

FORM 88 - (PRODUCER'S SPECIAL) (PAID-UP)

M63U (Rev. 1983)

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 25th day of October, 2011

by and between Delores E. Baker, a single woman
P.O. Box 141
Cheyenne Wells, Colorado 80810

whose mailing address is, hereinafter called Lessor (whether one or more),
and MULL DRILLING COMPANY, INC., 1700 N. Waterfront Pkwy, Bldg 1200, Wichita, KS 67206, hereinafter called Lessee:

Lessor, in consideration of One and More Dollars (\$ One & More) in hand paid, the receipt of which is hereby acknowledged and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring by geophysical, including but not limited to 3-D seismic, and other means, prospecting, drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases, and their respective constituent products, injecting gas, water, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, power stations, telephone lines, and other structures and things thereon to produce, save, take care of, treat, manufacture, process, store and transport said oil, liquid hydrocarbons, gases and their respective constituent products and other products manufactured therefrom, and housing and otherwise caring for its employees, the following described land, together with any reversionary rights and any acquired interest, therein situated in County of Cheyenne State of Colorado described as follows, to-wit:

Township 12 South, Range 48 West
Section 6: Lots 16, 17, 18, a/d/a the S/2S/2

in Section Township Range and containing 108.85 acres, more or less, and all accretions thereto.

Subject to the provisions herein contained, this lease shall remain in force for a term of Three (3) years from this date (called "primary term") and as long thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, or any of them, is produced from said land or land with which said land is pooled.

In consideration of the premises the said lessee covenants and agrees:
1st. To tender to lessor, free of cost, fifteen percent (15%) of all proceeds received by lessee for oil produced and sold from the leased premises.
2nd. To pay lessor for gas of whatsoever nature or kind produced and sold, or used off the premises, or used in the manufacture of any products therefrom, fifteen percent (15%), at the market price at the well, (but, as to gas sold by lessee, in no event more than fifteen percent (15%) of the proceeds received by lessee from such sales), for the gas sold, used off the premises, or in the manufacture of products therefrom, said payments to be made monthly. Where gas from a well producing gas only is not sold or used, lessee may pay or tender as royalty One Dollar (\$1.00) per year per net mineral acre retained hereunder, and if such payment or tender is made it will be considered that gas is being produced within the meaning of the preceding paragraph.

This lease may be reinstated during the primary term hereof without further payment or drilling operations. If the lessee shall commence to drill a well within the term of this lease or any extension thereof, the lessee shall have the right to drill such well to completion with reasonable diligence and dispatch, and if oil or gas, or either of them, be found in paying quantities, this lease shall continue and be in force with like effect as if such well had been completed within the term of years first mentioned.

If said lessee owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein provided for shall be paid to said lessor only in the proportion which lessor's interest bears to the whole and undivided fee.

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.
When requested by lessor, lessee shall bury lessee's pipe lines below plow depth.
No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of lessor.
Lessee shall pay for damages caused by lessee's operations to growing crops on said land.
Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.
If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to the heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment of rentals or royalties shall be binding on the lessee until after the lessee has been furnished with a written transfer or assignment or a true copy thereof. In case lessee assigns this lease, in whole or in part, lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment.
Lessee may at any time execute and deliver to lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, in whole or in part, nor lessee held liable in damages, for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.

Lessee warrants and agrees to defend the title to the lands herein described, and agrees that the lessee shall have the right at any time to redeem for lessor, by payment any mortgages, taxes or other liens on the above described lands, in the event of default of payment by lessor, and be subrogated to the rights of the holder thereof, and undersigned lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, in so far as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, when in lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises, such pooling to be of tracts contiguous to one another and to be into a unit or units not exceeding 80 acres each in the event of a vertical oil well and 640 acres for a horizontal oil well, or into a unit or units not exceeding 640 acres each in the event of a vertical or horizontal gas well. Lessee shall execute in writing and record in the conveyance records of the county in which the land herein leased is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit shall be treated, for all purposes except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on the pooled acreage, it shall be treated as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere herein specified, lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.

If at the end of the primary term this lease is not otherwise continued in force under the provisions hereof, this lease shall expire, unless lessee on or before the end of the primary term shall pay or tender to lessor the sum of Thirty Dollars (\$30.00) multiplied by the number of net mineral acres owned by lessor in the land above described and then, subject to this lease; and subject to the other provisions of this lease, this lease shall thereby be modified and the primary term shall be extended for an additional term of Two (2) years from the end of the primary term. Said payment may be made by check or draft of lessee or any assignee thereof, mailed or delivered direct to lessor at the address first provided above, on or before the end of the primary term.

