DISTRICT COURT, BOULDER COUNTY, COLORADO 1777 6 th Street, Boulder, Colorado 80302	
Plaintiff:	
BOARD OF COUNTY COMMISSIONERS OF BOULDER COUNTY, Colorado;	
v.	
Defendant:	
CRESTONE PEAK RESOURCES OPERATING, LLC, a Delaware limited liability company	▲ COURT USE ONLY ▲
Attorneys for Plaintiff BOULDER COUNTY ATTORNEY David Hughes, #24425 Deputy County Attorney Katherine A. Burke, #35716 Senior Assistant County Attorney Catherine (Trina) Ruhland #42426 Senior Assistant County Attorney Jasmine Rodenburg # 51194 Assistant County Attorney Boulder County Attorney's Office P.O. Box 471 Boulder, Colorado 80306 Phone: 303-441-3190 Fax: 303-441-4794 Email: dhughes@bouldercounty.org kaburke@bouldercounty.org truhland@bouldercounty.org	Case Number: Div:
COMPLAINT	

Plaintiff, Board of County Commissioners of Boulder County, Colorado, alleges as follows:

INTRODUCTION

1. Defendant is proposing to construct three massive oil and gas facilities in unincorporated Boulder County on land owned by Boulder County and preserved as open space, and on privately-owned land protected and preserved by Boulder County conservation easements.

2. Boulder County bought the land and conservation easement rights at issue with public funds as an essential part of the County's long-standing, multi-faceted commitment to land and resource conservation through responsible stewardship.

3. Defendant is not entitled to undertake the large-scale development it proposes because it is violating the terms of multiple oil and gas leases, and because it is illegally interfering with conservation easements owned by Boulder County.

4. Boulder County asks this Court to protect Boulder County, its residents and its property by interpreting the applicable oil and gas leases and conservation easements to determine that Defendant lacks the right to proceed with its unprecedented, massive development.

PARTIES, JURISDICTION, AND VENUE

5. Boulder County is a political subdivision of the State of Colorado and a body politic and corporate. Plaintiff Board of County Commissioners of Boulder County (the "County") is the duly constituted governing body of Boulder County, and is authorized to sue and be sued.

6. Defendant Crestone Peak Resources Operating, LLC ("Crestone"), is a Delaware limited liability company with principal offices at 1801 California Street, Suite 2500, Denver, CO 80202. Crestone is authorized to conduct business in the State of Colorado.

7. Jurisdiction is proper in this Court of general jurisdiction under the Colorado Constitution and also under §§ 13-51-105, 38-30.5-108, 38-42-105, C.R.S.

8. Venue is proper in this Court under C.R.C.P. 98(a) because the leases and conservation easements at issue and the rights and obligations subject to this action affect real property located in Boulder County.

GENERAL ALLEGATIONS

Background

9. The County places a high priority on the preservation of open spaces for agricultural uses, passive recreation, ecological protection, viewsheds and similar values.

10. In 1978, the Boulder County Planning Commission adopted the Boulder County Comprehensive Plan (the "BCCP"), memorializing, in relevant part, Boulder County's long-standing commitment to land conservation. The BCCP prioritizes preservation of "the rural character and function of the unincorporated area of Boulder County by protecting environmental resources, agricultural uses, open spaces, vistas, and the distinction between urban and rural areas of the county." The BCCP guides all County land use activities.

11. As a reflection of the importance of land conservation, in 1993 County voters first approved a county-wide sales and use tax to fund the acquisition and protection of open space lands, including associated water and mineral rights. Voters have approved and extended this tax and other open space taxes with similar provisions numerous times over the years (collectively referred to as the "Open Space Tax").

12. Through the Open Space Tax, County residents have raised over \$400 million for open space acquisition and preservation. Whenever possible, the County purchases mineral rights along with the surface interests in a property, acquiring both for the purpose of preservation and conservation.

13. Some of the County's mineral rights were leased to operators prior to the County's purchase. By purchasing the mineral rights subject to existing leases, the County became the successor lessor and assumed the lessors' rights under those leases.

14. In addition to purchasing land and minerals for conservation, the County acquires conservation easements over private property pursuant to §§ 38-30.5-101 et seq., C.R.S.

15. On February 22, 2017, Crestone proposed a Comprehensive Drilling Plan ("CDP") to the Colorado Oil and Gas Conservation Commission ("COGCC") for its approval. The CDP covers a 10-square-mile portion of Boulder County. A map of the CDP is attached as Exhibit 1. The County owns open space property, including mineral rights, and conservation rights in the vast majority of the CDP area. The CDP proposes to place 140 wells on three sites – two sites to hold 56 wells and one to hold 28. Although it seeks three final drilling sites, Crestone proposed four possible sites to the COGCC: two are on County-owned open space and two are on lands where the County owns conservation easements.

16. The CDP was developed in five separate drafts between February 2017 and June 20, 2018. The County participated as a stakeholder throughout that process. On July 30, 2018, the Director of the COGCC issued a Finding of Suitability, determining that the final draft of the CDP was ready for Commission review. The CDP is currently scheduled for a hearing before the COGCC October 29-31, 2018.

17. This action does not ask the Court to review the CDP process at the COGCC. Rather, this action raises important contractual issues related to the development proposed in the CDP that are outside the COGCC's jurisdiction. 18. The CDP proposal raises four categories of contractual issues in the CDP area. Some leases are subject to more than one type of claim, some of which are pled in the alternative. First, County leases in Sections 3, Township 1 North, Range 69 West and Section 26, Township 2 North, Range 69 West are expired for lack of production, affecting Crestone's ability to develop the CDP as proposed. Second, County leases throughout the CDP area contain language limiting the size of drilling units into which they can be incorporated, yet the CDP proposes to violate those leases by establishing large drilling and spacing units. Third, County conservation easements in Sections 35 and 36, Township 2 North, Range 69 West, limit oil and gas production to what was allowed in pre-existing leases. The development proposed in the CDP exceeds what those underlying leases allow for and, as a result, threaten to violate the conservation easements and threaten the conservation values for which they were established. Fourth, the well sites proposed in the CDP for Sections 1 and 3, Township 1 North, Range 69West, exceed the surface rights allowable under the leases and the reasonable accommodation doctrine (*see, e.g.*, § 34-60-27, C.R.S.).

Expired Leases

19. Two of the County's leases in the CDP area, to which Crestone claims the lessee's rights, have expired as a result of non-production.

20. On February 20, 1980, James S. Haley, as Trustee of the Maxine Haley Trust, granted an Oil and Gas Lease to W.C. Montgomery, Jr., covering lands in Boulder County and recorded in the real property records of Boulder County at Reception No. 00395834 (the "Haley Lease"), attached as Exhibit 2.

21. In a series of transactions in 1988, 1995, and 1996, the County purchased the property described in the Haley Lease together with the mineral rights subject to the Haley Lease. The County is the successor lessor to the Haley Lease.

22. The rights granted under the Haley Lease were ultimately assigned to Crestone in an April 1, 2015, Bill of Sale from Encana Oil & Gas (USA), Inc.

23. Crestone proposes to locate a massive 56-well pad on the property subject to the Haley Lease as part of the CDP.

24. The Haley Lease states, emphasis added, "[i]f, after the expiration of the primary term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate *provided* lessee resumes operations for re-working or drilling a well within sixty (60) days from such cessation."

25. The primary term of the Haley Lease expired on May 14, 1982.

26. Two wells have been drilled on the Haley Property: the Haley 32-3 well and the

Haley G Unit 1 well.

27. The two wells, according to COGCC records, ceased production for more than sixty days. Specifically:

- a. The Haley 32-3 well did not produce oil or gas from March June 2014 (122 days) and has not been producing oil or gas since December 2017.
- b. The Haley G Unit 1well did not produce oil or gas from March-June 2014 (122 days).

28. No drilling or reworking operations took place on the lands subject to the Haley Lease in the 60 days following the 2014 cessation of production from the Haley 32-2 and the Haley G Unit 1 well.

29. After expiration of the primary term, no wells were producing oil or gas and no drilling or reworking operations were underway pursuant to the Haley Lease for 122 days - 62 days longer than the cessation period allowed under the Haley Lease.

30. On August 15, 1985, Merle B. Lewis, June M. Lewis, Ralph E. Lewis, Alene V. Lewis, Kenneth D. Lewis, Germaine R. Lewis, Cleone Lewis, Patricia Wagner, Ronald Lewis, and Gene Lewis granted an Oil and Gas Lease to Vessels Oil & Gas Company, covering the NW1/4 of Section 26, Township 2 North, Range 69 West in Boulder County that were signed and recorded in counterparts in the real property records of Boulder County at Reception Nos. 00707419, 00707418, 00707417, and 00712562 (the "Lewis Leases"), attached as Exhibit 3. Each of the four leases are substantially the same and identical in the relevant terms.

31. On March 19, 1996, the County purchased the property described in the Lewis Leases, together with the mineral rights subject to the Lewis Leases. The County is the successor lessor to the Lewis Leases.

32. The rights granted under the Lewis Leases were ultimately assigned to Crestone in an April 1, 2015, Bill of Sale from Encana Oil & Gas (USA), Inc.

33. Crestone included the Lewis Leases in its representations to the COGCC of its mineral ownership supporting the CDP proposal and intends to develop the minerals subject to the Lewis Leases with the CDP.

34. The Lewis Leases state, emphasis added, "[i]f at the expiration of the Primary Term, oil or gas is not being produced on the Leased Premises, or on acreage pooled or unitized therewith, *but* Lessee is then engaged in drilling or reworking operations thereon, this Lease shall remain in effect so long as its operations are prosecuted, either on the same well or any other well thereafter commenced, with no cessation of more than ninety (90) consecutive days."

35. The primary term of the Lewis Leases originally would have expired in August 1986 but was extended for an additional 24 months to August 1988.

36. According to COGCC records, the only well proposed for the Lewis Leases, the Lewis F Unit 1 well, was never drilled.

37. After expiration of the primary term, there was no production and no drilling or reworking operations underway pursuant to the Lewis Leases.

38. The minerals and lands subject to the Haley Lease and the Lewis Leases have not been unitized or pooled with any other minerals or lands and are not subject to any COGCC orders establishing drilling and spacing units or pooling minerals for development.

39. The Haley Lease and Lewis Leases have expired for failure of production or cessation of production longer than the allowable terms.

40. Under § 38-42-104, C.R.S., an operator is required to record a surrender of any expired oil and gas lease within 90 days of the expiration.

41. Crestone has not recorded a release of the Haley Lease or Lewis Leases.

42. Pursuant to § 38-42-105, C.R.S., the County sent Crestone demands by certified mail to release the Haley Lease and Lewis Leases on June 21, 2018, and July 11, 2018. Crestone made no response to the demands within 30 days of their receipt. Pursuant to § 38-42-105, the County is entitled to damages, attorney fees, and costs for Crestone's failure to timely record a release of the Haley Lease and the Lewis Leases.

43. The County seeks declaratory judgment in its favor confirming the Haley Lease and the Lewis Leases terminated by their terms and that Crestone does not have the right to occupy those properties or extract minerals subject to those leases, along with all available damages, costs, and fees.

Lease Limits on Unit Size

A. Western Unit

44. On June 15, 2018, as part of the CDP, Crestone filed an application with the COGCC to establish a drilling and spacing unit ("DSU") on lands in the CDP area in Boulder County, at COGCC Docket No. 170500192. The proposed unit encompasses lands in Sections 3 and 10, Township 1 North, Range 69 West, and Sections 27 and 34, Township 2 North, Range 69 West in Boulder County. The proposed unit covers 2,560 acres (the "Western Unit"). The application for the Western Unit was originally filed February 22, 2017 and amended twice. During that process, the County raised the unit size limitations contained in certain leases and detailed below. Crestone did not respond to or resolve those lease issues and its repeated pursuit

of the Western Unit demonstrates its unequivocal intent to establish the Western Unit.

45. Leases in the Western Unit contain language prohibiting the establishment of the Western Unit or any unit of a similar size. Crestone has ignored the unitization and pooling limitations in the leases at issue.

46. The Haley Lease is located in the Western Unit. It permits the lessee to pool or unitize the lands described in the lease, but it limits the size of such a unit to "the minimum size tract on which a well may be drilled under laws, rules, or regulations in force at the time of such pooling or unitization."

47. The Lewis Leases are located in the Western Unit. They permit the lessee to pool or unitize the lands described in the lease, but limit such unitization to "a unit or units not exceeding the minimum size tract on which a well may be drilled under laws, rules or regulations in force at the time of such pooling or unitization" or, if no such minimum size is set forth in law, "such units shall not exceed eighty (80) acres for oil, and shall not exceed six hundred and forty (640) acres for gas."

48. On June 1, 1979, Albert D. Bloom granted an Oil and Gas Lease to Vessels Oil & Gas Co., covering portions of Section 11, Township 1 North, Range 69 West, in Boulder County and recorded in the real property records of Boulder County at Reception No. 00351467 (the "Bloom Lease"), attached as Exhibit 4. The Bloom Lease is in the Western Unit.

49. On May 5, 1998, the County purchased the property described in the Bloom Lease together with the mineral rights subject to the Bloom Lease. The County is the successor lessor of the Bloom Lease.

50. Crestone is the successor lessee to the Bloom Lease.

51. The Bloom Lease permits the lessee to pool or unitize the lands described in the lease, but it limits the size of such a unit to "the minimum size tract on which a well may be drilled under laws, rules, or regulations in force at the time of such pooling or unitization."

52. On March 2, 1977, Edith H. Throndson granted an Oil and Gas Lease to Martin Oil Service, Inc., covering portions of Sections 34, Township 2 North, Range 69 West, and Sections 2 and 4, Township 1 North, Range 69 West, in Boulder County and recorded in the real property records of Boulder County at Reception No. 00263530 (the "Throndson Lease"), attached as Exhibit 5. The Throndson Lease is in the Western Unit.

53. On November 16, 1994, the County purchased the property described in the Throndson Lease together with the mineral rights subject to the Throndson Lease. The County is the successor Lessor of the Throndson Lease.

54. Crestone is the successor lessee to the Throndson Lease.

55. The Throndson Lease permits the lessee to pool or unitize the lands described in the lease, but it limits the size of such a unit to "the minimum size tract on which a well may be drilled under laws, rules, or regulations in force at the time of such pooling or unitization."

56. On March 3, 1981, Robert S. Alcorn granted an Oil and Gas Lease to The Vessels Company, covering portions of Section 10, Township 1 North, Range 69 West, in Boulder County and recorded in the real property records of Boulder County at Reception No. 00436830 (the "Alcorn Lease"), attached as Exhibit 6. The Alcorn Lease is in the Western Unit.

57. On June 20, 1995, the County purchased the property described in the Alcorn Lease together with the minerals subject to the Alcorn Lease. The County is the successor lessor of the Alcorn Lease.

58. Crestone is the successor lessee to the Alcorn Lease.

59. The Alcorn Lease permits the lessee to pool or unitize the lands described in the lease, but it limits the size of such a unit to "approximately 160 acres in area."

60. The regulation relating to unit size in the lands subject to the Western Unit that was in force when the application for the Western Unit was filed were COGCC Order 407-1 and Order 407-87, which established 80-acre spacing units throughout the eastern part of Boulder County and beyond for the Codell and Niobrara geologic formations, which are the formations Crestone seeks to develop in the Western Unit with the CDP.

61. Order 407-1 established 80-acre drilling and spacing units for the production of oil and gas and associated hydrocarbons from the Codell Formation. Order 407-87 established 80-acre units for the Niobrara Formation, applying that spacing, emphasis added, "to *a well* drilled, completed or recompleted in . . . the underlying lands described herein."

62. Under Orders 407-1 and 407-87, the minimum size tract on which a well may be drilled in Sections 3, 26, and 34 Township 2 North, Range 69 West, where the Haley Lease, Throndson Lease and Lewis Leases are located and Sections 2,4, and 11, Township 1 North, Range 69 West, where the Throndson Lease and the Bloom Lease are located, is 80 acres.

63. The Haley Lease, Lewis Leases, Bloom Lease and Throndson Lease do not grant Crestone the right to establish a unit greater than 80 acres. The Alcorn Lease expressly limits unitization to a maximum of 160 acres. The proposed Western Unit is 2,560 acres.

64. By seeking to establish the Western Unit over the protest of the County raising the lease issues, Crestone has shown an unequivocal intent to breach the Haley Lease, Lewis Leases, Bloom Lease, Throndson Lease and Alcorn Lease.

B. Central Unit

65. On June 15, 2018, also as part of the CDP project, Crestone filed an application with the COGCC to establish a drilling and spacing unit, at COGCC Docket No. 170500191. The proposed unit covers lands in Sections 2 and 11, Township 1 North, Range 69 West in in the CDP area in Boulder County. The proposed unit covers 1,280 acres (the "Central Unit"). The application for the Central Unit was originally filed February 22, 2017 and amended twice. During that process, the County raised the unit size limitations contained in certain leases detailed below. Crestone did not respond to or resolve those lease issues and its repeated pursuit of the Central Unit demonstrates its unequivocal intent to establish the Central Unit.

66. Leases in the Central Unit contain language prohibiting the establishment of the Central Unit or any unit of a similar size. Crestone has ignored the unitization and pooling limitations in the leases at issue.

67. The Bloom Lease described above, including the unit size limitation language cited, also covers lands in the Central Unit.

68. On March 13, 1980, White Rock Farms Associates granted an Oil and Gas Lease to W.C. Montgomery, Jr., covering portions of Sections 35 and 36, Township 2 North, Range 69 West, in Boulder County, and recorded in the Boulder County real estate records at Reception No. 00401913 (the "White Rock Lease"), attached as Exhibit 7.

69. On February 21, 1996, the County purchased the land described in the White Rock Lease together with the mineral rights subject to the White Rock Lease. The County is the successor lessor to the White Rock Lease.

70. Crestone is the successor lessee to the White Rock Lease.

71. The White Rock Lease is in the Central Unit. It permits the lessee to pool or unitize the lands described in the lease, but it limits the size of such a unit to "the minimum size tract on which a well may be drilled under laws, rules, or regulations in force at the time of such pooling or unitization."

72. Like the Western Unit, the regulation regarding unit sizes in force at the time of the Central Unit application was COGCC Orders 407-1 and 407-87, which set the minimum size tract on which a well may be drilled in the Codell and Niobrara Formations at 80 acres. Thus, 80 acres is the cap for any unit that would encompass the Bloom and White Rock leases.

73. By seeking to establish the Central Unit over the protest of the County raising the lease issues, Crestone has shown an unequivocal intent to breach the Bloom Lease and the White Rock Lease.

C. Eastern Unit

74. On June 15, 2018, also as part of the CDP project, Crestone filed an application with the COGCC to establish a drilling and spacing unit, at COGCC Docket No. 170500190. The proposed unit encompasses lands in Sections 1 and 12, Township 1 North, Range 69 West and Sections 25 and 36, Township 2 North, Range 69 West in the CDP area in Boulder County. The proposed unit covers 2,560 acres (the "Eastern Unit"). The application for the Eastern Unit was originally filed February 22, 2017 and amended twice. During that process, the County raised the unit size limitations contained in certain leases detailed below. Crestone did not respond to or resolve those lease issues and its repeated pursuit of the Eastern Unit demonstrates its unequivocal intent to establish the Eastern Unit.

75. Leases in the Eastern Unit contain language prohibiting the establishment of the Eastern Unit or any unit of a similar size. Crestone has ignored the unitization and pooling limitations in the leases at issue.

76. The White Rock Lease described above, including the unit size limitation language, also covers lands in the Eastern Unit.

77. On February 28, 1980, Jack C. Wheeler and Donna Jean Wheeler granted an Oil and Gas Lease to W.C. Montgomery, Jr., covering portions of Section 1, Township 1 North, Range 69 West, in Boulder County and recorded in the real property records of Boulder County at Reception No. 00394732 (the "Wheeler Lease"), attached as Exhibit 8.

78. On June 30, 2017, the County purchased the land described in the Wheeler Lease together with the mineral rights subject to the Wheeler Lease. The County is the successor lessor to the Wheeler Lease.

79. Crestone is the successor lessee to the Wheeler Lease.

80. The Wheeler Lease is located in the Eastern Unit. It permits the lessee to pool or unitize the lands described in the lease, but it limits the size of such a unit to "the minimum size tract on which a well may be drilled under laws, rules, or regulations in force at the time of such pooling or unitization."

81. Like the Western Unit and the Central Unit, the regulation regarding unit sizes in force at the time of the Eastern Unit application was COGCC Orders 407-1 and 407-87, which set the minimum size tract on which a well may be drilled in the Codell and Niobrara formations at 80 acres. Thus, 80 acres is the cap for any unit that would encompass the White Rock Lease or Wheeler Lease.

82. By seeking to establish the Eastern Unit over the protest of the County raising the lease issues, Crestone has shown an unequivocal intent to breach the White Rock Lease and the Wheeler Lease.

D. Crestone's violation of leases in the Western, Central and Eastern Units

83. If Crestone successfully establishes the Western Unit, Central Unit and Eastern Unit, it will violate the terms of the Haley Lease, Lewis Leases, Bloom Lease, White Rock Lease, Alcorn Lease, Throndson Lease, and Wheeler Lease.

84. The County seeks a declaration from the Court (i) interpreting the unitization and pooling clauses in the Haley Lease, Lewis Leases, Bloom Lease, White Rock Lease, Alcorn Lease, Throndson Lease, and Wheeler Lease; and (ii) confirming that the proposed Western Unit, Central Unit, and Eastern Unit exceed the rights conveyed in those unitization and pooling clauses.

Violation of Conservation Easements

85. On February 8, 2001, Clyde G. Canino granted the County a conservation easement over lands in Sections 35 and 36, Township 2 North, Range 69 West in Boulder County and recorded in the Boulder County real property records at Reception No. 002117698 (the "Canino CE"), attached as Exhibit 9. In the CDP, Crestone offers the property subject to the Canino CE as an alternative site for a massive 56-well pad.

86. The County purchased the Canino CE rights from the owner of the property. The County obtained the Canino CE to protect specific conservation values existing on the property, including "the Property's significant agricultural attributes, its present and continued agricultural use and its open space values." Specifically, the Canino CE was purchased "to assure its preservation in perpetuity for agricultural uses and for the open space function which it serves," all policies set forth in the Boulder County Comprehensive Plan and supported by §§ 38-30.5-101 et seq., C.R.S. The Canino CE was purchased with Open Space Tax revenues and Conservation Trust Fund lottery proceeds.

87. The Canino CE restricts surface development on the described parcels (the "Canino Property"), including a prohibition on extraction of oil and gas except for any oil and gas extraction allowed under leases existing at the time the Canino CE was signed.

88. Two oil and gas leases affecting the Canino Property existed on February 28, 2001 (described below and referred to collectively as the "Canino Leases"), attached as Exhibit 10.

89. On April 4, 1979, Joseph R. Becky granted an Oil and Gas Lease to Martin Oil Services, Inc., covering portions of Sections 27 and 36, Township 2 North, Range 69 West and Section 6, Township 1 North, Range 69 West in Boulder County and recorded at Reception No. 00332044 (the "Becky Lease").

90. The Becky Lease allows the lessee, under certain conditions, to explore, drill, and

produce oil and gas on the lands described in the lease or, if procedures are met, "adjoining lands." The lands described in the lease cover 515 acres.

91. On April 17, 1979, J. Hammond Jones and Lillie A. Jones granted an Oil and Gas Lease to Martin Oil Services, Inc., covering portions of Section 36, Township 2 North, Range 69 West in Boulder County and recorded at Reception No. 00337185 (the "Jones Lease").

92. The Jones Lease allows the lessee, under certain conditions, to explore, drill, and produce oil and gas on the lands described in the lease or, if procedures are met, "adjoining lands." The Jones lease describes a parcel of 200 acres, some of which is co-extensive with the Becky lease.

93. The Canino Leases have not been pooled or incorporated into any unit for the purpose of developing oil and gas.

94. The Canino Leases grant the use of land for the purpose of developing the minerals under the Canino property.

95. Crestone proposes to place a 56-well pad (the "Canino Pad") on the Canino Property for the purpose of extracting minerals from the four-square-mile Eastern Unit described above. Crestone is currently seeking approval of the Canino Pad and the Western Unit from the COGCC and has actively sought an agreement with the owner of the Canino Property to allow development of the Canino Pad.

96. The Canino Pad will destroy the conservation values for which the Canino CE was obtained by significantly impairing the agricultural use and open space functions of the Canino Property.

97. Where the Canino Pad is not a right granted in the pre-existing Canino Leases, it is prohibited by the Canino CE.

98. The Canino Pad is a larger facility than would be necessary to extract the minerals under the Canino property. Therefore, the Canino Pad is not permitted under the Canino Leases and prohibited by the Canino CE.

99. On January 19, 2006, Jules Van Thuyne, Jr. granted the County a Conservation Easement over lands in Sections 34 and 35, Township 2 North, Range 69 West in Boulder County and recorded in the Boulder County real property records at Reception No. 2751690 (the "Van Thuyne CE"), attached as Exhibit 11.

100. The County purchased the Van Thuyne CE rights from the owner of the property. The County obtained the Van Thuyne CE to protect specific conservation values existing on the property, including "the Property's significant agricultural resources, its present and continued agricultural use and its open space values." Specifically, the Van Thuyne CE was

purchased "to assure its preservation in perpetuity for agricultural uses and for the open space function which it serves," all policies set forth in the Boulder County Comprehensive Plan and supported by §§ 38-30.5-101 et seq., C.R.S. The Van Thuyne CE was purchased with Open Space Tax revenues.

101. The Van Thuyne CE restricts surface development, including a prohibition on extraction of oil and gas except for any oil and gas extraction allowed under leases existing when the Van Thuyne CE was signed.

102. One oil and gas lease encumbered the lands subject to the Van Thuyne CE on January 19, 2006.

103. On November 2, 1970, Wallace Almquist granted an Oil and Gas Lease to Robert A. Shaw covering portions of Sections 34 and 35, Township 2 North, Range 69 West in Boulder County and recorded in the Boulder County real property records at Reception No. 963415 (the "Van Thuyne Lease"), attached as Exhibit 12.

104. The Van Thuyne Lease allows the lessee, under certain conditions, to explore, drill, and produce oil and gas on the lands described in the lease. The land described in the Van Thuyne Lease was a 212-acre parcel.

105. The Van Thuyne Lease has not been pooled or incorporated into any unit for the purpose of developing oil and gas.

106. Crestone proposes to place a 28-well pad (the "Van Thuyne Pad") on a parcel in Section 35 subject to the Van Thuyne Lease for the purpose of draining minerals from the two-square-mile Central Unit described above.

107. Crestone is seeking the approval of the Van Thuyne Pad and the Central Unit from the COGCC and has actively sought an agreement with the property's owner to allow construction of the Van Thuyne Pad.

108. The Van Thuyne Pad is a larger facility than would be necessary to extract the minerals under the Van Thuyne Property. Therefore, the Van Thuyne Lease does not allow for the Van Thuyne Pad.

109. The Van Thuyne Pad will destroy the conservation values for which the Van Thuyne CE was obtained by significantly impairing the agricultural use and open space functions of the property.

110. Where the Van Thuyne Pad is not a right granted in the pre-existing Van Thuyne Lease, it is prohibited by the Van Thuyne CE.

111. "Actual or threatened injury to or impairment of a conservation easement in gross

or the interest intended for protection by such easement may be prohibited or restrained by injunctive relief granted by a court of competent jurisdiction in a proceeding initiated by the grantor or by an owner of the easement." § 38-30.5-108(2), C.R.S.

Lease Limits on Use of Surface

112. The Haley Lease grants the right to extract minerals from the leased land, a 160-acre parcel (the "Haley Property").

113. The Haley Lease is not subject to any pooling or unitization agreement or order.

114. Crestone proposes to put 56 wells on the Haley Property to drill minerals from the four-square-mile Eastern Unit.

115. Fifty-six wells are not required to extract the minerals from the 160-acre Haley Property. Therefore, the proposed use of the Haley Property violates the Haley Lease.

116. The Wheeler Lease grants the right to extract minerals from the leased land, a 233.92-acre parcel (the "Wheeler Property").

117. The Wheeler Lease is not subject to any pooling or unitization agreement or order.

118. Crestone proposes to put 56 wells on the Wheeler Property to drill minerals from the four-square-mile Eastern Unit.

119. Fifty-six wells are not required to extract the minerals from the 233.92-acre Wheeler Property. Therefore, the proposed use of the Wheeler Property violates the the Wheeler Lease.

<u>FIRST CLAIM FOR RELIEF</u> (Failure to Surrender Haley Lease)

120. The County incorporates the above allegations by reference.

121. The Haley Lease expired by its terms.

122. Crestone, as the current holder of the Haley Lease rights, did not record a surrender of the Haley Lease within 90 days of its expiration date.

123. Crestone violated § 38-42-104, C.R.S., with respect to the Haley Lease.

124. The County is entitled to an order directing Crestone to immediately record a written release of the Haley Lease, together with payment of damages, the County's court costs,

and its reasonable attorney fees pursuant to § 38-42-105, C.R.S.

<u>SECOND CLAIM FOR RELIEF</u> (Failure to Surrender Lewis Leases)

125. The County incorporates the above allegations by reference.

126. The Lewis Leases expired by their terms when the primary term expired without production.

127. Crestone, as the current holder of the Lewis Leases rights did not record a surrender of the Lewis Leases.

128. Crestone violated § 38-42-104, C.R.S., with respect to the Lewis Leases.

129. The County is entitled to an order directing Crestone to immediately record a written release of the Lewis Leases, together with payment of damages, the County's court costs, and its reasonable attorney fees pursuant to § 38-42-105, C.R.S.

<u>THIRD CLAIM FOR RELIEF</u> (Continuing Surface Trespass to Haley Property)

130. The County incorporates the above allegations by reference.

131. The County owns the Haley Property.

132. Crestone intentionally occupied the Haley Property after its lease rights to use such surface expired. The County has not granted express or implied permission to Crestone to continue to occupy the Haley Property.

133. County property has been damaged by Crestone's unauthorized occupation of the Haley Property.

134. Crestone's unauthorized occupation of County property is the cause of the County's damages.

<u>FOURTH CLAIM FOR RELIEF</u> (Continuing Mineral Trespass—Haley Lease)

- 135. The County incorporates the above allegations by reference.
- 136. The County owns minerals subject to the Haley Lease.
- 137. Crestone continued to extract minerals belonging to the County after its lease

rights to do so had expired. The County has not granted express or implied permission to Crestone to continue to extract minerals from the Haley Property.

138. The County was damaged as a result of Crestone's mineral trespass.

<u>FIFTH CLAIM FOR RELIEF</u> (Unjust Enrichment – Haley Lease)

139. The County incorporates the above allegations by reference.

140. The County owns minerals subject to the Haley Lease.

141. Crestone received a benefit by continuing to extract minerals belonging to the County after its lease rights to do so had expired.

142. Crestone received this benefit at the County's expense by using the surface of the Haley Property and extracting minerals belonging to the County without paying the County for the full value of either.

143. Under these circumstances, it would be unjust for Crestone to retain these benefits without commensurate compensation.

SIXTH CLAIM FOR RELIEF (Anticipatory Breach of Haley Lease – Unit Limits)

144. The County incorporates the above allegations by reference.

145. The County and Crestone are the current parties to the Haley Lease.

146. Crestone has shown its clear, definite, and unequivocal intent to breach the Haley Lease by incorporating the Haley Lease into a unit larger than allowed by the lease terms.

<u>SEVENTH CLAIM FOR RELIEF</u> (Anticipatory Breach of Lewis Leases – Unit Limits)

147. The County incorporates the above allegations by reference.

148. The County and Crestone are the current parties to the Lewis Leases.

149. Crestone has shown its clear, definite, and unequivocal intent to breach the Lewis Leases by incorporating the Lewis Leases into a unit larger than allowed by the lease terms.

EIGHTH CLAIM FOR RELIEF (Anticipatory Breach of Bloom Lease – Unit Limits)

150. The County incorporates the above allegations by reference.

151. The County and Crestone are the current parties to the Bloom Lease.

152. Crestone has shown its clear, definite, and unequivocal intent to breach the Bloom Lease by incorporating the Bloom Lease into a unit or units larger than allowed by the lease terms.

<u>NINTH CLAIM FOR RELIEF</u> (Anticipatory Breach of Throndson Lease – Unit Limits)

153. The County incorporates the above allegations by reference.

154. The County and Crestone are the current parties to the Throndson Lease.

155. Crestone has shown its clear, definite, and unequivocal intent to breach the Throndson Lease by incorporating the Throndson Lease into a unit larger than allowed by the lease terms.

<u>TENTH CLAIM FOR RELIEF</u> (Anticipatory Breach of Alcorn Lease – Unit Limits)

156. The County incorporates the above allegations by reference.

157. The County and Crestone are the current parties to the Alcorn Lease.

158. Crestone has shown its clear, definite, and unequivocal intent to breach the Alcorn Lease by incorporating the Alcorn Lease into a unit larger than allowed by the lease terms.

ELEVENTH CLAIM FOR RELIEF (Anticipatory Breach of White Rock Lease – Unit Limits)

159. The County incorporates the above allegations by reference.

160. The County and Crestone are the current parties to the White Rock Lease.

161. Crestone has shown its clear, definite, and unequivocal intent to breach the White Rock Lease by incorporating the White Rock Lease into a unit larger than allowed by the lease terms.

<u>TWELFTH CLAIM FOR RELIEF</u> (Anticipatory Breach of Wheeler Lease – Unit Limits)

162. The County incorporates the above allegations by reference.

163. The County and Crestone are the current parties to the Wheeler Lease.

164. Crestone has shown its clear, definite, and unequivocal intent to breach the Wheeler Lease by incorporating the Wheeler Lease into a unit larger than allowed by the lease terms.

<u>THIRTEENTH CLAIM FOR RELIEF</u> (Declaratory Judgment, Haley Lease – Unit Limits)

180. The County incorporates the above allegations by reference.

181. The County and Crestone are the current parties to the Haley Lease.

182. An actual, current controversy exists between the parties regarding the application of the pooling and unitization clause in the Haley Lease with respect to the development proposed in the CDP.

183. The dispute between the parties involves the interpretation of the Haley Lease. The dispute will be effectively resolved by the Court's declaration of the respective rights of the parties.

184. The County is entitled to declaratory judgment as provided for under § 13-51-101, C.R.S., *et. seq.* and C.R.C.P. 57(b).

<u>FOURTEENTH CLAIM FOR RELIEF</u> (Declaratory Judgment, Lewis Leases – Unit Limits)

185. The County incorporates the above allegations by reference.

186. The County and Crestone are the current parties to the Lewis Leases.

187. An actual, current controversy exists between the parties regarding the application of the pooling and unitization clause in the Lewis Leases with respect to the development proposed in the CDP.

188. The dispute between the parties involves the interpretation of the Lewis Leases. The dispute will be effectively resolved by the Court's declaration of the respective rights of the parties.

189. The County is entitled to declaratory judgment as provided for under § 13-51-101, C.R.S., *et. seq.* and C.R.C.P. 57(b).

<u>FIFTEENTH CLAIM FOR RELIEF</u> (Declaratory Judgment, Bloom Lease – Unit Limits)

190. The County incorporates the above allegations by reference.

191. The County and Crestone are the current parties to the Bloom Lease.

192. An actual, current controversy exists between the parties regarding the application of the pooling and unitization clause in the Bloom Lease with respect to the development proposed in the CDP.

193. The dispute between the parties involves the interpretation of the Bloom Lease. The dispute will be effectively resolved by the Court's declaration of the respective rights of the parties.

194. The County is entitled to declaratory judgment as provided for under § 13-51-101, C.R.S., *et. seq.* and C.R.C.P. 57(b).

<u>SIXTEENTH CLAIM FOR RELIEF</u> (Declaratory Judgment, White Rock Lease – Unit Limits)

195. The County incorporates the above allegations by reference.

196. The County and Crestone are the current parties to the White Rock Lease.

197. An actual, current controversy exists between the parties regarding the application of the pooling and unitization clause in the White Rock Lease with respect to the development proposed in the CDP.

198. The dispute between the parties involves the interpretation of the White Rock Lease. The dispute will be effectively resolved by the Court's declaration of the respective rights of the parties.

199. The County is entitled to declaratory judgment as provided for under § 13-51-101, C.R.S., *et. seq.* and C.R.C.P. 57(b).

<u>SEVENTEENTH CLAIM FOR RELIEF</u> (Declaratory Judgment, Throndson Lease – Unit Limits)

200. The County incorporates the above allegations by reference.

201. The County and Crestone are the current parties to the Throndson Lease.

202. An actual, current controversy exists between the parties regarding the application of the pooling and unitization clause in the Throndson Lease with respect to the development proposed in the CDP.

203. The dispute between the parties involves the interpretation of the Throndson Lease. The dispute will be effectively resolved by the Court's declaration of the respective rights of the parties.

204. The County is entitled to declaratory judgment as provided for under § 13-51-101, C.R.S., *et. seq.* and C.R.C.P. 57(b).

<u>EIGHTEENTH CLAIM FOR RELIEF</u> (Declaratory Judgment, Alcorn Lease – Unit Limits)

205. The County incorporates the above allegations by reference.

206. The County and Crestone are the current parties to the Alcorn Lease.

207. An actual, current controversy exists between the parties regarding the application of the pooling and unitization clause in the Alcorn Lease with respect to the development proposed in the CDP.

208. The dispute between the parties involves the interpretation of the Alcorn Lease. The dispute will be effectively resolved by the Court's declaration of the respective rights of the parties.

209. The County is entitled to declaratory judgment as provided for under § 13-51-101, C.R.S., *et. seq.* and C.R.C.P. 57(b).

<u>NINETEENTH CLAIM FOR RELIEF</u> (Declaratory Judgment, Wheeler Lease – Unit Limits)

210. The County incorporates the above allegations by reference.

211. The County and Crestone are the current parties to the Wheeler Lease.

212. An actual, current controversy exists between the parties regarding the application of the pooling and unitization clause in the Wheeler Lease with respect to the development proposed in the CDP.

213. The dispute between the parties involves the interpretation of the Wheeler Lease. The dispute will be effectively resolved by the Court's declaration of the respective rights of the parties.

214. The County is entitled to declaratory judgment as provided for under § 13-51-101, C.R.S., *et. seq.* and C.R.C.P. 57(b).

<u>TWENTIETH CLAIM FOR RELIEF</u> (§38-30.5-108(2), C.R.S., Threat to Canino CE)

215. The County incorporates the above allegations by reference.

216. Crestone's conduct threatens irreparable injury and impairment to the land protected by the Canino CE and the conservation values for which the Canino CE was purchased.

217. As the holder of the Canino CE, the County is entitled to relief from Crestone's conduct.

<u>TWENTY-FIRST CLAIM FOR RELIEF</u> (§38-30.5-108(2), C.R.S., Threat to Van Thuyne CE)

218. The County incorporates the above allegations by reference.

219. Crestone's conduct threatens irreparable injury and impairment to the land protected by the Canino CE and the conservation values for which the Van Thuyne CE was purchased.

