Colorado
12200 N. Pecos Street
Denver, CO 80234

758

Effective 11-86
Form ML-2
(Revised 4-96)
Filing Fee - $25.00 - Non-Refundable

STATE OF WYOMING
BOARD OF LAND COMMISSIONERS
OIL & GAS LEASE INTEREST ASSIGNMENT

Return To -
State Land & Farm Loan Office
122 West 25th Street
Herschler Building, 3 West
Cheyenne, WY 82002-0600

Wyoming Oil & Gas Lease Serial Number 97-00368 Assignment Approval Date - _____

ASSIGNOR, with name and address at, **Ultra Resources, Inc.**
304 Inverness Way South, Suite 295
Englewood, CO 80112

being the owner of 100 percent Undivided leasehold
(Type Interest: Leasehold/Operating Rights/Overriding Royalty)

interest in this lease, described in particular if less than the total leasehold as:

For good and valuable consideration, hereby assigns to:**********

1) ASSIGNEE, with name and address at:

Lance Oil and Gas Company, Inc.
12200 North Pecos Street
Denver, CO 80234

15 percent interest in the total leasehold, or as described in particular above.

2) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

3) ASSIGNEE, with name and address at: **267623**

RECORDED June 8 '98 9:00 M
IN BOOK 10706 PAGE 758
FEES $ 10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Suota

percent interest in the total leasehold, or as described in particular above.

4) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

5) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

and reserving unto ASSIGNOR, 85 percent interest

This assignment is subject to any existing overriding royalties previously reserved. Reservations of overriding interests must be approved by the Director, and any such approval is subject to the condition that overriding Royalties, may be cancelled by the Board of Land Commissioners if it finds that such overriding royalties create a burden on the lease which prevents or unreasonably interferes with its development.

ASSIGNOR certifies by signature on reverse, that ASSIGNOR is the owner of the interest above herein transferred, and ASSIGNEE(S) certify(ies) by signing on the reverse that this assignment constitutes a binding acceptance of all the terms, conditions, stipulations, restrictions and statutes governing the lease described above, and of the Rules of the Board, at Chapter 6, Leasing of Subsurface Resources.

This form may be duplicated.
If space is needed for additional assignors or assignees submit copies of this form only.

Page 1 of 1 of Lease# 97-00368 assignment dated _____

WY-1038

[redacted] [redacted] [redacted]

[redacted] [redacted] [redacted]

SIGNED AS TO TRANSFER AND ACCEPTANCE this 30th day of March 1998.

ASSIGNOR - ULTRA RESOURCES, INC.	Assignee (1) - LANCE OIL AND GAS COMPANY, INC.
By - R. G. "Jerry" Albertus	By - Ralph W. Ponfick
Title - President	Title - Ralph W. Ponfick, Attorney-in-Fact
Attest -	Attest -
Assignee (2) -	Assignee (3) -
By -	By -
Title -	Title -
Attest -	Attest -
Assignee (4) -	Assignee (5) -
By -	By -
Title -	Title -
Attest -	Attest -

Assignment Requirements

Note: Assignments are not valid until approved by the Director, State Land and Farm Loan Office as per State Oil & Gas Lease Terms, and approval is solely for administrative purposes and should not be interpreted as warranty that any party to this assignment holds legal or equitable interest in this lease. Assignments which do not meet the requirements listed below and those in the Lease and Rules will be returned unapproved.

1) This form must be completed and submitted for any assignment of State Oil & Gas Lease leasehold interest, undivided or divided as to separate tracts, formations, zones or deposits, and for overriding royalty interest.

2) Assignments of less than a 100% leasehold interest, do not relieve the assignor of the obligations as a lessee under the terms of the lease regarding the interest conveyed unless the State first has in hand, a written agreement to be bound as lessee for all obligations under the lease for the assigned portion from the assignee. This requirement should not be construed in any way as a release or recision of the obligations of any surety bonding parties under the requirements of the State oil and gas lease, Board Rules or this assignment. (All lessees are ultimately responsible for the performance under the lease, and default subjects the entire lease to forfeiture not just the interest related to any performance obligation considered to be in default.)

3) A signed original and one copy of each assignment must be filed with the Wyoming State Land and Farm Loan Office.

4) Each assignment, if approved, is recognized by the State as effective as of the date of approval by the Director. Adequate bond must be furnished covering any and all productive zones prior to approval of any assignment of interest in an operating State oil and gas lease, whether wellbores exist on the leased lands or not, and in no case can drilling operations, including to prospectively productive zones under operating leases, begin without a bond first being in place.

5) If there is more than one party in interest to this assignment, then all such parties in interest must sign the document before assignment approval will be given.

6) The appropriate legal description of the conveyed lands interests must be given.

7) Assignments creating a separate (reissue) lease subject to the rules and regulations governing all State of Wyoming Oil & Gas Leases do not change the terms and conditions of the original lease, the lease anniversary date, nor the obligations and anniversary date of the lease created therefrom being considered as if it had been issued on the effective date of the original lease. (See Board Rules, Chapter 6, Section A.)

8) Corporations, limited liability companies, and limited partnerships must be qualified with the Wyoming Secretary of State's Office, and general partnership papers are required to be filed with the State Land and Farm Loan Office prior to, and as a condition of Board approval of any assignment.

9) Assignments will not be considered for approval where assignor or any assignee currently has a delinquent (late) royalty or rental payment obligation(s) for any State subsurface resource lease.

State of COLORADO)
) ss.
County of DOUGLAS)

ACKNOWLEDGMENT (For use by Corporation)

On this 20th day of March, 1998, before me personally appeared R. G. "Jerry" Albertus, to me personally known, who, being by me duly sworn, did say that he is the President of Ultra Resources, Inc. and that this instrument was signed in behalf of said corporation by the authority of its Board of Directors and said R. G. "Jerry" Albertus acknowledged said instrument to be the free act and deed of said corporation.

Witness my hand and seal this 20th day of March, 1998.

Amy Burton
NOTARY PUBLIC

(SEAL)

My Commission expires: 7/13/2000

STATE OF COLORADO §
§ ss.
COUNTY OF ADAMS §

The foregoing instrument was acknowledged before me this 12th day of May, 1998 by Ralph W. Ponfick, Attorney-in-Fact for VANCE OIL & GAS COMPANY, INC., a Delaware corporation, on behalf of the corporation.

Witness my hand and official seal.

E. JUNE TODD
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expires Apr. 3, 2000

E. June Todd
B. June Todd, Notary State of Colorado
12200 N. Pecos Street
Denver, CO 80234

Effective 11-86
Form ML-2
(Revised 4-96)
Filing Fee - $25.00 - Non-Refundable

STATE OF WYOMING
BOARD OF LAND COMMISSIONERS
OIL & GAS LEASE INTEREST ASSIGNMENT

Return To -
State Land & Farm Loan Office
122 West 25th Street
Herschler Building, 1 West
Cheyenne, WY 82002-0600

Wyoming Oil & Gas Lease Serial Number 97-00369 **Assignment Approval Date -** _____

ASSIGNOR, with name and address at,

Ultra Resources, Inc.
304 Inverness Way South, Suite 295
Englewood, CO 80112

being the owner of 100 percent Undivided leasehold
(Type Interest: Leasehold/Operating Rights/Overriding Royalty)

interest in this lease, described in particular if less than the total leasehold as:

For good and valuable consideration, hereby assigns to:**********

1) ASSIGNEE, with name and address at:

Lance Oil and Gas Company, Inc.
12200 North Pecos Street
Denver, CO 80234

15 percent interest in the total leasehold, or as described in particular above.

2) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

3) ASSIGNEE, with name and address at:

267624

RECORDED June 8 1998 9:00 M
IN BOOK 107 OF 6 PAGE 761
FEES $10.00 COUNTY CLERK
SUBLETTE COUNTY By Cathy Saxton

percent interest in the total leasehold, or as described in particular above.

4) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

5) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

and reserving unto ASSIGNOR, 85 percent interest

This assignment is subject to any existing overriding royalties previously reserved. Reservations of overriding interests must be approved by the Director, and any such approval is subject to the condition that overriding Royalties, may be cancelled by the Board of Land Commissioners if it finds that such overriding royalties create a burden on the lease which prevents or unreasonably interferes with its development.

ASSIGNOR certifies by signature on reverse, that ASSIGNOR is the owner of the interest above herein transferred, and ASSIGNEE(S) certify(ies) by signing on the reverse that this assignment constitutes a binding acceptance of all the terms, conditions, stipulations, restrictions and statutes governing the lease described above, and of the Rules of the Board, at Chapter 6, Leasing of Subsurface Resources.

This form may be duplicated.
If space is needed for additional assignors or assignees submit copies of this form only.

Page 1 of 1 of Lease# 97-00369 assignment dated _____

WY-1039

761

SIGNED AS TO TRANSFER AND ACCEPTANCE this 26th day of March 1998.

ASSIGNOR - ULTRA RESOURCES, INC.	Assignee (1) - LANCE OIL AND GAS COMPANY, INC.
By - R. G. "Jerry" Albertus	By - Ralph W. Ponfick
Title - President	Title - Ralph W. Ponfick, Attorney-in-Fact
Attest -	Attest -
Assignee (2) -	Assignee (3) -
By -	By -
Title -	Title -
Attest -	Attest -
Assignee (4) -	Assignee (5) -
By -	By -
Title -	Title -
Attest -	Attest -

Assignment Requirements

Note: Assignments are not valid until approved by the Director, State Land and Farm Loan Office as per State Oil & Gas Lease Terms, and approval is solely for administrative purposes and should not be interpreted as warranty that any party to this assignment holds legal or equitable interest in this lease. Assignments which do not meet the requirements listed below and those in the Lease and Rules will be returned unapproved.

1) This form must be completed and submitted for any assignment of State Oil & Gas Lease leasehold interest, undivided or divided as to separate tracts, formations, zones or deposits, and for overriding royalty interest.

2) Assignments of less than a 100% leasehold interest, do not relieve the assignor of the obligations as a lessee under the terms of the lease regarding the interest conveyed unless the State first has in hand, a written agreement to be bound as lessee for all obligations under the lease for the assigned portion from the assignee. This requirement should not be construed in any way as a release or recision of the obligations of any surety bonding parties under the requirements of the State oil and gas lease, Board Rules or this assignment. (All lessees are ultimately responsible for the performance under the lease, and default subjects the entire lease to forfeiture not just the interest related to any performance obligation considered to be in default.)

3) A signed original and one copy of each assignment must be filed with the Wyoming State Land and Farm Loan Office.

4) Each assignment, if approved, is recognized by the State as effective as of the date of approval by the Director. Adequate bond must be furnished covering any and all productive zones prior to approval of any assignment of interest in an operating State oil and gas lease, whether wellbores exist on the leased lands or not, and in no case can drilling operations, including to prospectively productive zones under operating leases, begin without a bond first being in place.

5) If there is more than one party in interest to this assignment, then all such parties in interest must sign the document before assignment approval will be given.

6) The appropriate legal description of the conveyed lands interests must be given.

7) Assignments creating a separate (reissue) lease subject to the rules and regulations governing all State of Wyoming Oil & Gas Lease do not change the terms and conditions of the original lease, the lease anniversary date, nor the obligations and anniversary date of the lease created therefrom being considered as if it had been issued on the effective date of the original lease. (See Board Rules, Chapter 6, Section A.)

8) Corporations, limited liability companies, and limited partnerships must be qualified with the Wyoming Secretary of State's Office, and general partnership papers are required to be filed with the State Land and Farm Loan Office prior to, and as a condition of Board approval of any assignment.

9) Assignments will not be considered for approval where assignor or any assignee currently has a delinquent (late) royalty or rental payment obligation(s) for any State subsurface resource lease.

[redacted] [redacted] [redacted]

ACKNOWLEDGMENT (For use by Corporation)

State of COLORADO)
) ss.
County of DOUGLAS)

On this 20th day of March, 1998, before me personally appeared R. G. "Jerry" Albertus, to me personally known, who, being by me duly sworn, did say that he is the President of Ultra Resources, Inc. and that this instrument was signed in behalf of said corporation by the authority of its Board of Directors and said R. G. "Jerry" Albertus acknowledged said instrument to be the free act and deed of said corporation.

Witness my hand and seal this 20th day of March, 1998.

NOTARY PUBLIC AMY BARTON STATE OF COLORADO

(SEAL)

My Commission Expires 7/18/2000

Amy Barton
NOTARY PUBLIC

STATE OF COLORADO §
§ ss.
COUNTY OF ADAMS §

The foregoing instrument was acknowledged before me this 12th day of May, 1998 by Ralph W. Ponfick, Attorney -in-Fact for LANCE OIL & GAS COMPANY, INC., a Delaware corporation, on behalf of the corporation.

WITNESS my hand and official seal.

E. JUNE TODD
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expires Apr. 3, 2000

E. June Todd
E. June Todd, Notary State of Colorado
12200 N. Pecos Street
Denver, CO 80234

764

Effective 11-86
Form ML-2
(Revised 4-96)
Filing Fee - $25.00 - Non-Refundable

STATE OF WYOMING
BOARD OF LAND COMMISSIONERS
OIL & GAS LEASE INTEREST ASSIGNMENT

Return To -
State Land & Farm Loan Office
122 West 25th Street
Herschler Building, 3 West
Cheyenne, WY 82002-0600

Wyoming Oil & Gas Lease Serial Number 97-00370 Assignment Approval Date - _____

ASSIGNOR, with name and address at, **Ultra Resources, Inc.**
304 Inverness Way South, Suite 295
Englewood, CO 80112

being the owner of 100 percent Undivided leasehold
(Type Interest: Leasehold/Operating Rights/Overriding Royalty)

interest in this lease, described in particular if less than the total leasehold as:

For good and valuable consideration, hereby assigns to:**********

1) ASSIGNEE, with name and address at:

Lance Oil and Gas Company, Inc.
12200 North Pecos Street
Denver, CO 80234

15 percent interest in the total leasehold, or as described in particular above.

2) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

3) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

4) ASSIGNEE, with name and address at:

267625

RECORDED June 8 1998 9:20 M
IN BOOK 107 D+S PAGE 764
FEES $ 10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Sutton

percent interest in the total leasehold, or as described in particular above.

5) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

and reserving unto ASSIGNOR, 85 percent interest

This assignment is subject to any existing overriding royalties previously reserved. Reservations of overriding interests must be approved by the Director, and any such approval is subject to the condition that overriding Royalties, may be cancelled by the Board of Land Commissioners if it finds that such overriding royalties create a burden on the lease which prevents or unreasonably interferes with its development.

ASSIGNOR certifies by signature on reverse, that ASSIGNOR is the owner of the interest above herein transferred, and ASSIGNEE(S) certify(ies) by signing on the reverse that this assignment constitutes a binding acceptance of all the terms, conditions, stipulations, restrictions and statutes governing the lease described above, and of the Rules of the Board, at Chapter 6, Leasing of Subsurface Resources.

This form may be duplicated.
If space is needed for additional assignors or assignees submit copies of this form only.

SIGNED AS TO TRANSFER AND ACCEPTANCE this 26th day of March 19 98.

ULTRA RESOURCES, INC.	LANCE OIL AND GAS COMPANY, INC.
ASSIGNOR -	Assignee (1) -
By -	By - Ralph W. Ponfick
Title - R.G. "Jerry" Albertus President	Title - Ralph W. Ponfick, Attorney-in-Fact
Attest -	Attest -
Assignee (2) -	Assignee (3) -
By -	By -
Title -	Title -
Attest -	Attest -
Assignee (4) -	Assignee (5) -
By -	By -
Title -	Title -
Attest -	Attest -

ASSIGNMENT REQUIREMENTS

Note: Assignments are not valid until approved by the Director, State Land and Farm Loan Office as per State Oil & Gas Lease Terms, and approval is solely for administrative purposes and should not be interpreted as warranty that any party to this assignment holds legal or equitable interest in this lease. Assignments which do not meet the requirements listed below and those in the Lease and Rules will be returned unapproved.

1) This form must be completed and submitted for any assignment of State Oil & Gas Lease leasehold interest, undivided or divided as to separate tracts, formations, zones or deposits, and for overriding royalty interest.

2) Assignments of less than a 100% leasehold interest, do not relieve the assignor of the obligations as a lessee under the terms of the lease regarding the interest conveyed unless the State first has in hand, a written agreement to be bound as lessee for all obligations under the lease for the assigned portion from the assignee. This requirement should not be construed in any way as a release or reclsion of the obligations of any surety bonding parties under the requirements of the State oil and gas lease, Board Rules or this assignment. (All lessees are ultimately responsible for the performance under the lease, and default subjects the entire lease to forfeiture not just the interest related to any performance obligation considered to be in default.)

3) A signed original and one copy of each assignment must be filed with the Wyoming State Land and Farm Loan Office.

4) Each assignment, if approved, is recognized by the State as effective as of the date of approval by the Director. Adequate bond must be furnished covering any and all productive zones prior to approval of any assignment of interest in an operating State oil and gas lease, whether wellbores exist on the leased lands or not, and in no case can drilling operations, including to prospectively productive zones under operating leases, begin without a bond first being in place.

5) If there is more than one party in interest to this assignment, then all such parties in interest must sign the document before assignment approval will be given.

6) The appropriate legal description of the conveyed lands interests must be given.

7) Assignments creating a separate (reissue) lease subject to the rules and regulations governing all State of Wyoming Oil & Gas Lease do not change the terms and conditions of the original lease, the lease anniversary date, nor the obligations and anniversary date of the lease created therefrom being considered as if it had been issued on the effective date of the original lease. (See Board Rules, Chapter 6, Section A.)

8) Corporations, limited liability companies, and limited partnerships must be qualified with the Wyoming Secretary of State's Office, and general partnership papers are required to be filed with the State Land and Farm Loan Office prior to, and as a condition of Board approval of any assignment.

9) Assignments will not be considered for approval where assignor or any assignee currently has a delinquent (late) royalty or rental payment obligation(s) for any State subsurface resource lease.

ACKNOWLEDGMENT (For use by Corporation)

State of COLORADO)
) ss.
County of DOUGLAS)

On this 24th day of March, 1998, before me personally appeared R. G. "Jerry" Albertus, to me personally known, who, being by me duly sworn, did say that he is the President of Ultra Resources, Inc. and that this instrument was signed in behalf of said corporation by the authority of its Board of Directors and said R. G. "Jerry" Albertus acknowledged said instrument to be the free act and deed of said corporation.

Witness my hand and seal this 24th day of March, 1998.

NOTARY PUBLIC STATE OF COLORADO
AMY BARTON

Amy Barton
NOTARY PUBLIC

(SEAL)
My Commission expires 11/8/2000

STATE OF COLORADO §
§ ss.
COUNTY OF ADAMS §

The foregoing instrument was acknowledged before me this 12th day of May, 1998 by Ralph W. Ponfick, Attorney -in-Fact for LANCE OIL & GAS COMPANY, INC., a Delaware corporation, on behalf of the corporation.

WITNESS my hand and official seal.

E. JUNE TODD
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expires Apr. 8, 2000

E. June Todd
E. June Todd, Notary State of Colorado
12200 N. Pecos Street
Denver, CO 80234

Effective 11-86
Form ML-2
(Revised 4-96)
Filing Fee - $25.00 - Non-Refundable

STATE OF WYOMING
BOARD OF LAND COMMISSIONERS
OIL & GAS LEASE INTEREST ASSIGNMENT

Return To -
State Land & Farm Loan Office
122 West 25th Street
Herschler Building, 3 West
Cheyenne, WY 82002-0600

Wyoming Oil & Gas Lease Serial Number 97-00371 **Assignment Approval Date -** _____

ASSIGNOR, with name and address at, **Ultra Resources, Inc.**
304 Inverness Way South, Suite 295
Englewood, CO 80112

being the owner of 100 percent Undivided leasehold
(Type Interest: Leasehold/Operating Rights/Overriding Royalty)

interest in this lease, described in particular if less than the total leasehold as:

For good and valuable consideration, hereby assigns to:**********

1) ASSIGNEE, with name and address at:

Lance Oil and Gas Company, Inc.
12200 North Pecos Street
Denver, CO 80234

15 percent interest in the total leasehold, or as described in particular above.

2) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

3) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

4) ASSIGNEE, with name and address at:

267626

RECORDED June 8 1998 9:00A M
IN BOOK 107016 PAGE 767
FEES $ 10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Zacha

percent interest in the total leasehold, or as described in particular above.

5) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

and reserving unto ASSIGNOR, 85 percent interest

This assignment is subject to any existing overriding royalties previously reserved. Reservations of overriding interests must be approved by the Director, and any such approval is subject to the condition that overriding Royalties, may be cancelled by the Board of Land Commissioners if it finds that such overriding royalties create a burden on the lease which prevents or unreasonably interferes with its development.

ASSIGNOR certifies by signature on reverse, that ASSIGNOR is the owner of the interest above herein transferred, and ASSIGNEE(S) certify(ies) by signing on the reverse that this assignment constitutes a binding acceptance of all the terms, conditions, stipulations, restrictions and statutes governing the lease described above, and of the Rules of the Board, at Chapter 6, Leasing of Subsurface Resources.

