

THIS AGREEMENT made and entered into this 24th day of June 1975

by and between Lee Dickson and Rita Dickson, husband and wife

4306 Tipton Court, Colorado Springs, Colorado 80915

lessor (whether one or more), and Kansas-Nebraska Natural Gas Company, Inc., 5715 W. 11th Ave., Lakewood, Colorado

WITNESSETH:

That the lessor, for and in consideration of Ten and Other Dollars (\$ 10.00 ) in hand paid, the receipt and sufficiency of which is hereby acknowledged, and the covenants and agreements hereinafter contained, does hereby grant, demise, lease and let unto the said lessee, exclusively, its successors and assigns, the following described land for the purpose of carrying on geological, geophysical and other exploratory work, including core drilling, and the drilling, mining, operating for and producing and saving of oil, gas, gas condensate, gas distillate, casinghead gas, casinghead gasoline, and all other gases and their constituent parts, and other minerals produced in connection with oil and gas operations hereunder, or as a by-product of oil and gas, and the exclusive right of injecting water, brine and other fluids and substances into the subsurface strata, with rights of way and easements for laying pipes, telephone and telegraph lines, tanks, power houses, stations, ponds, roadways and other fixtures or structures for producing, treating and caring for such products, and any and all other rights and privileges incident to or convenient in the economical or efficient operation, alone or conjointly with other lands, of said land for the production of said products or substances and the erection of structures thereon to produce, save and take care of said products and substances and the injection of water, brine and other substances into the subsurface strata of said tract of land, together with any reversionary rights therein, said tract of land being situated in the County of Yuma, State of Colorado

Township 1 South, Range 45 West, 6th P. M.

Section 12: S $\frac{1}{2}$

Section 22: NW $\frac{1}{4}$

Section 25: SW $\frac{1}{4}$

Section 26: S $\frac{1}{2}$ , NE $\frac{1}{4}$

Section 27: S $\frac{1}{2}$

Section 34: NE $\frac{1}{4}$

4119 - ORIGINAL GIVEN TO DON MILLER

Recorded Aug. 15, 1975 at 12:30 O'Clock P.

Reception 395862 Gary E. Stone, Jr.

of Section 12, Township 1 South, Range 45 West, which shall, for the purpose of calculating the amount of any money payment permitted or required by the terms of this lease, be considered as containing exactly 1600.00 acres, whether there is more or less.

TO HAVE AND TO HOLD the same (subject to the other provisions herein contained) for a term of Five (5) years from this date (hereafter called "Primary Term") and as long thereafter as oil, gas, gas condensate, gas distillate, casinghead gas, casinghead gasoline, and other minerals may be produced from said lease premises or operations for the drilling or production thereof are continued as hereinafter provided.

- To deliver, free of cost, to the lessor at the well or to the credit of lessor into the pipe line to which lessee may connect its well, an equal one-eighth (1/8th) part of all produced and saved from the lease premises or at the lessee's option to pay to the lessor for such one-eighth (1/8th) the market price at the wellhead for oil of a like grade and gravity prevailing on any such day its run into the pipe line or storage tanks.
- On gas, gas distillate, gas distillate, casinghead gas, casinghead gasoline, and other products, produced from said land and sold or used off the lease premises or in the manufacture of gasoline or other products, lessee shall pay to lessor a sum equal to one-eighth (1/8th) of the market value thereof at the mouth of the well, but in no event more than one-eighth (1/8th) of the actual amount received by lessee for the sale thereof.
- If gas from any well or wells on the premises capable of producing gas in commercial quantities is not sold or used off the premises or in the manufacture of gasoline for a period of one (1) year or more during which time there is no other production from the lease premises, then lessee shall become obligated to pay as royalty for such annual period a sum equal to the delay rentals provided in paragraph 6 hereof, whether during or after the primary term, in consideration of the obligation to pay, it shall within the meaning of all the terms of this lease, including the habendum clause, be conclusively deemed that gas is being produced from the premises during the time such gas is not sold or used.
- On all other minerals produced and marketed, lessee shall pay one-eighth (1/8th) of the current market price at the mouth of the well, but in no event more than one-eighth (1/8th) of the actual amount received by the lessee.
- If any gas well or wells produce dry gas in excess of that needed for operations hereunder, lessor shall have the privilege, at his sole risk, cost and expense, of using such surplus gas for stoves and inside lights in the principal dwelling located upon the lease premises, but without abridging any of the provisions aforesaid, lessee shall have free use of oil, distillate, condensate, gas, casinghead gas, casinghead gasoline and all other petroleum products, water and other minerals and materials from the lease premises, except water from lessor's wells and tanks, for all operations hereunder.
- If operations for the drilling of a well for oil or gas are not commenced on the lease premises on or before one (1) year from the date hereof, then this lease, except as otherwise provided, shall terminate as to both parties unless the lessee, on or before that date, shall pay or tender to lessor or to lessor's credit in the First National Bank at Wray, Colorado 80758 (or to any bank designated in writing by lessor whether or not such written designation is recorded), or its successor or successors, which bank and its successors are lessor's agents and shall continue as the depository bank regardless of changes in the ownership of said land or the right to receive rentals, the sum of Five (5) Dollars (\$ 5.00 ) which shall operate as a rental and cover the privilege of deferring the commencement of operations on the lease premises, and upon like payments or tenders, the commencement of operations for the drilling of a well shall be deemed to have been made when the check or draft is so transmitted, delivered or mailed.