220. As the holder of the Canino CE, the County is entitled to relief from Crestone's conduct.

<u>TWENTY-SECOND CLAIM FOR RELIEF</u> (Declaratory Judgment Regarding Canino CE)

221. The County incorporates the above allegations by reference.

222. The County is a party to the Canino CE.

223. An actual, current controversy exists between the parties regarding whether the Canino Pad is prohibited by the Canino CE.

224. The dispute between the parties involves the interpretation of the Canino CE. The dispute will be effectively resolved by the Court's declaration of the respective rights of the parties.

225. The County is entitled to declaratory judgment as provided for under § 13-51-101, C.R.S., *et. seq.* and C.R.C.P. 57(b) that the Canino CE prohibits development of the Canino Pad.

TWENTY-THIRD CLAIM FOR RELIEF (Declaratory Judgment Regarding Van Thuyne CE)

226. The County incorporates the above allegations by reference.

227. The County is a party to the Van Thuyne CE.

228. An actual, current controversy exists between the parties regarding whether the Van Thuyne Pad is prohibited by the terms of the Canino CE.

229. The dispute between the parties involves the interpretation of the Van Thuyne CE. The dispute will be effectively resolved by the Court's declaration of the respective rights of the parties.

230. The County is entitled to declaratory judgment as provided for under § 13-51-101, C.R.S., *et. seq.* and C.R.C.P. 57(b) that the Van Thuyne CE prohibits development of the Van Thuyne Pad.

TWENTY-FOURTH CLAIM FOR RELIEF

(Declaratory Judgment – Reasonable Accommodation Doctrine, Haley Property)

231. The County incorporates the above allegations by reference.

232. The County and Crestone are the current parties to the Haley Lease.

233. An actual, current controversy exists between the parties regarding whether a 56well pad exceeds Crestone's rights to the surface provided by the reasonable accommodation doctrine.

234. The dispute between the parties involves the interpretation of § 34-60-27, C.R.S. The dispute will be effectively resolved by the Court's declaration of the respective rights of the parties.

235. The County is entitled to declaratory judgment as provided for under § 13-51-101, C.R.S., *et. seq.* and C.R.C.P. 57(b) that the a 56-well pad on the Haley Property violates the reasonable accommodation doctrine.

<u>TWENTY-FIFTH CLAIM FOR RELIEF</u> (Declaratory Judgment – Reasonable Accommodation Doctrine, Wheeler Property)

- 236. The County incorporates the above allegations by reference.
- 237. The County and Crestone are the current parties to the Wheeler Lease.
- 238. An actual, current controversy exists between the parties regarding whether a 56-

well pad exceeds Crestone's rights to the surface provided by the reasonable accommodation doctrine.

239. The dispute between the parties involves the interpretation of § 34-60-27, C.R.S. The dispute will be effectively resolved by the Court's declaration of the respective rights of the parties.

240. The County is entitled to declaratory judgment as provided for under § 13-51-101, C.R.S., *et. seq.* and C.R.C.P. 57(b) that the a 56-well pad on the Wheeler Property violates the reasonable accommodation doctrine.

<u>TWENTY-SIXTH CLAIM FOR RELIEF</u> (Declaratory Judgment – Violation of Surface Rights under the Haley Lease)

241. The County incorporates the above allegations by reference.

242. The County and Crestone are the current parties to the Haley Lease.

243. An actual, current controversy exists between the parties regarding whether a 56well pad exceeds the surface rights granted in the Haley Lease.

244. The dispute between the parties involves the interpretation of the Haley Lease. The dispute will be effectively resolved by the Court's declaration of the respective rights of the parties.

245. The County is entitled to declaratory judgment as provided for under § 13-51-101, C.R.S., *et. seq.* and C.R.C.P. 57(b) that a 56-well pad violates the terms of the Haley Lease.

TWENTY-SEVENTH CLAIM FOR RELIEF

(Declaratory Judgment – Violation of Surface Rights under the Wheeler Lease)

246. The County incorporates the above allegations by reference.

247. The County and Crestone are the current parties to the Wheeler Lease.

248. An actual, current controversy exists between the parties regarding whether a 56well pad exceeds the surface rights granted in the Wheeler Lease.

249. The dispute between the parties involves the interpretation of the Wheeler Lease. The dispute will be effectively resolved by the Court's declaration of the respective rights of the parties.

250. The County is entitled to declaratory judgment as provided for under § 13-51-101, C.R.S., *et. seq.* and C.R.C.P. 57(b) that the a 56-well pad on the Wheeler property violates the

terms of the Wheeler Lease.

WHEREFORE, Boulder County respectfully requests that judgment enter in its favor, and against Defendant, as follows:

A. Determining that the Haley Lease expired by its terms;

B. Determining that the Lewis Leases expired by their terms;

C. Ordering Crestone to record written releases of all leases deemed expired in the real property records of Boulder County;

D. Ordering Crestone to immediately cease operations, remove all equipment and reclaim the surface on County property subject to all leases deemed expired;

E. Ruling that Crestone's occupation of County property subject to the all leases deemed expired was a trespass that caused damages to County property;

F. Ruling that Crestone's extraction of County minerals after the expiration of all leases deemed expired was a mineral trespass that caused damages to County property;

G. Ruling that Crestone was unjustly enriched by extraction of County minerals after the expiration of all leases deemed expired;

H. Ruling that Crestone anticipatorily breached the Haley Lease by seeking establishment of the Western Unit;

I. Ruling that Crestone anticipatorily breached the Lewis Leases by seeking establishment of the Western Unit;

J. Ruling that Crestone anticipatorily breached the Bloom Lease by seeking establishment of the Western Unit;

K. Ruling that Crestone anticipatorily breached the Throndson Lease by seeking establishment of the Central Unit;

L. Ruling that Crestone anticipatorily breached the Alcorn Lease by seeking establishment of the Central Unit;

M. Ruling that Crestone anticipatorily breached the White Rock Lease by seeking establishment of the Eastern Unit;

N. Ruling that Crestone anticipatorily breached the Wheeler Lease by seeking establishment of the Eastern Unit;

O. Declaring that the Haley Lease does not allow for establishment of the Eastern Unit;

P. Declaring that the Lewis Leases do not allow for establishment of the Eastern Unit;

Q. Declaring that the Bloom Lease does not allow for establishment of the Eastern Unit or the Central Unit;

R. Declaring that the White Rock Lease does not allow for establishment of the Eastern Unit or the Central Unit;

S. Declaring that the Throndson Lease does not allow for establishment of the Central Unit;

T. Declaring that the Wheeler Lease does not allow for establishment of the Eastern Unit;

U. Declaring that, under the terms of the Canino CE, Crestone is prohibited from constructing a 56-well pad on the Canino Property;

V. Declaring that under the terms of the Van Thuyne CE, Crestone is prohibited from construction a 56-well pad on the Van Thuyne Property;

W. Enjoining Crestone from injuring or impairing the conservation values protected by the Canino CE;

X. Enjoining Crestone from injuring or impairing the conservation values protected by the Van Thuyne CE;

Y. Declaring that the reasonable accommodation doctrine does not allow for a 56well pad on the Haley Property;

Z. Declaring that the reasonable accommodation doctrine does not allow for a 56-well pad on the Wheeler Property;

AA. Declaring that the Haley Lease does not allow for a 56-well pad on its surface;

BB. Declaring that the Wheeler Lease does not allow for a 56-well pad on its surface;

CC. Awarding the County damages, together with all applicable interest, as follows:

- a. \$300 plus costs and reasonable attorney fees as provided in § 38-42-105, C.R.S.;
- b. Damages for surface trespass in an amount to be determined at trial;
- c. Damages for mineral trespass in an amount to be determined at trial;
- d. Damages for Crestone's unjust enrichment by unauthorized extraction of County-owned minerals.

DD. Awarding the County all recoverable fees and costs including reasonable attorney fees; and

EE. For all such further relief the Court deems appropriate.

The County demands a jury on all issues so triable.

DATED: September 25, 2018

BOULDER COUNTY ATTORNEY

/s/David Hughes David Hughes, Deputy County Attorney Katherine A. Burke, Senior Assistant County Attorney Trina Ruhland Senior Assistant County Attorney Jasmine Rodenburg Assistant County Attorney

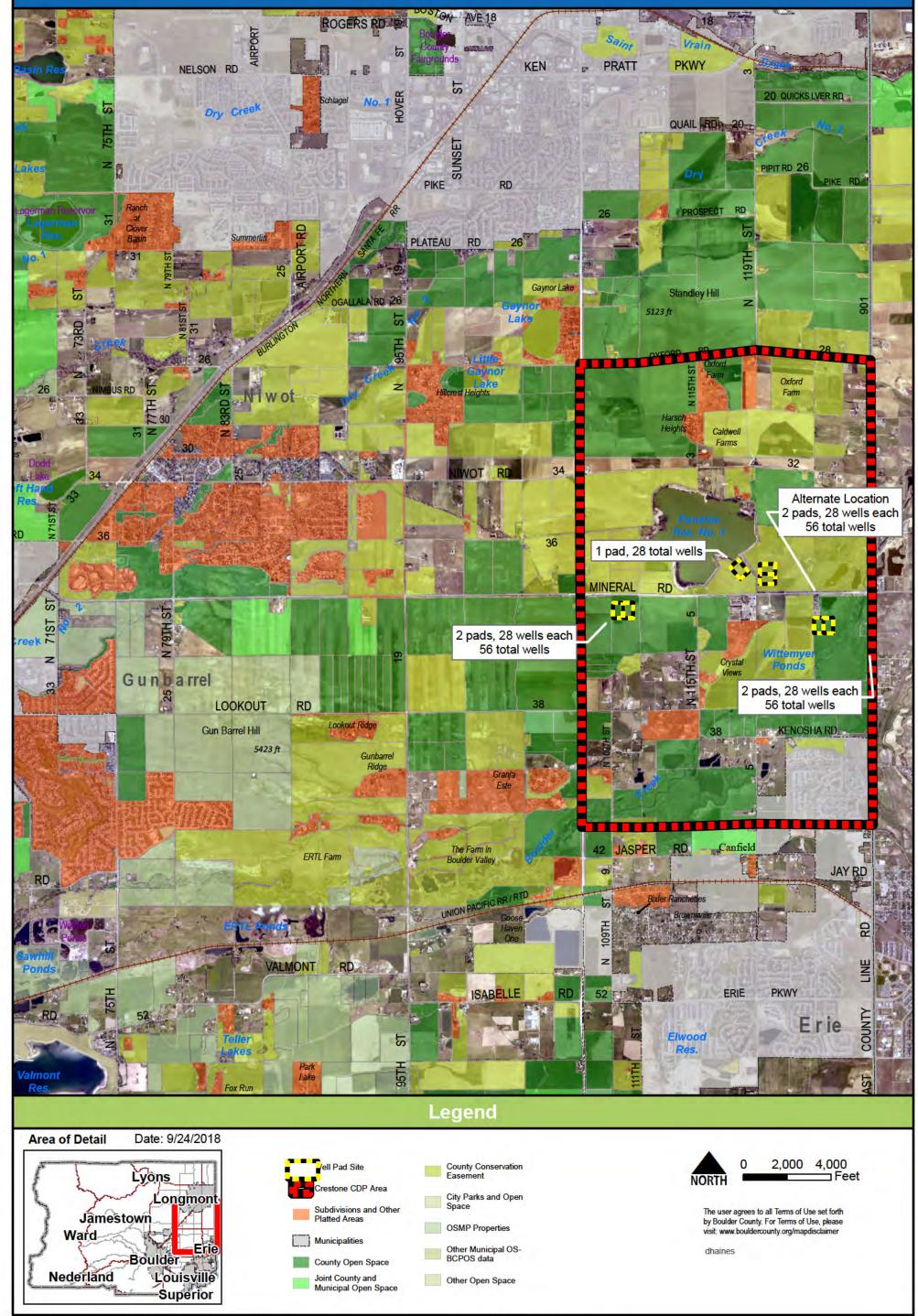
Attorneys for Plaintiff



Boulder County Land Use Department 2045 13th Street, Boulder, CO 80302 303-441-3930 www.bouldercounty.org\lu

EXHIBIT 1

Crestone Final CDP



jlu\2017\GIS-17-0127CrestoneCDPResponse\ReferralMaps\CDP_AerialSiteVisit_20180927_EastCounty_48000.mxd

Form. 88—(Producers) Kan., Okla, & Colo. 1957 C Rev 1974 OIL AND G	AS LEASE
THIS AGREEMENT, Entered into this the 20 th day	FEBRUARY
between JAMES S. HALEY, Trustee of Maxine Haley	Trust created by the Trust Agreement
of Charles A. Johnson 340 Crestridge Lane; Longmont, Colorado	80501
W. C. MONTGOMERY, JR., Littleton, Colora	ido
1. That lessor, for and in consideration of the sum of <u>Ten and mo</u> hereinafter contained to be performed by the lessee, has this day granted, leas sively unto the lessee the hereinafter described land, and with the right to uni- any part of the lands covered thereby as hereinafter provided, for the purpo-	Dollars in hand paid and of the covenants and agreemer sed, and let and by these presents does hereby grant, lease, and let excl itize this lease or any part thereof with other oil and gas leases as to all see of carrying on geological, geophysical and other exploratory work
gases and their respective constituent vapors, and operating for, producing, an gases and their respective constituent vapors, and for constructing roads, layin lines and other structures thereon necessary or convenient for the economic produce, save, take care of, and manufacture all of such substances, and for h	id saving all of the oil, gas, casinghead gas, casinghead gasoline and all oth ng pipe lines, building tanks, storing oil, building power stations, telepho cal operation of said land alone or conjointly with paighboring lands
rights therein being situated in the County of <u>Boulder</u>	
State of <u>Colorado</u> , and describ	bed as follows:
Township 1 North, Section 3: NE ¹ 4	
3958	
Reception No.	Charlotte Houston, Boulder County Recorder
2. It is agreed that this lease shall remain in full force for a term of	Two (2) May 14, 1980 thereafter as
or gas, or either of them, is produced from said land (or from lands with which 3. In consideration of the premises the said lessee covenants and agrees:	said land is consolidated) or the premises are being developed or operate $3/16.744$
To deliver to the credit of lessor, free of cost, in the pipe line to we produced and saved from the leased premises.	which lessee may connect his wells, the equal $\frac{1}{3/167163}$ part of all $\frac{3}{167163}$ and $\frac{3}{167163}$
To deliver to the credit of lessor, tree of cost, in the pipe line to w produced and saved from the leased premises. 4. The lessee shall monthly pay lessor as royalty on gas marketed from at the well, or if marketed by lessee off the leased premises, then the sale of casinghe eighthr $(1/8)$, of the proceeds received by the lessee from the sale of casinghear for any purpose or used on the leased premises by the lessee for purposes other	d gas, produced from any oil well and used by lessee off the leased premi r than the development and operation thereof. Lessor shall have the priv
ege at his own risk and expense of using gas from any gas well on said land is premises by making his own connections thereto. Where gas from a well or wells, capable of producing gas only, is no	for stoves and inside lights in the principal dwelling located on the lease ot sold or used for a period of one year, lessee shall pay or tender as roya
 an amount equal to the delay rental as provided in paragraph (5) hereof, paya such year during which such gas is not sold or used, and while said royalty is paragraph numbered two hereof. 5. If operations for the drilling of a well for oil or gas are not commence 	able annually on the anniversary date of this lease following the end of e is so paid or tendered this lease shall be held as a producing property un
19 81 this lease shall terminate as to both parties, unless the lessee shall of	on or before said date pay or tender to the lessor or for the lessor's credit
the First National Bank at Longmont successors are the lessor's agent and shall continue as the depository of any a	t, Colorado 80501, or its successors, which Bank and and all sums payable under this lease regardless of changes of ownership
said land or in the oil and gas or in the rentals to accrue hereunder, the sum of	One Hundred Sixty and no/100 Blars, which shall operate
a rental and cover the privilege of deferring the commencement of operati payments or tenders the commencement of operations for drilling may furth made by check or draft of lessee or any assignee thereof, mailed or delivered	her be deferred for like periods successively. All payments or tenders may
said depository bank, and it is understood and agreed that the consideration f to the date when said first rental is payable as aforesaid, but also the lessee's	first recited herein, the down payment, covers not only the privilege gran s option of extending that period as aforesaid and any and all other rig
conferred. Lessee may at any time execute and deliver to Lessor, or place of described premises and thereby surrender this lease as to such portion or por	f record, a release or releases covering any portion or portions of the ab rtions and be relieved of all obligations as to the acreage surrendered, a
 thereafter the rentals payable hereunder shall be reduced in the proportion tha 6. Should the first well drilled on the above described land be a dry h within twelve months from expiration of the last rental period for which re 	hole, then, and in that event, if a second well is not commenced on said h
lessee on or before the expiration of said twelve months shall resume the pays provided. And it is agreed that upon the resumption of the payment of rentals	ment of rentals in the same amount and in the same manner as hereinbef ls, as above provided, that the last preceding paragraph hereof, governing
payment of rentals and the effect thereof shall continue in force just as though 7. If said lessor owns a less interest in the above described land than	n there had been no interruption in the rental payments. In the entire and undivided fee simple estate therein, then the royalties
rentals herein provided shall be paid the lessor only in the proportion which be increased at the next succeeding rental anniversary after any reversion occu	his interest bears to the whole and undivided fee. However, such rental s ars to cover the interest so acquired.
of the lessor. When required by lessor, the lesses shall bury its pipe lines belt crops on said land. No well shall be drilled nearer than 200 feet to the house	er found on said land for its operations thereon, except water from the w ow plow depth and shall pay for damage caused by its operations to grov s or barn now on said premises without written concent of the lessor. Le
shall have the right at any time during, or after the expiration of, this lease to r on said premises, including the right to draw and remove all casing. Lessee agree	remove all machinery, fixtures, houses, buildings and other structures pla ees, upon the completion of any test as a dry hole or upon the abandonm
of any producing well, to restore the premises to their original contour as near 9. If the estate of either party hereto is assigned (and the privilege of a extend to the heirs, devisees, executors, administrators, successors, and assigns	assigning in whole or in part is expressly allowed), the covenants hereof s
sum due under this lease shall be binding on the lessee until it has been furr certified copy thereof or a certified copy of the will of any deceased owner	nished with either the original recorded instrument of conveyance or a c r and of the probate thereof, or certified copy of the proceedings show
appointment of an administrator for the estate of any deceased owner, whic veyance or duly certified copies thereof necessary in showing a complete ch ments of rentals made hereunder before receipt of said documents shall be	chever is appropriate, together with all original recorded instruments of the main of title back to lessor to the full interest claimed, and all advance to the full interest claimed.
executor, or heir of lessor. 10. It is hereby agreed that in the event this lease shall be assigned as	to a part or as to parts of the above described land and the holder or ov
of any such part or parts shall make default in the payment of the proportior defeat or affect this lease insofar as it covers a part of said land, upon which th 11. Lessor hereby warrants and agrees to defend the title to the land	nate part of the rent due from him or them, such default shall not operat le lessee or any assignee hereof shall make due payment of said rentals.
charge in whole or in part any taxes, mortrages, or other liens existing, levied, such option, it shall be subrogated to the rights of any holder or holders the	, or assessed on or against the above described lands and, in event it exerc
gage, tax or other lien, any royalty or rentals accruing hereunder. 12. Notwithstanding anything in this lease contained to the contrary.	it is expressly agreed that if lessee shall commence operations for drilling
any time while this lease is in force, this lease shall remain in force and its t tion results therefrom, then as long as production continues. If within the primary term of this lease, production on the leased	premises shall cease from any cause, this lease shall not terminate prov
operations for the drilling of a well shall be commenced before or on the ne ment of rentals in the manner and amount hereinbefore provided. If, after premises shall cease from any cause, this lease shall not terminate provided days from such cessation and this lease shall remain in force during the prosec	ext ensuing rental paying date; or, provided lessee begins or resumes the the expiration of the primary term of this lease, production on the le lessee resumes operations for resurving or drilling a well within sixty.
production continues. 13. Lessee is hereby given the right at its option, at any time and from scribed land with other land, lease, or leases in the immediate vicinity there	m time to time, to pool or unitize all or any part or parts of the above
which a well may be drilled under laws, rules, or regulations in force at the exceed such minimum by not more than ten acres if such excess is necessar	time of such pooling or unitization: provided, however, that such units ty in order to conform to ownership subdivisions or lease lines. Lessee
ducted on any part of each such unit shall be considered a well drilled or oper	i instrument identifying the unitized area. Any well drilled or operations rations conducted under this lease, and there shall be allocated to the populations conducted under this lease.
of the above described land included in any such unit such proportion of the such portion, computed on an acreage basis, bears to the entire acreage of s shall be considered for all purposes, including the payment or delivery of re-	he actual production from all wells on such unit as lessor's interest, if an such unit. And it is understood and agreed that the production so allog
14. This lease and all its terms, conditions and stipulations shall extern	above described land under the terms of this lease.
whether such lessor is named above and regardless of whether it is signed by counterparts, each to have the same effect as the original.	y any of the other parties herein named as lessors. This lease may be signe
IN WITNESS WHEREOF, we sign the day and year first above written.	JAMES S. HALEY, Trustee of Maxine Haley Trust_created by the Trust Agreement of
Jim R. Haley	Charles A. Johnson
X Com SC. Atteller	

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STATE OF COLORADO COUNTY OF BOULDER BEFORE ME, the undersigned, a Notary Public, lay of FARAUARY 19.80, perso created by the Trust Agreement of C IN WINYES WHEREOF, I have hereunto se My Commission Expires APRIL G, ISR STATE OF STATE OF St	, in and for said onally appeared. Charles A. Charles A. Charl	Nebraska, ACKNOWI d County a JAMES Johnsor known to b me that th. affixed my Kansas, New Nebraska ACKNOW id County a known to b me that th. d affixed m	Mexico, Mexico, Mexico, North I LEDGME	Vyoming, Dakota, Son ENT IN on this LEY, Tr ntical pers duly exe seal the wyoming, Dakota, So ENT II e, on this entical per duly exe al seal the	And the pake of th	described e same as year Jast wa, Colora UAL described described	xine Haley (in and who exec his above written. Notary Public.
BEFORE ME, the undersigned, a Notary Public, Iay of	, in and for said onally appeared. Charles A. Charles A. Charl	d County a JAMES Johnsor known to b me that th. affixed my known to k id County a known to k o me that th. d affixed m	Mexico, Mexico, North I VLEDGM and State	wyoming, Dakota, Sc ENT — If entical per wyoming, duly exe al seal the entical per duly exe al seal the	on	of Ma: of Ma: described same as year Jast year Jast ua, Colora ota UAL described e same as	l in and who exec his
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Form 88—(Producers) Colo. 1984—V #	OIL	AND	GAS	LEASE	EXHIB	(T 3	2-1
This LEASE AGREEMENT is made and entered into this _	15tł) døy	of Au	gust	/	, 19	85
to be effective on <u>August 15th</u> Kenneth D. Lewis and Germain <u>1620 Centaur Circle</u> , <u>Lafayet</u> Vessels Oil & Gas Company <u>600 S. Cherry St.</u> , <u>#1220</u> , <u>De</u> Lessor, in consideration for the sum of Ten Dollars (\$10.00) by the Lessee, has this day granted, leased and let and by these any reversionary rights therein, with the right to pool or unitize the Leased Premises and the right to use and disturb so much of This Lease is granted for the purpose of carrying on geologic manufacturing and marketing all of the oil, gas, casinghead gas, co vapors that may be located in or on or produced from the Leased P pipe lines, power lines, building tanks, storing oil, building pow such operations and in connection with the production of any sur The Leased Premises are situated in the County of <u>BOI</u>	tte. Cc envers. in hand paid, presents does the Leased Pr f the surface ti cal, geophysica condensate, cas Premises; for th rev stations, ho ich substances	Colorado the receipt of wi hereby grant, le emises or any pu hereof as may be al and other explo- inghead gasoline ne purpose of open using and board	80026 <u>8022</u> nich is hereby as ase, and let exc art thereof with thereof with irresionably nec pratory work, in , CO ₂ , coal-bed ing employees.	2 knowledged and of the cov lusively unto the Lessee the other lands as hereinafter p essary, desirable or conver cluding core drilling; for th gas, and all other liquid hyd onnection with such activiti building telephone lines and y other lands.	e lands described below ("Leased provided, with the right of ingress itent to carry out the purposes set e purpose of drilling for, mining, inccarbons, and all other gases and res; for the purpose of constructing	whether one "). contained to Premises"), and egress o forth below producing, sto their respectiv roads. laying a remises in col	be performed together with on any part of oring, saving, ve constituent and operating onnection with
Township 2 North, Range 69 V Section 26: NW/4		the 6t	<u>h P.M.</u>				
All royalty provisions of "o be "fourteen percent (14%)"				tained herein \mathcal{R} .	n are to be amen	ded to	
The Leased Premises include all lakes, streams, roads, easen interest in the mineral estate or the rights to which may hereafte	ments, rights-o er be establish	f-way and other ed in Lessor.	lands which trav	erse or adjoin the above-de		ssor owns or	may claim an
 TO HAVE AND TO HOLD the Leased Premises, subject to thereafter as any of the substances listed above is produced from hereof or pursuant to another agreement. This Lease may also b Lessor and Lessee agree to the following additional provisio. 1. The Lessee shall pay to the Lessor one-eighth (1/8th) of production and after deduction of applicable transportation charg 2. Subject to Lessee's right to use gas, free of cost, for its produced from the Leased Premises and sold. The royalty on such thereto entered into by and between Lessee and a gas purchaser the net amount received by Lessor and gas only and located o and no gas therefrom is sold or used, nevertheless such shut-in g and this Lease shall continue in force during all the time or time (a) Lessee shall use reasonable diligence to market conditions or circumstances which, in Lessee's judgmen (b) The term "stated date" as used in this paragrap paying date is specified in this Lease, rent "stated date on lands with which the Leased Premises or portion the of such gas wells at any time during the twelve months gas royalty for such period to each owner of the right to owner's address as last known to Lessee, or to the cred (c) The total amount of shut-in gas royalty payable on such stated date; and each such owner shall receive to covered by this Lease on classific the rent (d) The language "a gas well capable of producing matural gas or condensate or distillate; or a well classific permit liquid hydrocarbons to be produced therefrom un producing gas for purposes hereof, and Lessee may, in i data, without perforation. 4. If operations for the drilling of a well for oil or gas are not purpound. 	In the Leased P be extended pa ons: f the actual pro- ges, if any. Th any. Th be asshall be o on such terms ble regulatory on the Leased I as well shall, tes while such es while such the gas capat nt, exercised in ob-shall mean ereof are poole period ending or receive royall dit of each suce to all such or o gas only", a ed as a gas we lless the gas is its sole discret to commenced essor or for th	remises or from si its primary tei coceds received f le Lessor shall b hereinafter provin- ne-eighth (1/8th) s and conditions orders and after Premises, or on L under all the pro- well is so shut- hole of being prod n good faith, are any rental paying any anniversary d or unitized, or with such stated ty on the gas pro- h owner in the d where shall be de where shall be de is used herein sha ll by any govern marketed. Lesse ion and internet ontertiment from the stated f	lands with which im by actions of or all oil and co ear and shall pa ded, the Lessee of the actual pri- as Lessee may i application of a ands with which visions of this Lea- date of the Effe e or more such date, Lessee sha duced from any lepository bank termined by mu e proportion the late this Lease is of money as shu- lit mean and inci- mental authority e, shall not be re- mernises on or be to the the the shall be the eta the the shall be the mental authority e, the the shall be the time the shall be the shall be the shall be the time the shall be the shall be the shall be the time the shall be the shall be the shall be the time the shall be the shall be the shall be the shall be the time the shall be the shall be the shall be the shall be the time the shall be the shall be the shall be the shall be the time the shall be the shall be the shall be the shall be the time the shall be the shall be the shall be the shall be the time the shall be the time the shall be the sh	all or any part of the Lease payments in lieu of produ- indensate produced from the y any other taxes imposed shall pay Lessor a royalty of creeds received by Lesser find in its sole judgment, exerci- ny applicable price adjusting the Leased Premises or a pre- ease, be deemed to be a word er or after the expiration of such shut-in gas well, but a interest of both Lessor and sc, or any subsequent anniv ctive Date of this Lease. If gas wells capable of produ ull, before the expiration of part of the above-described named herein, in the mann- litiplying One Dollar (\$1.00 th his mineral interest in the s being maintained in force it-in gas royalty. Ude a well capable of prod ; or any well in which the evaluated the capaor the capaor the capaor is an exported to produce the capaor of the capaor is of any well in which the capaor is of the capaor of the capaor of the capaor is of the capaor of the capaor of the capaor is of any well in which the capaor is of the capaor of the capaor of the capaor of the capaor of the capaor is of the capaor of the capaor of the capaor is of any well in which the capaor of the cap	sed Premises are pooled or unitiza ction as hereinafter provided. e Leased Premises and sold after on its share of production by law on gas, including casinghead gas o or the sale of the gas, pursuant to a sed in good faith, deem appropria nents specified in such contract or vortion thereof are pooled or unitiza- ell on the Leased Premises produc f the Primary Term, on the follow shall be under no obligation to ma Lessee. ersary thereof if there be a rental or any such stated date there be cing gas only and no gas has bees sixty (60) days after such stated d lands covered by this Lease on si er provided herein for payment of) by the total number of acres of e Leased Premises bears to the too and effect otherwise than by reas using gas or natural gas only; or a gas-oil ratio is so high that a gove ing in a well for such well to qual bability of a well based upon an ar ctive Date, this Lease shall termina	the payment on r other gaseou any contract ou regulatory or ted, is, at any ing gas in pay ing gas in pay ing condition arket such gas paying date, b on the Leased n sold or so u late, pay or tei uch stated date f delay rentais tal number of son of eny suc a well capable rrimental auth	of all taxes on us substances, rr amendments s'' shall mean rders. time, shut-in, ying quantities is: under terms, but if no rental d Premises or used from any mder a shut-in e at each such s. by this Lease facres of land ch shut-in gas e of producing hority will not well campbe of
One Hundred Siz	fayette	Color					,·
or its successors. The sum of <u>Une Hundred Siz</u> tal and cover the privilege of deferring the commencement of op of any and all sums payable under this Lease regardless of chan tenders the commencement of operations for drilling may further mailed or delivered on or before the rental paying date, either dire or does not calculate such rentals properly, but makes a good fai recited in this Lease covers not only the privilege granted to the other rights conferred.	r be deferred i ect to Lessor o ith effort to do	for his shired cases for his shired cases or assignment one	d Premises of in acception of All identified within	whe royalties or rentals to payments or tenders may l nk. This Lease shall not ten thirty (30) days after recei	accrue nereunder. In like manner be made by check or draft of Less minate in the event Lessee does no pt of notice by Lessor of such fail	and upon like see or any assist pay or tender ure. The cons	e payments or signee thereof, er such rentals, sideration first
5. This Lease shall cover any reversionary or after-acquired is of a life estate, term mineral interest or other precedent estate. V acquisition or vesting of such interest shall be deemed to have of 6. If prior to discovery of oil or gas on the Leased Premise: thereafter should cease for any cause, this Lease shall not term iterm, commences or resumes the payment or tender of rental on o of production. If at the expiration of the Primary Term, oil or gas reworking operations thereon, this Lease shall remain in effect s ninety (90) consecutive days, and if they result in the production commence operations for drilling at any time while this Lease is therefrom, then as long as production continues. Drilling operatia a good effort to spud the well. 7. If Lessor owns a less interest in the Leased Premises tha Lessor only in the proportion which its interest bears to the whe 8. The Lessee shall have the right to use, free of cost, gas Lessor, the Lessee shall have the right to use, free of cost, gas lidings at other structures placed on the Leased Premises of any producing well, to restore the Leased Premises to their or 9. Either party hereto may assign its interest herein, in who successors, and assigns of the parties herein. No change of own use furnished with either the original recorded instrument of co copy of the proceedings showing appointment of an administrato certified copies thereaf necessary to demonstrate a complete chail shall be binding on any direct or indirect assignee, grantee, dev 10. There shall be no obligation on the part of the Lesse or to furnish separate measuring or receiving taks. If at any time in writing, in a recordable instrument to be filed with the Lesse	With respect to occurred on th so or on lands is mate if Lessee or before the re ras is not being so long as ope of oil or gas, in force, this i tions shall be of an the entire an ole and undivi- s, oil and wate d shall pay for sees, including to original contou- ole or in part, 4 ership in the 1 onveyance or a tri of the back visce, administi- ee to offset wa	to the payment of the date on which pooled or unitized commences addi mtal-paying date g produced on the rations are prose this Lease shall i remail deemed to be cor idented to be idented	and the right to the Lessor furm d therewith, Les tional drilling o next ensuing aft e Leased Premis cuted, either on remain in effect n in force and in nmenced as long simple estate th eased Premises by its operation. I have the right and remove all cu- tricable and to i s of this Lease s or in the rentals opy thereof or a t owner, whiche full interest cla or heir of Lesso racts into which entilled to renta	receive delay rentais and r ishes satisfactory evidence see should drill a dry hole of r reworking operations with er the expiration of three (3) es, or on acreage pooled on the same well or any othe as long thereafter as such p is terms shall continue as lo g as Lessee has obtained th erein, then the royalties, sh for its operations thereon, is to growing crops on the L using. Lessee agrees, upon th emove all installations with hall be binding upon and im or royalties or any sum du certified copy of the will c ver is appropriate, together imed. All advance payment or.	ovalites (including shul-in gas roy to Lessee of such event. or holes thereon, or if after discov in ninety (90) days thereafter, or, months from the date of completiv r unitized therewith, but Lessee is r well thereafter commenced, with roduction continues. It is expressly ng as such operations are prosecu- encessary permits and financing ut-in royalties and rentals herein p except water from the wells of the cased Premises. No well shall be the expiration of this Lease to rem the completion of any test as a dry ho in a reasonable time. ure to the benefit of heirs, devisee: the under this Lease shall be bindin of any deceased owner and of the with all original recorded instrum is of rentals made hereunder befor Lease may be hereafter divided by withhold payments thereof unless as	valtes), it is a ery of oil or g , if it be within on of a dry hol then engaged h no cessation y agreed that is ed and if proc for the well a provided shall e Lessor. Whe drilled nearer ove all machin ble or upon the s, executors, a ng on the Less probate therece nents of convec enter sof convec enter sof convect or sale, devise, nd until all par	gas production in the primary le or cessation of more than if Lessee shall duction results and is making be paid to the en required by r than 200 feet nery. fixtures, e abandonment administrators, see until it has of, or certified eyance or duly aid documents or otherwise, rise designate,
respective successors in title. 11. In the event this Lease shall be assigned as to a part or a part of the rent due from him or them, such default shall not ope named is and matter.	erate to defeat	or affect this Le	ase insofar as it	covers a part of such land	upon which the Lessee or any ass	ignee nereoi s	snall make due
payment of said rentals. 12. Lessor hereby warrants and agrees to defend the title other liens existing, levied, or assessed on or against the Leased itself by applying to the discharge of any such mortgage, tax of 13. Lessee, at its option, is hereby given the right and pu- either before or after production, with any other land, lease or lo regardless of whether authority similar to this exists with respec be drilled under laws, rules or regulations in force at the time of for oil, and shall not exceed six hundred and forty (640) acres for the state of the state of the state of the state of the state of t	Premises and or other lien, a lower to pool leases when in ct to such othe	, in event it exen ny royalty or ren or unitize the Le Lessee's judgme r land, lease or l or unitization. It	cises such option tals accruing he eased Premises, ent it is necessar eases, such pool of the event that	h, it shall be subrogated to the reunder. or any portion thereof, or y or advisable to do so in a ding to be into a unit or unit no such minimum size is no such minimum size.	formations thereunder, as to oil order to properly develop or opera is not exceeding the minimum siz	and gas, or ei te the Leased e tract on whi not exceed eig	tither of them, Premises; and ich a well may ghty (80) acres

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either before or after production, with any other land, lease or leases when in Lesse's judgment it is necessary of advisable to do so in order to properly develop of operly develop of operly

, the protection of reservoir pressures and recovery of the greatest ultimate yield of oil or gas. Lessee shall have the right to combine the Lea the purpose of operating and maintaining repressuring and recycling facilities, and for such purpose may locate such facilities, including injecting be payable hereunder upon any gas used for repressuring and recycling operations benefiting the Leased Premises. from time to time, execute and deliver to Lessor or place of record a release or releases covering either a full interest or an undivided interest repression of the second second second second a release or releases covering either a full interest or an undivided interest interest formations or denth underlying all or any set of the Leased Premises and the purpose that the purpose of the second se In the interest of conservation. the general area for the purpose of operating and maintaining repress , and no royallies shall be payable hereunder upon any gas used for may, at any time, and from time to time, execute and deliver to Less emises or in any one or more zones, formations or depth underlying nises in th Lessee may, at any time, and from time to time, execute and deliver to Lessor or place of record a release or releases covering either a full interest or an undivided interest in all or any part to to the area, zones, formations, depths or undivided interests covered by such release. In the event of a release of this Lease as to all rights in only a part of the area embraced in the Leased Premises, or as to an undivided interest in all or a part of the Leased Premises, thereafter the delay rentals hereinabove provided for shall be reduced proportionately. When drilling, production or other operations are delayed, interrupted or stopped by lack of water, labor, material, inability to obtain access to the Leased Premises, fire, flood, war, rebellion, rection, riot, strike, differences with workmen, failure of carriers to transport or furnish facilities for transportation of any product product hereunder, labor and the facilities for transportation of any product nonduced hereunder, labor and the facilities for transportation of any product nonduced hereunder, labor and the facilities for transportation of any product nonduced hereunder, labor and the facilities for transportation of any product nonduced hereunder, labor and the facilities for transportation of any product nonduced hereunder, labor and the facilities for transportation of any product nonduced hereunder, labor of any production of any production of the facilities for transportation of any product nonduced hereunder, labor of any product nonduced hereunder, labor of any product nonduced hereunder, labor of any product nonduced hereunder and any produced non any produced nonduced her 16. satisfactory of any cause urrection, riot, strike der, lack of available or oduction) or as a result s restricting production) or as a result of any cause beyond Lease, and this Lease shall not terminate by reason of any Lessee's opinion. for the oil of ult of a ssee's opinion, for the oil or gas produced, c ontrol of Lessee, the time of such delay, inte delay, interruption or stoppage, and the period 17. This Lease and all its terms, conditions dless of whether it is signed by any of the oil N WINESS WHEREOF, the undersigned L page shall be added to be binding on each of This Lease may be si visio this d of such delay, interruption d stipulations shall extend ar parties herein named as parties who signs th e, regardless of whether such Lessor is named above and s and sti other pa same effect as the original. erparts, each to have th sors. signe ted this Lease as Lessor as of th Effective Date set fo e exec R. maine D unet t -48-5876 SS#522-86-0329 Germaine R. Lewis, j.et . STATE OF __COLORADO Oklahoma, Kansas, New Mexico, Wyoming, Montana, Colorado, Utah, Nebraska, North Dakota, South Dakota ACKNOWLEDGMENT-INDIVIDUAL COUNTY OF BOULDER 11 BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this day of_ August ., 19<u>85</u>, personally appeared <u>Kenneth D. Lewis</u> Germaine R. Lewis, his wife and the identical person s, described in and who executed they the within and foregoing instrument of writing and ackn _duly executed the same as__ <u>their</u> to me free and voluntary act and deed for the uses and purposes the et forth. IN WITNESS WHEREOF. I have hereunte eal the day and year-k ŢЛУ ØN DER My Commission Expires_ Public Notary PPCC ACKNOWLEDGMENT (For use by Corporation) STATE OF COUNTY OF_ On this_ __day_of_ _, A.D. 19____ _, before me personally , to me personally known, who, being by appeared_ of me duly sworn, did say that he is the_ _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. Address: (SEAL) My Commission expires_ Ξ. Deputy. M., and duly recorded County Clerk #122(records of this office. the_ PLAZA 5 S ų When recorded return to evs County record 5 CHERRY, CREEK Page. FROM for 5 5 500 SO. filed the ESCEIS 'clock This instrument was õ å Acre Volume 5 Terr day ż Ř