This form may be duplicated.
If space is needed for additional assignors or assignees submit copies of this form only.

Page 1 of 1 of Lease# 97-00371 assignment dated _____

WY-1041

SIGNED AS TO TRANSFER AND ACCEPTANCE this 26th day of March 19 98.

ULTRA RESOURCES, INC.	LANCE OIL AND GAS COMPANY, INC.
ASSIGNOR -	Assignee (1) -
By - R. G. "Jerry" Albertus	By - Ralph W. Ponfick
Title - President	Title - Ralph W. Ponfick, Attorney-in-Fact
Attest -	Attest -
Assignee (2) -	Assignee (3) -
By -	By -
Title -	Title -
Attest -	Attest -
Assignee (4) -	Assignee (5) -
By -	By -
Title -	Title -
Attest -	Attest -

ASSIGNMENT REQUIREMENTS

Note: Assignments are not valid until approved by the Director, State Land and Farm Loan Office as per State Oil & Gas Lease Terms, and approval is solely for administrative purposes and should not be interpreted as warranty that any party to this assignment holds legal or equitable interest in this lease. Assignments which do not meet the requirements listed below and those in the Lease and Rules will be returned unapproved.

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2) Assignments of less than a 100% leasehold interest, do not relieve the assignor of the obligations as a lessee under the terms of the lease regarding the interest conveyed unless the State first has in hand, a written agreement to be bound as lessee for all obligations under the lease for the assigned portion from the assignee. This requirement should not be construed in any way as a release or recision of the obligations of any surety bonding parties under the requirements of the State oil and gas lease, Board Rules or this assignment. (All lessees are ultimately responsible for the performance under the lease, and default subjects the entire lease to forfeiture not just the interest related to any performance obligation considered to be in default.)

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4) Each assignment, if approved, is recognized by the State as effective as of the date of approval by the Director. Adequate bond must be furnished covering any and all productive zones prior to approval of any assignment of interest in an operating State oil and gas lease, whether wellbores exist on the leased lands or not, and in no case can drilling operations, including to prospectively productive zones under operating leases, begin without a bond first being in place.

5) If there is more than one party in interest to this assignment, then all such parties in interest must sign the document before assignment approval will be given.

6) The appropriate legal description of the conveyed lands interests must be given.

7) Assignments creating a separate (reissue) lease subject to the rules and regulations governing all State of Wyoming Oil & Gas Leases do not change the terms and conditions of the original lease, the lease anniversary date, nor the obligations and anniversary date of the lease created therefrom being considered as if it had been issued on the effective date of the original lease. (See Board Rules, Chapter 6, Section A.)

8) Corporations, limited liability companies, and limited partnerships must be qualified with the Wyoming Secretary of State's Office, and general partnership papers are required to be filed with the State Land and Farm Loan Office prior to, and as a condition of Board approval of any assignment.

9) Assignments will not be considered for approval where assignor or any assignee currently has a delinquent (late) royalty or rental payment obligation(s) for any State subsurface resource lease.

[redacted] [redacted] [redacted]

State of COLORADO)
) ss.
County of DOUGLAS)

ACKNOWLEDGMENT (For use by Corporation)

On this 26th day of March, 1998, before me personally appeared R. G. "Jerry" Albertus, to me personally known, who, being by me duly sworn, did say that he is the President of Ultra Resources, Inc. and that this instrument was signed in behalf of said corporation by the authority of its Board of Directors and said R. G. "Jerry" Albertus acknowledged said instrument to be the free act and deed of said corporation.

Witness my hand and seal this 26th day of March, 1998.

Amy Barton
NOTARY PUBLIC

(SEAL)

My Commission expires 11/18/2000

STATE OF COLORADO)
) ss.
COUNTY OF ADAMS)

The foregoing instrument was acknowledged before me this 12th day of May, 1998 by Ralph W. Ponfick, Attorney -in-Fact for LANCE OIL & GAS COMPANY, INC., a Delaware corporation, on behalf of the corporation.

WITNESS my hand and official seal.

E. JUNE TODD
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expires Apr. 3, 2000

E. June Todd
E. June Todd, Notary State of Colorado
12200 N. Pecos Street
Denver, CO 80234

770

Effective 11-86
Form ML-2
(Revised 4-96)
Filing Fee - $25.00 - Non-Refundable

STATE OF WYOMING
BOARD OF LAND COMMISSIONERS
OIL & GAS LEASE INTEREST ASSIGNMENT

Return To -
State Land & Farm Loan Office
122 West 25th Street
Herschler Building, 3 West
Cheyenne, WY 82002-0600

Wyoming Oil & Gas Lease Serial Number 97-00372 Assignment Approval Date - _____

ASSIGNOR, with name and address at, **Ultra Resources, Inc.**
304 Inverness Way South, Suite 295
Englewood, CO 80112

being the owner of 100 percent Undivided leasehold
(Type Interest: Leasehold/Operating Rights/Overriding Royalty)

interest in this lease, described in particular if less than the total leasehold as:

For good and valuable consideration, hereby assigns to:**********

1) ASSIGNEE, with name and address at:

Lance Oil and Gas Company, Inc.
12200 North Pecos Street
Denver, CO 80234

15 percent interest in the total leasehold, or as described in particular above.

2) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

3) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

4) ASSIGNEE, with name and address at:

267627

RECORDED June 8 1998 9:00 M
IN BOOK 107 Dt G PAGE 770
FEES $10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Saxton

percent interest in the total leasehold, or as described in particular above.

5) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

and reserving unto ASSIGNOR, 85 percent interest

This assignment is subject to any existing overriding royalties previously reserved. Reservations of overriding interests must be approved by the Director, and any such approval is subject to the condition that overriding Royalties, may be cancelled by the Board of Land Commissioners if it finds that such overriding royalties create a burden on the lease which prevents or unreasonably interferes with its development.

ASSIGNOR certifies by signature on reverse, that ASSIGNOR is the owner of the interest above herein transferred, and ASSIGNEE(S) certify(ies) by signing on the reverse that this assignment constitutes a binding acceptance of all the terms, conditions, stipulations, restrictions and statutes governing the lease described above, and of the Rules of the Board, at Chapter 6, Leasing of Subsurface Resources.

This form may be duplicated.
If space is needed for additional assignors or assignees submit copies of this form only.

Page 1 of 1 of Lease# 97-00372 assignment dated _____

WY-1042

[redacted] [redacted] [redacted]

[redacted] [redacted] [redacted]

SIGNED AS TO TRANSFER AND ACCEPTANCE this 26th day of March 1998.