It is expressly agreed that if lessee shall commence operations for the drilling of a well at any time while its lease is in force, this lease shall remain in force and its term shall continue for as long as operations are conducted thereon, and if production results therefrom, then so long as such production may continue. Should the first well drilled on the above described land be a dry hole or fail to establish production, then and in that event if a second well is not commenced on said land within twelve (12) months following the expiration term of the last rental period for which rental has been paid (or within twelve (12) months from the first anniversary of the date of expiration of the lease), this lease shall terminate as to both parties unless the lessee on or before the expiration of said twelve (12) months shall resume or commence the payment of rentals in the same amount and in the same manner as hereinbefore provided. If, within the primary term of this lease, production on the lease premises shall cease from any cause (other than a cessation falling more than ninety (90) days after such cessation; or, provided lessee begins or resumes the payment of rentals in the manner and amount hereinbefore provided, then the cessation of the primary term of this lease, production on the lease premises shall cease from any cause (other than a cessation contemplated in paragraph 3), this lease shall not terminate provided lessee resumes or commences operations for the drilling or reworking of a well within ninety (90) days from the date of such cessation, and this lease shall remain in force and effect during the prosecution of such operations, and if production results therefrom, then as long as such production continues or the well or wells are capable of producing.

Where required by lessor, lessee shall bury all pipe lines below ordinary plow depth in cultivated land. Lessee shall pay lessor for damages caused by lessee's operations to all cultivated crops growing on said land. Lessee shall have the right to draw and remove all casing, all other structures or fixtures placed on the lease premises by lessee for operations on the same area; the right to so use such facilities may be continued beyond the term of this lease by payment in advance of the sum of One Hundred Dollars (\$100.00) per year. No well shall be drilled nearer than 200 feet to any house or barn on the premises without the consent of lessor.

Lessee is granted the right, from time to time while this lease is in force, to pool into a separate operating unit or units all or any part of the land covered by this lease with other land, lease or leases, or interest therein (whether such other interests are pooled by a voluntary agreement on the part of the owners thereof or by the exercise of a right to pool or to obtain a multiple production allowable from any governmental agency having control over such matter. Any pooling hereunder may cover all oil and gas, or any one or more of the substances covered by this lease, and may cover one or more of all zones or formations underlying all or any portion or portions of the lease. Any unit formed by such pooling shall be of abutting or conforming tracts and shall not exceed 640 acres for gas, gas distillate or gas condensate and shall not exceed 80 acres for any other substance covered by this lease; provided that if any governmental regulation or order shall prescribe a spacing pattern for the development of a field wherein the above described land, or a portion thereof, is such allocation allowable. The area pooled and the zones or formations and substances pooled shall be set forth by lessee in a "Declaration of Pooling" filed for record in the county in which the pooled area is located. Such pooling shall be effective on the date such declaration is filed unless a later effective date is specified in such declaration. In absence of such pooling, there shall be no pooling of production from the land covered by this lease which is placed in the pooled area as the amount of the surface acreage effect any transfer of any title to any lessorhold, royalty or gas well royalties, or interest therein, shall be considered for all purposes (except for royalty purposes) the same as if said well were located on a well or of a dry hole, or the operation of a producing well on the pooled area. The commencement of a well, the conduct of other drilling operations, the completion of a well, or such drilling operations were conducted upon, the lands covered by this lease whether or not such well is located upon, or such drilling operations are conducted upon, said cutting and filings of record in the county or counties in which the pooled area is located a written declaration of the termination of such pooling, provided that the pooling of all interests not covered by this lease which comprise a part of such pooled unit be also terminated in some effective manner.