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Form 88—(Producers) Colo. 1984—V

OIL AND GAS LEASE

by the type has the type may be able at a bit on by type proves due have by two bases, and a company type have be the type have be type have be the type hav		This LEASE AGREEMENT is made and entered into this <u>15th</u> day of <u>August</u> , 19 <u>85</u>
APAIP. E. Levis and Alore V. Levis , Congroup. ON Control Boost and the control of a control boost and the control of a control boost and the control of a control boost and the control boost and	t	O DE effective OD
Vessels 0.11 6 GBC Company. Exercision of the second of the		Palph F. Lewis and Alene V. Lewis Longmont CO. 80501
Test considering in the same of the Date (10.6) had put, the marger of which higher genomings and if a constant, and approach has a constant in a spectra of the same of th	-	Vessels Oil & Gas Company,
Township 2 North, Range 69 West of the 6th P.M. Section 26: MW/4 All royalby provisions of "one-eighth (1/8)". If L. Large 2 If L.	a t T Y	Lessor, in consideration for the sum of Ten Dollars (\$10.00) in hand paid, the receipt of which is hereby acknowledged and of the covenants and agreements hereinafter contained to be performed oy the Lessee, has this day granted, leased and let and by these presents does hereby grant, lease, and let exclusively unto the Lessee the lands described below ("Leased Premises"), together with iny reversionary rights therein, with the right to pool or unitize the Leased Premises or any part thereof with other lands as hereinafter provided, with the right to go or unitize the Leased Premises or any part of the Lease Premises and the right to use and disturb so much of the surface thereof as may be reasonably necessary, desirable or convenient to carry out the purposes set forth below. This Lease is granted for the purpose of carrying on geological, geophysical and other exploratory work, including core drilling; for the purpose of drilling for, mining, producing, saving, manufacturing and marketing all of the oil, gas, casinghead gas, condensate, casinghead gasoline, CO ₂ , coal-bed gas, and all other liquid hydrocarbons, and all other gases and their respective constituent opper lines, building tanks, storing oil, building power stations, housing and boarding employees, building telephone lines and other structures on the Leased Premises in connection with
All royalty provisions of "one-eighth (1/8)" Difference proves (14%)" Difference provide and provide a provide provi		Township 2 North, Range 69 West of the 6th P.M.
meended to be "fourteen percent (14%)". W. L. J. L. W. L. J. W. L. W. L. W. W. W. W. W. L. W.		Section 26: NW/4
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thereafter a may of the submatrice likes in produced from the Langed Premises or from least, with which all or any pund of the Langed Premises and only atter. the properties of like of premises in the of produced in a threatmath provide on the lange Premise of all or contrasts expended for the Lange Premises and only atter. The provide of like atter and the lange Premises of all or contrasts expended for the Lange Premises and only atter. The provide of like atter and expendence of all or contrasts expended for the Lange Premises and only atter. The provide of like atter and expendence of all or contrasts expended for the Lange Premises and only atter atter att	i	
 1. The Laster hall pay to the Laster of earlphil (18th) of the areal proceeds recrubed for all in all contrasts produced from the Laster Provinces and shafe the payments of all tasters and the payments. The control is a payment of all tasters and the payments of all tasters and taskers and taskereas and taskers and taskers and taskers and taskers and task		hereafter as any of the substances listed above is produced from the Leased Premises or from lands with which all or any part of the Leased Premises are pooled or unitized whether under the terms hereof or pursuant to another agreement. This Lease may also be extended past its primary term by actions or payments in lieu of production as hereinafter provided.
 1. If as well ophole of producing gas only and located on the Laszed Premises, or on lands with which the Lased Premises or a portion during a well ophole of producing gas only and the set on the Lasse set of the Sector of the Premises of the Pr	ł	 The Lessee shall pay to the Lessor one-eighth (1/8th) of the actual proceeds received for all oil and condensate produced from the Leased Premises and sold after the payment of all taxes on production and after deduction of applicable transportation charges, if any. The Lessor shall bear and shall pay any other taxes imposed on its share of production by law. Subject to Lessee's right to use gas, free of cost, for its operations as hereinafter provided, the Lessee shall pay Lessor a royalty on gas, including casinghead gas or other gaseous substances, produced from the Leased Premises and sold. The royalty on such gas shall be one-eighth (1/8th) of the actual proceeds received by Lessee for the sale of the gas, pursuant to any contract or amendments hereto entered into by and between Lessee and a gas purchaser on such terms and conditions as Lesse may in its sole judgment, exercised in good faith, deem appropriate. "Proceeds" shall mean
 0) The term "stude due" is a stude in this paragraph shall mean any read polyhog due to this Least. If we are value stude due to be to be in the Least of the read parameters of a hot parameters	8	 If a gas well capable of producing gas only and located on the Leased Premises, or on lands with which the Leased Premises or a portion thereof are pooled or unitized, is, at any time, shut-in, and no gas therefrom is sold or used, nevertheless such shut-in gas well shall, under all the provisions of this Lease, be deemed to be a well on the Leased Premises producing gas in paying quantities and this Lease shall continue in force during all the time or times while such well is so shut-in, whether before or after the expiration of the Primary Term, on the following conditions: (a) Lessee shall use reasonable diligence to market the gas capable of being produced from any such shut-in gas well, but shall be under no obligation to market such gas under terms,
 c) The tail amound of the construction of best possible of a such evener in the depository bank manned herein, in the manner provided better for payment of delay remails, including and the construction of herein the payment of delay remails, including and the construction of the payment of delay remails, including and the construction of the payment of delay remails, including and the payment of delay remails, including and the payment of delay remains and include a well exploit to physica, and the payment of the		(b) The term "stated date" as used in this paragraph shall mean any rental paying date of this Lease, or any subsequent anniversary thereof if there be a rental paying date, but if no rental paying date is specified in this Lease, then "stated date" shall mean any anniversary date of the Effective Date of this Lease. If on any such stated date there be on the Leased Premises or on lands with which the Leased Premises or portion thereof are pooled or unitized, one or more such gas wells capable of producing gas only and no gas has been sold or so used from any of such gas wells at any time during the twelve months period ending with such stated date. Lessee shall, before the expiration of sixtif (60) days after such stated date, as used rent a shut-int.
 (a) The language "a gas well capable of producing gas only", a used herein shall mean and include a well explore your line is a high hard gas or condenset of bulks or a yell explore by any governmental authority or any well in which the gas of trains is high hard is governmental authority or any well in which the gas of trains is high hard in the power of th		owner's address as last known to Lessee, or to the credit of each such owner in the depository bank named herein, in the manner provided herein for payment of delay rentals. (c) The total amount of shut-in gas royally payable to all such owners shall be determined by multiplying One Dollar (\$1.00) by the total number of acres of land covered by this Lease on such stated date, and each such owner shall receive that part thereof which is in the proportion that his mineral interest in the Leased Premises bears to the total number of acres of land covered by this Lease on such stated date; provided, however, that if on such stated date this Lease is being maintained in force and effect otherwise than by reason of any such shut-in gas
the Lessee shall on or before such date pay or tender to the Lessor of for the Lessor's freedy in the		(d) The language "a gas well capable of producing gas only", as used herein shall mean and include a well capable of producing gas or natural gas only; or a well capable of producing natural gas or condensate or distillate; or a well classified as a gas well by any governmental authority; or any well in which the gas-oil ratio is so high that a governmental authority will not permit liquid hydrocarbons to be produced therefrom unless the gas is marketed. Lessee shall not be required to perforate the casing in a well for such well to qualify as a gas well capable of producing gas for purposes hereof, and Lessee may, in its sole discretion and judgment, exercised in good faith, determine the capability of a well based upon an analysis of well logs or other data, without perforation.
at and cover the privilege of determing the commenderment of operations for shifts of person of one year. Such and and its buckessors are the Lessor's agent and stand to builts buckessors are the Lessor's agent and stand the operation of any and all transmissions of the person of the person of the person of any and all transmissions or the stand deposition's part. This Less e shift on the read person of the person of t	t	First National
 bit and cover the privilege of deferring the commetcement of operations for diving for a period of one year. Such and and its successors are one Lessor's agent and stand commets is been the list and the operation of the privilege of agent and stand commets or the lessor's agent and stand the structure of the Lessor's agent and stand commets on the privilege or mass to be commets to excern or the privilege agent of the commets on excern of the privilege agent of the commets on excern agent of the privilege agent of the commets on excern of the privilege agent of the commets on excern of the privilege agent of the date on which the Lessor functions is indicated by a start excern of onoice by Lessor of such failurs. The consideration of the residue of the privilege agent of the date on which the Lessor functions assistilatory evidence to Lessor of such assistilatory evidence to Lessor of such assisting and the privilege agent of the date on which the Lessor functions assistilatory evidence to Lessor of such assisting and the privilege agent of the date on which the Lessor functions assistilatory evidence to Lessor of such evident. 5. This Lesse shall cover any reversion of energies and the date on which the Lessor functions assistilatory evidence to Lessor of such evident. 4. Such assisting the privilege agent of the date on which the Lessor functions assistilatory evidence to Lessor of such evident. 4. Such assisting the privile of the privilege agent of the date on which the Lessor functions assisting the privile (90) days thered on or before the remain paying date evidence additional difficure or the date of completion of a transition of the privilege agent difficure to commet assisting the privile date and the date of completion of a transition of the privile (90) days that and the date of completion of a transition of the privile (10) or assisting the addition of the privile (10) or assisting the date of the date of the date of the privile of a date the date on the date on	-	Bank, whose address is One Hundred Sixty and 00/100 Dellars which shall operate as a rep
5. This Lease shall over any reversionary or after-acquired interest which the Lessor may own in the Lessor Premises including any interest which the Lessor may acquire by virtue of the terminatio of a life estate, term minetal interest or other precedent estate. With respect to the payment of reals or not additional drilling or rewriting of such interest shall be deemed to have occurred on the date on which the Lessor fremises including shuring as royalities), it is agreed that to equivation to discovery of oil or gas on the Lessor Premises or on and sould drill a dry hole or hols thereon, or if after discovery of oil or gas on the lessor fremises including any interest which the Lessor there and the reprint on there on the order of real on or before the renal-paying date meet ensying after the e3) months from the date of completion of a dry hole or results or not because theremises, or on acreage pooled or unitized therewith, but Lessee is then engaged in drilling reworking operations there on, this Less shall remain in effect to long as operations are prosecuted, either on the same well or any other well therefare commenced, with no cessarion of more than intery (90) consecutive days, and if they result in the production of oil or gas, this Lesse shall remain in infect tes long the sopherations are prosecuted and if production results and the assor may own in the Lessor Premises, and same well or any other well therefare commenced as long as production continues. Drilling operations there invites therein multivation of a gas, the lesse shall be therein the solution well. The Lessor owns a less interest in the Lessor Premises than the entire and undivided fee. The lessor owns a less interest in the Lessor Premises including the regulation of any test as dry hole or upoils. The sort own on the Lessor Premises there in the undivided fee. The Lessor owns a less interest in the Lessor Premises, neuron the lessor Premises for its operations thereon, except water from the wells of the		tai and cover the privilege of determing the commencement of operations for drilling for a period of one year. Such sank and its successors are the Lessor's agent and snail continue as the depository of any and all sums payable under this Lesse regardless of changes of ownership in the Lessed Premises or in the royalities or renals to accrue hereunder. 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 paying date, either direct to Lessor or assigns or to said depository bank. This Lesse shall not terminate in the event Lesse does not render such rentals or does not calculate such rentals properly, but makes a good faith effort to do so and cures such failure which thirty (30) days after receipt of notice by Lessor of such failure. The consideration first recited in this Lease covers not only the privilege granted to the date when said first rental is payable "B" afforesaid, but also the Lessee's option of extending that period as aforesaid and any and all
 acquisition or vesting of such interest shall be deemed to have occurred on the date on which the Lesse for furnishes satisfactory evidence to Lesse of such event. 6. If prior to discovery of oil or gas on the Lessed Premises or on lands pooled or unitized therewith, Lesse should drill a dry hole or holes to free do completion of a dry hole or cessati of production. If at the expiration of the Primary Term, oil or gas is not being produced on the Lessed Premises, or on acreage pooled or unitized therewith, but Lesse is then engaged in drilling revorking operations hereon, this Less shall remain in fore and is the expiration of there (3) months from the date of completion of a dry hole or cessati of more th ninety (90) consecutive days, and if they result in the production of oil or gas, this Lease shall remain in fore and its terms shall continues at long as the operations are proscued and if production result thereform, then as long as production continues. Drilling operations shall be deemed to be commenced estate bare shall work in the production continues. Drilling operations shall be deemed to be commenced estate bares, shut-in royalties and financing for the well and is making as good effort to spud the well. 7. If Lessor owns a less interest in the Lessed Premises than the entire and undivided fee. 8. The Lesser shall have the right to use, free of cost, gas, oil and water found on the Lessed Premises for its operations thereon, except water form the wells of the Lessor. When required Lessor, these shall be vib is pipe lines below plow depth and shall pay for damage caused by its operations are propouted in the start of the start of the assor of the Lessed Premises. In whole and undivided fee. 8. The Lesser shall have the right to use, free of cost, gas, oil and water found on the Lessed Premises for using and chart structure play cost dual start and the propoution of the Lessed Premises. In well shall be drilled nearer than 200 fe to any structure now on the		5. This Lease shall cover any reversionary or after-acquired interest which the Lessor may own in the Leased Premises including any interest which the Lessor may acquire by virtue of the termination
thereform, then as long as production continues. Drilling operations shall be deemed to be commenced as long as Lessee has obtained the necessary permits and financing for the well and is making a good effort to spud the well. 7. If Lessor owns a less interest in the Lessed Premises than the entire and undivided fee simple estate therein, then the royalties, shut-in royalties and rentals herein provided shall be paid to the Lesse of shall have the right to use, free of cost, gas, oil and water found on the Leased Premises for its operations thereon, except water from the wells of the Lessor. When required it Lessor, the Lessee shall have the right to out, free of cost, gas, oil and water found on the Leased Premises, for its operations to growing crops on the Leased Premises. No well shall be drilled nearer than 200 fe to any structure now on the Leased Premises without written consent of the Lessor. Lessee shall have the right ta any time during or after the expiration of this Lease to remove all installations within a reasonable time. 9. Either party hereto may assign its interest herein, in whole or in part, and the provisions of this Lease than areasonable time. 9. Either party hereto may assign its interest herein, in whole or in part, and the provisions of this Lease to remove all installations within a reasonable time. 9. Either party hereto may assign its interest herein, in whole or in part, and the provisions of this Lease than be thing on the Leased Premises or in during of onverships in the Lease of the probate thereof, or certific copies thereof necessary to demonstrate a complete chain of the bestor to the full interest claimed. All advance payments of renals make defore receipt of said documer shall be binding on any direct or indirect assigned as to a part or the stude to Lessor or a duly certified copy thereof or a certified copy of the will of any deceased owner and of the probate thereof, or otherwis or the indirest. If any time there be as many as for uparties	1 1 1 1	6. If prior to discovery of oil or gas on the Leased Premises or on lands pooled or unitized therewith, Lessee should drill a dry hole or holes thereon, or if after discovery of oil or gas production thereafter should cease for any cause, this Lease shall not terminate if Lessee commences additional drilling or reworking operations within ninety (90) days thereafter, or, if it be within the primary term, commences or resumes the payment or tender of rental on or before the rental-paying date next ensuing after the expiration of three (3) months from the date of completion of a dry hole or cessation of production. If at the expiration of the Primary Term, oil or gas is not being produced on the Leased Premises, or on acreage pooled or unitized therewith, but Lessee is then engaged in drilling or reworking operations thereon, this Lease shall remain in effect so long as operations are prosecuted, either on the same well or any other well thereafter commence, with no cessation of more than ninety (90) consecutive days, and if they result in the production of oil or gas, this Lease shall remain in effect as long thereafter as such production continues. It is expressly agreed that if Lessee shall
Lessor only in the proportion which its interest bears to the whole and undivided fee. 8. The Lessee shall have the right to use, free of cost, gas, oil-and water found on the Leased Premises for its operations thereon, except water from the wells of the Lessor. When required Lessor, the Lessee shall have the right at any time during or after the expiration of this Lesse to remove all machinery, fixture houses, buildings and other structures placed on the Lessed Premises, including the right to draw and remove all casing. Lessee agrees, upon the completion of any test as a dry hole or upon the abandonme of any producing well, to restore the Lessed Premises, including the right to draw and remove all casing. Lessee agrees, upon the completion of any test as a dry hole or upon the abandonme of any producing well, to restore the Lessed Premises to their original contour as near as practicable and to remove all installations within a reasonable time. 9. Either party heretor may assign its interest herein, in whole or in part, and the provisions of this Lesse shall be binding upon and inure to the benefit of heirs, devisees, executors, administrator successors, and assigns of the parties hereto. No change of ownership in the Lessed Tremises or in the rentals or royalties or any sum due under this Lesse shall be binding on the Lessee that the original recorded instrument of conveyance or a duly certified copies thereof necessary to demonstrate a complete chain of tile back to Lessor to the full interest claimed. All advance payments of renals made hereunder before receipt of said documer is or parties have there tas signal be instruct. But the restore under any as four parties to the here of unders and the proportion any as four parties and the propertive successors in title. 10. There shall be no obligation on the part of the Lessee to offset wells on separate tracts into which the land covered by this Lease may be hereafter divided by sale, devise, and therespective successors in title. 11. The eventh tits Less	1	therefrom, then as long as production continues. Drilling operations shall be deemed to be commenced as long as Lessee has obtained the necessary permits and financing for the well and is making a good effort to spud the well.
houses, buildings and other structures placed on the Leased Premises, including the right to draw and remove all casing. Lessee agrees, upon the completion of any test as a dry hole or upon the abandonme of any producing well, to restore the Leased Premises to their original contour as near as practicable and to remove all installations within a reasonable time. 9. Either party hereto may assign its interest herein, in whole or in part, and the provisions of this Lease shall be binding upon and inure to the benefit of heirs, devisees, executors, administrator successors, and assigns of the parties hereto. No change of ownership in the Leased Premises or in the rentals or royalties or any sum due under this Lease shall be binding on the Lessee until it h been furnished with either the original recorded instrument of conveyance or a duly certified copy thereof or a certified copy of the will of any deceased owner and of the probate thereof, or certific copy of the proceedings showing appointment of an administrator for the estate of any deceased owner, whichever is appropriate, together with all original recorded instruments of conveyance or du certified copies thereof necessary to demonstrate a complete chain of title back to Lessor to the full interest claimed. All advance payments of rentals made hereunder before receipt of said documer shall be binding on any direct or indirect assignee, grantee, devisee, administrator, executor, or heir of Lessor. 10. There shall be no obligation on the part of the Lessee to offset wells on separate tracts into which the land covered by this Lease may be hereafter divided by sale, devise, administrator executors, and execute division and transfer orders on behalf of said parties, and the respective successors in title. 11. In the event this Lease shall be assigned as to a part or as to parts of the Leased Premises and the holder or owner of any such part or parts shall make default in the payment of the proportionan payment of said rentals. 12. Lessor hereby warrants and agr	1	Lessor only in the proportion which its interest bears to the whole and undivided fee. 8. The Lessee shall have the right to use, free of cost, gas, oil and water found on the Leased Premises for its operations thereon, except water from the wells of the Lessor. When required by Lessor, the Lessee shall have the right to use, free of cost, gas, oil and water found on the Leased Premises for its operations thereon, except water from the wells of the Lessor. When required by Lessor, the Lessee shall have its pipe lines below plow depth and shall pay for damage caused by its operations to growing crops on the Leased Premises. No well shall be drilled nearer than 200 feet
copy of the proceedings showing appointment of an administrator for the estate of any deceased owner, whichever is appropriate, together with all original recorded instruments of conveyance or du certified copies thereof necessary to demonstrate a complete chain of title back to Lessor to the full interest claimed. All advance payments of rentals made hereunder before receipt of said documer shall be binding on any direct or indirect assignee, grantee, devisee, administrator, executor, or heir of Lessor. 10. There shall be no obligation on the part of the Lessee to offset wells on separate tracts into which the land covered by this Lease may be hereafter divided by sale, devise, or otherwis or to furnish separate measuring or receiving tanks. If at any time there be as many as four parties entitled to rentals or royalties, Lessee may withhold payments thereof unless and until all parties designal in writing, in a recordable instrument to be filed with the Lessee, a common agent to receive all payments due hereunder, and to execute division and transfer orders on behalf of said parties, and the respective successors in title. 11. In the event this Lease shall be assigned as to a part or as to parts of the Leased Premises and the holder or owner of any such part or parts shall make default in the payment of the proportiona part of the rent due from him or them, such default shall not operate to defeat or affect this Lease insofar as it covers a part of such land upon which the Lessee or any assignee thereof shall make default in the payment of the title to the Leased Premises and agrees that the Lessee, at its option, may pay and discharge in whole or in part any taxes, mortgages, other liens existing, levied, or assessed on or against the Leased Premises and agrees that the Lessee, at its option, is hereby given the right and power to pool or unitize the Leased Premises, or any portion thereof, or formations thereunder, as to oil and gas, or either of there either before or after production, with any other lan		houses, buildings and other structures placed on the Leased Premises, including the right to draw and remove all casing. Lessee agrees, upon the completion of any test as a dry hole or upon the abandonment of any producing well, to restore the Leased Premises to their original contour as near as practicable and to remove all installations within a reasonable time. 9. Either party hereto may assign its interest herein, in whole or in part, and the provisions of this Lease shall be binding upon and inure to the benefit of heirs, devisees, executors, administrators, successors, and assigns of the parties hereto. No change of ownership in the Leased Premises or in the rentals or royalties or any sum due under this Lease shall be binding on the Lessee until it has
or to furnish separate measuring or receiving tanks. If at any time there be as many as four parties entitled to rentals or royalties, Lessee may withhold payments thereof unless and until all parties designat in writing, in a recordable instrument to be filed with the Lessee, a common agent to receive all payments due hereunder, and to execute division and transfer orders on behalf of said parties, and the respective successors in tille. 11. In the event this Lease shall be assigned as to a part or as to parts of the Leased Premises and the holder or owner of any such part or parts shall make default in the payment of the proportiona part of the rent due from him or them, such default shall not operate to defeat or affect this Lease insofar as it covers a part of such land upon which the Lessee or any assignee hereof shall make de payment of said rentals. 2. Lessor hereby warrants and agrees to defend the title to the Leased Premises and agrees that the Lessee, at its option, may pay and discharge in whole or in part any taxes, mortgages, other liens existing, levied, or assessed on or against the Leased Premises and, in event it exercises such option, it shall be subrogated to the rights of any holder or holders thereof and may reimbur itself by applying to the discharge of any such mortgage, tax or other lien, any royalty or rentals accruing hereunder. 13. Lessee, at its option, with any other land, lease or leases when in Lessee's judgment it is necessary or advisable to do so in order to properly develop or operate the Leased Premises, as regardless of whether authority similar to this exists with respect to such other land, lease or leases, such pooling to be into a unit or units not exceeding the minimum size is prescribed by law, such units shall not exceed eightly (80) acr	0	copy of the proceedings showing appointment of an administrator for the estate of any deceased owner, whichever is appropriate, together with all original recorded instruments of conveyance or duly certified copies thereof necessary to demonstrate a complete chain of title back to Lessor to the full interest claimed. All advance payments of 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.
part of the rent due from him or them, such default shall not operate to defeat or affect this Lease insofar as it covers a part of such land upon which the Lessee or any assignee hereof shall make d payment of said rentals. 12. Lessor hereby warrants and agrees to defend the title to the Leased Premises and agrees that the Lessee, at its option, may pay and discharge in whole or in part any taxes, montgages, other liens existing, levied, or assessed on or against the Leased Premises and, in event it exercises such option, it shall be subrogated to the rights of any holder or holders thereof and may reimbur itself by applying to the discharge of any such mortgage, tax or other lien, any royalty or rentals accruing hereunder. 13. Lessee, at its option, is hereby given the right and power to pool or unitze the Leased Premises, or any portion thereof, or formations thereunder, as to oil and gas, or either of there either before or after production, with any other land, lease or leases when in Lessee's judgment it is necessary or advisable to do so in order to properly develop or operate the Leased Premises, as regardless of whether authority similar to this exists with respect to such other land, lease or leases, such pooling to be into a unit or units not exceeding the minimum size tract on which a well in the power land, lease to nother land, lease or leases, such pooling to be into a unit or units shall not exceed eightly (80) acr	i	or to furnish separate measuring or receiving tanks. If at any time there be as many as four parties entitled to rentals or royalties, Lessee may withhold payments thereof unless and until all parties designate, in writing, in a recordable instrument to be filed with the Lessee, a common agent to receive all payments due hereunder, and to execute division and transfer orders on behalf of said parties, and their respective successors in title.
itself by applying to the discharge of any such mortgage, tax or other lien, any royalty or rentals accruing hereunder. 13. Lessee, at its option, is hereby given the right and power to pool or unitize the Leased Premises, or any portion thereof, or formations thereunder, as to oil and gas, or either of ther either before or after production, with any other land, lease or leases when in Lessee's judgment it is necessary or advisable to do so in order to properly develop or operate the Lessed Premises, ar regardless of whether authority similar to this exists with respect to such other land, lease or leases, such pooling to be into a unit or units not exceeding the minimum size tract on which a well m be drilled under laws, rules or regulations in force at the time of such pooling or unitization. In the event that no such minimum size is prescribed by law, such units shall not exceed eighty (80) acr	1	part of the rent due from him or them, such default shall not operate to defeat or affect this Lease insofar as it covers a part of such land upon which the Lessee or any assignee hereof shall make due payment of said rentals. 12. Lesson hereby warrants and agrees to defend the title to the Leased Premises and agrees that the Lessee, at its option, may pay and discharge in whole or in part any taxes, mortgages, or
the string under taws, tutes or regulations in role at the time of such pooring of unitzation, in the event that no such infinition size is presented by taw, such times shall not evere a digital (00) at	i	itself by applying to the discharge of any such mortgage, tax or other lien, any royalty or rentals accruing hereunder. 13. Lessee, at its option, is hereby given the right and power to pool or unitize the Leased Premises, or any portion thereof, or formations thereunder, as to oil and gas, or either of them, either before or after production, with any other land, lease or leases when in Lessee's judgment it is necessary or advisable to do so in order to properly develop or operate the Leased Premises, and regardless of whether authority similar to this exists with respect to such other land, lease or leases, such pooling to be into a unit or units not exceeding the minimum size tract on which a well may
ownership subdivision or lease lines. The pooling or unitization in one or more instances shall not exhaust the rights of the Lessee hereunder to pool or unitize this Lesse or portions thereoi, or formatio thereunder, into other units. Such pooling shall be accomplished by Lessee executing and placing of record an instrument or instruments identifying and describing the pooled or unitized acreage, and declaring such acreage to be pooled or unit which includes all or a part of the Lesse Percenter and the accomplished by Lessee executing and placing of record an instrument or instruments identifying and describing the provisions hereof. Producting of record an instrument or instrument in which includes all or a part of the Lessed Percenties sh	1	be drilled under laws, rules or regulations in force at the time of such pooling or unitization. In the event that no such minimum size is prescribed by law, such units shall not exceed eignity (60) acres for oil, and shall not exceed six hundred and forty (640) acres for gas. Any such unit may exceed the minimum by up to ten percent (10%) of the minimum where necessary in order to conform to ownership subdivision or lease lines. The pooling or unitization in one or more instances shall not exhaust the rights of the Lessee hereunder to pool or unitize this Lease or portions thereof, or formations hereunder, into other units. Such pooling shall be accomplished by Lessee executing and placing of record an instrument or instruments identifying and describing the pooled or unitized acreage, and declaring such acreage to be pooled or unitized under the provisions hereof. Production, drilling or reworking operations under this Lease on the Leased Premises. In lieu of the royalties, excepting shut-in gas royalties, elsewhere herein specified, Lessor

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14. In the interest of conservation, the protection of reservoir press other premises in the general area for the purpose of operating and maintu- Leased Premises, and no royalties shall be payable hereunder upon any	aining repressuring and recyclin	n facilities and for such a	umore may locate	runh familitian instud	ne the Leased Premises with ing injection wells, upon the
 Lessee and the logarity and the balance balance reference upon any 15. Lessee may, at any time, and from time to time, execute and de of the Lessed Premises or in any one or more zones, formations or depth 	liver to Lessot of place of reco	ind a release or releases cos	vering either a full	interest or an undivid	ed interest in all or any part
respect to the area, zones, formations, depths or undivided interests cover Premises, or as to an undivided interest in all formations in all or a part	ered by such release. In the eve	ent of a release of this Lea	se as to all rights i	in only a part of the	read ambersaid in the Local
10. When drilling, production or other operations are delayed, inter- insurrection, riot, strike, differences with workmen, failure of carriers to	rupted or stopped by lack of wat a transport or furnish facilities f	ter, labor, material, inability	y to obtain access t	to the Leased Premise	, fire, flood, war, rebellion,
in Lessee's opinion, for the oil or gas produced, or as a result of an order the control of Lessee, the time of such delay, interruption or stoppage sl	er of any governmental agency.	(including but not limited	to orders restrictly	no productions on an	manule of any annual house I
such delay, interruption of stoppage, and the period of such delay, inter 17. This Lease and all its terms, conditions and stipulations shall e	ruption or stoppage shall be add stend to sand he binding on each	ded to the term of this Lea ch of the parties who sign	ist. this letter regard	dless of whether such	Laters is seened above and
regardless of whether it is signed by any of the other parties herein nam IN WITNESS WHEREOF, the undersigned Lessor(s) have executed	ed as Lessors. This Leave may	be signed in countermarts.	each to have the	same effect as the ori	ginal.
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STATE OF COLORADO		·		i	
STATE OF	Oklahoma, Kans	as, New Mexico, Wy Nebraska, North Dal	oming, Monta	ina, Colorado, U	tah,
COUNTY OF BOULDER } ss.	, A	ACKNOWLEDGME	NT-INDIVID	UAL	
BEFORE ME, the undersigned, a Notary Public	, in and for said Coun	ty and State, on thi	is_16th	<u> </u>	• .
day of August 10 85					
day of August	, personally appeared_	<u>Raiph E. Le</u>	EWIS		
Alene V. Lewis	<u></u>				
and					
	, to me be a mid				in and who executed
the within and foregoing instrument of writing and a		hatY	_duly execute	ed the same as_	their free
and voluntary act and deed for the uses and purposes	s therein set forth.	ic l	•		
IN WITNESS WHEREQF, I have hereunto set r	ny hand a d affination	SHARE is the	day and year	last above-writ	en
My Commission Expires DIC. 15, 199	36 18		18DNE	ERLE	
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Form 88-(Producers)

The LEASE AGRE	EMEN' is made and	entered into this	5 <u>ch</u> day of _	August	
to be effective on	August	15th	<u> </u>	. 19_85	
Merle B.	Lewis and	June M. Lew	is, his wife Colorado 80		
	il & Gas (verviado ou		

VESSELS 011 & GAS COMPANY 60C S. Cherry St. #1220. Denver CO 80222. Lessor, in consideration for the sum of Ten Dollan (\$10.00) in hand paid, the receipt of which is hereby acknowledged and of the covenants and agreements hereinafter college ("Lessee" ; Lessor, in consideration for the sum of Ten Dollan (\$10.00) in hand paid, the receipt of which is hereby exclosively unto the Lessee the lands described below ("Lessee" ; Lessor, in consideration for the sum of Ten Dollan (\$10.00) in hand paid, the receipt of which is hereby exclosively unto the Lessee the lands described below ("Lessee" ; hereinafter college of the sum of ten Dollan (\$10.00) in hand paid, the receipt of an later exclusively unto the Lessee the lands described below ("Lessee" in any territoriation, which english to pool or units: "A Lessee and Premises or any part thereof with other lands as the results provided, with the right of ingress and egrees and egree egrees and eg

es are situated in the County of _____Boulder__ _. Sume of __Colorado____ Township 2 North, Range 69 West of the 6th P.M. Section 26: NW/4

All royalty provisions of "one-eighth (1/8)" contained herein are to be amended to be "fourteen percent (14%)" AME NBL.

> #00707417 08/20/85 01:41 PM REAL ESTATE RECORDS F1368 CHARLOTTE HOUSTON BOULDE! CNTY CO RECORDER

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containing <u>160.00</u> acres, more or less, which number of acres shall be the number of acres used to calculate any delay rentals or shullon royatties payable hereunder. The caned Premies include all lakes, streams, roads, essements, rights-of-way and other lange which traverse or adjoin the above-described lands, and as so which Lessor owns or may claim an interest in the miscral estate or the rights so which may hereafter be established in Lessor.