ASSIGNOR - ULTRA RESOURCES, INC.	Assignee (1) - LANCE OIL AND GAS COMPANY, INC.
By - M. Jerry Albertus	By - Ralph W. Ponfick
Title - R. G. "Jerry" Albertus President	Title - Ralph W. Ponfick, Attorney-in-Fact
Attest -	Attest -
Assignee (2) -	Assignee (3) -
By -	By -
Title -	Title -
Attest -	Attest -
Assignee (4) -	Assignee (5) -
By -	By -
Title -	Title -
Attest -	Attest -

ASSIGNMENT REQUIREMENTS

Note: Assignments are not valid until approved by the Director, State Land and Farm Loan Office as per State Oil & Gas Lease Terms, and approval is solely for administrative purposes and should not be interpreted as warranty that any party to this assignment holds legal or equitable interest in this lease. Assignments which do not meet the requirements listed below and those in the Lease and Rules will be returned unapproved.

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2) Assignments of less than a 100% leasehold interest, do not relieve the assignor of the obligations as a lessee under the terms of the lease regarding the interest conveyed unless the State first has in hand, a written agreement to be bound as lessee for all obligations under the lease for the assigned portion from the assignee. This requirement should not be construed in any way as a release or reclsion of the obligations of any surety bonding parties under the requirements of the State oil and gas lease, Board Rules or this assignment. (All lessees are ultimately responsible for the performance under the lease, and default subjects the entire lease to forfeiture not just the interest related to any performance obligation considered to be in default.)

3) A signed original and one copy of each assignment must be filed with the Wyoming State Land and Farm Loan Office.

4) Each assignment, if approved, is recognized by the State as effective as of the date of approval by the Director. Adequate bond must be furnished covering any and all productive zones prior to approval of any assignment of interest in an operating State oil and gas lease, whether wellbores exist on the leased lands or not, and in no case can drilling operations, including to prospectively productive zones under operating leases, begin without a bond first being in place.

5) If there is more than one party in interest to this assignment, then all such parties in interest must sign the document before assignment approval will be given.

6) The appropriate legal description of the conveyed lands interests must be given.

7) Assignments creating a separate (reissue) lease subject to the rules and regulations governing all State of Wyoming Oil & Gas Lease do not change the terms and conditions of the original lease, the lease anniversary date, nor the obligations and anniversary date of the lease created therefrom being considered as if it had been issued on the effective date of the original lease. (See Board Rules, Chapter 6, Section A.)

8) Corporations, limited liability companies, and limited partnerships must be qualified with the Wyoming Secretary of State's Office, and general partnership papers are required to be filed with the State Land and Farm Loan Office prior to, and as a condition of Board approval of any assignment.

9) Assignments will not be considered for approval where assignor or any assignee currently has a delinquent (late) royalty or rental payment obligation(s) for any State subsurface resource lease.

ACKNOWLEDGMENT (For use by Corporation)

State of COLORADO)
) ss.
County of DOUGLAS)

On this 24th day of March 1998, before me personally appeared R. G. "Jerry" Albertus, to me personally known, who, being by me duly sworn, did say that he is the President of Ultra Resources, Inc. and that this instrument was signed in behalf of said corporation by the authority of its Board of Directors and said R. G. "Jerry" Albertus acknowledged said instrument to be the free act and deed of said corporation.

Witness my hand and seal this 24th day of March, 1998.

Amy Barton
NOTARY PUBLIC

(SEAL)

My Commission Expires: 7/18/2000

STATE OF COLORADO §
§ ss.
COUNTY OF ADAMS §

The foregoing instrument was acknowledged before me this 12th day of May, 1998 by Ralph W. Ponfick, Attorney -in-Fact for LANCE OIL & GAS COMPANY, INC., a Delaware corporation, on behalf of the corporation.

WITNESS my hand and official seal.

E. JUNE TODD
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expires Apr. 3, 2000

E. June Todd
E. June Todd, Notary State of Colorado
12200 N. Pecos Street
Denver, CO 80234

Effective 11-86
Form ML-2
(Revised 4-96)
Filing Fee - $25.00 - Non-Refundable

STATE OF WYOMING
BOARD OF LAND COMMISSIONERS
OIL & GAS LEASE INTEREST ASSIGNMENT

Return To -
State Land & Farm Loan Office
122 West 25th Street
Herschler Building, 3 West
Cheyenne, WY 82002-0600

Wyoming Oil & Gas Lease Serial Number 97-00373 **Assignment Approval Date -** _____

ASSIGNOR, with name and address at: **Ultra Resources, Inc.**
304 Inverness Way South, Suite 295
Englewood, CO 80112

being the owner of 100 percent Undivided leasehold
(Type Interest: Leasehold/Operating Rights/Overriding Royalty)

interest in this lease, described in particular if less than the total leasehold as:

For good and valuable consideration, hereby assigns to:**********

1) ASSIGNEE, with name and address at:

Lance Oil and Gas Company, Inc.
12200 North Pecos Street
Denver, CO 80234

15 percent interest in the total leasehold, or as described in particular above.

2) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

3) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

4) ASSIGNEE, with name and address at:

RECORDED June 8 1998 M
IN BOOK 107 PAGE 773
FEES $ 5.00 COUNTY CLERK
SUBLETTE COUNTY/PINEDALE WYOMING
267628

percent interest in the total leasehold, or as described in particular above.

5) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

and reserving unto ASSIGNOR, 85 percent interest

This assignment is subject to any existing overriding royalties previously reserved. Reservations of overriding interests must be approved by the Director, and any such approval is subject to the condition that overriding Royalties, may be cancelled by the Board of Land Commissioners if it finds that such overriding royalties create a burden on the lease which prevents or unreasonably interferes with its development.

ASSIGNOR certifies by signature on reverse, that ASSIGNOR is the owner of the interest above herein transferred, and ASSIGNEE(S) certify(ies) by signing on the reverse that this assignment constitutes a binding acceptance of all the terms, conditions, stipulations, restrictions and statutes governing the lease described above, and of the Rules of the Board, at Chapter 6, Leasing of Subsurface Resources.

This form may be duplicated.
If space is needed for additional assignors or assignees submit copies of this form only.

Page 1 of 1 of Lease# 97-00373 assignment dated _____

WY-1043

773

SIGNED AS TO TRANSFER AND ACCEPTANCE this 26th day of March 19 98.

ASSIGNOR - **ULTRA RESOURCES, INC.**	Assignee (1) - **LANCE OIL AND GAS COMPANY, INC.**
By - R. G. Jerry Albertus	By - Ralph W. Ponfick
Title - R. G. Jerry Albertus President	Title - Ralph W. Ponfick, Attorney-in-Fact
Attest -	Attest -
Assignee (2) -	Assignee (3) -
By -	By -
Title -	Title -
Attest -	Attest -
Assignee (4) -	Assignee (5) -
By -	By -
Title -	Title -
Attest -	Attest -

ASSIGNMENT REQUIREMENTS

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2) Assignments of less than a 100% leasehold interest, do not relieve the assignor of the obligations as a lessee under the terms of the lease regarding the interest conveyed unless the State first has in hand, a written agreement to be bound as lessee for all obligations under the lease for the assigned portion from the assignee. This requirement should not be construed in any way as a release or recision of the obligations of any surety bonding parties under the requirements of the State oil and gas lease, Board Rules or this assignment. (All lessees are ultimately responsible for the performance under the lease, and default subjects the entire lease to forfeiture not just the interest related to any performance obligation considered to be in default.)