The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to their heirs, successors and assigns, but no change or division in the ownership of the land, rentals or royalties, however accomplished, shall operate or be construed so as to enlarge or increase the obligations or burdens of the lessee, or diminish its rights. Specifically, but not by way of limitation of the foregoing, the lessee shall not be required to offset wells on separate tracts into which the land covered by this lease may be divided, or to furnish separate measuring or receiving tanks. Notwithstanding any actual or constructive knowledge of or notice to the lessee, no change in the ownership of said land or the right to receive rentals or royalties hereunder, or any interest therein, however accomplished, shall be binding on the lessee (except at lessee's option) until thirty (30) days after lessee has been furnished with written notice thereof, together with the supporting information hereinafter referred to, by the party claiming as the result of such change establish the ownership of the claiming party. All advance payments of rentals made hereunder within thirty (30) days after lessee has been furnished with written notice of any direct default in the rental payment by one shall not affect the rights of the other leasehold owners (including sublessees) ratably according to the surface area of each, and respect lessor claims lessor has breached this lease. The service of such notice and elapse of sixty (60) days without lessee meeting or commencing to meet the alleged breaches shall be condition precedent to any action by lessor for any cause. If, within sixty (60) days after the receipt of such notice lessee shall meet or commence to meet the breaches alleged by lessor, lessee shall not be deemed in default hereunder.

If lessor owns a less interest than the entire fee or mineral estate (whether or not a lesser interest is stated above), the rentals and royalties herein provided shall be paid to lessor only in the proportion that his interest bears to the entire fee or mineral estate. If, however, during the term of this lease any reversion of interest to lessor should occur, then and in that event on the next succeeding rental anniversary after lessor shall have notified lessee of the occurrence of such reversion and shall have furnished lessee with satisfactory proof thereof, the rental shall be increased to cover the additional interest so acquired by the lessor.

All provisions hereof, express or implied shall be subject to all federal and state laws and the orders, rules and regulations of all governmental agencies administering the same (and interpretations thereof by such agencies or courts having jurisdiction), and this lease shall not in any way be terminated wholly or partially nor shall the lessee be liable for damages for failure to comply with any of the express or implied covenants hereof if such failure is caused by any such orders, rules or regulations (or interpretations thereof by said agencies or courts having jurisdiction). If lessee should be prevented during the last six (6) months of the primary term hereof from drilling a well hereunder by the order of any duly constituted authority having or asserting jurisdiction thereover, or if lessee should be unable during said period to drill a well hereunder due to equipment necessary in the drilling or completion thereof not being available from any cause, the primary term of this lease shall continue until six (6) months after said order is suspended, and/or said equipment is available.

This lease and all of its terms and conditions shall be binding upon all successors of the lessors and the lessees. Should any one or more of the parties above named as lessors fail to execute this lease, it shall nevertheless be binding upon all lessors who do execute it. Notwithstanding any language herein to the contrary, it is expressly understood and agreed herein of the spouse of any such party as a party-lessor for the purpose of waiving homestead, dower or inchoate rights of inheritance, if any.

Lessor hereby warrants and agrees to defend the title to the land above described and agrees that the lessee shall have the right at any time to redeem for lessor, by payment, any mortgage, taxes or other liens on the above described land in the event of default of payment by the owner and the lessee shall be subrogated to the rights of the holder thereof, and lessor hereby agrees that any such payments made by the lessee for the lessor may, at lessee's option, be deducted from any amounts of money which may become due or payable to the lessor under the terms of this lease.