In the event a gas well is drilled on the described lands, or land unitized therewith, it is agreed by Lessee and Lessor that "shut-in" or "in-lieu" royalty may only be paid for Five (5) yearly periods past the primary term of this lease.

IN WITNESS WHEREOF, the undersigned execute this instrument as of the day and year first above written.

Copy

Delores E. Baker



FORM 88 - (PRODUCER'S SPECIAL) (PAID-UP)

MG3U (Rev. 1981)

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 25th day of October 20 11

by and between Delores E. Baker, a single woman

P.O. Box 141

Cheyenne Wells, Colorado 80810

whose mailing address is hereinafter called Lessor (whether one or more), and MULL DRILLING COMPANY, INC., 1700 N. Waterfront Pkwy, Bldg 1200, Wichita, KS 67206, hereinafter called Lessee;

Lessor, in consideration of One and More Dollars (\$ One & More) in hand paid, the receipt of which is hereby acknowledged and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto lessor for the purpose of investigating, exploring by geophysical, including but not limited to 3-D seismic, and other means, prospecting, drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases, and their respective constituent products, injecting gas, water, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, power stations, telephone lines, and other structures and things thereon to produce, save, take care of, treat, manufacture, process, store and transport said oil, liquid hydrocarbons, gases and their respective constituent products and other products manufactured therefrom, and housing and otherwise caring for its employees, the following described land, together with any reversionary rights and after acquired interest, therein situated in County of Cheyenne State of Colorado described as follows, to-wit:

Township 12 South, Range 48 West Section 6: Lots 7 thru 15, a/d/a the N/2 and the N/2S/2

in Section Township Range and containing 327.14 acres, more or less, and all accretions thereon.

Subject to the provisions herein contained, this lease shall remain in force for a term of Three (3) years from this date (called "primary term") and so long thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, or any of them, is produced from said land or land with which said land is pooled.

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

- 1st. To tender to lessor, free of cost, fifteen percent (15%) of all proceeds received by lessee for oil produced and sold from the leased premises. 2nd. To pay to lessor for gas of whatsoever nature or kind produced and sold, or used off the premises, or used in the manufacture of any products therefrom, fifteen percent (15%), at the market price at the well, (but, as to gas sold by lessee, in no event more than fifteen percent (15%) of the proceeds received by lessee from such sales), for the gas sold, used off the premises, or in the manufacture of products therefrom, said payments to be made monthly. Where gas from a well producing gas only is not sold or used, lessee may pay or tender as royalty One Dollar (\$1.00) per year per net mineral acre retained hereunder, and if such payment or tender is made it will be considered that gas is being produced within the meaning of the preceding paragraph.

This lease may be maintained during the primary term hereof without further payment or drilling operations. If the lessee shall commence to drill a well within the term of this lease or any extension thereof, the lessee shall have the right to drill such well to completion with reasonable diligence and dispatch, and if oil or gas, or either of them, be found in paying quantities, this lease shall continue and be in force with like effect as if such well had been completed within the term of years first mentioned.

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein provided for shall be paid to said lessor only in the proportion which lessor's interest bears to the whole and undivided fee.

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 lessee. When requested by lessor, lessee shall bury lessee's pipe lines below plow depth.

No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of lessor. Lessee shall pay for damages caused by lessee's operations to growing crops on said land.

Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing. If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to the heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment of rents or royalties shall be binding on the lessee until after the lessee has been furnished with a written transfer or assignment of a true copy thereof. In case lessee assigns this lease, in whole or in part, lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment.

Lessee may at any time execute and deliver to lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, in whole or in part, nor lessee held liable in damages, for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.

Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the lessee shall have the right at any time to render for lessor, by payment any mortgages, taxes or other liens on the above described lands, in the event of default of payment by lessor, and be subrogated to the rights of the holder thereof, and undersigned lessor, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, in so far as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, when in lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises, such pooling to be of tracts contiguous to one another and to be into a unit or units not exceeding 80 acres each in the event of a vertical oil well and 640 acres for a horizontal oil well, or into a unit or units not exceeding 640 acres each in the event of a vertical or horizontal gas well. Lessee shall execute in writing and record in the conveyance records of the county in which the land herein leased is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit shall be treated, for all purposes except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on the pooled acreage, it shall be deemed as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere herein specified, lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.