3) A signed original and one copy of each assignment must be filed with the Wyoming State Land and Farm Loan Office.

4) Each assignment, if approved, is recognized by the State as effective as of the date of approval by the Director. Adequate bond must be furnished covering any and all productive zones prior to approval of any assignment of interest in an operating State oil and gas lease, whether wellbores exist on the leased lands or not, and in no case can drilling operations, including to prospectively productive zones under operating leases, begin without a bond first being in place.

5) If there is more than one party in interest to this assignment, then all such parties in interest must sign the document before assignment approval will be given.

6) The appropriate legal description of the conveyed lands interests must be given.

7) Assignments creating a separate (reissue) lease subject to the rules and regulations governing all State of Wyoming Oil & Gas Lease do not change the terms and conditions of the original lease, the lease anniversary date, nor the obligations and anniversary date of the lease created therefrom being considered as if it had been issued on the effective date of the original lease. (See Board Rules, Chapter 6, Section A.)

8) Corporations, limited liability companies, and limited partnerships must be qualified with the Wyoming Secretary of State's Office, and general partnership papers are required to be filed with the State Land and Farm Loan Office prior to, and as a condition of Board approval of any assignment.

9) Assignments will not be considered for approval where assignor or any assignee currently has a delinquent (late) royalty or rental payment obligation(s) for any State subsurface resource lease.

[redacted] [redacted] [redacted]

ACKNOWLEDGMENT (For use by Corporation)

State of COLORADO)
) ss.
County of DOUGLAS)

On this 20th day of March, 1998, before me personally appeared R. G. "Jerry" Albertus, to me personally known, who, being by me duly sworn, did say that he is the President of Ultra Resources, Inc. and that this instrument was signed in behalf of said corporation by the authority of its Board of Directors and said R. G. "Jerry" Albertus acknowledged said instrument to be the free act and deed of said corporation.

WITNESS my hand and seal this 20th day of March, 1998.

Amy Barton
NOTARY PUBLIC

(SEAL) NOTARY PUBLIC STATE OF COLORADO

My Commission expires: 7/18/2000

STATE OF COLORADO §
§ ss.
COUNTY OF ADAMS §

The foregoing instrument was acknowledged before me this 12th day of May, 1998 by Ralph W. Ponfick, Attorney -in-Fact for LANCE OIL & GAS COMPANY, INC., a Delaware corporation, on behalf of the corporation.

WITNESS my hand and official seal.

E. June Todd
E. June Todd, Notary State of Colorado
12200 N. Pecos Street
Denver, CO 80234

E. JUNE TODD
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expires Apr. 3, 2000

Effective 11-86
Form ML-2
(Revised 4-96)
Filing Fee - $25.00 - Non-Refundable

STATE OF WYOMING
BOARD OF LAND COMMISSIONERS
OIL & GAS LEASE INTEREST ASSIGNMENT

Return To -
State Land & Farm Loan Office
122 West 25th Street
Herschler Building, 3 West
Cheyenne, WY 82002-0600

Wyoming Oil & Gas Lease Serial Number 97-00374 **Assignment Approval Date -** _____

ASSIGNOR, with name and address at,

Ultra Resources, Inc.
304 Inverness Way South, Suite 295
Englewood, CO 80112

being the owner of 100 percent Undivided leasehold
(Type Interest: Leasehold/Operating Rights/Overriding Royalty)

interest in this lease, described in particular if less than the total leasehold as:

For good and valuable consideration, hereby assigns to:**********

1) ASSIGNEE, with name and address at:

Lance Oil and Gas Company, Inc.
12200 North Pecos Street
Denver, CO 80234

15 percent interest in the total leasehold, or as described in particular above.

2) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

3) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

4) ASSIGNEE, with name and address at:

267628

RECORDED June 8 1995 9:00A M
IN BOOK 0016 PAGE 776
FEES $ 10.00
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Saxton

percent interest in the total leasehold, or as described in particular above.

5) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

and reserving unto ASSIGNOR, 85 percent interest

This assignment is subject to any existing overriding royalties previously reserved. Reservations of overriding interests must be approved by the Director, and any such approval is subject to the condition that overriding Royalties, may be cancelled by the Board of Land Commissioners if it finds that such overriding royalties create a burden on the lease which prevents or unreasonably interferes with its development.

ASSIGNOR certifies by signature on reverse, that ASSIGNOR is the owner of the interest above herein transferred, and ASSIGNEE(S) certify(ies) by signing on the reverse that this assignment constitutes a binding acceptance of all the terms, conditions, stipulations, restrictions and statutes governing the lease described above, and of the Rules of the Board, at Chapter 6, Leasing of Subsurface Resources.

This form may be duplicated.
If space is needed for additional assignors or assignees submit copies of this form only.

Page 1 *of* 1 *of Lease#* 97-00374 *assignment dated* _____

WY-1044

SIGNED AS TO TRANSFER AND ACCEPTANCE this 26th day of March 1998.

ASSIGNOR - **ULTRA RESOURCES, INC.**	Assignee (1) - **LANCE OIL AND GAS COMPANY, INC.**
By - M Jerry Albertus	By - Ralph W. Ponfick
Title - R. G. Jerry Albertus President	Title - Ralph W. Ponfick, Attorney-in-Fact
Attest -	Attest -
Assignee (2) -	Assignee (3) -
By -	By -
Title -	Title -
Attest -	Attest -
Assignee (4) -	Assignee (5) -
By -	By -
Title -	Title -
Attest -	Attest -

Assignment Requirements

Note: Assignments are not valid until approved by the Director, State Land and Farm Loan Office as per State Oil & Gas Lease Terms, and approval is solely for administrative purposes and should not be interpreted as warranty that any party to this assignment holds legal or equitable interest in this lease. Assignments which do not meet the requirements listed below and those in the Lease and Rules will be returned unapproved.

1) This form must be completed and submitted for any assignment of State Oil & Gas Lease leasehold interest, undivided or divided as to separate tracts, formations, zones or deposits, and for overriding royalty interest.

2) Assignments of less than a 100% leasehold interest, do not relieve the assignor of the obligations as a lessee under the terms of the lease regarding the interest conveyed unless the State first has in hand, a written agreement to be bound as lessee for all obligations under the lease for the assigned portion from the assignee. This requirement should not be construed in any way as a release or recision of the obligations of any surety bonding parties under the requirements of the State oil and gas lease, Board Rules or this assignment. (All lessees are ultimately responsible for the performance under the lease, and default subjects the entire lease to forfeiture not just the interest related to any performance obligation considered to be in default.)

3) A signed original and one copy of each assignment must be filed with the Wyoming State Land and Farm Loan Office.

4) Each assignment, if approved, is recognized by the State as effective as of the date of approval by the Director. Adequate bond must be furnished covering any and all productive zones prior to approval of any assignment of interest in an operating State oil and gas lease, whether wellbores exist on the leased lands or not, and in no case can drilling operations, including to prospectively productive zones under operating leases, begin without a bond first being in place.

5) If there is more than one party in interest to this assignment, then all such parties in interest must sign the document before assignment approval will be given.

6) The appropriate legal description of the conveyed lands interests must be given.