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

Lee Dickson  
Rita Dickson  
Rita Dickson

C-792

STATE OF Colorado }  
COUNTY OF Yuma } ss. ACKNOWLEDGMENT FOR INDIVIDUAL (Kans., Okla., and Colo.)

Before me, the undersigned, a Notary Public, within and for said county and state, on this 24th  
day of June, 1975, personally appeared  
and Lee Dickson and Rita Dickson, husband and wife

to me personally known to be the identical person E who executed the within and foregoing instrument and acknowledged to me  
that they executed the same as their free and voluntary act and deed for the uses and purposes therein set forth.  
IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

My commission expires September 4, 1977  
E. W. Mitchell  
Notary Public.

STATE OF \_\_\_\_\_ }  
COUNTY OF \_\_\_\_\_ } ss. ACKNOWLEDGMENT FOR INDIVIDUAL (Kans., Okla., and Colo.)

Before me, the undersigned, a Notary Public, within and for said county and state, on this \_\_\_\_\_  
day of \_\_\_\_\_, 19\_\_\_\_, personally appeared \_\_\_\_\_  
and \_\_\_\_\_

to me personally known to be the identical person \_\_\_\_\_ who executed the within and foregoing instrument and acknowledged to me  
that \_\_\_\_\_ executed the same as \_\_\_\_\_ free and voluntary act and deed for the uses and purposes therein set forth.  
IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

My commission expires \_\_\_\_\_  
Notary Public.

STATE OF \_\_\_\_\_ }  
COUNTY OF \_\_\_\_\_ } ss. ACKNOWLEDGMENT FOR CORPORATION

On this \_\_\_\_\_ day of \_\_\_\_\_, A. D., 19\_\_\_\_, before me, the undersigned, a Notary Public  
in and for the county and state aforesaid, personally appeared \_\_\_\_\_  
to me personally known to be the identical person who signed the name of the maker thereof to the within and foregoing  
instrument as its \_\_\_\_\_ President and acknowledged to me that \_\_\_\_\_ executed the same as \_\_\_\_\_ free and  
voluntary act and deed, and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

Given under my hand and seal the day and year last above written.  
My commission expires \_\_\_\_\_  
Notary Public.

INDEXED  
MICROFILMED  
395862  
No.

**OIL AND GAS LEASE**  
FROM  
LEE DICKSON, ETUX  
TO  
RITA DICKSON  
TO  
KANSAS-NEBR. NATURAL GAS CO., INC.  
Date \_\_\_\_\_, 19\_\_\_\_  
Section \_\_\_\_\_ Twp. \_\_\_\_\_ Rre. \_\_\_\_\_  
No. of Acres \_\_\_\_\_ Term \_\_\_\_\_  
County \_\_\_\_\_

STATE OF COLORADO  
County of YUMA  
This instrument was filed for record on the  
15th day of August, 1975  
at 12:30 o'clock P. M., and duly recorded  
in Book 497 Page 538 of  
the records of this office.  
By Margie Egestone, Deputy  
Register of Deeds.  
When recorded, return to \_\_\_\_\_

THE KANSAS BLUE PRINT CO.  
WICHITA, KANSAS  
PHOTOSTAT SERVICE-UP-TO-DATE OIL MAPS

NOTE: When signature by mark in Kansas, said mark to be witnessed by at least one person and also acknowledged.  
For acknowledgment by mark, use regular Kansas acknowledgment.

STATE OF \_\_\_\_\_ }  
COUNTY OF \_\_\_\_\_ } ss. ACKNOWLEDGMENT FOR INDIVIDUAL (Kans., Okla., and Colo.)

Before me, the undersigned, a Notary Public, within and for said county and state, on this \_\_\_\_\_  
day of \_\_\_\_\_, 19\_\_\_\_, personally appeared \_\_\_\_\_  
and \_\_\_\_\_

to me personally known to be the identical person \_\_\_\_\_ who executed the within and foregoing instrument and acknowledged to me  
that \_\_\_\_\_ executed the same as \_\_\_\_\_ free and voluntary act and deed for the uses and purposes therein set forth.  
IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

My commission expires \_\_\_\_\_  
Notary Public.