The Lensed Premises include all lakes, streams, roads, esements, right- of-way and other land; which traverne or adjoin the above-described lands, and as to which Lessor owns or may claim an interest in the mixtural estate or the rights to which may hereafter be established in Lessor.
TO HAVE AND TO HOLD be Less; it waskes, subject to the other provisions herea contained, for a stern of <u>OLD</u> (1), yetro from the Effective Date (called "Primary Term") and as long thereafter as any of the subtances used above us produced from the Lesser for balances with which all or any part of the Lesser. Provises are pooled or unitated whicher under the terms bereford or pursues to and total agreement. This Lesser may list the activated page its ap namely term by actions or paymens in list of productions in bernating provided.
Lesser shall put to the Lessor endight (1/48h) of the exclual proceeds received for all oil and condenaste produced from the Lessel of the gat, pursuent to any there of each of a gat put chance is a particulate transportation charges, if any. The Lessor shall bear and shall pay Lessor a royaly on gas, useleding as on other gae-cons whitema as produced from the Lesser shall pay the lesser shall pay any other taxas imposed on its share of production by law.
(2) Uses for the taxas and odd' The royaly on such gas aball to one-sight (1/48h) of the exclual proceeds received by Lesses for the take of fam. deen payroprise "Proceed" shall receive the name in terce of any door suggery and the start applicable price adjacations appropriate "Proceed" shall receive the interval taxa. In advice the lesser's fault all, user all the provisions of the Lesser's hall be under no obligation to matter the start and the start exploration of any applicable price adjacations is performed. The royality on such gas aballe to any provision of the lesser's obligation to match the gas only and located on the Lesser's obligation to match the gas up that, interval applicable price adjacational specified in the Lesser' and and the prov

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Bask, whose address is Lafayette, Colorado	The second se	

or as successors. The sum of <u>ORE HURDERED SIXTY</u> and <u>OO/100</u> are successors. The sum of <u>ORE HURDERED</u> SIXTY and <u>OO/100</u> are successors. The sum of <u>ORE HURDERED</u> SIXTY and <u>OO/100</u> are successors. The sum of <u>ORE HURDERED</u> SixTY and <u>OO/100</u> are successors. The sum of <u>ORE HURDERED</u> SixTY are successors and successors are successors. The sum of <u>ORE HURDERED</u> SixTY are successors are successors. The sum of <u>ORE HURDERED</u> SixTY are successors are successors. The sum of <u>ORE HURDERED</u> SixTY are successors are successors. The sum of <u>ORE HURDERED</u> SixTY are successors and <u>ORE HURDERED</u> SixTY are successors. Successors are successors are successors are successors. Successors are successors are successors are successors are successors. Successors are successors are successors are successors are successors are successors. Successors are successors are successors are successors are successors. Successors are successors are successors are successors are successors. Successors are successors are successors are are successors are and upon the law are successors are are successors are are successors are successors. Successors are successors are successors are are successors are ty chack or draft of Lesses or any assigner the the event Lesser does not peop or sunder such re-ce by Lessor of such failure. The consideration f extending that pe-od as aforesaid and any a tion of exi

recred in this Lease covers not only the privilege granted to the ease when have inter rememe a payment a second rest. 5. This Lease shall cover any reversionary or after-acquired interest which the Leasor may own in the Leasor Pressies including any interest which the Leasor may own in the leasor pressies including any interest which the Leasor may own in the leasor pressies including any interest which the Leasor may own in the leasor pressies including any interest which the Leasor may own in the leasor pressies including any interest which the Leasor may own in the leasor pressies including any interest which the Leasor may own in the leasor pressies including any interest which the Leasor may own in the leasor pressies including ant-in gas royalise; (in the age royalise; (in the age royalise; (in the series of such age royalise; (in the series of such age royalise; (in the series of such event. 6. If prior to discovery of oil or gas on the Leaso shall not the remain provide or waiting discovery of series of such age series or the series additional drilling or revorting operations within some of a series of such age for the series of anthe point age production for the remains in classes (P) contains the primary or age in the leasor of remains or or leasor to remain age revorting operations within the primary age reade that the primary or age in the series of such age royal counts of the remains in classes of remains or age revorting operations within the remain or of production. If it the expression of the Primary Perre, oil or gas is no being produced on the Leasor Preventing producting comments or resulting of preventions. If it the expression of the Primary Perre, or it also a pertension of the Primary Perre, or its result and there we also age producting operations with the date of completion of a dry hole or classical of production. If it the expression of the remain in effect so long as operations are prosecular ensures or the sense routing operation with the theseafther commanced, with no cleases t herefrom, then as long as prod good effort to apud the well.

therefore, then as long as production continues. Drilling operations shall be deemed to be commenced as long as Lesses has obtained the increasery permits and financing for the well and is making a good effort to input the well.
1. If Lesson owns a loss interent in the Lesson Premises than the entry and malivided fee simple estate therein, then the royalties, shat-is royalties and resists provided shall be paid to the Lesson which is the whole and undivided fee.
8. The Lesses shall have the right to sat. See of cost, gas, to and wear found on the Lesses Premises to good effort to the proportion. Notwall have the right to tax. See of cost, gas, to and wear found on the Lesses that have the right as any use during or goes on the Lesses Premises. Notwall have the right to tax. See of cost, gas, to and wear found as the lesses that have the right as any use during or after the cospiration of his Lesses. Notwall have the right to fue costs in the cost of the lesson. Notwall have the right to tax as day hele or upon the lesses. Notwall, have the right to fue costs of the lesson. The costs of the lesson or the lesses that have the right to tax as day hele or upon the administer within the restore the Lessen Premises. Including the right to fave and results. Lesses that have the right to tax as day hele or upon the administer of the lesson. Second the previous of the Lesses that.
9. Either party levels on any assis as day hele or in part, and the provisions or in the restals or roy much as reasonable to head of the previous of day conductory is, appendix recorded lesses what do the previous of the lesses. Not along on the Lesses that have the right to day conductory is, appendix recorded lesses that do the provision of the lesson.
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provide of and strains. 12. Learn hereby versus and space to defauld to site to the Learn Provides and space, it is optime, may pay and decharge in whole or is pert any task, moltpage, or there has antibula, lowly, or ensued on or gamma field cand framewaith, around a converse and space, it is being the set region of any before or balance showed and may implement ball by applying to the decharge of any mails may be converted and prove to the Learned Framewaith, or early proves theread, to derive the region of any before or balance showed and may implement ball by applying to the decharge of any mails may be any provide and prove to get or values of the Learned Framewaith, or any proves theread, or formations decrements, a to call and pays, or other of them the set of other set of the provide the set. The provide and any temperature of the learned Framewaith, or any proves theread, or formations decrements, as to call and pays, or other of them provide and the temperature of the provide the set. The provide the of the learn of the temperature of the provide the set. The provide the set of the provide the set of the learn of th

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14 Is the interest of conservation, the protection of reservoir pressures and recovery of the greatest ultimate yield of oil or gas. Lesses shall have the right to comote the Lessed Premises with other premises, and no orystice shall have the right to comote the Lessed Premises with other premises, and no orystice shall be physice horeautor upon any gas used for representing and verycling facilities, and for anch purpose of operators, taking injection will upon the Lessed Premises, and no orystice shall be physice horeautor upon any gas used for representing and verycling facilities, and for anch purpose of the purpose of operators, taking injection will upon the Lessed Premises.
13. Lesse may at any time, and from times to mus, escuries addentive to Lessor or place of records a release of the lesses or origins in ally a part of the area to release of the Lesses of the transition of all obligations thereafter to accrve with report to the row south. Formations, define previous for undivided interests to release of the Lesses of transitions of all obligations thereafter to accrve with the formations in all or as part of the transition or depth underlying place of release of the Lesses of transitions or depth underlying of the previous for the lesses of the lesses at the subject to the transition or depth underlying of the subject of the transition or depth underlying or underlying the undivided interest.
16. When defining, production or clars regerized and the related of the lesses of the

June M. Lewis, SS#366-09-6643	Merle B.	rle B Leiur Lewis, SS# 521-4	
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TATE OF <u>COLORADO</u> OUNTY OF <u>BOULDER</u> s .	kiabon:a, Kansas, New Mexico Nebraska, North ACKNOWLED		ado, Utah,
BEFORE ME, the undersigned, a Notary Public, in an ay of <u>August</u> , 19_85, perso	for said County and State, o	n this 10	
nd_ June M. Lewis, his wife			
he within and foregoing instrument of writing and echoon and voluntary act and deed for the uses and purposey perei IN WITNESS WHEREOF. I have hereunto set of han any Commission Expires	set forth.	duly are ed the sar	ribed in and who executed ic as <u>the1r</u> free e written. FEV: The free Notary Public II I
· · ·	OF C. Address:	UNVER C	D VIZZZ
		NT (For use by Corporation)	
TATE OF}ss.			, before me personally
OUNTY OF		, A.D. 19	
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OIL AND GAS LEASE

This LEASE AGREEMENT is made and entered into this _____15th August _ day of . 19 85

a widow, Patricia Wagner, Ronald Lewis and Gene Lewis, all heirs of the Estate of Lloyd Lewis & dealing in their sole & separate property, 55 Juniper, #111, Eaton, (hereinafter called "Lessor", whether one or more) and Cleone Lewis. Vessels Oil & Gas Company

600 South Cherry St., Ste. 1220, Denver, CO 80222 (hereinafter called "Lessee"). Lessor, in consideration for the sum of Ten Dollars (\$10.00) in hand paid, the receipt of which is hereby acknowledged and of the covenants and agreements hereinafter contained to be performed by the Lessee, has this day granted, leased and let and by these presents does hereby grant, lease, and let exclusively unto the Lessee the lands described below ("Lessee"), together with any reversionary rights therein, with the right to pool or unitize the Leased Premises or any part thereof with other lands as hereinafter provided, with the right to use and disturb so much of the surface thereof as may be reasonably necessary, desirable or convenient to carry out the purposes set forth below. This Lease is granted for the purpose of carrying on geological, geophysical and other exploratory work, including core drilling; for the purpose of drilling for, mining, producing, storing; saving, manufacturing and marketing all of the oil, gas, casinghead gas, condensate, casinghead gasoline, CO, col-bed gas, and all other structures on the Leased Premises; in connection with such activities; for the purpose of constructing roads, laying and operating pipe lines, building tanks, storing oil, building power stations, housing and boarding employees, building telephone lines and other structures on the Leased Premises in connection with such operations and in connection with the production of any such substances from the Leased Premises or any other lands. BOULDER Boulder

Colorado The Leased Premises are situated in the County of _ _, State of ___ ____, and are more particularly described as follows: Township 2 North, Range 69 West of the 6th P.M.

Section 26: NW/4

All royalty provisions of "one-eighth (1/8)" contained herein are to be amended to be "fourteen percent (14%)".

Lessors agree that bonus consideration and all shut-in payments are to be made to Cleone Lewis as outlined in Paragraph 4.

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ng 150.00. Leased Premises include all lakes, streams, roads, easements, rights-of-way and other lands which traverse or adjoin the above-described lands, and as to which Lessor owns or t in the mineral estate of the rights to which may hereafter be established in Lessor. may claim an

The Leased Premises include all lakes, streams, reads, exterement, rights of way and other lands which traverse or adjoin the above described lands, and as to which Lessor owns or may claim an rest in the mineral estate c: the rights to which may hereafter be established in Lessor.
TO HAVE AND TO HOLD the Lessed Premises, subject to the other provisions herein contained, for a term of One (1) years from the Effective Date (called "Primary Term") and as long thereafter as any of the subsunces listed above is produced from the Leased Premises or from lands with which all or any part of the Leased Premises are pooled or unitized whether under the terms thereof or pursuant to another agreement. This Lessor shall be be extended past its primary term by actions or payments in lieu of production as hereinafter provided.
Lesses shall pay to the Lessor one ceighth (1/8th) of the actual proceeds received for all oil and condensate produced from the Leased Premises and sold after the payment of all taxes on production and after deduction of cipitelate transportation charges, if any. The Lessor shall bear and shall provisions therein certroid in good faith, deem appropriate. "Proceeds" shall mean received from the Lessed Premises and sold. The royatry on such gas hall be one-eighth (1/8th) of the actual proceeds received by Lessee for the sale of the gas, pursuant to any contract or amendments. 1. If agas well capable of producing gas on yand hocated on the Leased Premises, or a portion therefor are pooled or unitized, is any time, shurtin, and no gas therefrom is sold or used, networked such as shurtin gas well shall, under all the provisions of this, team appropriate. "Proceeds" shall mean and pay the taxes shall continue in force during all the time or times while shall work which takes, if on any such shurtin gas well, whether there is a result day day agas to the sale of from the leased Premises producing gas in paying quantities. (a) Lessee shall use reasonable diligence to market the gas capable of

and this Leas

the Lessee shall on or before such date pay or tender to the Lessor or for the Lessor's credit in the Greeley National

Greeley, Colorado Bank, whose address is _____

One Hundred Sixty and 00/100

or its successors. The sum of ______ Dollars, which shall operate as a ren-tal and cover the privilege of deferring the commencement of operations for drilling for a period of one year. Such 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 the Leased Premises or in the royalties or rentals to accrue hereunder. 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 paying date, either direct to Lessor or assigns or to said depository bank. This Lease shall not terminate in the event Lessee does not pay or tender such rentals, or does not calculate such rentals properly, but makes a good faith effort to do so and cures such failure within thirty (30) days after receipt of notice by Lessor of such failure. The consideration first receited in this Lease 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

Instance of description to before the remain paying and, either uncess to Lessor or assigns on to say approach, in thirdy (30) days after receiption of notice by Lessor of such failure. The consideration first, rectified in this Lease covers not only the privilege granted to the date when said first rental is payable as aforesaid, but also the Lessor of such failure. The consideration first, rectified in this Lease covers not only the privilege granted to the date when said first rental is payable as aforesaid, but also the Lessor of such failure. The consideration first, rectified interest on the sate of the termination of a life estate, term mineral interest on the here precedent estate. With repect to the payment of and the right to receive delay rentals and royalitis (including shuh-ings royalities), it is greed that the sequence of an the less of the rent instance of the termination of the rot forto to discovery of oil or gas to the Lessor framise posted to the sequence on the less of the rent instance of the rent posted to the sequence on the term of the rent instance of the rent posted to the sequence on the less of the rent instance of the rent posted to the sequence on the rent posted to the rent rent rest estimate of the rent posted to rest and rent on the rent the rent posted to rest and rent on the rest of the rent posted to rest and rent of the rest posted to rest and rent of the rest posted to rest and rent of the rest posted to rest and rent receiption of the rot and the rest to the sequence of the sequence of the rest posted to rest and rent of the rest posted to rest and rent pos

respective successors in title. 11. In the event this Lease shall be assigned as to a part or as to parts of the Leased Premises and the holder or owner of any such part or parts shall make default in the payment of the proportionate part of the rent due from him or them, such default shall not operate to defeat or affect this Lease insofar as it covers a part of such land upon which the Leasee or any assignee hereof shall make due

11. In the texture this exists which de satisfield as to a pair of as to pair of as to pair of a site production. In the pair of the pair of as to pair of as to

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14. In the interest of conservation, the protection of reservoir pressures and recovery of the greatest other premises in the general area for the purpose of operating and maintaining repressuring and recycling	t ultimate yield of oil or gas. Lessee shall have the right to combine the Leased Premises with
Leased Premises, and no royalties shall be payable hereunder upon any gas used for repressuring and re 15. Lessee may, at any time, and from time to time, execute and deliver to Lessor or place of recor- of the Leased Premises or in any one or more zones, formations or depth underlying all or any part of th	d a release or releases covering either a full interest or an undivided interest in all or any part
respect to the area, zones, formations, depths or undivided interests covered by such release. In the even Premises, or as to an undivided interest in all formations in all or a part of the Leased Premises, thereal	nt of a release of this Lease as to all rights in only a part of the area embraced in the Leased
16. When drilling, production or other operations are delayed, interrupted or stopped by lack of wate insurrection, riot, strike, differences with workmen, failure of carriers to transport or furnish facilities for	or transportation of any product produced hereunder, lack of available or satisfactory market.
in Lessee's opinion, for the oil or gas produced, or as a result of an order of any governmental agency (the control of Lessee, the time of such delay, interruption or stoppage shall not be counted against the L	Lessee under any provision of this Lease, and this Lease shall not terminate by reason of any
such delay, interruption or stoppage, and the period of such delay, interruption or stoppage shall be add 17. This Lease and all its terms, conditions and stipulations shall extend to, and be binding on each regardless of whether it is signed by any of the other parties herein named as Lessors. This Lease may	th of the parties who signs this Lease, regardless of whether such Lessor is named above and
IN WITNESS WHEREOF, the undersigned Lessor(s) have executed this Lease as Lessor as of the l	
x Shandel Lawre	Clean 6. Jewy
Ronald Lewis	Cleone Lewis
<u>SS#571-48-2268</u>	SS#527-44-8271
	· · · · · · · · · · · · · · · · · · ·
Gene Lewis SS#523-36-2741 June Loury	Patricia Wagner SS#522-48-2535 Gatricia Wagner
33#323-30-2741 / Ino Joury	55#522-48-2535 Jaulicia Wagner
·	
	as, New Mexico, Wyoming, Montana, Colorado, Utah, Nebraska, North Dakota, South Dakota
COUNTY OF Stone	ACKNOWLEDGMENT-INDIVIDUALS
BEFORE ME, the undersigned, a Notary Public, in and for said Count	
day of August , 19 85 , personally appeared	Cleone Lewis, a widow, Gene Lewis,
andPstricia Wagner	
, to me known to	o be the identical persons, described in and who executed
the within and forégoing instrument of writing and acknowledged to me the	
and voluntary act and deed for the uses and purposes therein set forth.	•
IN WITNESS WHEREOF. I have hereunto set my hand and affixed m	ny notarial seal the day and year last above written.
My Commission Expires May 9, 1988	Batty Shirkey Notary Public.
	Betty Shirkey ddress:Rt. 1 Box 266 Galena, Mo. 65656
STATE OF Colorado ACK	NOWLEDGMENT (For use by Gorger Mon
COUNTY OF Weld ss.	
On this6day of Sept	, A.D. 1985, before me personally
appeared Ronald Lewis	, to me personally known, who, being by
me duly sworn, did say that he is theof	• • • • • • • • • • • • • • • • • • •
· · · · · · · · · · · · · · · · · · ·	_and that the seal affixed to said instrument is the corporate seal of
said comporation and that said instrument was signed and sealed in behalf	of said corporation by authority of its Board of Directors, and said
	aid instrument to be free act and deed of said corporation.
Witnessinty hand and seal this day of	Sept. , A.D. 1985.
	William a. Waber Ch.
E PUBLY SE	ddress: 2902-Harp Ct. Anecley, CD
(SEAL)	ddress: 2902-Harp Ct. Aneeley, CD
My Commission expires 16-19-89	, v
	Clerk
	ulty a 19
Aruno	
	a rec rec RN RN Page M
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	ent was filed for record on the
Dated No. Acres	This instrument day of

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AUG 1 1979 Rocorded 11:54 AM

-EXHIBIT 4

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351467 Charlotte Houston, Bouider County Recorder Reception N

C Rev 1974 OIL AND GAS LEASE Form 88-(Producers)

NAN., ORIS. & COID. 1957	
THIS AGREEMENT, Entered unto this the	1st day of June 19
bei woru	
Albert D. Bloom, Personal R 6390 Baseline Road, Boulder	epresentative of the Estate of Jennie Ogden, deceased , Colorado 80303 brensher called brave,
Vessels Oil & Gas Comp	any, 600 S. Cherry St., Denver, CO. 80222 runs does without
1 - That lessor, for and in consideration of the site of the second s	um of <u>TCON</u>
ind operating for, producing, and taking all of the of the of the second	oil, gat, casinghead, gat, casinthead, gasoline and all other, gates and their respective constituent tapors. > danker, scrong wit, building-prove - stations, disphote, tince and, state structures -thereas, statement - er > danker, scrondering, such -resplaying dastat to prove use any -take-asse at, and, manifestime at of -respin
	Com
Boulder	Biste of Colorado and described as follows
Township 1 North, R	ance 69 West
	, EASWANWA, EASWA, EAWASWA, and SEA
Notwithstanding anything	to the contrary contained herein, all royalty b (1/8)" are hereby amended to be "three sixteenths
(3/16)". No drilling op	h (1/8)" are hereby amended to be "three sixteenths erations/shall be conducted upon the surface of said
lands without the prior	written consent of the then surface owner of
said lands, nor shall the :	surface of the land be used for any purpose whatsoever consent may be withheld at the discretion of the said
surface owner.	and containingACT acres, more or less
This arrest that this lease shall remain in	full force for a term of two (2)
b. In consideration of the complete the cold	
To deliver to the credit of lessor, free of groduced and sarred from the lessor premises.	receive coviniants and agrees the bases may connect his wells, the equal one-sighth (%) part of all oil cost in the pipe line to which leaves may connect his wells, the equal one-sighth (%) part of all oil
 The issues shall monthly pay lessor as royall well, or if marketed by lessoe off the lessed premises. 	ity on gas marketed from each well where gas only is found, one-sighth (%) of the proceeds if sold at the the one-sighth (%) of the market value at the well. The lesser shall pay the lesser is the world of the two of a camphered gas, produced from any oil well, who considered the store, at the moth of the well.
competed at the prevailing market price, of the case	of challenging and produces from any out way, for our signification of the leased premises for any purpose of the produced from any out well and assor by lease off the leased premises for any purpose of the than the development and operation theruf Leaser shall have the privilege as his own risk and for stores and nuise lightly in the principal develop located on the leased premises by making his own
amount equal to the delay restal as provided in par year during which such gas is not sold or used, and	i producing as only is not sold or used for a period of one year, issues shall pay or tender as (orally, as sarries is between payable annually on the analyteristy date of this beas following the red of each such a set of the set
Well extend the term of this	ease beyond June 1, 1983, a strath lst aver June 180
this ignes shall termin. Je at to both parties, unless	a the issues shall on or before said date pay or tender to the besser or for the lessor's credit in the
Content of the leaser's agent and shall continue as	the at Longmont, Colorado or its successors, which Bank and its suc-
land or in the oil and one or in the contain to entry	a herminder the sum of Three Hundred Forty & No/109 states which shall one
payments or tenders the commencement of operations check or draft of lesses or any surgress thereof, mail-	g the commencement of operations for drilling for a period of one year. In the manner and upon the i for drilling may further be deferred for the periods successively. All payments or tenders may be made by our or centreed on or before the rental paying date, either direct to hanne or anging or to said depository
bank and it is undervised and agreed that the semi axis first reals in payable as Aureradi, but also the all any time execute and deliver to Lexuer, or place thereby surrender this lesse as to such portion or j payable ascenador shall be radiced in the propertie	I are critished may increase or oriented for interpretation determining. All party and or many or many or many or adversion of extra sector Association (and and and and and and and and and and
8. Elevated the first well drilled on the above within twelve encodes from expiration of the last r leaves on or before the expiration of ability of twelve prevented. And it is agreed that upon the resemption payment of resoluts and the effect therein shall cost.	described land be a dry hole, then, and is that event, if a schedd well is not sommet-cad on mold land rental period for which rental has been paid. this beam shall israninat: as to both parties, unless the such shall revenue the payment of runtals in the same samount and in the rane manner as bereinbeform of the payment of rentals, as above provided, that the last recording paragraph hereof, governing the lines in force past as choose thereof seen to interruption in the rentil payment.
7. If said lessor owns a less interest in the si- herein provided shall be paid the lessor only in the	bave described land them the entire and undivided for simple estate th roin, then the royalise and rentals proportion which his interest bears to the whole and undivided for Nowever, such rental shall be in- for any revenion estimate to cover the interest so exquired.
erensed at the next speceeding restal anniversary af	ther any reversion return to cover the interest so acquired.
B. The reases shall have the right to use frie- the lesser. When required by lesser, the lesses shall- an_anid load. He well shall be drilled memory than the Like right at any inne during, of alter the expiration groundes, including the right to draw and remove all	ther any reversion "scale to derive the intervent of sequence. of cost, put, off and the start found on table hand for its operations thereas. scaled value from the value of the start intervent of the start intervent of the start of the
peak-fing well, to restore the pressions to their origing the state of either party hereic is assign	Notify the the board we been over on said premiers without writes, consent of the issues Lansee shall have of this least to remove all machinery. Instruct bounds, buildings and their structure placed on and and contour as over as provide competition of any of as a dry beir of upper the shadonment of any made contour as over as provide the competition of any of the structure placed on and and contour as over as provide the competition of any of the structure placed on and and contour as over as provide the competition of any of the structure placed on and the privilege of assigning in those or in part is appready allowed, the covenants nerved shall extend essents, and assigns, but no enarge of coverable into the land of in the research of an any sum until it has been forested with priver the supposed seconds dominant of assigned as a stabilized mental the privilege the privile privile private. The prevent and and the privilege as a stabilized and the privilege the privile privile the supposed seconds and the second of a stability of the stability of the stability of the stability of the stabilit
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	lease shall be essigned as to a part of as to parts of the above described lend and the holder of owner payment of the properties and the rent dw from him or them, such default shall-make-operate to rs of said land upon which the lease or any assigner ferrof shall make due payment of said rents.
 Idenset bereby -ver-ante-and agrees to defen where or as part any taner mortgages, or other liens it shall be whereasted to the rights of any holder or lien, any reyally or restals secruing hereunder. 	ne den viele in viele mend mennen mennen bestellen ander viele Ten lange, at Lis option, man pay and dischrifte im 1 studing, bruid, or anterested mei of against the above faceribed lands and in or event it ferretens such option halders thereof and may reimburge itablf by applying to the discharge at any such moriging, tat or other
	misimed is the contrary, it is expressly agreed that if lessee shall commence operations for drilling at any main in force and its terms shall continue so long as such operations are prosecuted and, if production est.
If within the primary term of this lease. rations for the drilling of a well shall be commonous	production on the leased premiess shall deate from ARY chuse, this lease shall not terminate provided ope- before or on the most encoder rental pering date: or, provided leases barins or renumes the payment of
reminic in the manner and emount hereinbefore prov order from any court, this lense shall not terminate evention and this brase shall remain in force durin appliance.	production on the leased premises shall seade from ANY chute, this lease shall not terminate provided ope- bries or on the seat starting rental paying date: or, provided bases begins or resume the payment of refeet. If, there the explorations of the primary term of the lease, production on the sease provides shall provided leases requests operations for re-working or dryling a well within sating (B) days from such ag the preservises of such operations and, if production r-walks therefrom, then as long as production
13 Lesses is hereby given the right at its of scribed land with other land, lesse, or lesses in the a well may be drilled under laws, rules, or regulations and the state of the state o	ption, at any time and from time to time, to peel or unitim all or any part or parts of the above de- e unmediate vicinity thereof, such pooling to be into units not exceeding the minimum she tract of "biah form in force at the time of such pooling or unitimation: provided, however, that such units may exceed
such minimum by not more than ten acres if such make option, as to each desired unit, by executing a "my part of each such unit shall be considered a w	ions in force at the time of such pooling or unitisation: provided, however, that such units say effected excess is becauser; in order to conclore in to experising such visions or weak inner. Lesses shall exacting and recording an instrument identifying the unitised area. Any well drilled or operations coolducted us in proportion of the actual production from all wells on each using the instrument of the back of the same h proportion of the sciul production from all wells on each using the instrument of the back of the sciul production from all wells on each that issue productions of the sciul production from all wells on each using the instrument of the science science shall be all be caller sciences of science in the science science of the science of the science science science shall be measured from the above described land under the terms of this lesse
never described incd included in any such unit equi- pertient, orangetted on an acreage basis, bears in it be constituened for all purposes, including the pays checked in made unit in the constant activity of the pays	a proportion of the actual production from all wells on such unit as nearly interest, it any it such that the entities accurate all the unit. And it is understood and appreciable the production of allocated shall ment or delivery of royalty, to be the entity production from the photomorphic discrimination of the above described is and the accurate the language of the above described is and the second of the language of the above described is a second of the second accurate discrimination of the language of the second accurate discrimination of the second second of the second of the second accurate discrimination of the second second of the second secon
worms in room gan in the sense manner as though	presson from red serve amortana rea entry of the press.
14 This loss and all its farms conditions at	nd stipulations shall extend to and be binding on each of the parties who signs this leave regardless of
whether such leave is named above and regardless in counterparts ach to have the same effect is the	s of whether it is signed by any of the other parties herein named as lessors. This leave may be signed

"IS WITHERS WHEREOF, we sign the day and year first above written.	ESTATE OF JENNIE OGDEN, DECEASED
By	101 AIII IS I AM
,	Albert D. Bloom, Personal Representative
	Tax T.D.
	4-1

FILM 1075

STATE OF COlorado	Otlahoma, Kanasa, New Mexico, Wyoming, Montana. Colorado. Utah.
COUNTY OF Boulder	Oklahoma, Kanasa, New Mexice, Wyoming, Montana, Colorado, Utah, Nebraska, North Dakota, South Dakota ACKNOWLEDGMENT — INDIVIDUAL
BEFORE ME, the undersigned, a Notary Pub	slic. in and for said County and State. on this 14 2
day of June 19 79	reconally appeared Albert D. Bloom, Personal
Representative of the Estate	e of Jennie Ogder, deceased
ATT 11-	
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	acknowledged to me that he identical person
and whimtary act and deed for the uses and purpos	second and the same as a second of the same as a second of the same as a second of the second of the second of the same as a second of the second of the same as a second of the second of the second of the same as a second of the second of the same as a second of the second of the same as a second of the second of the same as a second of the second of the same as a second of the second of the same as a second of the second of the same as a second of the same as a second of the second of the same as a second of the second of the same as a second of the second of the same as a second of the second of the same as a second of the same as a second of the second of the same as a second of the second
IN WITNESS WHEREOF, I have hereunto	set my hand and alfixed my notarial seal the day and year last above written.
My Commission Baptres - 20 - 80	Elizabeth nr Gm
STATE OF	Oklahama Kanasa Nav Maxica Wyamina, Maarana Calarada Urah
COUNTY OF	Oklahema, Kanasa, New Marxice, Wyosning, Mestana. Colorado, Uzab. Nevratka, North Dakota, South Dakota ACKNOWLEDGMENT — INDIVIDUAL
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and the within and foregoing instrument of withing and and voluntary act and deed for the uses and purpor	acknowledged to me that
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Form 88—(Producers) Kan., Okla. & Colo. 1957 C Rov 1974 O	IL AND GAS	LEASE	FILM	
THIS AGREEMENT, Entered into this the2 between Edith H. Throndson 534 Pratt Street Longmont, Colorado 80501	and day of	March	995	, 19 <u>77</u> _
Martin Oil Service, Inc., P.(.Box 298, Blue I	sland, Il. 60	hereinafter call	reinafter called lessor, ed lessee, does witness:
1. That lessor, for and in consideration of the sum of, to be performed by the lessee, has this day granted, lease hereinafter described land, and with the right to unitize this thereby as hereinafter provided. for the purpose of carrying a and operating for, producing, and saving all of the oil, ga and for constructing roads, laying pipe lines, building tank, convenient for the economical operation of said land along	i, and let and by these presents the lease or any part thereof with on geological, geophysical and o s, casinghead gas, casinghead is s, storing oil, building power	nts does hereby grant, h other oil and gas les other exploratory work, gasoline and all other stations, telephone li	ises as to all or any pai including core drilling, a gases and their respect acs and other structure	ly unto the lessee the t of the lands covered nd the drilling, mining, ive constituent vapors, s thereon necessary or
substances, and for housing and boarding employees, said t Boulder	ract of land with any reversion Colorad			ty of,
Township 2 North, Range 69 West Section 34: S/30 acres SE/4SW/			FEB 2	2 6 3 COUNTY P
Township 1 North, Range 69 West Section 2: NW/4	t, 6th P.M.		NOR 6	
Section 4: SW/34			ELORD	
a to the second stress shall be a shall somethin in full f	Ten (1	10) _{vene}		2 2) C less.
 It is agreed that this lease shall remain in full f or gas, or either of them, is produced from said land for f In consideration of the premises the said lessee To deliver to the credit of lessor, free of cost, i produced and saved from the leased premises. 	rom lands with which said lat	nd is consolidated) or	the premises are being	developed or operated.
4. The lessee shall monthly pay lessor as royally on well, or if marketed by lessee off the leased premises, then c of the proceeds received by the lessee from the sale of casi computed at the prevailing market price, of the casinghea used on the leased premises by the lessee for purposes othe expense of using gas from any gas well on said land for sto	one-eighth (1a) of its market va inghead gas, produced from any of gas, produced from any oil r than the development and of	aiue at the well. The le y oil well; (b) one-eigh well and used by less peration theruf Lessor	ssee shall pay the lesson th (y_B) of the value, at see off the leased premis shall have the privileg	the mouth of the well, es for any purpose or at his own risk and
expense of using gas from any gas well on said land for sto connections thereto. Where gas from a well or wells, capable of produ amount equal to the delay rental as provided in paragraph year during which such gas is not sold or used, and while graph numbered two hereof.	ucing gas only, is not sold or t	used for a period of on	year, lessee shall pay o	er tender as royalty, an
5. If operations for the drilling of a well for oil or this lease shall terminate as to both parties, unless the First National Bank at cessors are the lessor's agent and shall continue as the de	lessee shall on or before said	~ 80501	o the lessor or for the	
cessors are the lessor's agent and shall continue as the de land or in the oil and gas or in the rentals to accrue here erate as a rental and cover the privilege of deferring the payments or tenders the commencement of operations for d check or draft of lesses or any assignee thereof, mailed or bank and it is understood and agreed that the consideral said first rental is payable as aforesaid, but also the lesses at any time execute and deliver to Lessor, or place of rec thereby surrender this lease as to such portion or portion payable hereunder shall be reduced in the proportion that	rilling may further be deferred delivered on or before the rent tion first recited herein, the d e's option of extending that per ord, a release or releases cove or a and be relieved of all obli	for like periods succes al paying date, either own payment, covers n riod as aforesaid and a ring any portion or i gations as to the act	sively. All payments or t direct to lessor or assign ot only the privilege gra- ny and all other rights portions of the above d eage surrendered, and	enders may be made by as or to said depository anted to the date when conferred. Lessee may escribed premises and
6. Should the first well drilled on the above descriwithin twelve months from expiration of the last rental lessec on or before the expiration of said twelve months s provided. And it is agreed that upon the resumption of t payment of rentals and the effect thereof shall continue is	bed land be a dry hole, then, period for which rental has shall resume the payment of re- he payment of rentals, as abo	and in that event, if been paid, this lease a entals in the same am we provided, that the	a second well is not co shall terminate as to b ount and in the same r ast preceding paragraph	oth parties, unless the nanner as hereinbefore h hereof, governing the
7. If said lessor owns a less interest in the above d herein provided shall be paid the lessor only in the propo creased at the next succeeding rental anniversary after an	ortion which his interest bears ny reversion occurs to cover th	to the whole and und he interest so acquired	ivided fee. However, su	ich rental shall be in-
8. The lessee shall have the right on said land for its operation. When required by lessor, the less shall pay for all damage cause be drilled nearer than 400 fee	s thereon, except essee shall bury d by any of its o	its pipe line perations on	the wells of t es below plow said land. I	the lessor. 4/1 depth and / No well shall
written consent of the lessor operations, shall be conducted and August without the express at any time during, or after t	and lessee agrees on the leased pr written consent	emises durin of lessor.	rations, except g the months of Lessee shall 1	of June, July nave the right
fixtures, houses, buildings an the right to draw and remove a test as a dry hole or upon the mises to their original contou	d other structure 11 casing. Lesse abandonment of a	es placed on a se agrees, up any producing	said premises on the complet well to rest	, including tion of any ore the pre-
within a reasonable time. 9. If the estate of either party hereto is assigned at to the heirs, devisees, executors, administrators, successors due under this lease shall be binding on the lease until copy thereof or a certified copy of the will of any decease un administrator for the estate of any deceased owner, v fied copies thereof necessary in showing a complete chain	nd the privilege of assigning in s, and assigns, but no change it has been furnished with eit ed owner and of the probate whichever is appropriate, toget of tille back to lessor to the	whole or in part is exp of ownership in the her the original record thereof, or certified co her with all original re full interest claimed.	ressly allowed), the cover land or in the rentais ed instrument of convey py of the proceedings corded instruments of c und all advance paymen	ants nereof shall extend or royaities or any sum ance or a duly certified showing appointment of onveyance or duly certi- is of rentals made here-
under before receipt of said documents shall be binding on 10. It is hereby agreed that in the event this lease of any such part or parts shall make default in the paym defeat or affect this lease insofar as it covers a part of	any direct or indirect assigne shall be assigned as to a part nent of the proportionate part	e, grantee, devisee, ac t or as to parts of the of the rent due from	above described land as him or them, such defa	r neir of lessor. nd the holder or owner ult shall not operate to
11. Lessor hereby warrants and agrees to defend the whole or in part any taxes, mortgages, or other liens exist it shall be subrogated to the rights of any holder or holde lien, any royalty or rentals accruing hereundei.	title to the land herein descri ling, levied, or assessed on or a	ibed and agrees that the against the above descr	/ e lessce, at its option, m ibed lands and, in event	ay pay and discharge in - it exercises such option,
12. Notwithstanding anything in this lease contain time while this lease is in force, this lease shall remain results therefrom, then as long as production continues.	in force and its terms shall c	continue so long as su	ch operations are prose	cuted and, if production
If within the primary term of this lease, produ- rations for the drilling of a well shall be commenced belo rentals in the manner and amount hereinbefore provided. cease from any cause, this lease shall not terminate prov cessation and this lease shall remain in force during the continues.	re or on the next ensuing reni If, after the expiration of th ided lessee resumes operations e prosecution of such operation	tal paying date; or, pr ie primary term of this for re-working or dri as and, if production	ovided lessee begins or s lease, production on ti ling a well within sixt results therefrom, then	resumes the payment of le leased premises shall y (50) days from such as long as production
13. Lessee is hereby given the right at its option, scribed land with other land, lease, or leases in the imm a well may be drilled under laws, rules, or regulations is such minimum by not more than ten acres if such excess said option, as to each desired unit, by executing and r any part of each such unit shall be considered a well dr above described land included in any such unit such proportion, computed on an acreage basis, bears to the en be considered for all purposes, including the payment cluded in such unit in the same manner as though prod	nediate vicinity thereof, such n force at the time of such is is necessary in order to co ecording an instrument identi illed or operations conducted oportion of the actual product tire acreage of such unit. A or delivery of royalty, to be	pooling to be into unit pooling or unitization: mform to ownership s lfying the unitized are under this lease, and tion from all wells or nd it is understood a the entire production	s not exceeding the min provided, however, thi ubdivisions or lease in ra. Any well drilled on there shall be allocat a such unit as lessor's nd agreed that the pro from the portion of the	timum size tract on which at such units may exceed es. Lesses shall exercise operations conducted on ed to the portion of the interest, if any, in such duction so allocated shall
14. This lease and all its terms, conditions and st whether such lessor is named above and regardless of in counterparts, each to have the same effect as the original statement of the same effect.	whether it is signed by any of final.	f the other parties here	ein named as lessors. T	his lease may be signed
IN WITNESS WHEREOF, we sign the day and year Witness:	first above written.	E lit IV.	TO a	

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Edith H. Throndson

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COUNTY OF Beer	eder 53.	Oktenodia,	Nebraska, North I ACKNOWLEDGM	Dakota, South Da	ikota
BEFORE ME, the undersi	aned a Notary Pu	blic in and for a			
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day of	, 19.2, p	ersonany appear	ed		
State A Ballin	` \$				
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IN WITNESS WHERE					d year last above written
My Commission Expires	- 14- 77		h án	una X	Notary Public
*	<u></u>				
STATE OF		Oklahoma.	Kansas, New Mexico,	Wyoming, Mont	ana. Colorado. Utah.
COUNTY OF	35.		Nebraska, North ACKNOWLEDGM	Dakota, South D	akota
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EXHIBIT 6	OIL ANI) GAS LE	LASE	
	- 1			0.1
AGREEMENT. Made and entered into the Robert S. Alcorn, a wi	dower 3rd	tay of	March	, 19 <u>81</u> , by and between
A REAL PROPERTY AND A REAL	the second se	80	501	·····
whose post other address i 5317 Nor The Vessels Company, a	th 109th,Long	gmont,CO	ership.	essor (whether one or more and
WITNESSETH, That the Lessor, for eash in hand paid, the receipt of which is	and in consideration of hereby acknowledged, an	Ten and d the covenants and	MOTE agreements beremafter	DOLLARS contained, has granted, demised.
leased and let, and by these presents doc exclusive right for the purpose of mining, e	es grant, dennise, lease and exploring by geophysical a	i let exclusively anto nd other methods, an	the said Lessee, the lai a operating for and proc	id hereinatter described@with.the lucing therefrom oil and all gas of
whatsoever nature or kind, with rights of w of said products, all that certain tract of la				on to produce, save and this care
state ofColorado			ollows, to-wit:	· 325
	Jawkh Dawaa	CO Woot of	the Cth D M	
	North, Range			
	2000 4420 0 44	٨	Nacoh	
Section 10: The addendum attached purposes as if set for	hereto is in	corporated	herefin by r	eference for all
purposes as if set for	rth in tull h	erein. M		
and contamba 40arres	s, more or less.	eighteer	n (18) month	S
1. It is agreed that this lease shall nature or kind is produced from said leas	remain in force for a teri	n o f tensure from • pooled therewith, or	this date and as long the drifting operations are (creatter as oil or gas of whatsoever continued as hereinafter provided.
II, at the expiration of the primary term Lessee is then engaged in deilling or re-we	of this lease, oil or gas is	not being produced a	on the leased premises o	r on acrease pooled therewith but
ously prosecuted on the leased premises (or on acceage pooled ther	ewith: and operation	s shall be considered to	he continuously prosecuted it not
more than mucty (90) days shall elapse b subsequent well. If after discovery of oil	For gas on said land or or	cacreage pooled there	with, the production th	ereof should cease from any cause
after the primary term, this lease shall no date of cessation of production or from c				
\wedge tions at or after the expiration of the pri	mary term of this lease, t	his lease shall continu	e in force so long as oil-	or gas is produced from the leased
premises or on acreage pooled therewith 2. This is a PAD-UP LEASE. In c	onsideration of the down	cash payment, Lessor	agrees that Lessee shall	not be obligated, except as other
wise provided herein, to commence or co- mary term surrender this lease as to all o	er any portion of said land	l and as to any strata -	or stratum by delivering	to Lessor or by filing for record ;
Scale or releases, and be relieved of all of 3. In consideration of the premises	s the said Lessee covenants	s and agrees:		
				on said land, the equal mussight i
Find, to pay Lessont meriding market r	<u>-11 Since</u> the gross proce	edsleach vear "navah"	le quarterly, for the gas facture of gasoline a ro	s from each well where gas only a bound of some sighth (1.8), payahl
A and To nay Lessor for gas proc	duced from any oil well a	nd used off the premi-	ses or in the manufactur	e of vasoline or any other produ-
a royalty of a mark (1.8) of the	 proceeds, at the mouth o 	I the well, payable me	onthly at the prevailing	market rate. S1
D. C. Where gas from a well capable potential per year per network well capable inside atter the expiration of 90 days f	ined horeunder, such pavi	nent or tender to be	made on or before the	anniversary date of this lease nex
ensuing after the expiration of 90 days f population well is shut in. If such pay	rom the date such well is ment or tender is made, i	-shut in and thereafte (t-will be considered)	r on or before the anniv that gas is being produc	ersary date of this lease during the ed within the meaning of this leas
(including any shut-in gas royalty) herein	est in the above described	I land than the entire	and undivided fee simp	ie estate therein, then the royalding
6." Lersee shall have the right to us				•
the wells of Lessor. 7. When requested by Lessor, Less				
8 No well shall be drilled nearer t 9. J. Essee shall pay for damages ca	han 200 feet to the house	or barn now on said p	premises without written	a consent of Lessor.
10. LUSsee shall have the right at remove casing.	any time to remove all m	achinery and fixtures	placed on said premise	es, including the right to draw an
11. The rights of Lessor and Lessee or otherwise) shall be binding on Lessee				
-documents and other information neces	sary to establish a compl	ete chain of record ti	itle from Lessor, and th	ien only with respect to payment
thereafter made. No other kind of noti- ownership as to different portions or pa	reels of said land shall op-	erate to enlarge the o	bligations or diminish t	he rights of Lessee, and all Lessee'
operations may be conducted without re- any act or omission of any other leasehold		. If all or any part of	this lease is assigned, no	leasehold owner shall be liable fo
		—		

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by Lessee in the recording office of said county an instrument declaring its purpose to unitize and describing the leases and land unitized which shall not exceed approximately 160 acres in area. Gas production from the unitized area shall be allocated proportionately to the leases dedicated to such unitized area on a surface acreage basis and the royalty herein provided for shall be applied on the production so allocated to this lease.