7) Assignments creating a separate (reserve) lease subject to the rules and regulations governing all State of Wyoming Oil & Gas Lease do not change the terms and conditions of the original lease, the lease anniversary date, nor the obligations and anniversary date of the lease created therefrom being considered as if it had been issued on the effective date of the original lease. (See Board Rules, Chapter 6, Section A.)

8) Corporations, limited liability companies, and limited partnerships must be qualified with the Wyoming Secretary of State's Office, and general partnership papers are required to be filed with the State Land and Farm Loan Office prior to, and as a condition of Board approval of any assignment.

9) Assignments will not be considered for approval where assignor or any assignee currently has a delinquent (late) royalty or rental payment obligation(s) for any State subsurface resource lease.

ACKNOWLEDGMENT (For use by Corporation)

State of COLORADO)
) ss.
County of DOUGLAS)

On this 26th day of March, 1998, before me personally appeared R. G. "Jerry" Albertus, to me personally known, who, being by me duly sworn, did say that he is the President of Ultra Resources, Inc. and that this instrument was signed in behalf of said corporation by the authority of its Board of Directors and said R. G. "Jerry" Albertus acknowledged said instrument to be the free act and deed of said corporation.

Witness my hand and seal this 26th day of March, 1998.

(SEAL)

My Commission expires: 2/8/2000

Amy Barton
NOTARY PUBLIC

STATE OF COLORADO)
) ss.
COUNTY OF ADAMS)

The foregoing instrument was acknowledged before me this 12th day of May, 1998 by Ralph W. Ponfick, Attorney -in-Fact for LANCE OIL & GAS COMPANY, INC., a Delaware corporation, on behalf of the corporation.

WITNESS my hand and official seal.

E. JUNE TODD
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expires Apr. 8, 2000

E. June Todd
E. June Todd, Notary State of Colorado
12200 N. Pecos Street
Denver, CO 80234

Effective 11-86
Form ML-2
(Revised 4-96)
Filing Fee - $25.00 - Non-Refundable

STATE OF WYOMING
BOARD OF LAND COMMISSIONERS
OIL & GAS LEASE INTEREST ASSIGNMENT

Return To -
State Land & Farm Loan Office
122 West 25th Street
Herschler Building, 3 West
Cheyenne, WY 82002-0600

Wyoming Oil & Gas Lease Serial Number 97-00379 **Assignment Approval Date -** _____

ASSIGNOR, with name and address at,

Ultra Resources, Inc.
304 Inverness Way South, Suite 295
Englewood, CO 80112

being the owner of 100 percent Undivided leasehold
(Type Interest: Leasehold/Operating Rights/Overriding Royalty)

interest in this lease, described in particular if less than the total leasehold as:

For good and valuable consideration, hereby assigns to:**********

1) ASSIGNEE, with name and address at:

Lance Oil and Gas Company, Inc.
12200 North Pecos Street
Denver, CO 80234

15 percent interest in the total leasehold, or as described in particular above.

2) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

3) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

4) ASSIGNEE, with name and address at:

267630

RECORDED July 8 1998 at 9:30 A
IN BOOK 107 OF RECORDS PAGE 779
FEES $ 10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Jacton

percent interest in the total leasehold, or as described in particular above.

5) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

and reserving unto ASSIGNOR, 85 percent interest

This assignment is subject to any existing overriding royalties previously reserved. Reservations of overriding interests must be approved by the Director, and any such approval is subject to the condition that overriding Royalties, may be cancelled by the Board of Land Commissioners if it finds that such overriding royalties create a burden on the lease which prevents or unreasonably interferes with its development.

ASSIGNOR certifies by signature on reverse, that ASSIGNOR is the owner of the interest above herein transferred, and ASSIGNEE(S) certify(ies) by signing on the reverse that this assignment constitutes a binding acceptance of all the terms, conditions, stipulations, restrictions and statutes governing the lease described above, and of the Rules of the Board, at Chapter 6, Leasing of Subsurface Resources.

This form may be duplicated.
If space is needed for additional assignors or assignees submit copies of this form only.

Page 1 *of* 1 *of Lease#* 97-00379 *assignment dated* _____

WY-1046

SIGNED AS TO TRANSFER AND ACCEPTANCE this 26th day of March 1998.

ULTRA RESOURCES, INC.	**LANCE OIL AND GAS COMPANY, INC.**
Assignor -	Assignee (1) -
By -	By - Ralph W. Ponfick
Title - R. G. "Jerry" Albertus President	Title - Ralph W. Ponfick, Attorney-in-Fact
Attest -	Attest -
Assignee (2) -	Assignee (3) -
By -	By -
Title -	Title -
Attest -	Attest -
Assignee (4) -	Assignee (5) -
By -	By -
Title -	Title -
Attest -	Attest -

ASSIGNMENT REQUIREMENTS

Note: Assignments are not valid until approved by the Director, State Land and Farm Loan Office as per State Oil & Gas Lease Terms, and approval is solely for administrative purposes and should not be interpreted as warranty that any party to this assignment holds legal or equitable interest in this lease. Assignments which do not meet the requirements listed below and those in the Lease and Rules will be returned unapproved.

1) This form must be completed and submitted for any assignment of State Oil & Gas Lease leasehold interest, undivided or divided as to separate tracts, formations, zones or deposits, and for overriding royalty interest.

2) Assignments of less than a 100% leasehold interest, do not relieve the assignor of the obligations as a lessee under the terms of the lease regarding the interest conveyed unless the State first has in hand, a written agreement to be bound as lessee for all obligations under the lease for the assigned portion from the assignee. This requirement should not be construed in any way as a release or recision of the obligations of any surety bonding parties under the requirements of the State oil and gas lease, Board Rules or this assignment. (All lessees are ultimately responsible for the performance under the lease, and default subjects the entire lease to forfeiture not just the interest related to any performance obligation considered to be in default.)

3) A signed original and one copy of each assignment must be filed with the Wyoming State Land and Farm Loan Office.

4) Each assignment, if approved, is recognized by the State as effective as of the date of approval by the Director. Adequate bond must be furnished covering any and all productive zones prior to approval of any assignment of interest in an operating State oil and gas lease, whether wellbores exist on the leased lands or not, and in no case can drilling operations, including to prospectively productive zones under operating leases, begin without a bond first being in place.

5) If there is more than one party in interest to this assignment, then all such parties in interest must sign the document before assignment approval will be given.

6) The appropriate legal description of the conveyed lands interests must be given.

7) Assignments creating a separate (reissue) lease subject to the rules and regulations governing all State of Wyoming Oil & Gas Leases do not change the terms and conditions of the original lease, the lease anniversary date, nor the obligations and anniversary date of the lease created therefrom being considered as if it had been issued on the effective date of the original lease. (See Board Rules, Chapter 6, Section A.)

8) Corporations, limited liability companies, and limited partnerships must be qualified with the Wyoming Secretary of State's Office, and general partnership papers are required to be filed with the State Land and Farm Loan Office prior to, and as a condition of Board approval of any assignment.

9) Assignments will not be considered for approval where assignor or any assignee currently has a delinquent (late) royalty or rental payment obligation(s) for any State subsurface resource lease.

