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PRODUCERS 88-PAID UP  
Rev. 5-60, No 2-NXG.

## OIL AND GAS LEASE

AGREEMENT, Made and entered into the 19th day of November, 2010, by and between  
Powers Energy Corporation, a North Dakota Corporation

whose post office address is P. O. Box 1221, Williston, ND 58802-1221.

hereinafter called "Lessor" (whether one or more) and QUICKSILVER RESOURCES, INC.

whose post office address is 801 Cherry St., #3700, Unit 19, Fort Worth, TX 76102. hereinafter called "Lessee".

WITNESSETH, That the Lessor, for and in consideration of Ten & more Dollars cash in hand (the "Bonus Consideration") paid, the receipt of which is hereby acknowledged, and the covenants and agreements hereinafter contained, has granted, demised, leased and let, and by these presents does grant, demise, lease and let exclusively unto the said Lessee, the land hereinafter described, with the exclusive right for the purpose of drilling, mining, exploring by geophysical and other methods, and operating for and producing therefrom oil, gas and all other hydrocarbons of whatsoever nature or kind, specifically including shale gas, coal bed methane and any and all substances produced in association therewith from shale and coal-bearing formations, with rights of way and easements for laying pipelines, and erection of structures thereon to produce, save and take care of said products, all that certain tract of land situated in Moffat County, State of Colorado, described as follows, to-wit:

Township 6 North, Range 92 West of the 6th P.M.

Section 2: S $\frac{1}{4}$ SW $\frac{1}{4}$

Section 11: N $\frac{1}{2}$ NW $\frac{1}{4}$

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

containing 160.00 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of three (3) years from this date and as long thereafter as oil, gas, and all other hydrocarbons of whatsoever nature or kind, specifically including, without limitation, shale gas, coal bed methane and any and all substances produced in association therewith from shale and coal-bearing formations, is produced from said leased premises or on acreage pooled therewith, or drilling operations are continued as hereinafter provided. If, at the expiration of the primary term of this lease, oil or gas is not being produced on the leased premises or on acreage pooled therewith but Lessee is then engaged in drilling or reworking operations thereon, then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises or on acreage pooled therewith; and operations shall be considered to be continuously prosecuted if not more than one hundred eighty (180) days shall elapse between the completion or abandonment of one well and the beginning of operations for the drilling of a subsequent well. If after discovery of oil or gas on said land or on acreage pooled therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling, testing, completing, re-completing, re-working, deepening, plugging back or repairing operations within one hundred eighty (180) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the Bonus Consideration, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal 20% part of all oil produced and saved by Lessee from the leased premises.

2nd. To pay Lessor 20% of the gross proceeds each year, payable quarterly, for the gas from each well produced and saved by Lessee where gas only is found, while the same is being used off the premises, based upon the market value at the mouth of the well, and if used in the manufacture of gasoline a royalty of 20%, payable monthly at the prevailing market rate for gas computed at the mouth of the well.

3rd. To pay Lessor for gas produced and saved by Lessee from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of 20% of the proceeds, at the mouth of the well, payable monthly at the prevailing market rate.

4. Where gas from a well capable of producing gas only is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar (\$1.00) per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of one hundred eighty (180) days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above-described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the said Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipelines below plow depth.

8. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of Lessor.