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12... be were additional to here be green the influence of the formation because and from time to time as a resummeriable either before or white the base-bold estate and the mineral estate covered by this lease with other land, lease or bases in the immediate viennity for the production of our minic gle bease-bold estate and the mineral estate covered by this lease with other land, lease or leases in the immediate viennity for the production of our minic gle bease-bold estate and the mineral estate covered by this lease with other land, lease or leases in the immediate viennity for the production of our minic gle bease-bold estate and the vient stall be greenplished by Lessee excercting and films of record a deckration of such unitization or reformation, which declation shall describe the unit. Any unit may include land upon which a well has therefored to exclude such one production of a market anywhere on a unit which includes all of 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 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 the parts of pool rocalities only on the portion of such production. The above shows and local to this lease such allocation shall be total number of such production. The above described lands as 100 er or one or the formations thereunder with other lands, it is exceeding and includes of this lease shall be treated as if it were evolved to this lease shall be treated as 10 ere or one of the formations thereunder with the land described lands as 100 ere or noire of the formations thereunder with the land leave of the above described lands as 100 ere or noire of the formation thereunder with the land leave on the total member of such parts and from the parts of the face acress entered for the above described lands as 10 or green in greater and such coordination

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The Vessels Company

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General Partner

By

Robert s. Alcorn, widower а

SS# 524-60-1576

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FILM 1157. Printed by-P&M Printing, 511 16th St., Suite 222, (303)	9 893-1651 4-
STATE OF <u>COLORADO</u> COUNTY OF <u>BOULDER</u>	Oklahoma, Kanme, New Mexico, Wyoming. Montana, Colorado, Utah, Nebraska, North Dakota, South Dakota ACKNOWLEDGMENT — INDIVIDUAL
BEFORE ME, the undersigned, a Notary Pu	blic, in and for said County and State, on this <u>3rd</u> personally appeared <u>Robert S. Alcorn</u> , a widower
	, to me known to be the identical person, described in and who executed
the within and foregoing instrument of writing an and soluntary act and deed for the uses and purp	nd acknowledged to me that
My Commission Expires	o set my hand and affixed my notarial seal the day and year last above written.
STAPE OCOLORAdo	. Nebraska, North Dakota, South Dakota
COUNTY OFDenver) BEFORE ME, the undersigned, a Notary Pu	ACKNOW/LEDGMENT — INDIVIDUAL ublic, in and for said County and State, on this
	personally appeared Thomas G. Vessels,
	he Vessels Company, a general partnership
and Voluntary der and deed for the uses and purp / IN WITNESS WHEREOF, I have hereunt My Commission Expires. APPLE Co. 19.82	to set my hand and allixed my notarial seal the day and year last above written.
DUBLIC O	Notary Public.
Stafe Ø = co	555
	, A. D. 19, before me personall
appeared	, to me personally known, who, being b
me duly sworn, did say that he is the	of
	and that the seal affixed to said instrument is the corporate seal of said corpora sealed in behalf of said corporation by authority of its Board of Directors, and said
	cknowledged said instrument to be the free act and deed of said corporation.
Witness my hand and seal this	
Witness my hand and seal this	

ADDENDUM TO OIL AND GAS LEASE DATED THE <u>3RD</u> DAY OF MARCH, 1981, FROM ROBERT S. ALCORN, A WIDOWER, TO THE VESSELS COMPANY, A COLORADO GENERAL PARTNERSHIP COVERING THE NW&NE& Section 10-1N-69W, BOULDER COUNTY, COLORADO

- (a) The word "pooled" wherever used in this lease shall mean "unitized" as that word is used in paragraph 12 of this lease.
- (b) Lessee shall pay Lessor the sum of \$3,000 as location and crop damage for each well drilled on the leased premises which shall include normal drmages for the well location, for necessary road construction and for the installation of production facilities for such well if production is obtained. Any additional damage to the land shall be compensated for over and above said amount. Upon abandonment of any well or other facilities Lessee shall clean up and restore the land to its original condition as nearly as practicable.
- (c) Lessee is aware of the existence and location of an irrigation ditch and conduit traversing the leased land. Lessee shall conduct its operations so as to not damage or interfere with such water facility and shall indemnify and hold harmless Lessor from any loss, damage or liability with respect to such facility arising from the operations of Lessee.
- (d) Lessee shall construct any necessary roadway, to the extent possible, over and along the existing pipeline easement along the south line of the leased land if permission can be obtained from the holder of the easement. If such permission cannot be obtained such roadway shall parallel such easement as closely as practicable to the point nearest the drilling location, thence in a straight line, so far as practicable, to said location. Such roadways shall not exceed 20 feet in width.
- (e) Lessee shall install and maintain fencing adequate to prevent access by unauthorized personnel to all well facilities including, but not limited to, open pits, tanks, separators, dehydrators, pumps, valves, electrical equipment and other wellhead equipment.
- (f) Lessee shall exercise proper and effective weed control on and about its roadways and well facilities.

The Vessels Company

ssele General Partner

widower

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TLM 1123	401913	9.59 AM On JUL 3 1980 2
a and a second	Reception No	Charlotte Houston, Boulder County Recorder
		EXHIBIT 7
Form 88(Producers) Kan., Okla. & Colo, 1957	¹⁹⁷⁴ OIL AND GAS LEAS	E
THIS AGREEMENT, Entered into this the between White Rock Farms Asso 745 Lincoln Avenue, L	13th day of March ciates, a General Partnership oveland, Colorado 80537	, 19 80
and <u>W. C. Montgomery, Jr.</u>	. Littleton, Colorado	hereinafter called lessor,
1. That lessor, for and in consideration of hereinafter contained to be performed by the le sively unto the lessee the hereinafter described any part of the lands covered thereby as herei cluding core drilling, and the drilling, mining, an gases and their respective constituent vapors, an lines and other structures thereon necessary or produce, save, take care of, and manufacture al	f the sum of <u>Ten and More</u> Do essee, has this day granted, leased, and let and by land, and with the right to unitize this lease or an inafter provided, for the purpose of earrying on ge nd operating for, producing, and saving all of the oi of for constructing roads, laying pipe lines, build r convenient for the economical operation of sai ll of such substances, and for housing and boardin	llars in hand paid and of the covenants and agreements these presents does hereby grant, lease, and let exclu- y part thereof with other oil and gas leases as to all or cological, geophysical and other exploratory work, in- il, gas, casinghead gas, casinghead gasoline and all other gg tanks, storing oil, building power stations, telephone d land alone or conjointly with neighboring lands, to g employees, said tract of land with any reversionary
rights therein being situated in the County of	, and described as follows:	
(NW¼) of Section 36, Townsh under Warranty Deed dated Ja Reception #346375, except a excepted tract being more pa	ip 2 North, Range 69 West as m une 12, 1979 and recorded July tract of land 30.01 acres con articularly described under In	7 5, 1979 on Film 1071, stained therein, said
3. In consideration of the premises the sator of eliver to the credit of lessor, free produced and saved from the leased premises. 4. The lessee shall monthly pay lessor as at the well, or if marketed by lessee off the lea eight the satisfier of the proceeds received by the lemouth of the well, computed at the prevailing r for any purpose or used on the leased premises bege at his own risk and expense of using gas from premises by making his own connections thereto Where gas from a well or wells, capal an amount equal to the delay rental as provided	and lessee covenants and agrees: e of cost, in the pipe line to which lessee may com 15% s royalty on gas marketted from each well where gas used premises, then KXXXXXXXXXX for its market va resee from the sale of casinghead gas, produced from market price, of the casinghead gas, produced from by the lessee for purposes other than the development of any gas well on said land for stoves and inside be of producing gas only, is not sold or used for a p d in paragraph (5) hereof, payable annually on the	and containing <u>140.90</u> acres, more or less. years from the premises are being developed or operated. <u>15%</u> anect his wells, the equal XXXXXXXXXXX part of all oil sonly is found, and XXXXXXXXX part of all oil use at the well. The lesse shall pay the lessor: (a) XXX om any oil well: (b) XXXXXXXXX the lessor: (a) XXX on any oil well: (b) XXXXXXXXX the lessor is any oil well and used by lesse off the leased premises nt and operation thereof. Lessor shall have the privil- lights in the principal dwelling located on the leased period of one year, lessee shall pay or tender as royalty, anniversary date of this lease following the end of cach d this lease shall be held as a producing property under
	for oil or gas are not commenced on said land on or	r before the <u>lst</u> day of <u>July</u> ,
19 81 , this lease shall terminate as to both	parties, unless the lessee shall on or before said date 9	e pay or tender to the lessor or for the lessor's credit in
the Colorado National (Acct#56 successors are the lessor's agent and shall contin	2-45-Bank at <u>Denver</u> , Colorado nuc as the depository of any and all sums payable	, or its successors, which Bank and its under this lease regardless of changes of ownership in
payments or tenders the commencement of ope made by check or draft of lessee or any assigne said depository bank, and it is understood and a to the date when said first rental is payable as a conferred. Lessee may at any time execute and described premises and thereby surrender this la thereafter the rentals payable hereunder shall be 6. Should the first well drilled on the at within, twelve months from expiration of the la lessee on or before the expiration of said twelve provided. And it is agreed that upon the resump payment of rentals and the effect thereof shall ce	erations for drilling may further be deferred for lik ce thereof, mailed or delivered on or before the re agreed that the consideration first recited herein, th aforesaid, but also the lessee's option of extending deliver to Lessor, or place of record, a release or ease as to such portion or portions and be relieved reduced in the proportion that the acreage covered bove described land be a dry hole, then, and in that ast rental period for which rental has been paid, t e months shall resume the payment of rentals in the otion of the payment of rentals, as above provided, ontinue in force just as though there had been no in	t event, if a second well is not commenced on said land his lease shall terminate as to both parties, unless the same amount and in the same manner as hereinbefore that the last preceding paragraph hereof, governing the iterruption in the rental payments.
rentals herein provided shall be paid the lessor be increased at the next succeeding rental annive 8. The lessee shall have the right to use, of the lessor. When required by lessor, the lesse crops on said land. No well shall be drilled near shall have the right at any time during, or after th or said premises, including the right to draw and of any producing well, to restore the premises to 9. If the estate of either party hereto is a extend to the heirs, devisees, executors, administ sum due under this lease shall be binding on th certified copy thereof or a certified copy of th appointment of an administrator for the estate veyance or duly certified copies thereof necessa ments of rentals made hereunder before receip executor, or heir of lessor.	only in the proportion which his interest bears to t ersary after any reversion occurs to cover the interes , free of cost, gas, oil and water found on said land ee shall bury its pipe lines below plow depth and sh rer than 200 feet to the house or barn now on said he expiration of, this lease to remove all machinery I remove all casing. Lessee agrees, upon the complet o their original contour as near as practicable and to assigned (and the privilege of assigning in whole or i trators, successors, and assigns, but no change of ow he lessee until it has been furnished with either the ne will of any deceased owner and of the probate of any deceased owner, whichever is appropriate, ary in showing a complete chain of title back to le pt of said documents shall be binding on any direc	for its operations thereon, except water from the wells hall pay for damage caused by its operations to growing premises without written consent of the lessor. Lessee fixtures, houses, buildings and other structures placed ion of any test as a dry hole or upon the abandonment
of any such part or parts shall make default in t defeat or affect this lease insofar as it covers a pa 11. Lessor hereby warrants and agrees to charge in whole or in part any taxes, mortgages,	the payment of the proportionate part of the rent d art of said land, upon which the lessee or any assigne defend the title to the land herein described and or other liens existing, levied, or assessed on or aga	ue from him or them, such default shall not operate to

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 mort-gage, tax or other lien, any royalty or rentals accruing hereunder. 12. Notwithstanding anything in this lease contained to the contrary, it is expressly agreed that if lessee shall commence operations for drilling at any time while this lease is in force, this lease shall remain in force and its terms shall continue so long as such operations are prosecuted and, if produc-tion results therefrom, then as long as production continues. If within the primary term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate provided operations for the drilling of a well shall be commenced before or on the next ensuing rental paying date; or, provided lessee begins or resumes the pay-ment of rentals in the manner and amount hereinbefore provided. If, after the expiration of the primary term of this lease, production on the lease premises shall cease from any cause, this lease shall not terminate provided lessee resumes operations for re-working or drilling a well within sixty (60) days from such cessation and this lease shall remain in force during the prosecution of such operations and, if production results thereform, then as long as production continues.

days from such cessation and this lease shall remain in force during the provided resket resumes operations and, if production results thereform, then as long as production continues. 13. Lesse is hereby given the right at its option, at any time and from time to time, to pool or unitize all or any part or parts of the above described land with other land, lease, or leases in the immediate vicinity thereof, such pooling to be into units not exceeding the minimum size tract on which a well may be drilled under laws, rules, or regulations in force at the time of such pooling or unitization: provided, however, that such units may exceed such minimum by not more than ten acres if such excess is necessary in order to conform to ownership subdivisions or lease lines. Lessee shall exceed on any part of each such unit shall be considered a well drilled or operations conducted on any part of each such unit shall be considered a well drilled or operations conducted on any part of each such unit shall be considered a well drilled or operations conducted under this lease, and there shall be allocated to the portion of the above described land included in any such unit such proportion of the actual production from all wells on such unit as lessor's interest, if any, in such portion, computed on an acreage basis, bears to the entire acreage of such unit. And it is understood and agreed that the productions of the above described land under the parties of the above described land under the terms of this lease. 14. This lease and all its terms, conditions and stipulations shall extend to, and be binding on each of the parties who signs this lease, regardless of whether such lessor is named above and regardless of whether it is signed by any of the other parties herein named as lessors. This lease may be signed in counterparts, each to have the same effect as the original. IN WITNESS WHEREOF, we sign the day and year first above written

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

by: mest Land	ľ
General Partner	

Tax ID #84-0792874

15%

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FILM 1123

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STATE OF			1	Oklaho	N	, New Mex braska, No	orth Dako	ta, Sout	h Dakota		Utah,
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EXHIBIT 8

	FILM 1116 Recorded	20 PM on MAY 7 1980	
	394	732	
	Reception No	. Charlotte Houston, Boulder County Recorder	
*			
	Form. 88—(Producers) Kan., Okla, & Colo. 1957 C Rev. 1974 OIL /	AND GAS LEASE	
	THIS AGREEMENT, Entered into this the 28	fler by	
	between Jack C. Wheeler and Donna Jean Wh	eeler husband and wife	19 <u>SC</u>)
	5909 Northeast County Line Street Erie, Colorado 80516		
	and <u>W. C. Montgomery, Jr., Littleton, C</u>	olorado	called lessor,
	1. That lessor, for and in consideration of the sum of Te	n & More Dollars in hand paid and of the covenants and	d
	any part of the lands covered thereby as hereinafter provided, for	or the purpose of carrying on geological geophysical and other on and gas leas	es as to all or
	gases and their respective constituent vapors, and for constructing	roducing, and saving all of the oil, gas, casinghead gas, casinghead gasoline troads, laying pipe lines, building tanks, storing oil, building power station he economical operation of said land alone or conjointly with neighbor es, and for housing and boarding employees , said tract of land with any	and all other
	rights therein being situated in the County of <u>Boulder</u>	said tract of land with any	reversionary
	state of <u>Colorado</u> Township 1 North Range 69 Moot	, and described as follows:	
	Township 1 North, Range 69 West Section 1: NE% less 6.08 acres and N	1 ¹ 2SE ¹ 2	
	Prior to the commencement of actual dril	ling operations upon said lands, Lessor and	Lessee
	approval, however, shall not be unreason	of drillsites and access thereto. Said Less bably withheld. Cattle guards shall be inst	
	where necessary for livestock control.	and c u)	att60
1	2. It is agreed that this loss shell some in the table of	$\int W \left\ \mathcal{L}^{\mathcal{M}} \right\ _{\mathcal{L}}^{\mathcal{M}} = \mathcal{L}^{\text{and containing } 233.92}$	nore or less.
1		and agrees: which lessee may connect his wells, the equal $\frac{1}{2} \frac{1}{2} \frac$	art of all oil
	at the well, or if marketed by lessee off the leased premises, then a sighth (1.48), of the proceeds received by the lessee from the sale mouth of the well, computed at the prevailing market price of the	prescript $(1/8)$ of its market value at the well. The lessee shall pay the less of casinghead gas, produced from any oil well; (b) one sighth $(1/8)$ of the version of the second gas.	sor: (a) one (
	for any purpose of used on the leased premises by the lessee for purp	poses other than the development and operation thereof. Lessor shall have	the privil-
	Where gas from a well or wells, capable of producing gas	only, is not sold or used for a period of one year, lessee shall pay or tende	r as royalty
	paragraph numbered two hereof.	ereol, payable annually on the anniversary date of this lease following the d royalty is so paid or tendered this lease shall be held as a producing pro- commenced on said land on or before the <u>$6th_day$ of May</u>	perty under
	19 81 , this lease shall terminate as to both parties, unless the le	ssee shall on or before said date pay or tender to the lessor or for the lesso	r's credit in
	successory are the lessor's agent and shan continue as the depositor	ongmont, Colorado 80501, or its successors, which B y of any and all sums payable under this lease regardless of changes of or	ank and its wnership in
	said land or in the oil and gas or in the rentals to accrue hereunder, t a rental and cover the privilege of deferring the commencement payments or tender the commencement of provide the tender.	he sum of <u>Twenty Four Hundred & No/160</u> lars, which shall of operations for drilling for a period of one year. In like manner and	l operate as upon like
	made by check or draft of lessee or any assignee thereof, mailed or said depository bank, and it is understood and agreed that the consi to the date when raid first restants is made and agreed that the consi	delivered on or before the rental paying date, either direct to lessor or an deration first recited herein, the down payment, covers not only the privile	ers may be ssigns or to see granted
	conferred. Lessee may at any time execute and deliver to Lessor, o	r place of record, a release or releases covering any portion or portions of	ther rights
	 Should the first well drilled on the above described land within twelve months from expiration of the last exclusion. 	be a dry hole, then, and in that event, if a second well is not commenced o	n said land
	provided. And it is agreed that upon the resumption of the payment payment of rentals and the effect thereof chall continue in formation	of rentals, as above provided, that the last preceding paragraph hereof, gov	reinbefore erning the
	rentals herein provided shall be paid the lessor only in the proportion	and than the entire and undivided fee simple estate therein, then the room which his interest bears to the whole and undivided fee. However, such a	
	8 The lesses shall have the might to use the	ion occurs to cover the interest so acquired. and water found on said land for its operations thereon, except water from lines below plow depth and shall pay for damage caused by its operations the house or barn now on said premises without written consent of the less lease to remove all machinery first prove house buildings	
	9. If the estate of either party hereto is assigned (and the priv	filege of assigning in whole or in part is expressly allowed), the covenants h	time.
	sum due under this lease shall be binding on the lessee until it has l certified copy thereof or a certified copy of the will of any deceas	been furnished with either the original recorded instrument of conveyance ed owner and of the probate thereof, or certified copy of the proceeding	e or a duly
	veyance or duly certified copies thereof necessary in showing a com ments of rentals made hereunder before receipt of said documents executor or heir of leaves	plete chain of title back to lessor to the full interest claimed, and all ad shall be binding on any direct or indirect assignee, grantee, device, adm	its of con- ance pay-
	10. It is hereby agreed that in the event this lease shall be ass of any such part or parts shall make default in the	igned as to a part or as to parts of the above described land and the holder	OF OWDER
	11. Lessor hereby warrants and agrees to defend the title to t	he land herein described and agrees that the lessee, at its option, may na	tals. V and dis-
	gage, tax or other lien, any royalty or rentals accruing hereunder.	acts dicteor and may reindurse itself by applying to the discharge of any s	uch mort-
	tion results therefrom, then as long as production continues.	and the terms shall continue so long as such operations are prosecuted and,	if produc-
	ment of rentals in the manner and amount hereinbefore provided. I	e leased premises shall cease from any cause, this lease shall not terminate a the next ensuing rental paying date; or, provided lessee begins or resume f, after the expiration of the primary term of this lease, production on the worlded lesser foremer accurate for the second secon	s the pay-
	days from such cessation and this lease shall remain in force during th	e prosecution of such operations and, if production results thereform, then	sixty (60) as long as
	13. Lessee is hereby given the right at its option, at any time scribed land with other land, lease, or leases in the immediate vicinit which a well may be delided under lower so that its option.	and from time to time, to pool or unitize all or any part or parts of the y thereof, such pooling to be into units not exceeding the minimum size	above de-
	exceed such minimum by not more than ten acres if such excess is r exercise said option, as to each desired unit, by executing and record ducted on any part of each cush unit abut	recessary in order to conform to ownership subdivisions or lease lines. Le	ssee shall
	of the above described land included in any such unit such proportio such portion, computed on an acreage basis, bears to the entire acrea shall be concidered for all numeric includes the such as th	on of the actual production from all wells on such unit as lessor's interest, age of such unit. And it is understood and agreed that the production so	e portion
	land included in such unit in the same manner as though produced from	n the above described land under the terms of this lease	described
	counterparts, each to have the same effect as the original.	be and the other parties herein named as lessors. This lease may be	rdless of signed in
	IN WITNESS WHEREOF, we sign the day and year first above wr Witness:	itten.	· •
	Donna Jean Mheeler	tack Cutherles	
		Jack C. Wheeler	
	Soc. Sec. #:	Soc. Sec. #: 523-50-9725	
	8		

	FILM 111 6 3 Printed by P&M Printing, 511 16th St., Suite 222, (303) 893-1681
	STATE OF Colorado Oklahoma, Kanasa, New Mexico, Wyoming, Montana, Colorado, Utah, Nebraska, North Dakota, South Dakota
	COUNTY OF Boulder 53. Netrataka. North Dakota. South Dakota. ACKNOWLEGGMENT - INDIVIDUAL BEFORE ME, the undersigned, a Notary Public, in and for said County and State. on this.
	day of FEBRUARY 19.50 personally appeared Jack C. Wheeler
1 	
i i i	
	and Donna Jean Wheeler, his wife
	they they
	the within and foregoing instrument of writing and acknowledged to me that. they duly executed the same as their fra and woluntary str and deed for the uses and purposes therein set forth.
	My Commission Expires APPIL 6, 1982
	Notary Public.
	7
	STADE (50. Country OF) Oklahoma, Kanasa, New Mexico, Wyoming, Montana, Colorado, Utah, ss. 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
	and
	, to me known to be the identical person, described in and who execut
	the within and foregoing instrument of writing and acknowledged to me thatduly executed the same asfr 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
	State of
	County of
	appeared
	me duly sworn, did say that he is theof
	and that the seal affixed to said instrument is the corporate seal of said corporate
	tion and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and sai
	Witness my hand and seal this
1. A.	(SEAL) Notary Public.
	My Commission expires
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	ht
1 A.F.	
	and o or o
	M M M M M M M M M M M M M M M M M M M
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394732	No. FROM FROM TO TO 19 Dated 19 No. Acres. County. Dated 19 Acres. County. Term. 19 This Instrument was filed for record on the. 19 Day of Page. 19 County recorded in Volume 06 (back M. and duly recorded in Volume Volume Page. Deputy. Deputy. Deputy Deputy. Verses011 & Gas Company Sutte 1220, 600 South Cherry Stree Denver, Colorado 80222
394732	No. FROM FROM TO Dated TO No. Acres County Term Term No. Acres County Yeasel so filed for record of this so coupt By of the records of this so the south Brute 1220, 600 South Denver, Colorado 8022
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394732	No. No. FROM FROM FROM To Dated. To No. Acres. Country Term. No. Acres. Term. Outer Dated. M. and Volume Page. Suite 1220, 600 South Denver, Colorado 8021





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1-06

DEED OF CONSERVATION EASEMENT IN GROSS (4)

THIS DEED OF CONSERVATION EASEMENT IN GROSS is entered into 8 day of <u>February</u>, 2001, by and between Clyde G. this Canino hereinafter referred to as the "Grantor", and the County of Boulder, a body corporate and politic, hereinafter referred to as the "Grantee". WITNESSETH:

RECITALS

WHEREAS, Grantor is the sole owner of certain real property within the County of Boulder, State of Colorado, and more particularly described in <u>Exhibit 1</u> attached hereto and incorporated herein by this reference. The property is comprised approximately 355 acres of prime agricultural land, as of determined by the Soil Conservation Service Soils Capability Classes, and certain water rights necessary to the continuation of agricultural production (the description of the land and the water rights is set forth in Exhibit 1, the term "Property" shall hereinafter mean the land and the water rights combined and the term "Water Rights" shall hereinafter refer to the water rights alone); and

WHEREAS, the current use of the Property is for agricultural crop production purposes and livestock grazing purposes; and

WHEREAS, the Property's significant agricultural attributes, its present and continued agricultural use and its open space values are of great importance to the Grantor, the Grantee and the people of the County of Boulder and are worthy of preservation; and

the Grantor desires to continue responsible WHEREAS, agricultural practices and the use of the Property in such a manner that protects the Property's agricultural and water resources; and

WHEREAS, it is the policy of Boulder County to encourage preservation and utilization of prime agricultural lands for agricultural uses as such policy is declared in the Boulder County Comprehensive Plan; and

WHEREAS, the Boulder County Zoning Resolution, adopted by the Boulder County Board of Commissioners pursuant to the county comprehensive plan, designates the Property as "Agricultural" and provides that permissible uses of the Property are limited to agricultural production and certain other compatible or agricultural-related uses; and

WHEREAS, the State of Colorado has recognized the importance of private efforts to preserve land in a natural, scenic, historical or open condition, and for wildlife habitat and agricultural uses consistent with the protection of open land having undisturbed or restored environmental quality, by the enactment of Section 38-30.5-101, et seq., Colorado Revised Statutes 1973 (1982 Repl. Vol.); and



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WHEREAS, the Grantor desires to grant an interest in the Property to the Grantee in order to assure its preservation in perpetuity; and

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WHEREAS, the Grantee recognizes the public benefit to be $\gtrsim \mathcal{N}$ served by such preservation as described in the Boulder County Comprehensive Plan Environmental Resources and/or Open Space Sections; and

WHEREAS, the Grantee desires to accept an interest in the Property from the Grantor in order to assure its preservation in perpetuity for agricultural uses and for the open space function which it serves.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are acknowledged, and of the mutual covenants contained herein, Grantor does hereby convey to Grantee a perpetual Conservation Easement in Gross (hereinafter, the "Easement"), an immediately vested interest in real property defined by Colorado Revised Statutes Sections 38-30.5-101 et seq., and consisting of the rights hereinafter enumerated, over and across the Property and all development rights associated with the Property.

1. <u>Purpose</u>. It is the purpose of this Easement to preserve and protect in perpetuity the significant agricultural attributes of the Property, its continued agricultural use and its open space values.

2. <u>Affirmative Rights Conveyed</u>. The affirmative rights and interests conveyed to Grantee by this Easement are the following:

- (a) To preserve and protect in perpetuity the open space values and the agricultural and water resources of the Property.
- (b) To require that the Property be managed consistent with a Soil and Water Conservation Plan as prepared and approved by the Longmont Soil Conservation District or its successor, which plan shall be updated at least every ten (10) years.
- (c) To enter upon the Property to inspect and enforce the rights herein granted upon prior notice to Grantor, Grantor's successors and assigns, in a manner that will not unreasonably interfere with the proper uses being made of the Property at the time of such entry, and to remove or eliminate any conditions or operations that violate the terms and covenants of this Easement.
- (d) To be considered an owner of an interest in the Property, and therefore a co-applicant, for the purpose of any application for zoning change, annexation to a municipality, variance to or exemption from the land use



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regulations of the controlling jurisdiction, right-of-way vacation, building permit, grading permit or other permit pertaining to a use of the Property which is regulated by a governmental authority and not otherwise provided for in the Easement. The County's status of owner of an interest in the Property shall be limited to the right to sign or refuse to sign the aforementioned applications and shall carry no further obligation, financial or otherwise, except as provided in Paragraph 11 concerning condemnation.

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- (e) To review and approve or deny applications from the Grantor for uses neither expressly granted nor specifically prohibited by the Easement described herein but which may be conducted in a manner consistent with agriculture as the primary use of the Property and which do not compromise the value of the land as prime cropland. Approval, if granted, shall be by resolution of the Board of County Commissioners of Boulder County and recorded in the office of the County Clerk and Recorder.
- The first right to purchase the Property along with any (f) or all of the Water Rights and mineral rights described in Exhibit 1. In the event the Grantor desires to sell the Property and receives a bona fide offer for such sale, the the Property shall be offered to the Grantee who shall have a first right to purchase such offered fee interest for the same terms and conditions as the bona fide offer or for an amount and terms equally acceptable to the Grantor. Written notice of such bona fide offer shall be given to the Grantee who shall have thirty (30) days from the date of receipt of the written notice to accept such offer, and if not accepted, the sale may be made to such third party purchaser. Pursuant to Paragraph 4(g) of this Easement, the Grantor must hold title to the Property as one agricultural unit and may not convey any portion of the Property or divide the Property in any way, without the express written consent of the Grantee. Except as expressly provided herein Grantor retains exclusive access to and use of the Property.

Pursuant to Colorado Revised Statute Section 15-11-1102(1)(a) and (b), if the right of first refusal conveyed to the Grantee under this Easement does not vest within 90 years after the date of execution of this Easement by both parties, said interest shall automatically be severed from the remainder of the interests conveyed herein and shall automatically terminate.

(g) The ownership of any and all development rights, except for the right to one single-family residence and accessory structures, as set forth in Paragraph 3(b) of

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this Easement, now or hereafter associated with the Property, including, without limitation, all rights, however designated that may be used pursuant to applicable zoning laws, or other governmental laws or regulations, to compute permitted size, height, bulk, or ^ number of structures, development density, lot yield, or O any similar development variable on or pertaining to the Property.

3. <u>Permitted Uses and Practices</u>. Grantor intends that this Easement shall confine the future use of the Property to agricultural uses and related structures and the other related or compatible uses which are described herein. The following uses and practices are permitted under this Easement, and these practices are not to be precluded, prevented, or limited by this Easement:

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- (a) Continuation of agricultural uses, including an equestrian operation subject to all Boulder County land use regulations, and including the open growing of commercial nursery stock and the pasturing, grazing, feeding, and care of livestock at a level consistent with the Boulder County Zoning Resolution and with the Soil and Conservation Plan for the Property as prepared and approved by the Longmont Soil Conservation District or its successor. The agricultural activities shall not result in the pollution or degradation of any surface or subsurface waters.
- Grantor represents that at the time of the execution of (b) this Easement there is one single-family residence, which is the primary single-family residence, with an address of 12271 Mineral Road, Longmont, CO 80501, and 13 accessory structures existing on the Property, as shown on Exhibit 2, attached hereto and by this reference incorporated herein. One of the existing accessory structures is a non-conforming accessory dwelling unit. Subject to the provisions of this Paragraph, these structures may remain on the Property and may be maintained, repaired, remodeled, expanded and/or replaced, provided that: 1) the total above grade square footage of the primary single-family residence does not exceed 5,000 square feet and any replacement residence is located within the building envelope shown on Exhibit $\underline{3}$, attached hereto and by this reference incorporated herein, which is the area of historical disturbance of structures on the Property; 2) the total area covered by accessory structures on the Property at any given time, excluding the total square footage of the primary singlefamily residence, shall not exceed 25,000 square feet; and, $\overline{3}$) any new structures built on the Property must be located within the building envelope shown on Exhibit 3. However, in addition to the square footage and building envelope restrictions listed above, Grantor may construct six three-sided sheds, not to exceed a total of 500



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square feet each, in pastures located throughout the Property, for the protection of livestock.

Grantor and Grantee acknowledge that if Grantor wants the non-conforming accessory dwelling unit to be approved as a conforming accessory dwelling unit, Grantor will have the right to apply to the Boulder County Land Use Department for approval, which approval shall be subject to all Boulder County Land Use Regulations in effect at the time of application. If approved, the conforming accessory dwelling unit shall be permitted on the Property, within the building envelope shown on <u>Exhibit</u> 3, but in no case shall the total square footage of the accessory dwelling unit exceed 1800 square feet.

Grantor shall not erect any new structures of any kind on the Property, except as permitted by this Easement. The construction, remodel or replacement of any structure shall be in accordance with all Boulder County Land Use Regulations in effect at the time that the proposed construction, razing or remodeling is to take place, and all required permits and approvals must be obtained. For the purposes of this Easement, structures shall mean a combination of materials forming an edifice or building of any kind, but excluding the following: fences not over six feet in height; retaining walls or other landscaping; platforms or decks not more than 30 inches above grade; utility mains, lines and underground facilities; and yard and play equipment.

- (c) Maintenance, repair, replacement and use of all roads and structures, legally existing on the Property as of the date of the Easement, substantially in their present condition or as reasonably necessary for the uses permitted on the Property.
- (d) Installation, maintenance, repair, removal and relocation, and replacement of utility mains, lines and underground facilities for the purpose of providing utility services to the Property exclusively. Any mains, lines and underground facilities used for telecommunication, as defined in paragraph 4(b)(20) of this Easement, shall be governed by paragraph 4(b)(20).
- (e) Development and maintenance of such water resources on the Property as are necessary or convenient for irrigation and the agricultural uses conducted thereon pursuant to the terms hereof; provided, however, that the development and use of such water resources shall be compatible with the purposes of this Easement to protect and preserve the agricultural and open space values of the Property. Permitted activities shall include installation, maintenance, repair, removal and relocation, and replacement of agricultural irrigation



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facilities, including ditches, pipes and water diversion structures.

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- (f) Use of agrichemicals, including but not limited to, fertilizers and biocides, but only in those amounts and with that frequency of application necessary to accomplish reasonable agricultural purposes. Such use shall not contaminate surface and ground water. Grantor shall control all noxious weeds according to the provisions of Title 35 of Colorado Revised Statutes and/or the administrative rules and regulations promulgated by the Commissioner of Agriculture of the State of Colorado or by the Board of County Commissioners of Boulder County.
- (g) Control of predatory and problem animals by the use of selected control techniques whose effect will be upon only specific animals or species which have caused or are likely to cause damage to crops, livestock or other property. Such control techniques shall not have detrimental impacts upon water quality and the continued agricultural use of the Property and shall exclude the use of leghold traps.
- (h) Use of the Property for hunting by Grantor, Grantor's heirs, licensees, and assigns, to the extent that harvesting of game from the Property is not inconsistent with game management objectives. For the purpose of this provision, Grantor and Grantee agree that Grantor may request and rely upon an opinion from the Colorado Division of Wildlife defining the quantity of game which can be harvested from the land in any year consistent with generally accepted principles of game management.
- Use of the Property for recreational, scientific and/or educational activities which are occasional in nature, are limited to Grantor and Grantor's invited guests and in no way interfere with or are detrimental to the agricultural resources and uses of the Property.
- (j) Except as such interest is otherwise conveyed to Grantee by deed, certificates of ownership, or this Easement, Grantor specifically retains (1) all right, title, and interest in and to all tributary and non-tributary water, water rights, and related interests in, on, under, or appurtenant to the land; and (2) all right, title, and interest to subsurface oil, gas, and other minerals; provided, however, that mining or extraction of soil, sand, gravel, rock, oil, natural gas, fuel, or any other mineral substance is prohibited by Paragraph 4(j) of this Easement.
- (k) Grantor retains the right to apply to the Grantee for permission to conduct other uses and activities on the



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Property which are neither expressly granted nor specifically prohibited by the Easement but which may be conducted in a manner consistent with agriculture as the primary use of the Property and which do not compromise the value of the land as prime cropland. Approval, if granted, shall be by resolution of the Board of County Commissioners of Boulder County and recorded in the office of the County Clerk and Recorder.

4. <u>Prohibited Uses and Practices</u>. The following uses and practices are inconsistent with the purposes of this Easement and shall be prohibited upon or within the Property:

- (a) The change, disturbance, alteration, or impairment of the open space values and the agricultural resources of the Property except as otherwise provided herein.
- (b) Those uses which are consistent with the Boulder County Zoning Resolution as it applies to the Property but which may be detrimental to preservation and protection of the agricultural resources of the Property. Such prohibited uses shall include, but are not limited to:
 - 1. Additional residences, including mobile homes
 - 2. Kennel

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- 3. Veterinary hospital
- 4. Public or private school
- 5. Parks, playgrounds and playfields
- 6. Church
- 7. Group care home, receiving home or child care center
- 8. Community swimming pool or neighborhood recreation center
- 9. Non-profit community theater
- 10. Public or private campground
- 11. Airport or heliport
- 12. Cemetery, including accessory mortuary
- 13. Golf course, including accessory eating and drinking place
- 14. Resort lodge or guest ranch not accommodated by existing structures
- 15. Archery range, rifle range, or golf driving range
- 16. Water reservoir, water tank, water treatment facility, except as permitted by Subparagraph 4(k) herein
- 17. Utility substation or regulator station not directly related to agricultural use of the Property
- 18. Sewage treatment facility, exclusive of an individual sewage disposal system
- 19. Solid waste transfer facility or disposal site
- 20. The erection, construction, installation, relocation or use of a communication facility, a telecommunication facility, a network element,



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telecommunication equipment, or any other equipment (except for Customer Premises Equipment) or material that may be used for telecommunications or to provide telecommunications services as such terms are defined in The Federal Telecommunication \mathcal{X} Act of 1996.