[redacted] [redacted] [redacted]

State of COLORADO)
) ss.
County of DOUGLAS)

ACKNOWLEDGMENT (For use by Corporation)

On this 20th day of March 1998, before me personally appeared R. G. "Jerry" Albertus, to me personally known, who, being by me duly sworn, did say that he is the President of Ultra Resources, Inc. and that this instrument was signed in behalf of said corporation by the authority of its Board of Directors and said R. G. "Jerry" Albertus acknowledged said instrument to be the free act and deed of said corporation.

Witness my hand and seal this 20th day of March 1998.

Amy Barton
NOTARY PUBLIC

(SEAL)

My Commission expires: 7/18/2000

STATE OF COLORADO §
§ ss.
COUNTY OF ADAMS §

The foregoing instrument was acknowledged before me this 12th day of May, 1998 by Ralph W. Ponfick, Attorney -in-Fact for LANCE OIL & GAS COMPANY, INC., a Delaware corporation, on behalf of the corporation.

WITNESS my hand and official seal.

E. JUNE TODD
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expires Apr. 3, 2000

E. June Todd
E. June Todd, Notary State of Colorado
12200 N. Pecos Street
Denver, CO 80234

782

STATE OF WYOMING
BOARD OF LAND COMMISSIONERS
OIL & GAS LEASE INTEREST ASSIGNMENT

Effective 11-86
Form ML-2
(Revised 4-96)
Filing Fee - $25.00 - Non-Refundable

Return To -
State Land & Farm Loan Office
122 West 25th Street
Herschler Building, 3 West
Cheyenne, WY 82002-0600

Wyoming Oil & Gas Lease Serial Number 93-00375 **Assignment Approval Date -** _____

ASSIGNOR, with name and address at,

Ultra Resources, Inc.
304 Inverness Way South, Suite 295
Englewood, CO 80112

being the owner of 100 percent Undivided leasehold
(Type Interest: Leasehold/Operating Rights/Overriding Royalty)

interest in this lease, described in particular if less than the total leasehold as:

For good and valuable consideration, hereby assigns to:**********

1) ASSIGNEE, with name and address at:

Lance Oil and Gas Company, Inc.
12200 North Pecos Street
Denver, CO 80234

15 percent interest in the total leasehold, or as described in particular above.

2) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

3) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

4) ASSIGNEE, with name and address at:

267631

RECORDED June 8 1998 9:00 M
IN BOOK 107046 PAGE 782
FEES $ 10.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING
By Cathy Barker

percent interest in the total leasehold, or as described in particular above.

5) ASSIGNEE, with name and address at:

percent interest in the total leasehold, or as described in particular above.

and reserving unto ASSIGNOR, 85 percent

This assignment is subject to any existing overriding royalties previously reserved. Reservations of overriding interests must be approved by the Director, and any such approval is subject to the condition that overriding Royalties, may be cancelled by the Board of Land Commissioners if it finds that such overriding royalties create a burden on the lease which prevents or unreasonably interferes with its development.

ASSIGNOR certifies by signature on reverse, that ASSIGNOR is the owner of the interest above herein transferred, and ASSIGNEE(S) certify(ies) by signing on the reverse that this assignment constitutes a binding acceptance of all the terms, conditions, stipulations, restrictions and statutes governing the lease described above, and of the Rules of the Board, at Chapter 6, Leasing of Subsurface Resources.

This form may be duplicated.
If space is needed for additional assignors or assignees submit copies of this form only.

Page 1 *of* 1 *of Lease#* 93-00375 *assignment dated* _____

WY-1022
1045

[redacted] [redacted] [redacted]

SIGNED AS TO TRANSFER AND ACCEPTANCE this 26th day of March 1998.

ULTRA RESOURCES, INC. ASSIGNOR -	LANCE OIL AND GAS COMPANY, INC. Assignee (1) -
By -	By - Ralph W. Ponfick
Title - R. D. "Jerry" Albertus President	Title - Ralph W. Ponfick, Attorney-in-Fact
Attest -	Attest -

Assignee (2) -	Assignee (3) -
By -	By -
Title -	Title -
Attest -	Attest -

Assignee (4) -	Assignee (5) -
By -	By -
Title -	Title -
Attest -	Attest -

ASSIGNMENT REQUIREMENTS

Note: Assignments are not valid until approved by the Director, State Land and Farm Loan Office as per State Oil & Gas Lease Terms, and approval is solely for administrative purposes and should not be interpreted as warranty that any party to this assignment holds legal or equitable interest in this lease. Assignments which do not meet the requirements listed below and those in the Lease and Rules will be returned unapproved.

1) This form must be completed and submitted for any assignment of State Oil & Gas Lease leasehold interest, undivided or divided as to separate tracts, formations, zones or deposits, and for overriding royalty interest.

2) Assignments of less than a 100% leasehold interest, do not relieve the assignor of the obligations as a lessee under the terms of the lease regarding the interest conveyed unless the State first has in hand, a written agreement to be bound as lessee for all obligations under the lease for the assigned portion from the assignee. This requirement should not be construed in any way as a release or recision of the obligations of any surety bonding parties under the requirements of the State oil and gas lease, Board Rules or this assignment. (All lessees are ultimately responsible for the performance under the lease, and default subjects the entire lease to forfeiture not just the interest related to any performance obligation considered to be in default.)

3) A signed original and one copy of each assignment must be filed with the Wyoming State Land and Farm Loan Office.

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5) If there is more than one party in interest to this assignment, then all such parties in interest must sign the document before assignment approval will be given.

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7) Assignments creating a separate (reissue) lease subject to the rules and regulations governing all State of Wyoming Oil & Gas Lease do not change the terms and conditions of the original lease, the lease anniversary date, nor the obligations and anniversary date of the lease created therefrom being considered as if it had been issued on the effective date of the original lease. (See Board Rules, Chapter 6, Section A.)

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9) Assignments will not be considered for approval where assignor or any assignee currently has a delinquent (late) royalty or rental payment obligation(s) for any State subsurface resource lease.

State of COLORADO)
) ss.
County of DOUGLAS)

ACKNOWLEDGMENT (For use by Corporation)

On this 20th day of March, 1998, before me personally appeared R. G. "Jerry" Albertus, to me personally known, who, being by me duly sworn, did say that he is the President of Ultra Resources, Inc. and that this instrument was signed in behalf of said corporation by the authority of its Board of Directors and said R. G. "Jerry" Albertus acknowledged said instrument to be the free act and deed of said corporation.

Witness my hand and seal this 20th day of March, 1998.

Amy Baston
NOTARY PUBLIC

(SEAL)

My Commission expires: 7/18/2000

STATE OF COLORADO)
) ss.
COUNTY OF ADAMS)

The foregoing instrument was acknowledged before me this 12th day of May, 1998 by Ralph W. Ponfick, Attorney -in-Fact for LANCE OIL & GAS COMPANY, INC., a Delaware corporation, on behalf of the corporation.

WITNESS my hand and official seal.

E. JUNE TODD
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expires Apr. 3, 2001

E. June Todd
B. June Todd, Notary State of Colorado
12200 N. Pecos Street
Denver, CO 80234