If at the end of the primary term this lease is not otherwise continued in force under the provisions hereof, this lease shall expire, unless lessee on or before the end of the primary term shall pay or tender to lessor the sum of Thirty Dollars (\$30.00) multiplied by the number of net mineral acres owned by lessor in the land above described and then subject to this lease;

and subject to the other provisions of this lease, this lease shall thereby be modified and the primary term shall be extended for an additional term of Two (2) years from the end of the primary term. Said payment may be made by check or draft of lessee or any assignee thereof, mailed or delivered direct to lessor at the address first provided above, on or before the end of the primary term.

In the event a gas well is drilled on the described lands, or land unitized therewith, it is agreed by Lessee and Lessor that "shut-in" or "in-lieu" royalty may only be paid for Five (5) yearly periods past the primary term of this lease.

IN WITNESS WHEREOF, the undersigned execute this instrument as of the day and year first above written.

Copy

Delores E. Baker

232523
Page 1 of 4
Key Feyh, County Clerk & Recorder
Cheyenne County Colorado RP \$0.00
02-02-2012 08:01 AM Recording Fee \$26.00

RECORDING FEE PAID BY
Key Feyh

PAID-UP OIL AND GAS LEASE

AGREEMENT, Made and entered into this 16 day of October, 2011, by and between
Delees E. Baker, dealing in her sole and separate property

P.O. Box 141, Cheyenne Wells, CO 80810
Wesphal Energy, LLC
124 S. 600 E. Ste 300, Salt Lake City, UT 84102

WITNESSETH: that Lessor, for and in consideration of Ten and 00/100 DOLLARS (\$10.00) in hand paid, receipt of which is hereby acknowledged, and of the agreements of Lessee hereinafter set forth, hereby grants, conveys, leases and lets exclusively unto said Lessee the lands hereinafter described, together with any reasonably rights therein, for the purpose of prospecting, exploring by geophysical and other methods...

Township 13 South, Range 49 West, 6th P.M.
Section 14 - E2, NW

and containing for all purposes of this lease, said lands shall be deemed to contain 480.96 acres, more or less, together with all strips of parcels of land. In addition to the above described lands, this lease also covers any lake, stream, ditches, roads, easements and rights-of-way which situate or adjoin said lands...

Subject to the other provisions herein contained, this lease shall remain in force for a term of 5 years from the date hereof (herein called primary term) and as long thereafter as oil and gas, or either of them, is produced from the above described land or drilling operations are continuously prosecuted as hereinafter provided...

Lessee is hereby giving the option of extending the primary term of this lease for an additional term of 5 years from the expiration of the original primary term. This option may be exercised in relation to all of the land covered by this lease by Lessee, its successors or assigns, on or before the expiration of the primary term...

In consideration of the premises, it is hereby mutually agreed as follows:
1. Lessee shall deliver, to Lessor at the well, or to the trustee of Lessor in the pipeline to which the well may be connected, the equal 13.5% part of all oil and other liquid hydrocarbons produced and saved from the leased premises...
2. On gas, gas condensate, gas hydrates, casinghead gas and all other gases, including their constituent parts, produced from said land and sold or produced from said land and used in the manufacture of gasoline or other products, Lessee shall pay to Lessor a sum equal to 13.5% of the net proceeds received from the sale of such produced substances when the same is sold at the mouth of the well...

provisions or implied covenants of this lease if such failure, whether or not foreseeable, is the result of the exercise of governmental authority, war, armed rebellion, riot, lack of power, act of God, strike, civil disturbance, fire, explosion, flood or any other cause reasonably beyond the control of Lessee.

15. It is agreed that this lease shall never be forfeited or canceled for failure to perform in whole or in part any of its implied covenants, conditions or stipulations until it shall have first been finally judicially determined that such failure exists, and after such final determination, Lessee is given a reasonable time thereafter (but in no event less than 90 days) to comply with any such covenant, condition or stipulation.

16. In the event that this Lease, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the acreances covered by this lease and covering all or a portion of the land described herein, with this lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer promptly, including in the notice the name and address of the offeror, the price offered, and all other pertinent terms and conditions of the offer. Lessee, for a period fifteen days after receipt of the notice, shall have the sole and exclusive right and option to purchase the lease or part thereof or leasehold interest, conveyed by the offer at the price and according to the terms and conditions specified in the offer.

17. This lease and all provisions thereof shall be applicable to said proration and their respective successors and assigns. Hereinafter herein to Lessor and Lessee shall include references to their respective successors and assigns. Should any one or more of the parties named above as Lessee not execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

18. The Lessee for themselves and their heirs, successors and assigns, hereby expressly release and waive any and all rights of homestead, dower, curtesy and augmented-dower rights.