- 21. Fire station
- 22. Open or subsurface mining, except as permitted by Subparagraph 4(j) herein
- 23. Public or quasi-public uses and facilities, except rights-of-way which may be required for construction of public streets and roads and then only when such public streets and roads are consistent with the Boulder County Comprehensive Plan.
- 24. Temporary asphalt, concrete or other batch plant
- 25. Wind-powered electric generators to produce electricity for off-site use
- (c) Any use not expressly permitted by the Boulder County Zoning Resolution as it applies to the Property.
- (d) The construction, placing, or erection of any signs or billboards except those needed for the agricultural uses permitted herein.
- (e) The dumping or accumulation of trash, ashes, garbage, waste or other unsightly or offensive material on the Property, provided, however, that agricultural products and by-products may be placed or stored on the land, so long as such placement or storage is consistent with the public health and with sound agricultural practices.
- (f) The construction, reconstruction, or replacement of any structures except as provided in Paragraph 3 hereof. For purposes of this Easement, fencing shall not be deemed a structure.
- (g) Any division of the Property (whether or not a subdivision as defined by state law) without the express written consent of the Grantee. The Property shall be held as one agricultural unit and, without the express written consent of the Grantee, or by operation of law, Grantor may not convey any portion of the Property as said conveyance will constitute an impermissible division of the Property under this Easement. If the Grantee does approve a division of the Property, or the Property is divided by operation of law, all terms of this Easement shall attach to the land and shall survive any division.
- (h) The conveyance of right-of-way or the construction of any new roadways without the consent of the Grantee, which consent shall not be unreasonably withheld, provided that such roadways are constructed so as to minimize the



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impact on agricultural resources of the Property.

- Grantor shall retain and reserve the right to use the (i) Water Rights for use in current or future agricultural production on the Property, and shall not transfer, of encumber, lease, sell, or otherwise separate the Water Rights from the Property.
- Except for the oil and gas leases which are in effect as (j) of the date of this Easement which have allowed for the drilling of existing wells on the Property, and which may allow for the drilling of future wells on the Property, and except for the four existing ponds and reservoirs currently existing on the Property, which, with the permission of Grantee, may be expanded for the creation of wetlands and enhancement of the wildlife values of the Property in an area not to exceed ten acres, the mining or extraction of soil, sand, gravel, rock, oil, natural gas, fuel, or any other mineral substance shall be prohibited upon or within the Property. Grantor shall not transfer, encumber, lease or otherwise separate the soil, sand, gravel, rock, oil, natural gas, fuel or any other mineral interest from the Property.
- The construction, expansion or placement of any water (\mathbf{k}) reservoir, water tank, or water treatment facility on the Property, except for the four existing ponds and reservoirs currently existing on the Property, which, with the permission of Grantee, may be expanded for the creation of wetlands and enhancement of the wildlife values of the Property in an area not to exceed ten acres.

Baseline Data. It is acknowledged by the Grantee and the 5. Grantor that the Property contains significant agricultural resources and open space values and that the Property will be managed consistent with the Soil and Water Conservation Plan as stated in Paragraph 2(b) herein. In order to establish a complete inventory of the present conditions of the Property and its agricultural resources and open space values so as to be able to properly monitor future uses of the Property and assure compliance with the terms hereof, Grantee shall prepare or cause to be prepared an inventory of the Property's relevant features and conditions (the "Baseline Data"). Grantor shall allow Grantee, or Grantee's designated agent, access to the Property to conduct necessary studies in developing the Baseline Data, provided, however, that such access does not unreasonably restrict or interfere with normal agricultural operations as permitted under this Easement. The Baseline Data may include, but need not be limited to, aerial photographs, topographical maps, maps indicating the extent of agricultural uses, and botanical and wildlife photographs and reports. The parties acknowledge and agree that in the event a controversy arises with respect to the nature and extent of Grantor's use or the physical condition of the Property subject to



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this Easement as of the date hereof, the parties shall not be foreclosed from utilizing all other relevant or material documents, surveys, reports, and other evidence to assist in the resolution of the controversy.
6. Enforcement Rights of a

6. <u>Enforcement Rights of Grantee</u>. In the event of a violation of any term, condition, covenant, or restriction contained in this Easement, after thirty (30) days' notice of violation to the Grantor, the Grantee may institute a suit to enjoin by temporary and/or permanent injunction such violation, or for damages for breach of covenant, or may take such other action as it deems necessary to insure compliance with the terms, conditions, covenants and purposes of this Easement; provided, however, that any failure to so act by the Grantee shall not be deemed to be a waiver or a forfeiture of the right to enforce any term, condition, covenant, or purpose of this Easement in the future.

7. <u>Restoration</u>. Grantor further intends that should any prohibited activity be undertaken on the Property, the Grantee shall have the right to cause the restoration of that portion of the Property affected by such activity to the condition that existed prior to the undertaking of such prohibited activity. In such case, the cost of such restoration shall be borne by Grantor, its successors, or assigns, against whom a judgment is entered. Nothing contained herein shall be construed to preclude Grantor from exhausting all legal remedies that may be available in determining whether the proposed activity to which the Grantee has objected is consistent with this Easement.

8. <u>Costs and Taxes</u>. Grantor agrees to bear all costs of operation, upkeep, and maintenance of the Property and does hereby indemnify Grantee therefrom. Grantor shall indemnify and reimburse Grantee for any damages resulting from personal injury or property damage that occurs on the Property, arising from the actions of Grantor, or a guest or invitee of Grantor. In addition, Grantor agrees to pay any and all real property taxes and assessments levied by competent authority on the Property and Grantor agrees to pay any and all water carriage fees/ditch assessments levied by the ditch companies or other competent authority relating to the Water Rights

9. Access. Nothing contained herein shall be construed as affording the public access to any portion of the land subject to this Easement. Nothing in this Easement shall be construed to preclude Grantor's right to grant limited public access to third parties across its land. All access, whether by third parties or the Grantor, shall be performed in a reasonable manner that does not result in degradation of the agricultural attributes of the Property.

10. <u>Grant in Perpetuity</u>. This Easement and the covenants as set forth herein shall run with the land and be binding upon all parties thereto, their heirs, successors, representatives, and assigns, and all persons who may hereafter acquire an interest in



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the Property. It is intended that this Easement and any other interests created under this Easement vest immediately. Pursuant to Colorado Revised Statute Section 15-11-1102(1)(a) and (b), if any nonvested property interests conveyed to the Grantee under this Easement do not vest within 90 years after the date of execution of this Easement by both parties, said interests shall automatically be severed from the remainder of the interests conveyed herein and shall automatically terminate.

11. <u>Condemnation</u>. In the event of condemnation of all or a portion of the Property, the Grantee shall be entitled to a share of the proceeds of the condemnation award, based on the value, at the time of the taking, of the conservation easement that is the subject of the taking.

12. <u>Amendment, Extinguishment and Termination</u>. If circumstances arise under which an amendment will be appropriate, Grantor and Grantee may jointly amend the Easement. Any such amendment shall be consistent with the purposes of the Easement, shall not affect its perpetual duration, shall not permit additional developments or improvements currently prohibited by the Easement, and shall not impair any of the significant conservation values of the Property. Any such amendment shall be recorded in the official records of Boulder County, Colorado.

In giving this Easement, the Grantor has considered the possibility that uses prohibited by the terms of this Easement may become more economically valuable than permitted uses and that neighboring properties may in the future be put entirely to such prohibited uses. It is the intent of both the Grantor and the Grantee that any such changes shall not be deemed circumstances justifying the termination or extinguishment of this Easement. In addition, the inability of the Grantor, or the Grantor's heirs, successors or assigns, to conduct or implement any or all of the uses permitted under this Easement, or the unprofitability of doing so, shall not impair the validity of this Easement or be considered grounds for its termination or extinguishment.

13. <u>Severability</u>. Should any of the provisions of this Agreement be held to be invalid or unenforceable, then the balance of the Agreement shall be held to be in full force and effect as through the invalid portion was not included.

14. <u>Annexation</u>. Grantor shall not apply/petition for, or consent to, the annexation of the Property to any municipality without the consent of the Grantee.

15. <u>Notices</u>. Whenever notice is required to be given hereunder, it shall be in writing and may be faxed or delivered to the party entitled thereto or mailed to the party entitled thereto, by registered or certified mail, return receipt requested. If delivered or faxed, said notice shall be effective and complete upon delivery or completion of the fax. If mailed, said notice shall be effective and complete as of the date of mailing. Until



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changed by notice in writing, notice shall be given as follows:

To Grantee: The Director Boulder County Parks and Open Space P.O. Box 471 Boulder, CO 80306 Facsimile Number: 303-441-4594

- The Boulder County Attorney's Office With copy to: P.O. Box 471 Boulder, CO 80306 Facsimile Number: 303-441-4794
- To Grantor: Clyde G. Canino 9968 Lookout Road Lafayette, CO 80026 Facsimile Number: 303-665-8133

16. Subsequent Liens on the Property. No provisions of this Deed of Conservation Easement should be construed as impairing the ability of the Grantor to use this Property as collateral for subsequent borrowing, provided that any mortgage or lien arising from such borrowing will be subordinated to this Easement.

Counterparts. This Agreement may be executed in any number of 17. counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same agreement. Facsimile signatures shall be acceptable to and binding upon all parties.

18. Miscellaneous.

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- The terms "Grantor" and "Grantee", whenever (a) Terms. used herein, and any pronouns used in place thereof, shall mean and include the above-named Grantor and Grantor's heirs, personal representatives, executors, successors and assigns and the above named-Grantee and its successors and assigns, respectively.
- Transfer of Property. The Grantor agrees that reference (b) to this Easement will be made in any subsequent deed, or other legal instrument, by means of which Grantor conveys any interest in the Property (including a leasehold interest) and that Grantor will attach a copy of this Deed of Conservation Easement in Gross thereto.
- Liberal Construction. This Easement shall be liberally (C) construed in favor of the Easement to effect the purpose of the Easement and the policies and purpose of C.R.S. § 38-30.5-101 et. seq.
- Entire Agreement. This instrument sets forth the entire (d) agreement of the parties with respect to the Easement and supersedes all prior discussions, negotiations, understandings, or agreements relating to the Easement,



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all of which are merged herein. No alteration or variation of this instrument shall be valid or binding unless contained in an Amendment that complies with Paragraph 12.

(e) <u>Captions</u>. The captions in this instrument have been inserted solely for convenience of reference and are not part of this instrument and shall have no affect upon construction or interpretation.

IN WITNESS, WHEREOF, Grantor has executed this Deed of Conservation Easement this _____ day of ______, 2001.

GRANTOR: Angele J. Commin. Clyde G. Canino

GRANTEE :

County of Boulder, a body corporate and politic Jána I. Pau Danish, _ce Chair DNALA

Ronald K. Stewart, Commissioner

STATE OF COLORADO

COUNTY OF BOULDER

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The foregoing Deed of Conservation Easement in Gross was acknowledged before me this 8th day of February, 2001, by Clyde G. Canino.

hand and official seal. expires: ീണി Undere E. anderen Notary Public

My Commission Expires 11-16-2003



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Countu Clerk,

STATE OF COLORADO

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COUNTY OF BOULDER

The foregoing Deed of Conservation Easement in Gross was A vieldged before me this 6th day of February, 2001. by Jack Vice-Chair, Paul D. Danish, Vice-Chair, 2001. by Jack Vice-Chair, Science of acknowledged before me this 6th day of February, 2001, by Jana L. Mendez, Chair, Paul D. Danish, Vice-Chair, and Ronald K. Stewart, Commissioner, of the Board of County Commissioners of Boulder County.

Witness my hand and official seal.

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My commission expires:



10/17/2001 Ansan Mr. Juheraft Notary

My Commission Expires 10/17/2001



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Exhibit 1 Legal Description

PARCEL 1:

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THE SOUTH 1/2 OF SECTION 36, TOWNSHIP 2 NORTH, RANGE 69 WEST OF THE 6TH P.M., COUNTY OF BOULDER, STATE OF COLORADO,

EXCEPTING THEREFROM THREE TRACTS OF LAND CONVEYED BY DEED RECORDED IN BOOK 155 AT PAGE 174;

AND ALSO EXCEPTING THEREFROM THAT TRACT OF LAND CONVEYED BY DEED RECORDED IN BOOK 281 AT PAGE 77;

AND ALSO EXCEPTING THEREFROM THAT TRACT OF LAND CONVEYED BY DEED RECORDED IN BOOK 1280 AT PAGE 517;

AND ALSO EXCEPTING THEREFROM THAT TRACT OF LAND CONVEYED BY DEED RECORDED ON FILM 1671 AS RECEPTION NO. 1101384.

PARCEL 2:

THAT PART OF SECTION 36, TOWNSHIP 2 NORTH, RANGE 69 WEST OF THE 6TH P.M., COUNTY OF BOULDER, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE WEST LINE SAID SECTION 36, 761 FEET NORTH OF THE SOUTHWEST CORNER; THENCE IN A SOUTHERLY DIRECTION TO A POINT ON THE SOUTH LINE OF SAID SECTION 36, 612 FEET EAST FROM SAID SOUTHWEST CORNER; THENCE EAST A DISTANCE OF 50 FEET; THENCE NORTHWESTERLY TO A POINT ON THE WEST LINE OF SAID SECTION 36, 811 FEET NORTH OF THE SOUTHWEST CORNER; THENCE SOUTH 50 FEET TO THE POINT OF BEGINNING,

EXCEPT THAT TRACT OF LAND CONVEYED BY DEED RECORDED ON FILM 1671 AS RECEPTION NO. 1101384.

PARCEL 3:

A STRIP OF LAND IN SECTION 36, TOWNSHIP 2 NORTH, RANGE 69 WEST OF THE 6TH P.M., COUNTY OF BOULDER, STATE OF COLORADO, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTH LINE OF SAID SECTION 36, 1350 FEET EAST OF THE SOUTHWEST CORNER; THENCE EAST ALONG SAID SOUTH LINE TO THE SOUTHEAST CORNER OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF

SAID SECTION 36; THENCE NORTH 30 FEET; THENCE EAST PARALLEL WITH THE SOUTH LINE OF SECTION 36 TO A POINT WHERE BOULDER CREEK CROSSES THE SOUTH LINE OF SECTION 36; THENCE NORTH 50 FEET; THENCE WEST PARALLEL WITH THE SOUTH LINE OF SECTION 36 TO A POINT 1,350 FEET EAST OF THE WEST LINE OF SECTION 36; THENCE SOUTH 80 FEET TO THE POINT OF BEGINNING.



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Countu Clerk,

Exhibit 1 Continued Legal Description Continued

PARCEL 4:

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20-16 A TRACT OF LAND IN THE SOUTHEAST 1/4 OF SECTION 35, TOWNSHIP 2 NORTH, RANGE 69 WEST OF THE 6TH P.M., COUNTY OF BOULDER, STATE OF COLORADO, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 35, FROM WHICH THE SOUTH 1/4 CORNER OF SECTION 36, TOWNSHIP 2 NORTH, RANGE 69 WEST OF THE 6TH P.M. BEARS SOUTH 89 DEG.59'59" EAST, THENCE NORTH 18 DEG.59'24" WEST, 1864.91 FEET TO THE TRUE POINT OF BEGINNING;

THENCE NORTH 53 DEG.26'38" EAST, 511.80 FEET;

THENCE NORTH 50 DEG.10'35" EAST, 161.40 FEET;

THENCE NORTH 48 DEG.00'13" EAST, 19.73 FEET;

THENCE NORTH 50 DEG.49'33" EAST, 103.55 FEET TO THE EAST LINE OF SOUTHEAST 1/4 OF SAID SECTION 35;

THENCE SOUTH 00 DEG.35'23" WEST, 1365.70 FEET ALONG THE EAST LINE OF THE SOUTHEAST 1/4 OF SAID SECTION 35 TO A POINT THAT BEARS SOUTH 35 DEG.01'35" EAST FROM THE TRUE POINT OF BEGINNING;

THENCE NORTH 35 DEG.01'35" WEST, 1073.10 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 5:

A TRACT OF LAND IN THE NORTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 36, TOWNSHIP 2 NORTH, RANGE 69 WEST OF THE 6TH P.M., COUNTY OF BOULDER, STATE OF COLORADO, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 36, FROM WHICH THE SOUTH 1/4 CORNER OF SAID SECTION 36 BEARS SOUTH 89 DEG.59'59" EAST, THENCE NORTH 03 DEG.33'23" EAST, 2354.92 FEET TO THE TRUE POINT OF

BEGINNING;

THENCE NORTH 25 DEG.03'03" EAST, 57.27 FEET;

THENCE NORTH 05 DEG.08'32" EAST, 17.69 FEET TO THE EAST LINE OF THAT TRACT OF LAND CONVEYED TO THE BOULDER AND WHITE ROCK DITCH COMPANY AS DESCRIBED IN WARRANTY DEED RECORDED IN BOOK 155 AT PAGE 174 OF THE RECORDS OF BOULDER COUNTY, COLORADO;

THENCE SOUTH 00 DEG.35'23" WEST, 85.77 FEET ALONG THE EAST LINE OF THAT TRACT OF LAND AS DESCRIBED IN SAID BOOK 155 AT PAGE 174 TO THE SOUTHEAST

THENCE NORTH 89 DEG.24'37" WEST, 44.36 FEET ALONG THE SOUTH LINE OF THAT TRACT OF LAND AS DESCRIBED IN SAID BOOK 155 AT PAGE 174 TO A POINT THAT BEARS SOUTH 50 DEG.49'33" WEST FROM THE TRUE POINT OF BEGINNING;

THENCE NORTH 50 DEG.49'33" EAST, 25.03 FEET TO THE TRUE POINT OF



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Exhibit 1 Continued Legal Description Continued

20-19 COLLECTIVELY, PARCELS 1, 2, 3, 4 AND 5 ABOVE ARE ALSO KNOWN AND DESCRIBED

SURVEYED LEGAL:

PART OF THE SOUTHEAST QUARTER OF SECTION 35 AND A PART OF THE SOUTH HALF OF SECTION 36 TOWNSHIP 2 NORTH, RANGE 69 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF BOULDER, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE EAST QUARTER CORNER OF SAID SECTION 36; THENCE SOUTH 00 DEG. 05' 14" EAST ALONG THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 36 A DISTANCE OF 2544.81 FEET TO A POINT ON THE NORTH LINE OF THE PROPERTY DESCRIBED IN DEED RECORDED IN BOOK 1280 AT PAGE 517; THENCE ALONG THE BOUNDARY OF SAID DESCRIBED PROPERTY FOR THE FOLLOWING FOUR (4) SOUTH 89 DEG. 19'01" WEST A DISTANCE OF 28.47 FEET; 1)

SOUTH 44 DEG. 32'29" WEST A DISTANCE OF 2.17 FEET; 2)

3) 4)

SOUTH 44 DEG. 32'29" WEST A DISTANCE OF 68.82 FEET; SOUTH 00 DEG. 41'28" EAST A DISTANCE OF 33.01 FEET TO A POINT ON THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 36; THENCE SOUTH 89 DEG. 33'08" WEST ALONG SAID SOUTH LINE A DISTANCE OF 2622.42 FEET TO THE SOUTH QUARTER CORNER OF SAID SECTION 36; THENCE SOUTH 89 DEG. 30'49" WEST ALONG THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 36 A DISTANCE OF 1251.47 FEET TO A POINT ON THE WEST LINE OF PROPERTY

DESCRIBED AS PARCEL B IN QUIT CLAIM DEED RECORDED ON FILM 918 AS RECEPTION NO. 170523; THENCE NORTH 00 DEG. 28/22" WEST ALONG SAID WEST LINE A DISTANCE OF 80.00 FEET TO A POINT ON THE NORTH LINE OF PROPERTY DESCRIBED IN DEED RECORDED IN BOOK 281 AT PAGE 77; THENCE SOUTH 89 DEG. 30'48" WEST ALONG SAID NORTH LINE A DISTANCE OF 1265.79 FEET TO A POINT ON THE LINE DESCRIBED IN DEED RECORDED ON FILM 1671 AS RECEPTION NO. 1101384; THENCE ALONG SAID DESCRIBED LINE FOR THE FOLLOWING EIGHTEEN (18) 1) NORTH OO DEC

2) NORTH 05 DEG. $19'53"$ EAST A DISTANCE OF 522.65 FEET; 3) NORTH 13 DEG. $02'16"$ WEST A DISTANCE OF 97.20 FEET; 4) NORTH 16 DEG. $52'18"$ WEST A DISTANCE OF 7.65 FEET; 5) NORTH 35 DEG. $31'55"$ WEST A DISTANCE OF 114.68 FEET; 6) NORTH 35 DEG. $30'47"$ WEST A DISTANCE OF 1073.09 FEET; 7) NORTH 52 DEG. $56'52"$ EAST A DISTANCE OF 1073.09 FEET; 8) NORTH 49 DEG. $41'16"$ EAST A DISTANCE OF 161.40 FEET; 9) NORTH 47 DEG. $31'55"$ EAST A DISTANCE OF 19.73 FEET; 10) NORTH 50 DEG. $20'21"$ EAST A DISTANCE OF 103.55 FEET; 11) NORTH 50 DEG. $20'21"$ EAST A DISTANCE OF 158.56 FEET; 12) NORTH 24 DEG. $33'41"$ EAST A DISTANCE OF 57.27 FEET; 13) NORTH 04 DEG. $39'24"$ EAST A DISTANCE OF 135.86 FEET; 14) NORTH 21 DEG. $30'18"$ WEST A DISTANCE OF 321.08 FEET; 15) NORTH 01 DEG. $02'17"$ EAST A DISTANCE OF 157.85 FEET; 16) NORTH 26 DEG. $43'03"$ WEST A DISTANCE OF 157.85 FEET; 17) NORTH 00 DEG. $51'50"$ WEST A DISTANCE OF 157.85 FEET; 18) NORTH 00 DEG. $51'50"$ WEST A DISTANCE OF 157.85 FEET; 19) NORTH 00 DEG. $51'50"$ WEST A DISTANCE OF 157.85 FEET; 10) NORTH 00 DEG. $51'50"$ WEST A DISTANCE OF 157.85 FEET; 11) NORTH 00 DEG. $51'50"$ WEST A DISTANCE OF 22.40 FEET; 13) NORTH 00 DEG. $51'50"$ WEST A DISTANCE OF 81.48 FEET; 14) NORTH 00 DEG. $51'50"$ WEST A DISTANCE OF 81.48 FEET; 15) NORTH 00 DEG. $51'50"$ WEST A DISTANCE OF 81.48 FEET; 16) NORTH 00 DEG. $51'50"$ WEST A DISTANCE OF 81.48 FEET; 17) NORTH 00 DEG. $51'50"$ WEST A DISTANCE OF 81.48 FEET; 18) NORTH 00 DEG. $51'50"$ WEST A DISTANCE OF 81.48 FEET;	/	NORTH	. 00	DEG.	17'44"	WEST	Δ	DICONN		
3) NORTH 13 DEG. $02'16"$ WEST A DISTANCE OF 97.20 FEET; 4) NORTH 16 DEG. $52'18"$ WEST A DISTANCE OF 86.09 FEET; 5) NORTH 35 DEG. $31'55"$ WEST A DISTANCE OF 114.68 FEET; 6) NORTH 35 DEG. $30'47"$ WEST A DISTANCE OF 1073.09 FEET; 7) NORTH 52 DEG. $56'52"$ EAST A DISTANCE OF 1073.09 FEET; 8) NORTH 49 DEG. $41'16"$ EAST A DISTANCE OF 161.40 FEET; 9) NORTH 47 DEG. $31'55"$ EAST A DISTANCE OF 161.40 FEET; 10) NORTH 50 DEG. $20'21"$ EAST A DISTANCE OF 19.73 FEET; 11) NORTH 50 DEG. $20'14"$ EAST A DISTANCE OF 103.55 FEET; 12) NORTH 24 DEG. $33'41"$ EAST A DISTANCE OF 158.56 FEET; 13) NORTH 04 DEG. $39'24"$ EAST A DISTANCE OF 135.86 FEET; 14) NORTH 21 DEG. $30'18"$ WEST A DISTANCE OF 321.08 FEET; 15) NORTH 01 DEG. $02'17"$ EAST A DISTANCE OF 157.85 FEET; 16) NORTH 26 DEG. $43'03"$ WEST A DISTANCE OF 157.85 FEET; 17) NORTH 09 DEG. $51'50"$ WEST A DISTANCE OF 81.48 FEET; 18) NORTH 00 DEG. $51'50"$ WEST A DISTANCE OF 81.48 FEET;	2)	NORTH	05	DEG	10/521	E N C M	λ	DISTAN	CEC	F 522.65 FEET;
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5) NORTH 35 DEG. $31'55"$ WEST A DISTANCE OF 7.65 FEET; 6) NORTH 35 DEG. $30'47"$ WEST A DISTANCE OF 114.68 FEET; 7) NORTH 52 DEG. $56'52"$ EAST A DISTANCE OF 1073.09 FEET; 8) NORTH 49 DEG. $41'16"$ EAST A DISTANCE OF 511.80 FEET; 9) NORTH 47 DEG. $31'55"$ EAST A DISTANCE OF 161.40 FEET; 10) NORTH 50 DEG. $20'21"$ EAST A DISTANCE OF 19.73 FEET; 11) NORTH 50 DEG. $20'14"$ EAST A DISTANCE OF 103.55 FEET; 12) NORTH 24 DEG. $33'41"$ EAST A DISTANCE OF 57.27 FEET; 13) NORTH 04 DEG. $39'24"$ EAST A DISTANCE OF 135.86 FEET; 14) NORTH 21 DEG. $30'18"$ WEST A DISTANCE OF 321.08 FEET; 15) NORTH 01 DEG. $02'17"$ EAST A DISTANCE OF 157.85 FEET; 16) NORTH 26 DEG. $43'03"$ WEST A DISTANCE OF 22.40 FEET; 17) NORTH 09 DEG. $51'50"$ WEST A DISTANCE OF 81.48 FEET; 18) NORTH 00 DEG. $47'46"$ WEST A DISTANCE OF 81.48 FEET;	4)	NORTH	16	DEG	52/101	11	- n	DISTAN	$C \in O$	18 86 00 DDDm.
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12) NORTH 24 DEG. $33'41"$ EAST A DISTANCE OF 158.56 FEET; 13) NORTH 04 DEG. $39'24"$ EAST A DISTANCE OF 57.27 FEET; 14) NORTH 21 DEG. $30'18"$ WEST A DISTANCE OF 135.86 FEET; 15) NORTH 01 DEG. $02'17"$ EAST A DISTANCE OF 321.08 FEET; 16) NORTH 26 DEG. $43'03"$ WEST A DISTANCE OF 157.85 FEET; 17) NORTH 09 DEG. $51'50"$ WEST A DISTANCE OF 22.40 FEET; 18) NORTH 00 DEG. $47'46"$ WEST A DISTANCE OF 81.48 FEET;	- /	NORTH	50	DEG.	20/21"	EAST	A	DISTAN	ים בט ידי היי	F 100 FF
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14) NORTH 21 DEG. $30'18"$ WEST A DISTANCE OF 135.86 FEET; 15) NORTH 01 DEG. $02'17"$ EAST A DISTANCE OF 321.08 FEET; 16) NORTH 26 DEG. $43'03"$ WEST A DISTANCE OF 157.85 FEET; 17) NORTH 09 DEG. $51'50"$ WEST A DISTANCE OF 22.40 FEET; 18) NORTH 00 DEG. $47'46"$ WEST A DISTANCE OF 81.48 FEET;		NORTH	24	DEG.	33/41"	FAST	λ	DISIAN		F 158.56 FEET;
15) NORTH 01 DEG. $02'17"$ EAST A DISTANCE OF 321.08 FEET; 16) NORTH 26 DEG. $43'03"$ WEST A DISTANCE OF 157.85 FEET; 17) NORTH 09 DEG. $51'50"$ WEST A DISTANCE OF 22.40 FEET; 18) NORTH 00 DEG. $47'46"$ WEST A DISTANCE OF 81.48 FEET;	13)	NORTH	04	DEG.	39/24"	FACM	л Х	DISTANC	JE OI	F 57.27 FEET;
15) NORTH 01 DEG. $02'17"$ EAST A DISTANCE OF 321.08 FEET; 16) NORTH 26 DEG. $43'03"$ WEST A DISTANCE OF 157.85 FEET; 17) NORTH 09 DEG. $51'50"$ WEST A DISTANCE OF 22.40 FEET; 18) NORTH 00 DEG. $47'46"$ WEST A DISTANCE OF 81.48 FEET;	14)	NORTH	21	DEG	30/101	LINCO	Å.	DISTANC	CE OI	F 135.86 FEET:
16) NORTH 26 DEG. 43'03" WEST A DISTANCE OF 157.85 FEET; 17) NORTH 09 DEG. 51'50" WEST A DISTANCE OF 22.40 FEET; 18) NORTH 00 DEG. 47'46" WEST A DISTANCE OF 81.48 FEET;	15)	NORTH	01	DEC	02/170	ND 00	÷.	DISTANC	E OI	5 321.08 FEET:
17) NORTH 09 DEG. 51/50" WEST A DISTANCE OF 22.40 FEET; 18) NORTH 00 DEG. 47/46" WEST A DISTANCE OF 81.48 FEET;	16)	NORTH	26	DEC	40/000	114401	n.	DISTANC	E OF	157.85 FEFT
18) NORTH OO DEG 47/46H FLOR A DISTANCE OF 81.48 FEET:	17)	NORTH	ñã	DEC.	43'U3"	WEST	A	DISTANC	CE OF	7 22.40 FEET:
NORTH LINE OF THE SOUTHWEST QUARTER OF SALD SECTION	181	NORTH	00	DEC.	51,20"	WEST	A	DISTANC	E OF	7 81.48 FEET
DEG THE SOUTHWEST QUARTER OF SALD SECTION AND A	NOR	PH LINE	៓៱៵		4/'46"	EAST .	Α	DISTANC	E OF	55.30 FFFT TO X
- UNIT: 487/1911 DIAM ITANYA + 7 '''''''''''''''''''''''''''''''''	DEG	48109	105	ACC 1	SOUTHWE	ST QU	AR	TER OF	SAIL	SECTION 36. TUEN

POINT ON THE 48'08" EAST ALONG SAID NORTH LINE A DISTANCE OF 2628.06 FEET TO THE CENTER QUARTER CORNER OF SAID SECTION 36; THENCE SOUTH 84 DEG. 48'08" EAST ALONG THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 36 A DISTANCE OF 2668.60 FEET TO THE POINT OF BEGINNING.



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der Countu Clerk, CO

Exhibit 1 Continued Legal Description Continued

20-1-4 Together with a 50% undivided interest in the appurtenant water ${\cal O}$ rights, including but not limited to 10 units of the Northern Colorado Water Conservancy District; a 50% undivided interest in 145 shares of the capital stock of the Boulder and White Rock Ditch and Reservoir Company; a 50% undivided interest in the Becky Reservoir System, decreed July 7, 1971, in Case No. W-338, Water Division I, for 132.48 acre feet of water for Reservoir No. 1 and 88.64 acre feet of water for Reservoir No. 2 from percolating water tributary to Boulder Creek, with an appropriation date of January 22, 1963; a 50% undivided interest in the Becky Seepage Ditch decreed in Case No. W-340, Water Division I, for 2 c.f.s. of water from seepage and flood waters tributary to Boulder Creek, with an appropriation date of January 22, 1963; and a 50% undivided interest in a plan of augmentation as decreed in Case No. W-8650-77; all owned by Grantor, and a 50% undivided interest in the Becky Seepage Collection Sump with an appropriation date of May, 1964 decreed on July 7, 1971, in Case No. W-336, Water Division I.

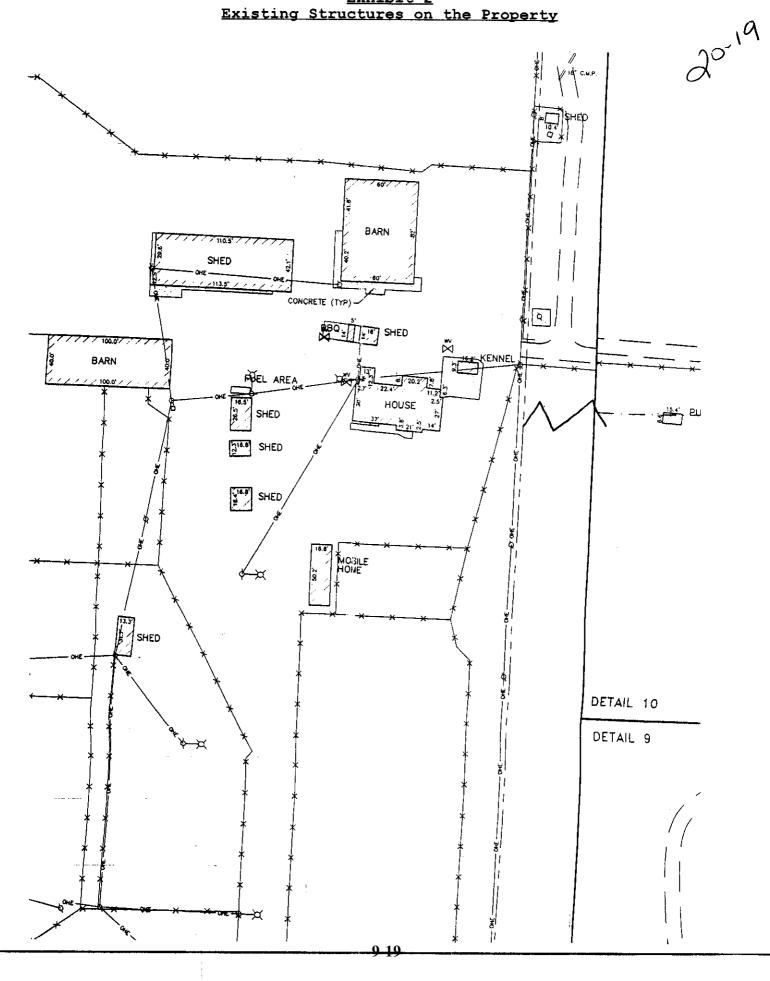


County Clerk, CO Boulder -CF

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Exhibit 2 Existing Structures on the Property

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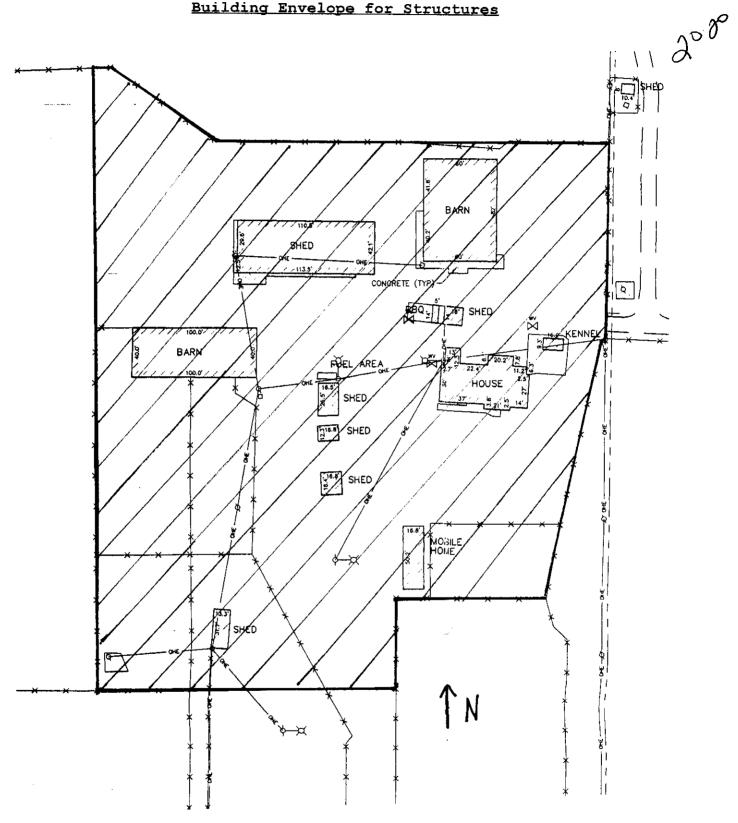
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Boulder County Clerk, CO CE

Exhibit 3 Building Envelope for Structures

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APR 1 3 1979

Recorded 7:54 A. M. On APR 13 1979 332044 Reception No. Charlotte Houston, Boulder County Recorder