19. Lessee shall not take any actions with respect to surface development, subsequent to the execution of this lease, that impair, or are otherwise inconsistent with the rights granted to Lessee herein, including, but not limited to, the right of Lessee to unimpeded ingress and egress to the leased lands, and the right of Lessee to use as much of the surface, and such positions, as may be necessary or convenient for Lessee's oil and gas operations. Lessee expressly acknowledges its obligations pursuant to C.R.S. 24-25-101 et seq. to provide notice to Lessee prior to the first public hearing on any plan for surface development, and to provide in such plan, or related surface use agreement, for oil and gas operations pursuant to this lease.

DISCLAIMER OF REPRESENTATIONS: Lessee acknowledges that oil and gas lease payments, in the form of rental, bonus, and royalty, are market sensitive and truly vary depending on multiple factors and that this lease is the product of good faith negotiations. Lessee understands that these lease payments and terms are final and that Lessee cannot undo this lease without damage or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that the representations or conditions made in the negotiation of this lease that Lessor would get the highest possible different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed as of the day and year first above written.

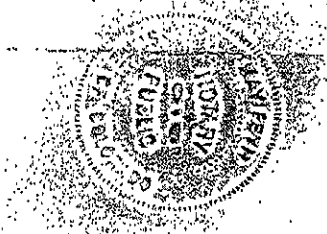
LESSOR:

Delores E. Baker 10-27-11
Delores E. Baker Date

ACKNOWLEDGMENT

STATE OF Colorado
COUNTY OF Cheyenne

This instrument was acknowledged before me on the 27th day of Oct, 2011, by Delores E. Baker, daughter of Delores and



Ray Feyh
Notary Public, State of Colorado
Notary's name (print): Ray Feyh
Notary's commission expires: 8-11-15

232523 02-02-2012 Page 4 of 4

EXHIBIT "A"

This exhibit is attached to and made a part of that certain oil and gas lease ("this lease") covering portions of Section 14, Township 13 South, Range 49 West, Cheyenne County, Colorado ("the leased premises"), dated October 16, 2011 by and between the Delores R. Baker and as Lessor, and Westphal Energy as Lessee.

The following provisions are part of this lease and if there be conflict between these provisions and any of the foregoing provisions, then the following provisions shall apply and take precedence:

- 1.) Shut In Limitation - After the expiration of the primary term, this lease may not be maintained in force solely by reason of the shut-in royalty payments, as provided for herein, for any one single period of time longer than five (5) consecutive years.

CURRENT LEASE

PRODUCERS RE-PAID UP
Rocky Mtn
Revised 6/2012

PAID-UP OIL AND GAS LEASE

THIS AGREEMENT is made and entered into on the 5th day of August, 2012, by and between DeLores E. Baker, a single woman dealing in her sole and separate property, whose address is P.O. Box 141, Cheyenne Wells, CO 80810, hereinafter called Lessor (whether one or more) and McDonald Land Services, L.L.C. whose address is P.O. Box 590, Washington, OK 73093, hereinafter called Lessee:

WITNESSETH: that Lessor, for and in consideration of Ten and 00/100 Dollars (\$10.00) in hand paid, receipt of which is hereby acknowledged, and of the agreements of Lessee hereinafter set forth, hereby grants, demises, leases and lets exclusively unto said Lessee the lands hereinafter described, together with any reversionary rights therein, for the purpose of prospecting, exploring by geophysical and other methods, drilling, mining, operating for and producing oil or gas, or both, including, but not as a limitation, casinghead gas, casinghead gasoline, gas-condensate (distillate), coal-bed methane gas and any substance, whether similar or dissimilar, produced in a gaseous state, together with the right of ingress and egress and the right to conduct operations including, but not limited, to construct and maintain pipe lines, telephone and electric lines, tanks, powers, ponds, roadways, plants, equipment, and structures thereon to produce, save and take care of said oil and gas, and the exclusive right to inject air, gas, water, brine and other fluids from any source into the subsurface strata and any and all other rights and privileges necessary, incident to, or convenient for the economical operation of said land, alone or jointly with neighboring land, for the production, saving and taking care of oil and gas, including the dewatering of coal-bed gas wells and the injection of air, gas, water, brine, and other fluids into the subsurface strata, said lands being situated in Kiowa County, Colorado, described as follows, to-wit:

Township 18 South Range 43 West, 6th P.M.
Section 19: NE/4

COPY

and containing for all purposes of this lease, said lands shall be deemed to contain 160,0000 acres, more or less, together with all strips or parcels of land.

In addition to the above-described lands, this lease also covers any lakes, streams, rivers, roads, easements and rights-of-way which traverse or adjoin said lands, including any accretions, and any strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the lands described herein, including without limitation, all strips or parcels resulting from changes in the boundaries or center line of any lake, stream or river, and all riparian lands adjacent thereto. In consideration of the cash bonus paid to Lessor by Lessee for execution of this lease, Lessor agrees to execute, at Lessee's request, any additional or supplemental instruments for a more complete or accurate description of the land so covered.

Subject to the other provisions herein contained, this lease shall remain in force for a term of FIVE (5) years from the date hereof (herein called "primary term") and as long thereafter as oil and gas, or either of them, is produced from the above described land or from lands pooled therewith or drilling operations are continuously prosecuted as hereinafter provided or this lease is otherwise maintained in effect pursuant to the provisions hereof. "Drilling operations" includes operations for the drilling of a new well, the reworking, deepening or plugging back of a well or hole or other operations conducted in an effort to obtain or re-establish production of oil or gas, including the dewatering of coal-bed gas wells. Drilling operations shall be considered to be "continuously prosecuted" so long as any one or more of such operations are prosecuted with no cessation of more than 120 consecutive days. If, at the expiration of the primary term of this lease, oil or gas is not being produced from the above described land but Lessee is then engaged in drilling operations, this lease shall continue in force so long as drilling operations are continuously prosecuted; and if production of oil or gas results from any such drilling operations, this lease shall continue in force so long as oil or gas shall be produced. If, after the expiration of the primary term of this lease, production from the above described land should cease, this lease shall not terminate if Lessee is then prosecuting drilling operations, or within 120 days after such cessation of production commences additional drilling operations, and this lease shall remain in force so long as such operations are continuously prosecuted, and if production results therefrom, then as long thereafter as oil or gas is produced from the above described land. This lease shall also remain in force if not more than 120 consecutive days elapse between the completion or abandonment of one well or hole and the commencement of drilling operations on another well or hole.

Lessee is hereby given the option of extending the primary term of this lease for an additional term of FOUR (4) years from the expiration of the original primary term. This option may be exercised in relation to all or part of the land covered by this lease by Lessee, its successors or assigns, on or before the expiration of the primary term, by paying an amount equal to 100.00% of the original bonus per net mineral acre paid to Lessor, its successors or assigns.

In consideration of the premises, it is hereby mutually agreed as follows:

1. Lessee shall deliver, to Lessor at the wells, or to the credit of Lessor in the pipeline to which the wells may be connected, the equal Fifteen Percent (15%) part of all oil and other liquid hydrocarbons produced and saved from the leased premises, or, at Lessee's option, pay to Lessor for such Fifteen Percent (15%) royalty the market price at the well for such oil and other liquid hydrocarbons of like grade and gravity prevailing on the day such oil and other liquid hydrocarbons are run from the lease stock tanks.

2. On gas, gas condensate, gas distillate, casinghead gas and all other gases, including their constituent parts, produced from said land and sold or produced from said land and used off the leased premises or in the manufacture of gasoline or other products, Lessee shall pay to Lessor a sum equal to Fifteen Percent (15%) of the net proceeds received from the sale of such produced substances where the same is sold at the mouth of the well or, if not sold at the mouth of the well, then Fifteen Percent (15%) of the market value thereof at the mouth of the well, but in no event more than Fifteen Percent (15%) of the actual amount received by Lessee for the sale thereof. Without limiting the foregoing, it is expressly agreed that Lessee shall at all times have the right to deduct from Lessor's royalty on any gas produced hereunder the royalty share of the costs, if any, of compression for delivery, transportation and gathering to the point of delivery to the purchaser of such production and all applicable production, severance, and other taxes.