EXHIBIT 10

D-1

rm 88—(Producer) n., Okla. & Colo. 1957 C Rev 1974 OIL AND GAS LEASE	
THIS AGREEMENT, Entered into this the 4th day of April	
ween Joseph R. Becky, 6500 E. 6th Ave., Denver, Colorado ND P.H.C., Inc., a Colorado Corporation	
Martin Oil Service, Inc., Box 298, Blue Island, IL 60406	hereinafter called lessor, after called lessee, does witness:
1 That lessor, for and in consideration of the sum of <u>ten</u> Dollars in hand paid and of the covenants and a be performed by the lessee, has this day granted, leased, and let and by these presents does hereby grant, lease, and let enalter described land, and with the right to unitize this lease or any part thereof with other oil and gas leases as to all or rehy as hereinafter provided. for the purpose of carrying on geological, geophysical and other exploratory work, including core d operating for, producing, and saving all of the oil, gas, casinghead gas, casinghead gasoline and all other gases and the for constructing roads, laying pipe lines, building tanks, storing oil, building power stations, telephone lines and other save, take care opstances, and for housing and boarding employees, said tract of land with any reversionary rights therein being situated in a strate of land with any reversionary rights therein being situated in a strate of land with any reversionary rights therein being situated in a strate of land with any reversionary rights therein being situated in a strate of land with any reversionary rights therein being situated in a strate of land with any reversionary rights therein being situated in the strate of land with any reversionary rights therein being situated in the strate of land situated situated in the strate of land situated in the strate of land situated in the strate of la	agreements hereinafter contained exclusively unto the lessee the r any part of the lands covered friling, and the drilling, minng, ir respective constituent vapors, structures thereon necessary or of, and manufacture all of such
Soulder and Weld Counties, State of Colorado, and described as follo	ws:
<u>'ownship 2 North, Range 69 West of the 6th P.M., Boulder C</u> Section 27: EhSWh Section 36: SWh, NhSEh, SEhSEh	<u>ounty, Colorado</u>
Cownship 1 North, Range 68 West of the 6th P.M., Weld Coun Section 6: NW4 (EXCEPT tracts of land described in Book 531, and Book 519, Reception No. 1440776 of Weld County, Colorado.)	1551 at Page
(Rider Attached)	515_acres, more or less.
 It is agreed that this lease shall remain in full force for a term of three (3) years from this date gas, or either of them, is produced from said land or from lands with which said land is consolidated; or the premises a In consideration of the premises the said lessee covenants and agrees: To deliver to the credit of lessor, free of cost, in the pipe line to which lessee may connect his wells, the equal 	e. and as long thereafter as oil ire being developed or operated. 16% -one-sighth_(%) part of all oil
oduced and saved from the leased premises. 4. The lessee shall monthly pay lessor as royalty on gas marketed from each well where gas only is found, one sighth its ell, or if marketed by lessee off the leased premises, then one-sighth its of its market value at the well. The lessee shall pay the proceeds received by the lessee from the sale of casinghead gas, produced from any oil well and used by lessee off the lease sed on the leased premises by the lessee for purposes other than the development and operation theroit. Lessor shall have the person of using was from any gas well on said land for stoves and inside lights in the principal dwelling located on the lease	e privilege at his own risk and
nnections theredo. Where gas from a well or wells, capable of producing gas only. Is not sold or used for a period of one year, lessee s mount equal to the delay rental as provided in paragraph (5) hereof payable annually on the anniversary date of this lease ar during which such gas is not sold or used, and while said royalty is so paid or tendered this lease shall be held as a	hall pay or tender as royalty, an e following the end of each such producing property under para-
The numbered two hereof. 5. If operations for the drilling of a well for oil or gas are not commenced on said land on or before the <u>4</u> day its lease shall terminate as to both parties, unless the lessee shall on or before said date pay or tender to the lessor of <u>Fuaranty Bank & Trust Fore</u> <u>1000</u> , <u>1000</u>	y of <u>April</u> , 1980 or for the lessor's credit in the essors, which Bank and its suc- of changes of pungraphip in said
neck or draft of lessee or any assignee thereof, mailed or delivered on or before the rental paying date, either direct to lessor ank, and it is understood and agreed that the consideration first recited herein, the down payment, covers not only the pr sld first rental is payable as aforesaid, but also the lesser's option of extending that period as aforesaid and any and all oth t any time execute and deliver to Lessor, or place of record, a release or releases covering any portion or portions of th hereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrender	or assigns or to said depository ivliege granted to the date when her rights conferred. Lessee may e above described premises and red, and thereafter the rentals
ayable hereunder shall be reduced in the proportion that the acreage covered hereon is reduced by said release or releases. 6. Should the first well drilled on the above described land be a dry hole, then, and in that event, if a second well ithin twelve months from expiration of the last rental period for which rental has been paid, this lease shall terminate save on or before the expiration of said twelve months shall resume the payment of rentals in the same amount and in the rowided. And it is agreed that upon the resumption of the payment of rentals, as above provided, that the last preceding syment of rentals and the effect thereof shall continue in force just as though there had been no interruption in the rental	is not commenced on said land e as to both parties, unless the he same manner as hereinbefore paragraph hereof, governing the
7. If said lessor owns a less interest in the above described and than the entire and undivided fee simple estate there erein provided shall be paid the lessor only in the proportion which his interest bears to the whole and undivided fee. He reased at the next succeeding rental anniversary after any reversion occurs to cover the interest so acquired.	in, then the royalties and rentals
8. The lessee shall have the right to use, free of cost, gas, oil and water found/on said land for its operations thereon in elessor. When required by lessor, the lessee shall be drilled nearer than 200 feet to the house or barn how on said premises without writter, consent he right at any time during, or after the expiration of, this lease to remove all machinery, fixtures houses, buildings and remove all casing. Lessee agrees, upon the completion of any test as a dry hole coroducing well, to restore the premises to their original contour as near as practicable and to remove all installations with	y its operations to growing crops t of the lessor. Lessee shall have other structures placed on said or upon the abandonment of any
9. If the estate of either party hereto is assigned and the privilege of arsigning in whole or in part is expressly allowed, o the heirs, devisees, executors, administrators, successors, and assigns, but no change of ownership in the land or in the ue under this lease shall be binding on the lessee until it has been furnished with either the original recorded instrument opy thereof or a certified copy of the will of any deceased owner and of the probate thereof, or certified copy of the pro n administrator for the estate of any deceased owner, whichever is appropriate, together with all original recorded instrum eld copies thereof necessary in showing a complete chain of title back to lessor to the full interest claimed, and all advance inder before receipt of said documents shall be binding on any direct or indirect assignee, grantee, devisee, administrator, ex	e rentais or royaities or any sum of conveyance or a duly certified occeedings showing appointment of ients of conveyance or duly certi- e payments of rentais made here-
10. It is hereby agreed that in the event this lease shall be assigned as to a part or as to parts of the above describe of any such part or parts shall make default in the payment of the proportionate part of the rent due from him or them, s defeat or affect this lease insofar as it covers a part of said land upon which the lessee or any assignee freeof shall make	such default shall not operate to
11. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the lessee, at its o whole of in part any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands and, t shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying to the discharge of len, any royalty or rentals accruing hereunder.	in event it everaiser such antion
12. Notwithstanding anything in this lease contained to the contrary, it is expressly agreed that if lessee shall comm ime while this lease is in force, this lease shall remain in force and its terms shall continue so long as such operations a results therefrom, then as long as production continues.	ence operations for drilling at any are prosecuted and, if production
If within the primary term of this lease, production on the leased premises shall cease from any cause, this lease rations for the drilling of a well shall be commenced before or on the next ensuing rental paying date; or, provided lessee berentals in the manner and amount hereinbefore provided. If, after the expiration of the primary term of this lease, product cease from any cause, this lease shall not terminate provided lessee resumes operations for re-working or drilling a well we cessation and this lease shall remain in force during the prosecution of such operations and, if production results therefre continues.	egins or resumes the payment of tion on the leased premises shall lithin sixty (60) days from such
13. Lessee is hereby given the right at its option, at any time and from time to time, to pool or unitize all or a scribed land with other land, lease, or leases in the immediate vicinity thereof, such pooling to be into units not exceeding a well may be drilled under laws, rules, or regulations in force at the time of such pooling or unitization: provided, how such minimum by not more than ten acres if such excess is necessary in order to conform to ownership subdivisions or said option, as to each desired unit, by executing and recording an instrument identifying the unitized area. Any well day part of each such unit shall be considered a well drilled or operations conducted under this lease, and there shall b	g the minimum size tract on whit wever, that such units may excee lease lines. Lessee shall exercis drilled or operations conducted c
bove described land included in any such unit such proportion of the actual production from all wells on such unit as portion, computed on an acreage basis, bears to the entire acreage of such unit. And it is understood and agreed that be considered for all purposes, including the payment or delivery of royalty, to be the entire production from the porti cluded in such unit in the same manner as though produced from the above described land under the terms of this lease	: lessor's interest, if any, in suc the production iso allocated sha on of the above described land in
14. This lease and all its terms, conditions and stipulations shall extend to, and be binding on each of the parties we whether such lessor is named above and regardless of whether it is signed by any of the other parties herein named as is in counterparts, each to have the same effect as the original. P.H.C., Inc.	
IN WITNESS WHEREOF, we sign the day and year first above written. Witness: BY:	Sty any ogin
Joseph R. Becky	President

	P.H.C., Inc.
	BY: Change State Angel
	Joseph R. Becky, President
1	Attest: Thomas Cavisla
	Thomas J. Zavislan, secre

Zavislan, secretary

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To be attached to and made a part of that certain Oil & Gas Lease dated April 4, 1979, between Joseph R. Becky AND P.H.C., Inc., a Colorado Corporation as Lessors and Martin Oil Service, Inc. as Lessee.

In the event a well or wells producing any substances covered hereby in paying quantity should be brought in on adjacent land, lessee agrees to drill such offset wells as a prudent operator would drill under the same or similar circumstances. Provided, however, that such well or wells are owned by lessee herein, lessee agrees to drill such offset wells to protect lessor herein from any drainage caused by lessee or to pay lessor compensatory royalty for drainage so caused by lessee regardless of such prudent operators standards.

Lessee, its agents, contractors, employees or licensees shall under no circumstances cut, alter, or repair any fence or portion of any fence unless lessors consent is first obtained.

Lessee, its agents, contractors, employees or licensees shall use existing roads where feasible, and in constructing new roads where needed in operations, shall locate same after consultation with lessor in such manner as shall be least injurious to lessors use of the surface.

Upon completion of any well, or upon abandonment of any such well, or any other facility, the surface of the ground shall be smoothed and all excavation shall be forthwith filled and leveled by lessee.

If requested by lessors, all well sites, tank batteries and other facilities shall be fenced in order to attempt to avoid injury to or death of lessors livestock and horses.

It is understood and agreed that in the event lessors shall intend to subdivide all or a portion of said leased premises into homesites, lessor shall submit to lessee a plat of the proposed subdivision, which after review by lessee, shall be amended so as to reserve to lessee such 3-acre drilling sites designated by Lessee as may reasonably be necessary to the development by lessee of the leased premises in accordance with the rules and regulations of the Oil and Gas Conservation Commission of Colorado. Upon the making of such subdivision based upon such amended plat, lessee shall surrender the right to use the surface of the land within such subdivision, save and except the reserved 3-acre drilling sites but Lessee shall reserve the right of ingress and egress to and from such sites.

Notwithstanding anything to the contrary contained herein, the royalties provided for shall be sixteen percent (16%); however at such time as the oil production from a well or wells average over a calendar month shall be less than ten barrels per well per day or less, the lessors royalty for each month shall be reduced to twelve and one-half percent $(12\frac{1}{2}\%)$. Lessee in good faith agrees not to restrict oil production under said lease in a way that would serve to reduce lessors royalty from the higher percentage above stated.

Royalties on a shut-in well shall be calculated the same as rentals and a shut-in well will only extend the lease three years after the end of the primary term.

All of the provisions of this lease shall inure to the benefit of and be binding upon the parties hereto, their heirs, administrators, successors and assigns.

IN WITNESS WHEREOF, this above written.	s instrument is executed on the date first
	P.H.C., Inc.,
Joseph R. Becky	BY: Joseph R. Berry, President
an a	
	10-3 Thomas J. Zavislan, Sec.

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FILM 1062 Furm 88-(Producers) Kan., Okla. & Colo. 1957 C Rev 1974 OIL AND GAS LEASE	2
THIS AGREEMENT, Entered into this the <u>17th</u> day of <u>April</u> between J. Hammond Jones and Lillie A. Jones, husband and wife	
20009 Mustang Ct. Sun City, Arizona 85373 and Martin Oil Service, Inc., Box 298, Blue Island, IL 60406 hereInafter	hereinafter called lessor, called lessee, does witness:
1 That lessor, for and in consideration of the sum of <u>ten</u> Dollars in hand paid and of the covenants and agree to be performed by the lessee, has this day granted, leased, and let and by these presents does hereby grant, lease, and let excl hereinafter deveribed land, and with the right to unitize this lease or any part thereof with other oil and gas leases as to all or an thereby as hereinafter provided, for the purpose of carrying on geological, geophysical and other exploratory work, including core drillin and operating for, producing, and saving all of the oil, gas, casinghead gas, casinghead gasoline and all other gases and their re and for constructing roads, laving pipe lines, building tanks, storing oil, building power stations, telephone lines and other strue convenient for the economical operation of said land alone or conjointly with neighboring lands, to produce, save, take care of, a substances, and for housing and boarding employees, said tract of land with any reversionary rights therein being situated in the	ments hereinafter contained lusively unto the lessee the y part of the lands covered ng, and the drilling, mining, sepective constituent vapors, clures thereon necessary or and manufacture all of such
Boulder, State of Colorado, and described as follows:	county 01,
Township 2 North, Range 69 West of the 6th P.M. Section 36: SWA, SEASEA	MAX 1 4 1070
Recorded	ulder County Recorder,
2. It is agreed that this lease shall remain in full force for a term of <u>five (5)</u> or gas, or either of them, is produced from said land for from lands with which said land is consolidated) or the premises are b 3. In consideration of the premises the said lessee covenants and agrees:	200 geres, more or less. 1980 Id as long thereafter as oil leing developed or operated.
To deliver to the credit of lessor, free of cost, in the pipe line to which lessee may connect his wells, the equal one produced and saved from the leased premises.	
4. The lessee shall monthly pay lessor as royalty on gas marketed from each well where gas only is found, one-eighth (i_0) of well, or if marketed by lessee off the leased premises, then one-eighth (i_0) of its market value at the well. The lessee shall pay the of the proceeds received by the lessee from the sale of casinghead gas, produced from any oil well; to one-eighth (i_0) of the value of the prevailing market price, of the casinghead gas, produced from any oil well and used by lessee off the leased premises other than the development and operation theref. Lessor shall have the prevence of using gas from any gas well on said land for stoves and inside lights in the principal dwelling located on the leased p	lessor: (a) one-eighth (1/2), e. at the mouth of the well, oremises for any purpose or ivilege at his own risk and
Where gas from a well or wells, capable of producing gas only, is not sold or used for a period of one year, lessee shall amount equal to the delay rental as provided in paragraph (5) hereof payable annually on the anniversary date of this lease fol year during which such gas is not sold or used, and while said royalty is so paid or tendered this lease shall be held as a prod graph numbered two hereof.	llowing the end of each such tucing property under para-
5. If operations for the drilling of a well for oil or gas are not commenced on said land on or before the $17th$ day of this lease shall terminate as to both parties, unless the lessee shall on or before said date pay or tender to the lessor or for First National Bank at Sun City, Arizona 85373, or its successor cessors are the lessor's agent and shall continue as the depository of any and all sums payable under this lease regardless of cland or in the oil and gas or in the rentals to accrue hereunder, the sum of <u>TWO hundred and no/100th</u> erate as a rental and cover the privilege of deferring the commencement of operations for drilling for a period of one year. In payments or tenders the commencement of operations for drilling may further be deferred for like periods successively. All payment, check or draft of lessee or any assignee thereof, mailed or delivered on or before the rental paying date, either direct to lessor or bank and it is understood and agreed that the consideration first recited herein, the down payment, covers not only the privile said first rental is payable as aforesaid, but also the lessee's option of extending that period as aforesaid and any and all other rate as a store such portion or portions and be relieved of all obligations as to the acreage surrendered.	s, which Bank and its suc- hanges of ownership in said <u>1S</u> Dollars, which shall op- like manner and upon like s or tenders may be made by assigns or to said depository ge granted to the date when ights conferred. Lessee may ove described premises and
payable hereunder shall be reduced in the proportion that the acreage covered hereon is reduced by said release or releases. 6. Should the first well drilled on the above described land be a dry hole, then, and in that event, if a second well is n within twelve months from expiration of the last rental period for which rental has been paid, this lease shall terminate as lessee on or before the expiration of said twelve months shall resume the payment of rentals in the same amount and in the s provided. And it is agreed that upon the resumption of her payment of rentals, as above provided, that the last preceding pare payment of rentals and the effort the rest thereof shall continue in force just as though there had been no interruption in the rental pay	to both parties, unless the ame manner as hereinbefore agraph hereof, governing the
7. If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, there is provided shall be paid the lessor only in the proportion which his interest bears to the whole and undivided fee. However, ereased at the next succeeding rental anniversary after any reversion occurs to cover the interest so acquired.	hen the royalties and rentals
8. The lessee shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, ex the lessor. When required by lessor, the lessee shall bury its pipe lines below plow depth and shall pay for damage caused by its on said land. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without writter, consent of the right at any time during, or after the expiration of, this lease to remove all machinery. fixtures houses, buildings and othe premises, including the right to draw and remove all casing. Lessee agrees, upon the completion of any test as a dry hole or up producing well, to restore the premises to their original contour as near as practicable and to remove all installations within as	operations to growing crops the lessor. Lessee shall have r structures placed on said oon the abandonment of any
9. If the estate of either party hereto is assigned and the privilege of assigning in whole or in part is expressly allowed), the to the heirs, devisees, executors, administrators, successors, and assigns, but no enange of ownership in the land or in the rendue under this lease shall be binding on the lessee until it has been furnished with either the original recorded instrument of e copy thereof or a certified copy of the will of any deceased owner and of the probate thereof, or certified copy of the will of any deceased owner, whichever is appropriate, together with all original recorded instruments fied copies thereof needs and all devinee that on the chief of the state of any deceased owner, whichever is appropriate, together with all original recorded instruments fied copies thereof needsary in showing a complete chain of tile back to lessor to the full interest claimed, and all advance pa under before receipt of said documents shall be binding on any direct or indirect assignee, grantee, devisee, administrator, execut	itals or royaities or any sum onveyance or a duly certified lings showing appointment of of conveyance or duly certi- yments of rentals made here-
10. It is hereby agreed that in the event this lease shall be assigned as to a part or as to parts of the above described in of any such part or parts shall make default in the payment of the proportionate part of the rent due from him or them, such defeat or affect this lease insofar as it covers a part of said land upon which the lessee or any assignce fereof shall make due.	default shall not operate to
11. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the lessee, at its optic whole or in part any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands and, in it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying to the discharge of any lien, any royalty or rentals accruing hereunder.	event it exercises such option.
12. Notwithstanding anything in this lease contained to the contrary, it is expressly agreed that if lessee shall commence time while this lease is in force, this lease shall remain in force and its terms shall continue so long as such operations are results therefrom, then as long as production continues.	operations for drilling at any prosecuted and, if production
If within the primary term of this lease, production on the leased premises shall cease from any cause, this lease shall rations for the drilling of a well shall be commenced before or on the next ensuing rental paying date; or, provided lessee begin rentals in the manner and amount hereinbefore provided. If, after the expiration of the primary term of this lease, production cease from any cause, this lease shall not terminate provided lessee resumes operations for re-working or drilling a well within cessation and this lease shall remain in force during the prosecution of such operations and, if production results therefrom, continues.	s or resumes the payment of on the leased premises shall a sixty (60) days from zuch
13. Lessee is hereby given the right at its option, at any time and from time to time, to pool or unitize all or any p scribed land with other land, lease, or leases in the immediate vicinity thereof, such pooling to be into units not exceeding the a well may be drilled under laws, rules, or regulations in force at the time of such pooling or unitization: provided, however such minimum by not more than ten acres if such excess is necessary in order to conform to ownership subdivisions or leas said option, as to each desired unit, by executing and recording an instrument identifying the unitized area. Any well drill any part of each such unit shall be considered a well drilled or operations conducted under this lease, and there shall be all above described land included in any such unit such proportion of the actual production from all wells on such unit as less portion, computed on an acreage basis, bears to the entire acreage of such unit. And it is understood and agreed that the be considered for all purposes, including the payment or droyalty, to be the entire production from the portion of cluded in such unit in the same manner as though produced from the above described land under the terms of this lease.	e minimum size tract on which r, that such units may exceed se lines. Lessee shall exercise ed or operations conducted on located to the portion of the sor's interest, if any, in such e production so allocated abali

14. This lease and all its terms, conditions and stipulations shall extend to, and be binding on each of the parties who signs this lease, regardless of whether such lessor is named above and regardless of whether it is signed by any of the other parties herein named as lessors. This lease may be signed in counterparts, each to have the same effect as the original.

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IN Witnes	WITNESS WHEREOF, we sign the day and year first above written.
/	Lillie a. Jones
	Lillie A. Jones 1
	s.s.#-522-46-3622

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EXHIBIT 11



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COMBINED AND RESTATED DEED OF CONSERVATION EASEMENT IN GROSS

THIS COMBINED AND RESTATED DEED OF CONSERVATION EASEMENT IN GROSS ("Easement") is entered into this $\int \frac{1}{2} day$ of $\int day$, 2006, by and between Jules Van Thuyne, Jr., ("Grantor") and the County of Boulder, a body corporate and politic ("Grantee").

RECITALS

WHEREAS, Grantor is the sole owner of certain real property and water rights within the County of Boulder, State of Colorado, consisting of 210.595 acres of agricultural land, more particularly described in Exhibit A attached hereto and incorporated herein by this reference (the "Almquist Property").

WHEREAS, Grantee purchased nine separate conservation easements over and across Parcels 1 through 11, which Parcels collectively constitute the Almquist Property.' It is intended that this Easement shall restate, merge, supercede and replace in their entirety, but not interrupt the perpetual duration of, each of the nine conservation easements over and across the Almquist Property so as to combine the entire Almquist Property into a single parcel which may not be subdivided, and to place the entire Almquist Property under a single conservation easement.

WHEREAS, this Easement shall also encumber a fifty (50%) undivided interest in the following water rights: 39 units of the Northern Colorado Water Conservancy District and 155 shares of Boulder and Whiterock Ditch and Reservoir Company, as set forth on <u>Exhibit A</u> (the "Water Rights"). The Almquist Property together with the Water Rights shall collectively be referred to hereinafter as the "Property"; and

WHEREAS, the Property is comprised of approximately 210.595 acres of prime and important agricultural land, as determined by the Natural Resources Conservation Service ("NRCS"), and water rights necessary to the continuation of agricultural production; and

1 The parcel conservation easements were acquired by County in nine separate transactions and were recorded in the office of the Boulder County Clerk and Recorder under Reception Nos. 1718845 (Parcel 1, recorded on July 31, 1997), 1832250 (Parcel 2, recorded on August 6, 1998); 1966313 (Parcel 3, recorded on July 30, 1999); 2078719 (Parcel 4, recorded on September 14, 2000), 2189546 (Parcel 4 amendment, recorded on August 27, 2001); 2313425 (Parcel 5, as re-recorded on July 31, 2002); 2313428 (Parcel 6, recorded on July 31, 2002); 2485113 (Parcel 7, recorded on August 8, 2003); and 2611096 (Parcel 8, recorded on July 26, 2004); and <u>1451083</u> (Parcels 9,10 and 11, recorded on <u>Current 20, 2006</u>)

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WHEREAS, the current use of the Property is for agricultural crop production purposes and livestock grazing purposes; and

WHEREAS, the Property's significant agricultural resources, its present and continued agricultural use and its open space values are of great importance to Grantor, Grantee and the people of the County of Boulder and are worthy of preservation; and

WHEREAS, Grantor desires to continue responsible agricultural practices and the use of the Property in such a manner that protects the Property's agricultural and water resources; and

WHEREAS, it is the policy of Boulder County to encourage preservation and utilization of prime agricultural lands for agricultural uses as such policy is declared in the Boulder County Comprehensive Plan; and

WHEREAS, the Boulder County Zoning Resolution, adopted by the Boulder County Board of Commissioners pursuant to the Boulder County Comprehensive Plan, designates the Property as "Agricultural" and provides that permissible uses of the Property are limited to agricultural production and certain other compatible or agricultural-related uses; and

WHEREAS, the State of Colorado has recognized the importance of private efforts to preserve land in a natural, scenic, historical or open condition, and for wildlife habitat and agricultural uses consistent with the protection of open land having undisturbed or restored environmental quality, by the enactment of C.R.S. § 38-30.5-101, et seq.; and

WHEREAS, Grantor desires to convey an interest in the Property to Grantee in order to assure its preservation in perpetuity; and

WHEREAS, Grantee recognizes the public benefit to be served by such preservation as described in the Boulder County Comprehensive Plan Environmental Resources and/or Open Space Sections; and

WHEREAS, Grantee has acquired its conservation easement interest in the Property from Grantor in order to assure its preservation in perpetuity for agricultural uses and for the open space function which it serves.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and further pursuant to C.R.S. § 38-30.5-101, <u>et</u> <u>seq.</u>, Grantor hereby conveys to Grantee, its successors and assigns, this Easement, a perpetual Conservation Easement in Gross consisting of the rights hereinafter enumerated, over and across the Property.

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Purpose. It is the purpose of this Easement to preserve and protect in perpetuity the significant agricultural resources of the Property, including soils designated by the NRCS as being prime and important farmland, its continued agricultural use and its open space values. Any and all development rights now or hereafter associated with the Property, including, without limitation, all rights, however designated that may be used pursuant to applicable zoning laws, or other governmental laws or regulations, to compute permitted size, height, bulk, or number of structures, development density, lot yield, or any similar development variable on or pertaining to the Property are hereby extinguished.

Affirmative Rights Conveyed. The affirmative rights conveyed to Grantee by this Easement are the following:

To preserve and protect in perpetuity the open space (a) values and the agricultural and water resources of the Property, including prime and important farmland soils.

- To require that the Property be managed consistent with (b) the conservation plan as described in Paragraph 14 of this Easement.
- To enter upon the Property to inspect and enforce the (C) rights herein granted upon prior notice to Grantor, Grantor's successors and assigns, in a manner that will not unreasonably interfere with the proper uses being made of the Property at the time of such entry.
- (d) To be considered an owner of an interest in the Property, and therefore a co-applicant, for the purpose of any application for zoning change, annexation to а municipality, variance to or exemption from the land use regulations of the controlling jurisdiction, right-of-way vacation, building permit, grading permit or other permit pertaining to a use of the Property which is regulated by a governmental authority and not otherwise provided for in the Easement. 'The County's status of owner of an interest in the Property shall be limited to the right to sign or refuse to sign the aforementioned applications and shall carry no further obligation, financial or otherwise, except as provided in Paragraph 11 concerning condemnation.

Almquist Combined Conservation Easement

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- To review and approve or deny applications from the (e) for neither expressly granted nor Grantor uses specifically prohibited by the Easement described herein but which may be conducted in a manner consistent with agriculture as the primary use of the Property and which do not compromise the value of the land as prime cropland. Approval, if granted, shall be by resolution of the Board of County Commissioners of Boulder County and recorded in the office of the County Clerk and Recorder.
- (f) The first right to purchase the Property. In the event the Grantor desires to sell the Property and receives a bona fide offer for such sale, the Property shall be offered to the Grantee who shall have a first right to purchase such offered fee interest for the same terms and conditions as the bona fide offer or for an amount and terms equally acceptable to the Grantor. Written notice of such bona fide offer shall be given to the Grantee who shall have thirty (30) days from the date of receipt of the written notice to accept such offer, and if not accepted, the sale may be made to such third party purchaser. Except as expressly provided herein, Grantor retains exclusive access to and use of the Property. The County's first right of refusal shall not apply to any conveyance by Julius Van Thuyne, Jr. to his heirs. However, the County's first right of refusal shall attach to the Property conveyed by Julius Van Thuyne, Jr. to his heirs and to any offers received by Julius Van Thuyne, Jr. or his heirs for the Property.

Pursuant to C.R.S. § 15-11-1102(1)(a) and (b), if the right of first refusal conveyed to the Grantee under this Easement does not vest within 90 years after the date of execution of this Easement by both parties, said interest shall automatically be severed from the remainder of the interests conveyed herein and shall automatically terminate.

<u>Permitted Uses and Practices</u>. Grantor intends that this Easement shall confine the future use of the Property to agricultural uses and related structures and the other related or compatible uses which are described herein. The following uses and practices are permitted under this Easement, and these practices are not to be precluded, prevented, or limited

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Almquist Combined Conservation Easement

3.



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by this Easement:

- (a) Continuation of agricultural uses, including the open growing of commercial nursery stock and the pasturing, grazing, feeding, and care of livestock at a level consistent with the Boulder County Zoning Resolution and with the conservation plan for the Property as described in Paragraph 14 of this Easement. The agricultural activities shall not result in the pollution or degradation of any surface or subsurface waters.
- (b) Grantor shall not have the right to construct or place any structures on the Property, except as specifically provided in this Easement.
- (c) Maintenance, repair, replacement and use of all roads and structures, legally existing on the Property as of the date of the Easement, substantially in their present condition [and at substantially the same location] or additional irrigation improvements as reasonably necessary for the uses permitted on the Property.
- (d) Installation, maintenance, repair, removal and relocation, and replacement of utility mains, lines and underground facilities for the purpose of providing utility services to the Property exclusively. Any mains, underground facilities used lines and for telecommunication, as defined in Paragraph 4(b)(20) of this Easement, shall be governed by Paragraph 4(b)(20). All such utilities shall be placed in such a manner to limit the disturbance to the protected soils.
- (e) Development and maintenance of such water resources on Property as are necessary or convenient for the irrigation and the agricultural uses conducted thereon pursuant to the terms hereof; provided, however, that the development and use of such water resources shall be compatible with the purposes of this Easement to protect and preserve the agricultural and open space values of Permitted activities shall include the Property. installation, maintenance, repair, removal and relocation, and replacement of agricultural irrigation facilities, including ditches, pipes and water diversion structures consistent with the conservation plan.
- (f) Use of agrichemicals, including but not limited to, fertilizers and biocides, but only in those amounts and

Almquist Combined Conservation Easement



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that frequency of application necessary to with accomplish reasonable agricultural purposes. Such use shall not contaminate surface and ground water. Grantor shall control all noxious weeds according to the provisions of Title 35 of Colorado Revised Statutes and/or the administrative rules and regulations promulgated by the Commissioner of Agriculture of the State of Colorado or by the Board of County Commissioners of Boulder County.

- (g) Control of predatory and problem animals by the use of selected control techniques whose effect will be upon only specific animals or species which have caused or are likely to cause damage to crops, livestock or other property. Such control techniques shall not have detrimental impacts upon water quality and the continued agricultural use of the Property and shall exclude the use of leghold traps.
- Use of the Property for hunting by Grantor, Grantor's (h) heirs, licensees, and assigns, to the extent that harvesting of game from the Property is not inconsistent with game management objectives. For the purpose of this provision, Grantor and Grantee agree that Grantor may request and rely upon an opinion from the Colorado Division of Wildlife defining the quantity of game which can be harvested from the land in any year consistent with generally accepted principles of game management.
- Use of the Property for passive recreational, scientific (i) and/or educational activities which are occasional in nature, are limited to Grantor and Grantor's invited guests and in no way interfere with or are detrimental to the agricultural resources and uses of the Property.
- (j) Except as such interest is otherwise conveyed to Grantee by deed, certificates of ownership, or this Easement, Grantor specifically retains all right, title, and interest in and to all tributary and non-tributary water, water rights, and related interests in, on, under, or appurtenant to the land; and (2) all right, title, and interest to subsurface oil, gas, and other minerals; provided, however, that exploration for, and extraction of any minerals shall be undertaken subject to the restrictions set forth at 4 (b) (22) herein and in a manner consistent with the Boulder County Zoning Resolution and other applicable regulations and designed

Almquist Combined Conservation Easement

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to ensure the protection of the agricultural resources of the Property. Surface and open mining are expressly prohibited by this Easement. The water rights referred to in this Paragraph are those described in <u>Exhibit A</u> attached hereto and made a part hereof by reference.

(k) Grantor retains the right to apply to the Grantee for permission to conduct other uses and activities on the Property which are neither expressly granted nor specifically prohibited by the Easement but which may be conducted in a manner consistent with agriculture as the primary use of the Property and which do not compromise the value of the land as prime cropland. Approval, if granted, shall be by resolution of the Board of County Commissioners of Boulder County and recorded in the office of the County Clerk and Recorder.

<u>Prohibited Uses and Practices</u>. The following uses and practices are inconsistent with the purposes of this Easement and shall be prohibited upon or within the Property:

- (a) The change, disturbance, alteration, or impairment of the open space values and the agricultural resources of the Property except as otherwise provided herein.
- (b) Those uses which are consistent with the Boulder County Zoning Resolution as it applies to the Property but which may be detrimental to preservation and protection of the agricultural resources of the Property. Such prohibited uses shall include, but are not limited to:
 - 1. Additional residences, including mobile homes
 - 2. Kennel
 - 3. Veterinary hospital
 - 4. Public or private school
 - 5. Parks, playgrounds and playfields
 - 6. Church
 - 7. Group care home, receiving home or child care center
 - 8. Community swimming pool or neighborhood recreation center
 - 9. Non-profit community theater
 - 10. Public or private campground
 - 11. Airport or heliport
 - 12. Cemetery, including accessory mortuary
 - 13. Golf course, including accessory eating and drinking place

Almquist Combined Conservation Easement

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- 14. Resort lodge or guest ranch not accommodated by existing structures
- 15. Archery range, rifle range, or golf driving range
- Water reservoir, water tank, water treatment facility,
- 17. Utility substation or regulator station not directly related to agricultural use of the Property
- 18. Sewage treatment facility, exclusive of an individual sewage disposal system
- 19. Solid waste transfer facility or disposal site
- 20. The erection, construction, installation, relocation or use of a communication facility, a telecommunication facility, a network element, telecommunication equipment, or any other equipment (except for Customer Premises Equipment) or material that may be used for telecommunications or to provide telecommunications services as such terms are defined in The Federal Telecommunication Act of 1996.
- 21. Fire station
- 22. Open (surface) or subsurface mining
- 23. Public or quasi-public uses and facilities, except rights-of-way which may be required for construction of public streets and roads and then only when such public streets and roads are consistent with the Boulder County Comprehensive Plan.
- 24. Temporary asphalt, concrete or other batch plant
- 25. Wind-powered electric generators to produce electricity for off-site use
- (c) Any use not expressly permitted by the Boulder County Zoning Resolution as it applies to the Property.
- (d) The construction, placing, or erection of any signs or billboards except signs of less than twenty (20) square feet advertising the Property for sale or advertising products produced on site, and then only if such signs are consistent with the Boulder County Land Use Regulations.
- (e) The dumping or accumulation of trash, ashes, garbage, waste or other unsightly or offensive material on the Property, provided, however, that agricultural products and by-products may be placed or stored on the land, so

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long as such placement or storage is consistent with the public health and with sound agricultural practices and applicable laws.

- (f) The construction, reconstruction, or replacement of any structures except as provided in Paragraph 3 hereof. For purposes of this Easement, fencing shall not be deemed a structure.
- (g) Any division of the Property (whether or not а subdivision as defined by state law). The Property shall be held as one agricultural unit and, without the express written consent of the Grantee, or by operation of law, Grantor may not convey any portion of the Property as said conveyance would constitute an impermissible division of the Property under this Easement. If the Grantee does approve a division of the Property, or the Property is divided by operation of law, all terms of this Easement shall attach to the land and shall survive any division.
- The conveyance of right-of-way or the construction of any (h) new roadways without the consent of the Grantee, which consent shall only be granted if consistent with the conservation values and provided that such roadways are constructed so as to minimize the impact on agricultural resources of the Property.
- (i) The conversion of the Water Rights described in Exhibit A to non-agricultural uses, or the sale, conveyance or severance of the Water Rights from the Property.

It is acknowledged by the Grantee and the Baseline Data. Grantor that the Property contains significant agricultural resources and open space values and that the Property will be managed consistent with the conservation plan as stated in Paragraph 2(b) and Paragraph 14 herein. In order to establish a complete inventory of the present conditions of the Property and its agricultural resources and open space values so as to be able to properly monitor future uses of the Property and assure compliance with the terms hereof, Grantee shall prepare or cause to be prepared an inventory of the Property's relevant features and conditions (the "Baseline Data"). Grantor shall allow Grantee, or Grantee's designated agent, access to the Property to conduct necessary studies in developing the Baseline Data, provided, however, that such

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access does not unreasonably restrict or interfere with normal agricultural operations as permitted under this Easement. The Baseline Data may include, but need not be limited to, aerial photographs, topographical maps, maps indicating the extent of agricultural uses, and botanical and wildlife photographs and reports. The parties acknowledge and agree that in the event a controversy arises with respect to the nature and extent of Grantor's use or the physical condition of the property subject to this Easement as of the date hereof, the parties shall not be foreclosed from utilizing all other relevant or material documents, surveys, reports, and other evidence to assist in the resolution of the controversy.

6.

7.

Enforcement Rights of Grantee. In the event of violation of any term, condition, covenant, or restriction contained in this Easement, after thirty (30) days' notice of violation to the Grantor, the Grantee may institute a suit to enjoin by temporary and/or permanent injunction such violation, or for damages for breach of covenant, or may take such other action as it deems necessary to insure compliance with the terms, conditions, covenants and purposes of this Easement; provided, however, that any failure to so act by the Grantee shall not be deemed to be a waiver or a forfeiture of the right to enforce any term, condition, covenant, or purpose this Easement in the future. Notwithstanding the of foregoing, if Grantee reasonably believes an ongoing or threatened imminent activity violates this Easement and that the violation will likely cause serious, irretrievable damage to the conservation values, Grantee, after contacting Grantor and attempting to work out a resolution, may take immediate legal action including, but not limited to, filing a civil action to seek a temporary restraining order and/or injunctive relief or may enter the Property to remove or eliminate any conditions or operations that violate the terms and covenants of this Easement.

Restoration. Grantor further intends that should any prohibited activity be undertaken on the Property, the Grantee shall have the right to cause the restoration of that portion of the Property affected by such activity to the condition that existed prior to the undertaking of such prohibited activity. In such case, the cost of such restoration shall be borne by Grantor against whom a judgment is entered. Nothing contained herein shall be construed to preclude Grantor from exhausting all legal remedies that may be available in determining whether the proposed activity to which the Grantee has objected is consistent with this Easement.

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<u>Costs and Taxes</u>. Grantor agrees to bear all costs of operation, upkeep, and maintenance of the Property and does hereby indemnify the Grantee therefrom. In addition, Grantor agrees to pay any and all real property taxes and assessments levied by competent authority on the Property and Grantor agrees to pay any and all water carriage fees/ditch assessments levied by the ditch companies or other competent authority relating to the Water Rights.

Access. Nothing contained herein shall be construed as affording the public access to any portion of the land subject to this Easement. Nothing in this Easement shall be construed to preclude Grantor's right to grant limited public access to third parties across its land. All access, whether by third parties or the Grantor, shall be performed in a reasonable manner that does not result in degradation of the agricultural attributes of the Property. Grantee shall have the right to enter upon the Property at reasonable times, upon 48 hours prior notice to Grantor, to inspect for violations of the terms and covenants of this Easement, when Grantee has a good faith belief that the terms and covenants of this Easement are being violated, and to remove or eliminate any conditions or operations which violate the same.

Grant in Perpetuity. This Easement and the covenants as set forth herein shall run with the land and be binding upon all parties thereto, their heirs, successors, representatives, and assigns, and all persons who may hereafter acquire an interest in the Property. It is intended that this Easement and any other interests created under this Easement vest immediately. Pursuant to Colorado Revised Statute Section 15-11-1102(1)(a) and (b), if any nonvested property interests conveyed to the Grantee under this Easement do not vest within 90 years after the date of execution of this Easement by both parties, said interests shall automatically be severed from the remainder of the interests conveyed herein and shall automatically terminate.

<u>Condemnation</u>. In the event of condemnation of all or a portion of the Property, the Grantee shall be entitled to a share of the proceeds of the condemnation award, based on the value, at the time of the taking, of the conservation easement that is the subject of the taking. Additionally, in such event, any funds provided by the United States towards the purchase of this Easement shall be repaid by the Grantee

Almquist Combined Conservation Easement

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pursuant to the terms of Paragraph 14(f) below.

12.

Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same agreement.

Miscellaneous. 13.

- The terms "Grantor" and "Grantee", whenever used herein, (a) and any pronouns used in place thereof, shall mean and include the above-named Grantor and Grantor's heirs, personal representatives, executors, successors and assigns and the above-named Grantee and its successors and assigns, respectively.
- (b) If any provision of this Easement or the application. thereof to any person or circumstance is found to be invalid, the remainder of the provisions of this Deed of Conservation Easement in Gross and the application of such provisions to persons or circumstances other than those as to which it is found to be invalid, shall not be affected thereby.

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- (c) The Grantor agrees that reference to this Easement will be made in any subsequent deed, or other legal instrument, by means of which Grantor conveys any interest in the Property (including a leasehold interest) and that Grantor will attach a copy of this Deed of Conservation Easement in Gross thereto.
- (d) Liberal Construction. This Easement shall be liberally construed in favor of the Easement to effect the purpose of the Easement and the policies and purpose of C.R.S. ' 38-30.5-10 et seq.
- Entire Agreement. This instrument sets forth the entire (e) agreement of the parties with respect to the Easement and supersedes all prior discussions, negotiations, understandings, or agreements relating to the Easement, all of which are merged herein. No alteration or variation of this instrument shall be valid or binding unless contained in an Amendment that complies with Paragraph 12.
- The captions in this instrument have been (f) Captions. inserted solely for convenience of reference and are not part of this instrument and shall have no affect upon construction or interpretation.