3. If a well is awaiting hydraulic fracture stimulation or is capable of producing oil, gas or gas and gas condensate in paying quantities and is located on the leased premises (or on acreage pooled or consolidated with all or a portion of the leased premises into a unit for the drilling or operation of such well) is at any time shut in and no oil, gas or gas condensate therefrom is sold or used off the premises or for the manufacture of gasoline or other products, such shut-in well shall be deemed to be a well on the leased premises producing oil or gas in paying quantities and this lease shall continue in force during all of the time or times while such well is so shut-in, whether before or after the expiration of the primary term hereof. Lessee shall use reasonable diligence to market oil, gas or gas and gas condensate capable of being produced from such shut-in well but shall be under no obligation to market such products under terms, conditions or circumstances which, in Lessee's judgment exercised in good faith, are unsatisfactory. Lessee may pay or tender to Lessor on or before the later of the expiration of the primary term or anniversary date of this lease next ensuing after the expiration of one hundred twenty (120) days from the date such well is shut-in and thereafter on or before the succeeding anniversary dates of this lease during the period or periods such well is shut-in, as royalty, the sum of One dollar per net mineral acre (\$ 1.00); provided that, if oil, gas or gas condensate from such well is sold or used as aforesaid prior to any such anniversary date of this lease, or if at any such anniversary date, this lease is being maintained in force and effect otherwise than by reason of such shut-in well, Lessee shall not be obligated to pay or tender, on or before that particular anniversary date, said sum of money. Such payment shall be deemed a royalty under all provisions of this lease. Such payment may be made or tendered direct to Lessor at the address shown above or at the last known address as shown by Lessee's records. All payments or tenders may be made by cash, check or draft, mailed or delivered on or before the payment date, and the depositing of such cash, check or draft in any post office, addressed to the Lessor on or before the payment date, shall be deemed payment or tender as herein provided. Notwithstanding the death of Lessor, payment or tender of shut-in royalty to such deceased or to his credit in the manner provided herein shall be binding on the heirs, devisees, executors, administrators and personal representatives of Lessor and his successors in interest. Royalty ownership as of the date of payment as shown by Lessee's records shall govern the determination of the party or parties entitled to receive such payment. In consideration of the obligation so to pay, it shall within the meaning of all terms of this lease, including the Habendum clause, be conclusively deemed that gas is being produced from the premises during the time such gas or gas condensate is not sold or used. A well in which coal-bed gas dewatering operations are being conducted shall be deemed a shut-in well under the terms of this paragraph. Lessee's failure to properly pay shut-in royalty shall render Lessee liable for the amount due but shall not operate to terminate this lease.

4. THIS IS A PAID-UP LEASE. In consideration of the down payment, Lessor agrees that Lessee shall not be obligated to commence or continue any drilling operations during the primary term hereof or to make any (rental) payments during such primary term.

5. Should Lessor hereafter acquire any additional right, title or interest in and to the said land, it shall be subject to the provisions hereof to the same extent as if owned by Lessor at the date hereof.

6. If Lessor owns a less interest in the land covered by this lease than the entire undivided fee simple mineral estate therein, then whether or not such less interest is referred to or described herein, all shut-in royalties and royalties herein provided shall be paid Lessor only in the proportion which his interest bears to the whole and undivided mineral fee. However, any such shut-in royalty shall be increased at the next succeeding anniversary date after any reversion occurs to cover the interest so acquired provided that notice of said reversion is provided to Lessee under the terms of this lease.

7. The privilege of assigning or subletting this lease in whole or in part is expressly allowed. If the estate of either party hereto is assigned or sublet, the express and implied covenants hereof shall extend to the sub Lessees, successors and assigns of the parties; and in the event of an assignment or subletting by Lessor, Lessee shall be relieved and discharged as to the leasehold rights so assigned or sublet from any liability to Lessor thereafter accruing upon any of the covenants or conditions of this lease, either express or implied. No change in the ownership of the land or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee or require separate measuring or installation of separate tanks by Lessee. Notwithstanding any actual or constructive knowledge of or notice to Lessee, no change in the ownership of said land or of the right to receive shut-in royalties or other royalties hereunder, or of any interest therein, whether by reason of death, conveyance or any other matter, shall be binding on Lessee (except at Lessee's option in any particular case) until 90 days after Lessee has been furnished written notice thereof, and the supporting information hereinafter referred to, by the party claiming as a result of such change in ownership or interest. Such notice shall be supported by original or certified copies of all documents and other instruments or proceedings necessary in Lessee's opinion to establish the ownership of the claiming party. If at any time there be as many as six parties (or more) entitled to receive royalties under this lease, Lessee may withhold payment thereof unless and until all parties designate in writing in a recordable instrument to be filed with the Lessee, the trustee or agent to receive all royalty payment due hereunder and to execute division and transfer orders on behalf of said parties and their respective successors in title.

8. Lessee may, at any time, execute and deliver to Lessor or place of record a release covering all or any part of the acreage embraced in the leased premises or covering any one or more zones, formations or depths underlying all or any part of such acreage, and thereupon shall be relieved of all obligations thereafter to accrete with respect to the acreage, zones, formations or depths covered by such release. In the event of a release of this lease as to all rights in only a part of the acreage embraced in the leased premises, thereafter the shut-in royalties hereinabove provided for shall be reduced proportionately on an acreage basis. In the event of a partial release of acreage covered by this lease, Lessee may retain such easements over, through and under the released acreage as are necessary for its operations on other lands retained hereunder.