ADDITIONAL PROVISIONS APPLYING TO PARCELS 5, 6, 9, 10 and 11

14.

The County acquired the individual parcel conservation easements over parcels 5, 6, 9, 10 and 11 of the Property, as those Parcels are legal described in Exhibit A, with partial funding provided by the Commodity Credit Corporation, through the Farm and Ranch Lands Protection Program ("FRPP") which is administered by the Natural Resources Conservation Service (hereafter "NRCS," "USDA," or "The United States"). The Farm and Ranch Lands Protection Program (16 U.S.C. 3838h and 3838i) authorizes the Secretary of Agriculture, acting through the NRCS, to acquire conservation easements or other interests in land for the purpose of protecting prime, unique or other productive soils by limiting nonagricultural uses of the land. The following provisions of Paragraph 14 (a-f) are being included in this Easement and shall affect only Parcels 5, 6, 9, 10 and 11 of the Property:

(a) Conservation Plan. As required by Section 1238I of the Food Security Act of 1985, as amended, Grantor, his heirs,

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successors, or assigns, shall conduct all agricultural operations on the Property in a manner consistent with a conservation plan prepared in consultation with NRCS and approved by the Conservation District. This conservation plan shall be developed using the standards and specifications of the NRCS Field Office Technical Guide and 7 CFR part 12 that are in effect on the date this Easement is granted. NRCS shall have the right to enter upon the Property, upon advance notice to Grantor, in order to monitor compliance with the conservation plan. In the event of noncompliance with the conservation plan, NRCS shall work with Grantor to explore methods of compliance and give Grantor a reasonable amount of time, not to exceed twelve months, to take corrective action. If the Grantor does not comply with the conservation plan, Grantee shall take all reasonable steps to secure compliance with the conservation plan following written notification from NRCS that: (a) there is a substantial, ongoing event or circumstance of non-compliance with the conservation plan, (b) NRCS has worked with the Grantor to correct such noncompliance, and (c) Grantor has exhausted its appeal rights under applicable NRCS regulations.

If the NRCS standards and specifications for highly erodible land are revised after the date of this Easement based on an Act of Congress, NRCS will work cooperatively with the Grantor to develop and implement a revised conservation plan. The provisions of this section apply to the highly erodible land conservation requirements of the Farm and Ranch Lands Protection Program and are not intended to affect any other natural resources conservation requirements to which Grantor may be or become subject.

(b) <u>Contingent Right in the United States</u>. In the event that Grantee fails to enforce any of the terms of this Easement, as determined in the sole discretion of the Secretary of the United States Department of Agriculture, the said Secretary of Agriculture and his or her successors and assigns shall have the right to enforce the terms of the Easement through any and all authorities available under Federal or State law. In the event that Grantee attempts to terminate, transfer, or otherwise divest itself of any rights, title, or interests of this Easement or extinguish this Easement, without the prior consent of the Secretary of the United States Department of Agriculture and payment of consideration to the United States, then, at the option of such Secretary, all right, title, and

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interest in this Easement shall become vested in the United States of America.

(c) Indemnification. Grantor shall hold harmless, indemnify, and defend the Grantee, and the United States, and their employees, agents, contractors and representatives, successor and assigns from and against all liabilities, penalties, costs, losses, damages, expenses, causes of action, claims, judgments, including, without limitation, demands, or reasonable attorney's fees, arising from or in any way connected with (1) injury or death of any person, or physical damage to any property, resulting from any act, omission, condition, or other matter related to or occurring on or about the Property, regardless of cause, unless due to the negligence (in which case liability shall be apportioned in accordance with Colorado law) or intentional acts or omissions of the County or the United States; (2) the obligations of Grantor specified herein; and (3) the presence or release of hazardous or toxic substances on, under or about the Property. For the purpose of this paragraph, hazardous or toxic substances shall mean any hazardous or toxic substance or material which is regulated under any federal, state or local law, regulation or ordinance.

(d) <u>Non-Merger</u>. If Grantee acquires the underlying fee to this Property, this Easement and the fee will not merge and will continue to be managed as one estate. If necessary to insure non-merger of the two estates, Grantee agrees to assign its interests in this Easement to another qualified entity with advance permission of NRCS.

(e) <u>Amendment of Easement</u>. If circumstances arise under which an amendment would be appropriate, Grantor, or the then current owner of the Property, and Grantee may jointly amend the Easement, with prior written approval of the United States. Any such amendment shall be consistent with the purposes of the Easement, shall not affect its perpetual duration, shall not permit additional developments or improvements currently prohibited by the Easement, and shall not impair any of the significant conservation values of the Property. Any such amendment shall be recorded in the official records of Boulder County, Colorado.

(f) Extinguishment. In giving this Easement, Grantor has considered the possibility that uses prohibited by the terms of this Easement may become more economically valuable than permitted uses and that neighboring properties may in the

Almquist Combined Conservation Easement



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future be put entirely to such prohibited uses. It is the intent of both Grantor and Grantee that any such changes shall not be deemed circumstances justifying the termination or extinguishment of this Easement. In addition, the inability of Grantor, or Grantor's heirs, successors or assigns, to conduct or implement any or all of the uses permitted under this Easement, or the unprofitability of doing so, shall not impair the validity of this Easement or be considered grounds for its termination or extinguishment. In the event of a potential extinguishment, extinguishment or condemnation, Grantee shall provide notice of such action and consult with the NRCS at 665 Parfet Street, Room E200C, Lakewood, Colorado. The United States must consent to any condemnation action. In the event of an extinguishment by a court of competent jurisdiction, or condemnation pursuant to Paragraph 11, any funds provided by the United States towards the purchase of this Conservation Easement shall be repaid by Grantee. The United States shall be entitled to receive 50% of Grantee's compensation on Parcels 5, 6, 9, 10 and 11.2 Upon receipt of any such proceeds, Grantee shall promptly remit to the United States its share of the proceeds. Grantee shall be entitled to retain the remaining 50% of Grantee's compensation, and shall use such proceeds in a manner consistent with the conservation purposes of this Easement.

This Easement restates, supercedes and replaces those 15. certain conservation easements for parcels 1-11, recorded in the office of the Boulder County Clerk and Recorder under Reception Nos. 1718845 (Parcel 1, recorded on July 31, 1997), 1832250 (Parcel 2, recorded on August 6, 1998); 1966313 (Parcel 3, recorded on July 30, 1999); 2078719 (Parcel 4, recorded on September 14, 2000), 2189546 (Parcel 4 amendment, recorded on August 27, 2001); 2313425 (Parcel 5, as re-recorded on July 31, 2002); 2313428 (Parcel 6, recorded on July 31, 2002); 2485113 (Parcel 7, recorded on August 8, 2003); and 2611096 (Parcel 8, recorded on July 26, 2004); and (Parcels 9,10 and 11, recorded on); all of which by the execution of this Conservation Easement, are made null and void.

2 The parcel conservation easements funded by FRPP include: Parcel 5, \$27,703.5 funded by FRPP (reception number 2313425as re-recorded on July 31, 2002); Parcel 6, \$29,296.5 funded by FRPP (reception number 2313428, recorded on July 31, 2002); Parcels 9, 10 and 11, \$95,656 funded by FRPP, recorded on

Almquist Combined Conservation Easement

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IN WITNESS, WHEREOF, Grantor and Grantee have executed this Deed of Conservation Easement this _____ day of _____, 2006.

GRANTOR : Van Thuyne ules

STATE OF COLORADO) ss. COUNTY OF BOULDER)

The foregoing Deed of Conservation Easement in Gross was acknowledged before me this 1944 day of 206, 2006, by Jules Van Thuyne Jr.

Witness my hand and official seal.

My commission expires:

30 DEBRA J FITZGERALD

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Boulder County Clerk.

GRANTEE : BOARD OF COUNTY COMMISSIONERS



ss.

OF BOULDER COUNTY, COLORADO Pean Q. Ben Pearlman, Chair Thomas A. Mayer, Vice-

Will Toor, Commissioner

STATE OF COLORADO COUNTY OF BOULDER

The foregoing instrument was acknowledged before me this 1/2day of <u>January</u>, 2006, by Ben Pearlman, Chair, Thomas A. Mayer, Vice-Chair, and Will Toor, Commissioner, of the Board of County Commissioners of Boulder County.



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My Commissi res:

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ACCEPTANCE OF PROPERTY INTEREST BY THE NATURAL RESOURCES CONSERVATION SERVICE

The Natural Resources Conservation Service, an agency of the United States Government, hereby accepts and approves the foregoing conservation easement deed, and the rights conveyed therein, on behalf of the United States of America.

Authorized Signatory for the NRCS

COUNTY OF BOULDER)) ss. STATE OF COLORADO)

The foregoing instrument was acknowledged before me this // day of <u>anual task</u>, by <u>acting the Conservation</u> (title) of the Natural Resources Conservation Service, United States Department of Agriculture, who is authorized to sign on behalf of the agency, and acknowledged and accepted the rights conveyed by the deed to be her/his voluntary act and deed.

Witness my hand and official seal.

(S E A L)

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Notary Public

ssion Expires:

1-11-2008

Almquist Combined Conservation Easement

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Exhibit A

Legal Description of the Property

Parcel 1

A tract of land located in the SE1/4 of the SE1/4 of Section 34, T2N, R69W of the 6th P.M., County of Boulder, State of Colorado, described as follows:

Commencing at the Southeast Corner of said Section 34, thence N00°29'23"E, 616.38 feet along the East line of the SE1/4 of said Section 34; thence N90°00'00"W, 99.59 feet to the West line of that tract of land conveyed to Denver Western and Pacific Railway Company as described in Warranty Deed recorded in Book 64 at Page 214 of the records of Boulder County, Colorado, and the TRUE POINT OF BEGINNING;

Thence continuing N90°00'00"W, 1222.51 feet to the West line of the E1/2 of the SE1/4 of said Section 34:

Thence S00°31'16"W, 479.47 feet along the West line of the E1/2 of the SE1/4 of said Section 34 to the North line of Parcel No. 13 conveyed to the Department of Highways as described in Executrix' Deed recorded on Film 508 as Reception No. 761228 of the records of Boulder County, Colorado;

Thence S89°56'43"E, 144.94 feet along the North line of said Parcel No. 13 to a point of curve to the right;

Thence Easterly, 475.83 feet along the North line of said Parcel No. 13 and along the arc of said curve to a point tangent, said arc having a radius of 11520.00 feet, a central angle of 2°22'00" and being subtended by a chord that bears S88°45'43"E, 475.80 feet;

Thence S87°34'43"E, 602.37 feet along the North line of said Parcel No. 13 and along the North line of Parcel No. 14 conveyed to the Department of Highways as described in Quit Claim Deed recorded on Film 508 as Reception No. 761229 of the records of Boulder County, Colorado to the West line of that tract of land as described in said Book 64 at Page 214;

Thence N00°29'23"E, 515.34 feet along the West line of that tract of land as described in said Book 64 at Page 214 to the TRUE POINT OF BEGINNING;

together with:

Parcel 2

A tract of land located in the SE1/4 of the SE1/4 of Section 34, T2N, R69W of the 6th P.M., County of Boulder, State of Colorado, described as follows:

Commencing at the Southeast Corner of said Section 34, thence N00°29'23"E, 616.38 feet along the East line of the SE1/4 of said Section 34 to the TRUE POINT OF BEGINNING;

Thence continuing N00°29'23"E, 593.15 feet along the East line of the SE1/4 of said Section 34;

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Thence N90°00'00"W, 1321.77 feet to the West line of the E1/2 of the SE1/4 of said Section 34;

Thence S00°31'16"W, 593.15 feet along the West line of the E1/2 of the SE1/4 of said Section 34 to a point from which the True Point of Beginning bears S90°00'00"E;

Thence S90°00'00"E. 1222.51 feet to the West line of that tract of land conveyed to Denver Western and Pacific Railway Company as described in Warranty Deed recorded in Book 64 at Page 214 of the records of Boulder County, Colorado;

Thence S00°29'23"W, 515.34 feet along the West line of that tract of land as described in said Book 64 at Page 214 to the North line of Parcel No. 14 conveyed to the Department of Highways as described in Ouit Claim Deed recorded on Film 508 as Reception No. 761229 of the records of Boulder County, Colorado;

Thence S87°34'43"E, 99.64 feet along the North line of said Parcel No. 14 and along the North line of Parcel No. 15 conveyed to the Department of Highways as described in Executrix' Deed recorded on Film 508 as Reception No. 761228 of the records of Boulder County, Colorado, to the East line of the SE1/4 of said Section 34;

Thence N00°29'23"E, 519.55 feet along the East line of the SE1/4 of said Section 34 to the TRUE POINT OF BEGINNING.

together with:

Parcel 3

A tract of land located in the E1/2 of the SE1/4 of Section 34, T2N, R69W of the 6th P.M., County of Boulder, State of Colorado, described as follows:

Commencing at the Southeast Corner of said Section 34, thence N00°29'23"E, 1209.53 feet along the East line of the SE1/4 of said Section 34 to the TRUE POINT OF BEGINNING;

Thence continuing N00°29'23"E, 608.76 feet along the East line of the SE1/4 of said Section 34;

Thence N90°00'00"W, 1321.44 feet to the West line of the E1/2 of the SE1/4 of said Section 34;

Thence S00°31'16"W, 608.77 feet along the West line of the E1/2 of the SE1/4 of said Section 34 to a point from which the True Point of Beginning bears S90°00'00"E:

Thence S90°00'00"E, 1321.77 feet to the TRUE POINT OF BEGINNING.

together with:

Parcel 4

A tract of land located in the NE1/4 of the SE1/4 of Section 34, T2N, R69W of the 6th P.M., County of Boulder, State of Colorado, described as follows:

Commencing at the Southeast Corner of said Section 34, thence N00°29'23"E, 1818.29 feet

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along the East line of the SE1/4 of said Section 34 to the TRUE POINT OF BEGINNING;

Thence continuing N00°29'23"E, 608.92 feet along the East line of the SE1/4 of said Section 34;

Thence N90°00'00"W, 1321.11 feet to the West line of the E1/2 of the SE1/4 of said Section 34;

Thence S00°31'16"W, 608.92 feet along the West line of the E1/2 of the SE1/4 of said Section 34 to a point from which the True Point of Beginning bears S90°00'00"E;

Thence S90°00'00"E, 1321.44 feet to the TRUE POINT OF BEGINNING.

together with:

Parcel 5

A tract of land located in the NE1/4 of the SE1/4 of Section 34, T2N, R69W of the 6th P.M., County of Boulder, State of Colorado, described as follows:

Commencing at the Southeast Corner of said Section 34, thence N00°29'23"E, 2427.21 feet along the East line of the SE1/4 of said Section 34 to the <u>TRUE POINT OF BEGINNING;</u>

Thence continuing N00°29'23"E, 663.91 feet along the East line of the SE1/4 of said Section 34 to the E1/4 Corner of said Section 34;

Thence S85°15'25"W, 1326.28 feet along the East-West Centerline of said Section 34 to the Northwest Corner of the E1/2 of the SE1/4 of said Section 34;

Thence S00°31'16"W, 554.24 feet along the West line of the E1/2 of the SE1/4 of said Section 34 to a point from which the True Point of Beginning bears S90°00'00"E;

Thence S90°00'00"E, 1321.11 feet to the TRUE POINT OF BEGINNING.

together with:

Parcel 6

A tract of land located in the SW1/4 of Section 35, T2N, R69W of the 6th P.M., County of Boulder, State of Colorado, described as follows:

Commencing at the Southwest Corner of said Section 35, from which the W1/4 Corner of said Section 35 bears N00°29'23"E, and from which a point on the South line of the SW1/4 of said Section 35 hereinafter referred to as Point "A" bears N89°51'57"E, 1890.45 feet, thence N00°29'23"E, 96.83 feet along the West line of the SW1/4 of said Section 35 to the North line of Parcel No. 15 conveyed to the Department of Highways as described in Executrix' Deed recorded on Film 508 as Reception No. 761228 of the records of Boulder County, Colorado, and the <u>TRUE POINT OF BEGINNING</u>;

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Thence continuing N00°29'23"E, 449.64 feet along the West line of the SW1/4 of said Section 35 to a point from which the Southwest Corner of said Section 35 bears S00°29'23"W, 546.47 feet;

Thence S90°00'00"E, 1544.73 feet to the Southwesterly line of that tract of land conveyed to the Boulder and Weld Reservoir Company as described in Quit Claim Deed recorded in Book 381 at Page 457 of the records of Boulder County, Colorado;

Thence S03°14'57"E, 30.74 feet along the Southwesterly line of that tract of land as described in said Book 381 at Page 457;

Thence S38°29'57"E, 410.00 feet along the Southwesterly line of that tract of land as described in said Book 381 at Page 457;

Thence S89°24'57"E, 128.91 feet along the Southwesterly line of that tract of land as described in said Book 381 at Page 457 to a point from which said Point "A" bears S13°20'00"W;

Thence S13°20'00"W, 194.39 feet to said Point "A";

Thence S89°51'57"W, 49.13 feet along the South line of the SW1/4 of said Section 35 to the East line of said Parcel No. 15;

Thence N00°08'03"W, 14.82 feet along the East line of said Parcel No. 15;

Thence Westerly, 53.90 feet along the North line of said Parcel No. 15 and along the arc of a curve concave to the North, said arc having a radius of 11400.00 feet, a central angle of 0°16'15" and being subtended by a chord that bears N87°42'43"W, 53.90 feet;

Thence N87°34'43"W, 1788.19 feet along the North line of said Parcel No. 15 to the <u>TRUE</u> POINT OF BEGINNING.

together with:

Parcel 7

A tract of land located in the SW1/4 of Section 35, T2N, R69W of the 6th P.M., County of Boulder, State of Colorado, described as follows:

Commencing at the Southwest Corner of said Section 35, thence N00°29'23"E, 546.47 feet along the West line of the SW1/4 of said Section 35 to the <u>TRUE POINT OF BEGINNING</u>;

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Thence continuing N00°29'23"E, 557.40 feet along the West line of the SW1/4 of said Section 35;

Thence S90°00'00"E, 1508.32 feet to the Westerly line of that tract of land conveyed to the Boulder and Weld Reservoir Company as described in Quit Claim Deed recorded in Book 381 at Page 457 of the records of Boulder County, Colorado;

Thence S03°14'57"E, 558.28 feet along the Westerly line of that tract of land as described in said Book 381 at Page 457 to a point from which the True Point of Beginning bears N90°00'00"W;

Thence N90°00'00"W, 1544.73 feet to the TRUE POINT OF BEGINNING.

together with:

Parcel 8

A tract of land located in the SW1/4 of Section 35, T2N, R69W of the 6th P.M., County of Boulder, State of Colorado, described as follows:

Commencing at the Southwest Corner of said Section 35, thence N00°29'23"E, 1103.87 feet along the West line of the SW1/4 of said Section 35 to the <u>TRUE POINT OF BEGINNING</u>;

Thence continuing N00°29'23"E, 884.78 feet along the West line of the SW1/4 of said Section 35 to the Northeasterly line of that tract of land conveyed to Andrew Mossburg as described in Warranty Deed recorded in Book 281 at Page 82 of the records of Boulder County, Colorado;

Thence S67°51'20"E, 171.98 feet along the Northeasterly line of that tract of land as described in said Book 281 at Page 82 to the Southwesterly line of that tract of land conveyed to the Boulder and Weld Reservoir Company as described in Quit Claim Deed recorded in Book 381 at Page 457 of the records of Boulder County, Colorado;

Thence S37°47'57"E, 116.28 feet along the Southwesterly line of that tract of land as described in said Book 381 at Page 457;

Thence S65°19'57"E, 500.00 feet along the Southwesterly line of that tract of land as described in said Book 381 at Page 457;

Thence S82°09'57"E, 800.00 feet along the Southwesterly line of that tract of land as described in said Book 381 at Page 457;

Thence S03°14'57"E, 410.98 feet along the Southwesterly line of that tract of land as described

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in said Book 381 at Page 457 to a point from which the True Point of Beginning bears N90°00'00"W;

Thence N90°00'00"W, 1508.32 feet to the TRUE POINT OF BEGINNING.

together with:

Parcel 9

A tract of land located in the SE1/4 of Section 35, T2N, R69W of the 6th P.M., County of Boulder, State of Colorado, described as follows:

Commencing at the Southwest Corner of said Section 35, from which the W1/4 Corner of said Section 35 bears N00°29'23"E, thence N89°51'57"E, 2644.92 feet along the South line of the SW1/4 of said Section 35 to the S1/4 Corner of said Section 35; thence S89°41'50"E, 297.74 feet along the South line of the SE1/4 of said Section 35 to a point hereinafter referred to as Point "B"; thence continuing S89°41'50"E, 291.98 feet along the South line of the SE1/4 of said Section 35 to the <u>TRUE POINT OF BEGINNING</u>, from which a point on the South line of the SE1/4 of said Section 35 hereinafter referred to as Point "C" bears S89°41'50"E, 1780.60 feet;

Thence N37°25'00"W, 45.79 feet;

Thence N48°40'00"W, 351.79 feet to a point from which said Point "B" bears S00°00'00"W;

Thence N00°00'00"E, 116.37 feet to the Southerly line of that tract of land conveyed to the Boulder and Weld Reservoir Company as described in Quit Claim Deed recorded in Book 381 at Page 457 of the records of Boulder County, Colorado;

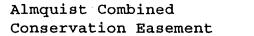
Thence S82°55'57"E, 72.59 feet along the Southerly line of that tract of land as described in said Book 381 at Page 457;

Thence N41°43'03"E, 500.00 feet along the Southerly line of that tract of land as described in said Book 381 at Page 457;

Thence N35°14'03"E, 137.84 feet along the Southerly line of that tract of land as described in said Book 381 at Page 457 to a point from which said Point "C" bears S61°15'00"E;

Thence S61°15'00"E, 1811.59 feet to said Point "C";

Thence N89°41'50"W, 1780.60 feet along the South line of the SE1/4 of said Section 35 to the <u>TRUE POINT OF BEGINNING</u>.



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together with:

Parcel 10

A tract of land located in the SE1/4 of Section 35, T2N, R69W of the 6th P.M., County of Boulder, State of Colorado, described as follows:

Commencing at the Southwest Corner of said Section 35, from which the W1/4 Corner of said Section 35 bears N00°29'23"E, thence N89°51'57"E, 2644.92 feet along the South line of the SW1/4 of said Section 35 to the S1/4 Corner of said Section 35; thence S89°41'50"E, 2370.32 feet along the South line of the SE1/4 of said Section 35 to the <u>TRUE POINT OF BEGINNING</u>;

Thence N61°15'00"W, 1811.59 feet to the Southerly line of that tract of land conveyed to the Boulder and Weld Reservoir Company as described in Quit Claim Deed recorded in Book 381 at Page 457 of the records of Boulder County, Colorado;

Thence N35°14'03"E, 462.16 feet along the Southerly line of that tract of land as described in said Book 381 at Page 457;

Thence N21°44'57"W, 17.64 feet along the Southerly line of that tract of land as described in said Book 381 at Page 457;

Thence S61°15'00"E, 1883.38 feet to the East line of the SE1/4 of said Section 35;

Thence S00°35'46"W, 361.05 feet along the East line of the SE1/4 of said Section 35 to the Southeast Corner thereof;

Thence N89°41'50"W, 319.29 feet along the South line of the SE1/4 of said Section 35 to the <u>TRUE POINT OF BEGINNING</u>.

together with:

PARCEL 11

A tract of land located in the SE1/4 of Section 35, T2N, R69W of the 6th P.M., County of Boulder, State of Colorado, described as follows:

Commencing at the Southwest Corner of said Section 35, from which the W1/4 Corner of said Section 35 bears N00°29'23"E, thence N89°51'57"E, 2644.92 feet along the South line of the SW1/4 of said Section 35 to the S1/4 Corner of said Section 35; thence S89°41'50"E, 2370.32 feet along the South line of the SE1/4 of said Section 35; thence N61°15'00"W, 1811.59 feet to the Southerly line of that tract of land conveyed to the Boulder and Weld Reservoir Company as

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described in Quit Claim Deed recorded in Book 381 at Page 457 of the records of Boulder County, Colorado; thence N35°14'03"E, 462.16 feet along the Southerly line of that tract of land as described in said Book 381 at Page 457; thence N21°44'57"W, 17.64 feet along the Southerly line of that tract of land as described in said Book 381 at Page 457 to the <u>TRUE POINT OF</u> BEGINNING;

Thence continuing N21°44'57"W, 322.36 feet along the Southerly line of that tract of land as described in said Book 381 at Page 457;

Thence S88°19'57"E, 600.00 feet along the Southerly line of that tract of land as described in said Book 381 at Page 457;

Thence S48°16'57"E, 225.00 feet along the Southerly line of that tract of land as described in said Book 381 at Page 457;

Thence N49°01'03"E, 267.21 feet along the Southerly line of that tract of land as described in said Book 381 at Page 457 to the North line of the S1/2 of the SE1/4 of said Section 35;

Thence N89°51'58"E, 103.07 feet along the North line of the S1/2 of the SE1/4 of said Section 35 to the most Westerly Corner of that tract of land conveyed to the Boulder and White Rock Ditch Company as described in Warranty Deed recorded in Book 280 at Page 217 of the records of Boulder County, Colorado;

Thence S34°50'00"E, 82.92 feet along the Southwesterly line of that tract of land as described in said Book 280 at Page 217;

Thence S38°10'00"E, 456.75 feet along the Southwesterly line of that tract of land as described in said Book 280 at Page 217;

Thence S40°53'34"E, 568.67 feet along the Southwesterly line of that tract of land as described in said Book 280 at Page 217 to the East line of the SE1/4 of said Section 35;

Thence S00°35'46"W, 356.57 feet along the East line of the SE1/4 of said Section 35 to a point from which the True Point of Beginning bears N61°15'00"W;

Thence N61°15'00"W, 1883.38 feet to the TRUE POINT OF BEGINNING.

Legal Description Prepared By: Drexel Barrell & Co. 4840 Pearl East Circle #114 Boulder, Colorado 80301-2475 (303) 442-4338

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 R 0.00
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Together with an undivided 50% interest in 155 shares of Boulder and White Rock Ditch and Reservoir Company and an undivided 50% interest in 36 units of the Northern Colorado Water Conservancy District.

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THIS AGREEMENT made this.	2nd day of November	19 7C , between
Wallace Almquist	a/x/a Wallace E. Almquist Colorado	
Lessor (whether one or more), and	Robert A. Shaw	ο στο στο το τη
Lessee, WITNESSETH: 1. Lesser in consideration of	Ten & more	Dollari
	of the royalties herein provided, and of the agreement of L of investigating, exploring, prospecting, drilling and mining interests, all other minerais whether similar or dissimilar to b lines and other structures thereon to produce, save, take Buildes in Bould dom	essee herein contained, hereby grants, lesses and lett g for and producing oil, gas, other hydrocarbons and those particularly specified herein, leying pipe lines care of. Ireal: transport and own said products, and
nousing its employees, the following des	crited land in Boulder and a tract of land in the NW_4^2 of S	County, Colorado, to-wit:
beginning at a point 121 thence N. 67" 30' W. 912 W. 463' th said SW corne beginning; ALSO the St c	And a Grace of faild in the NH2 of S 17' east of the SW corner of the NH2 2' to the West line of NH2 SW2; then or; thence east on the south line of SE_2 and S_2 of SW2 of Section 35, Is as f. lows: Book 61 at Page 562;	SW2; thence N. 76 30' W. 118' ice south on said west line O 4 ' said NW2 SW2 1217' to point of subject to conveyances describe
page 217 and Book 281 at	page 79	BOOK 217 at rage 11, DOOK 200
	Township 2 North	69 West
In addition to the land above di described herein all lands owned or clain cluding all cil, gas, other hydrocarbons a adjoin any of said lands. For rental payrs whether it actually somprises more or las	escribed. Lessor which are adjacent, contiguous to or form a nod by Lessor which are adjacent, contiguous to or form a nod all other minerals underlying lakes, rivers, streams, ros ent purposes, the land included within this lesse that be Five	unto Lessee to the same extent as if specifically part of the lands above particularly described, in- dis, essements and rights-of-way which traverse or leemed to contain
 Bubject to the other provision thereafter as oil, gas, other hydrocarbons therean. 	a herein contained, this lease shall be for a term of IX years , or other miners' is produced from said land hereunder,	from this date (called "primary term") and as long or drilling or reworking operations are conducted
water from Lemor's wells for all operative of producing gas in paying quantities is year from the date such well is shut in- remisin gay or tender to Lemor as royally lender is made, this lease shall continue 1 or before such anniversary of the shut. I. If operations for drilling are no terminate as to both parties, unless on or First. "Ati onal and shall continue as the depository for al or by the death or incanacity of Lemor	ressee are: (a) on oil, one-eighth of that produced and save pipe line to which the wells may be connected; Lessee may fipe line to which the wells may be connected; Lessee may for prevailing for the field where produced on the date of rom said land and sold or used off the premises or in the normal mined and marketed, one-teath either in kind or ver- cents (364) per long ton. Lessee shall have free use of oil, ma hereunder, and the royalty on oil and gas shall be com- completed on the sbowed described land and is shut in. the Lessee or any assignee may thereafter, in the manner pr off the fore one year from the date such well is shut in. In a fifted or the showed described land and well is shut in. In the state of a shut here a shall continue in effect for a date of such well, this lesse shall pay or tender to before such anniversary date Lessee shall pay or tender to an and the formation and the regardless of changes in owner it rentals payable hereunder regardless of changes in owner the sum of. One Hundfred. Seventy	puted after deducting any so used. If a well espathe is lease hall continue in affect for a period of one ovided herein for the payment or tender of delay the sum of \$100.00 per well, and, if such payment or nd upon like payments or tenders annually, made on successive periods of twelve (12) months each. before one year from this date, the lease shall then before one year from this date, the lease shall then before one year from this date, the lease shall then before one year from this date, the lease shall then there of a before the credit of the second second second (which bank and its successors are Leasor's agent ship of said land or the rentals either by conveyance
twelves (12) months. In The, Interfet tails for successive periods of the viewants and it draft or check at the option of the Lesser. Succeeded by another bank, or for any res of rmati unuil thirty (30) days after Lesso ments or tenders. The down cash payment Lesser may at any time execute and deliv portions of the above described premises acreases any at any time execute and deliv portions of the above described premises acreases. If Lesses shall, on or before any i	d rental), which shall cover the privilege of deferring com ipon like payments or lenders annually the commencement be each during the primary term. The payment or tender of and the depositing of such currency, draft or check in any shall be deemed payment as herein provided. If such bank son fail or refuse to accept rental, Lessee shall not be held in r shall deliver to Lessee a proper recordable instrument, n is consideration for this lesse according to its terms and er to Lessor or to the depository above named or place of and thereby surrender this lesse as to such portion or pc intals better the shall be reduced in the proportion rental date, make a bong fide attempt to pay or decest	mentement of operations for stilling for a period or of operations for drilling may be further deferred (rental herein referred to may be made in currency, post office, properly addressed to the Lessor, or said tor any successor bank) should fall, liquidate or be default for failure to make such payment or tender aming another bank as agent to receive such pay- shall not be allocated as mere rental for a period. Tentors a release or releases covering any portion or thost and be relieved of all obligations as to the that the acreage covered hereby is reduced by said
If Lesses shall, on or before any : according to Lesses's records or to a Lesso this lease hereinafter set forth, of his righ wrong depository, paid to persons other it shall be unconditionally obligated to pay the same manner as if such erroneous rent freeded within 30 days after receipt by Less lary to enable Lesses to make proper pay	rental date, make a bona fide attempt to pay or deposit n or who, prior to such attempted payment or deposit, has git to receive rental, and if such payment or deposit shall be han the parties entitled thereto as shown by Lesse's reco to such Lessor the rental properly payable for the rental pay at payment or deposit had been properly made, provided th see of written notice from such Lessor of such error accomp ment.	ential to a Lessor entitled thereto under this lesses ren Lesses notice, in accordance with the terms of erroneous in any regard (whether deposited in the rids, in an incorrect amount, or otherwise). Lessee eriod involved, but this lesse shall be maintained in at the erroneous rental payment or deposit be cor- sanied by any documents and other evidence neces-
5. Should any well drilled on the per obtained during the primary term and sperations for reworking an old well are i or drilling or reworking on said well or v joon resumption of the payments of rents uption in the rents payments. If during resears should drill a dry hole thereon, or roduction thereof should cease during the sase in force during the remainder of the series or roworking an old well, this lease are common of de pilmary term, production the same interventing on the servicing the same of the primary term, production and the pilmary term, production of the primary term, production of the preventing on eventing on the same of the pilmary term, production of the preventing one than the or reworking operations for more than	above described land during the primary term before produce i hereafter cease, then and in either event. If operations for not pursued on said land on or before the first rental payti- rells, then this lease shall terminate unless Leases, on or be- la, Section 4 governing the payment of rentals, shall contin- the last year of the primary term and prior to the discov- If after discovery of oil, gas, or other hydrocarbons befor- is last year of said term from any cause, no rental paymen- primary term. If, at the expiration of the primary term, nevertheless shall continue in force as long as such drilling n on this lease shall continue in force as long as such drilling n on this lease shall continue in force as long as such drilling n or such resation of production; is restored or conducted without creastion of more than sixty (40) days. Aixty (60) conservitive as as discussioned or the primary of the second.	tion is obtained by a dry hole, or should production or drilling an additional well are not commenced or is date next succession and the second of the second fore said date, shall resume the permont prior thrutain us in force just as though there had been no inter- rity of oil, gas, or other hydrocarbons on said land e or during the last year of the primary term the Lersse is conducting operations for drilling a new or reworking operations continue, or if, after the future in force if drilling or reworking operations additional production is discovered as a result of this lease shall continue as long thereafter as oil, operations are had without cessation of such drill-
6. Lessee, at its option, is hereby a rad gas, or either of them, with any other develop and operate said premises, such po (10%) of forty (40) serves, for gas, oxcept that is and forty (840) scree, for gas, oxcept that is mental autometical succession. Less the server and the server and the server is and the server and the server and the server is a server to be server as a server as a server is a server to be server as a server as a server is a server a	tiven the right and power to pool or combine the land cove land, lease or leases when in Lease's judgment it is pece- oling to be into a well unit or units not exceeding forty (4 exceeding six hundred and forty (440) acres, plus an acres refer units may be greated to contorm to any spacing or we	red by this lease, or any portion thereof, as to oil samy or advisable to do so in order to properly 0) acres, plus an acreage tolerance of ten per cent ge tolerance of ten per cent (10%) of six hundred 11 unit pattern (hat may be precentibed by govern-
In any one or more strate, and units so for any other stratum or strate, and oil units m of the Lessee hereunder to pool this lease o ments identifying and describing the pooler royalite, as if it were included in this leas of a well as a shut-in gas well, shall be con- were from or such completion were on the	med need not conform in are or area with the unit of mill seed not conform as to area with gas units. The pooling in r portions thereof into other units. Lesses shall execute in with a streage. The entire acreage so pooled into a unit shall be s. and drilling or reworking operations thereon or production sidered for all purpoces, except the payment of royalites land covered by this lesse, whether or not the well or wells effied. Lassor shall receive from a unit so formed, only su his royalty interest therein bears to the total acreage so poo- than the maximum number of areas hereinabove specified. Lumber unit, enlarge such unit by adding additional acreage there is the land add of stifting unit is so enlarged. Lesses shall en the unit as originally creased number, but the unit and originally creased remination.	Into which the lease is pooled or combined as to one or more listances shall not exhaust the rights riting and place of record an instrument or instru- tingted for all purposes, except the payment of n of oil or gas therefrom, or the completion thereon at if such operations were on or such production
In lieu of the royalties elsewhere herein sp amount of his acreage placed in the unit or	and covered by this lease, whether or not the well or wells recified. Lessor shall receive from a unit so formed, only su his royally interest therein bears to the total acreage so poo	be located on the premises covered by this lease, ch portion of the royalty stipulated herein as the led in the particular unit involved. Should any unit

a modulied to conform to the terms, conditions, and provisions of such approved cooperative or unit plan of development or operation and, provisions of such approved cooperative or unit plan of development or operation and, provisions constrained and the set of th requiren for the purpt tich it is allo

963415 9. The rights of either party hereunder may be assigned, in whole or in part, and the provisions hereof shall extend to the heirs, successors end obligations or diminish the rights of Lessee. No change in the severahip of the land, regists, or royaities, however accomplished, shall operate the binding on Lessee 1 and the provisions hereof shall extend to the heirs, successors end of an inshed with a certified copy of all recorded instruments, all court proceedings and all other necessary evidence of any transfer, inheritance, or sale the of an everal laughtod overal rate of this lesse. No change and the successary evidence of all obligations with event of the sales. In event of the sales are of each, and default in rental payshele hereunder shall be apportionable among tion or portions arising subsequent to the date of assignment.
10. All express or implied covenants of this lesse shall be subject to all Federa' and State Laws. Executive Orders. Rules or Regulations, and this obligations with respect to the assigned by an at of God, of the public enemy. Here with a lesse is prevented by or if fore and effect until Lessee is performing or other two of the sales, in other exceeding of Lessee.
10. All express or implied covenants of this lesse shall be subject to all Federa' and State Laws. Executive Orders. Rules or Regulations, and the obligations with respect to the assigned by or if other asses of all robit eress.
11. Guring the term of this lesse, is or other hydrocarbors or other mineral is discovered upon the lessed premises or dispute. Inability to the same of any of the cause section in his Section. In this ferse shall nevertheles be considered as producing and all continues as elsewhere in the information of the interest the same of any other cause section. 2~2 All of the provisions of this lease shall inure to the benefit of and be binding upon the parties hereto, their heirs, administrators, successors and Ausigns. This agreement shall be binding on each of the above named parties who sign the same, regardless of whether it is signed by any of the other parties. IN WITNESS WHEREOF, this instrument is executed on the date first above written. WITNESSES: Wallace Almquist a/W/a Wallace E. Almquist S\$#522-30-2800 STATE OF COLORADO, SS. County of Boulder Colorado Acknowledgment The foregoing instrument was acknowledged before me this..... 2ndday of November A.D., 19.70 by Vallace Almquist a/k/a Wallace E. 4 ð ्द and and official seal: Wi ion commission expires Sept. 15, 1973 commis Notary Public. . ì. STATE OF COLORADO, SS. County of Colorado Acknowledgment The foregoing instrument was acknowledged before me this. Witness my hand and official seal: Υų My commission expires. Notary Public.

n de Miller van antigen die Maars Afrikanse.

FILM 718

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