9. Lessee is granted the right, from time to time while this lease is in force, whether before or after the commencement of drilling operations, 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 interests 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 by the Lessee thereof), when in Lessee's judgment it is necessary or advisable in order to promote conservation, to properly develop or operate the land and interests to be pooled, or to obtain a multiple production allowable from any governmental agency having control over such matters. 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 or all zones or formations underlying all or any portion or portions of the leased premises. Any unit formed by such pooling shall be of abutting or cornering tracts and shall not exceed 640 acres (plus a tolerance of 10%) for gas or gas condensate and shall not exceed 40 acres (plus a tolerance of 10%) 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 located, or allocate a producing allowable based on acreage per well, then any such unit may embrace as much additional acreage as may be so prescribed or as may be permitted in such allocation of 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 or counties in which the pooled area is located. Such pooling shall be effective on the date such declaration is filed unless an earlier or later effective date is specified in such declaration. In lieu of the royalties elsewhere herein specified, except shut-in gas well royalties, Lessor shall receive on production from an area so pooled only such portion of the royalties which, in the absence of such pooling, would be payable hereunder to Lessor on production from the land covered by this lease which is placed in the pooled area as the amount of the surface acreage in the land covered by this lease which is placed in the pooled area bears to the amount of the surface acreage of the entire pooled area. Nothing herein contained shall authorize or effect any transfer of any title to any leasehold, royalty or other interest pooled pursuant hereto. The commencement of a well, the conduct of other drilling operations, the completion of a well or of a dry hole, or the operation of a producing well on the pooled area, shall be considered for all purposes (except for royalty purposes) the same as if said well were located on, 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 lands. Lessee shall also have the right, but not the obligation, from time to time, while this lease is in force, to modify or terminate any prior declaration of pooling by either increasing or decreasing the size of the pooled unit, such right to be exercised by the recording of an instrument evidencing such modification or termination; provided, however, that this right may be exercised only to the extent that such modification or termination will result in pooled units of a size equal to any spacing pattern established by governmental regulation or order for the lands involved. Notwithstanding the limitations on termination of pooled units contained in the preceding sentence, Lessee may also terminate any pooling effected pursuant hereto at any time the pooled unit is not producing and no drilling operations are being conducted thereon by executing and filing 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.

10. In addition to and not in limitation of the rights granted in paragraph 9 hereof, Lessee shall have the right to unitize, pool or combine all or any part of the above-described lands or other lands in the same general area, including the commitment of all or any portion of said lands to a federal unit by executing a Ratification and Joinder to such a unit, or by entering into a cooperative or unit plan of development or operation approved by any governmental authority and, from time to time, with like approval, to modify, change or terminate any such federal unit, plan or agreement and, in such event, the terms, conditions and provisions of this lease shall be deemed modified to conform to the terms, conditions and provisions of such approved federal unit, cooperative or unit plan of development or operation and, particularly, all drilling and development requirements of this lease, express or implied, shall be satisfied by compliance with the drilling and development requirements of such federal unit, plan or agreement, and this lease shall not terminate or expire during the life of such federal unit, plan or agreement. In the event that said lands or any part thereof shall hereafter be operated under any such federal unit, cooperative or unit plan of development or operation whereby the production thereof is allocated to different portions of the land covered by said federal unit or cooperative unit plan, then the production allocated to any particular tract of land shall, for the purpose of computing the royalties to be paid hereunder to Lessor, be regarded as having been produced from a particular tract of land to which it is allocated and not to any other tract of land; and the royalty payments to be made hereunder to Lessor shall be based upon production only as so allocated. Lessor shall formally express Lessor's consent to any federal unit, cooperative or unit plan of development or operation adopted by Lessee and approved by any governmental agency by executing a Ratification and Joinder to such federal unit, or by executing the cooperative or unit plan upon request of Lessee, but such consent shall not be deemed necessary to bind the interest of Lessor to such federal unit or cooperative or unit plan of development or operation.

11. Lessee shall have the right to use, free of cost, oil, gas and water produced on said land for its operations thereon except water from wells of Lessor. Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing. No part of the surface of the leased premises shall, without the written consent of Lessee, be let, granted or licensed by Lessor to any other party for the location, construction or maintenance of structures, tanks, pits, reservoirs, equipment, or machinery to be used for the purpose of exploring, developing or operating adjacent lands for oil, gas or other minerals. In addition, and not by way of limitation, Lessee shall have the right for one year after the expiration of the terms of this lease to enter the leased premises and remove any machinery or fixtures placed on the premises as well as the right to draw and remove casing during said period of time.

12. Lessee shall bury below plow depth its pipe lines on the leased premises when requested by a Lessor owning an interest in the surface. No well shall be drilled nearer than 200 feet to any house or barn now on said premises without the written consent of the owner of the surface on which such house or barn is located. Lessee shall pay for damages to growing crops caused by its operations on said lands.

13. Lessor hereby warrants and agrees to defend the title to the lands herein described, but if the interest of Lessor covered by this lease is expressly stated to be less than the entire fee or mineral estate, Lessor's warranty shall be limited to the interest so stated. Lessee may purchase or lease the rights of any party claiming any interest in said land and exercise such rights as may be obtained thereby but Lessee shall not suffer any forfeiture nor incur any liability to Lessor by reason thereof. Lessee shall have the right at any time to pay for Lessor, any mortgage, taxes or other lien on said lands, in the event of default of payment by Lessor, and be subrogated to the rights of the holder thereof, and any such payments made by Lessee for Lessor may be deducted from any amounts of money which may become due Lessor under this lease. In the event the leased lands are encumbered by a mortgage, then prior to the payment of any royalties due hereunder, Lessor agrees to obtain a subordination of mortgage, at Lessor's expense, in a form acceptable to Lessee. Furthermore, if any claim is asserted or any action or proceeding instituted by Lessor, or any third party claiming title to the leased land or any part thereof or any interest therein or any production therefrom, adverse to Lessor or adverse to the rights claimed in good faith by Lessee under this lease, then during the pendency of such controversy and until 90 days after determination thereof, Lessee may defer or discontinue payment of any sums due hereunder and all operations on the leased land or, if it operates wells, it may deposit royalties accruing hereunder in respect to the production therefrom in any bank in the state in which the leased premises are located to abide the final determination of such controversy.

14. All express provisions and implied covenants of this lease shall be subject to all applicable laws, governmental orders, rules and regulations. This lease shall not be terminated in whole or in part, nor Lessee held liable in damages, because of a temporary cessation or delay of production or of drilling operations due to breakdown of equipment or due to the repairing of a well or wells or because of an inability to obtain necessary permits, equipment, services, material, water electricity, fuel, access or easements, or because of failure to comply with any of the express provisions or implied covenants of this lease if such failure, whether or not foreseeable, is the result of the exercise of governmental authority, war, armed hostilities, terrorism, lack of market, act of God, strike, civil disturbance, fire, explosion, flood or any other cause reasonably beyond the control of Lessee.

15. It is agreed that this lease shall never be forfeited or canceled for failure to perform in whole or in part any of its implied covenants, conditions or stipulations until it shall have first been finally judicially determined that such failure exists, and after such final determination, Lessee is given a reasonable time therefrom (but in no event less than 90 days) to comply with any such covenants, conditions or stipulations.

16. If at any time within the primary term of this Lease or any continuation or extension thereof, Lessor receives any bona fide offer, acceptable to Lessor, to grant an additional lease which will take effect upon expiration of this Lease ("Top Lease") covering all or part of the Leasehold, Lessee shall have the continuing option by meeting any such offer to acquire a Top Lease on equivalent terms and conditions. Any offer must be in writing and must set forth the proposed Lessee's name, bonus consideration and royalty consideration to be paid for such Top Lease, and include a copy of the lease form to be utilized reflecting all pertinent and relevant terms and conditions of the Top Lease. Lessee shall have fifteen (15) days after receipt from Lessor of a complete copy of any such offer to advise Lessor in writing of its election to enter into an oil and gas lease with Lessor on equivalent terms and conditions. If Lessee fails to notify Lessor within the aforesaid fifteen (15) day period of its election to meet any such bona fide offer, Lessor shall have the right to accept said offer. Any Top Lease granted by Lessor in violation of this provision shall be null and void.

17. This lease and all provisions thereof shall be applicable to and binding upon the parties and their respective successors and assigns. Reference herein to Lessor and Lessee shall include reference to their respective successors and assigns. Should any one or more of the parties named above as Lessors not execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

18. The Lessors for themselves and their heirs, successors and assigns, hereby expressly release and waive any and all rights of homestead, dower, curtesy and augmented estate rights.

19. Lessor shall not take any actions with respect to surface development, subsequent to the execution of this lease, that impair or are otherwise inconsistent with the rights granted to Lessee herein, including, but not limited to, the right of Lessee to unimpeded ingress and access to the leased lands, and the right of Lessee to use so much of the surface, and at such locations, as may be necessary or convenient for lessee's oil and gas operations. Lessor expressly acknowledges its obligations pursuant to C.R.S. 24-65.5-101 et seq, to provide notice to lessee prior to the first public hearing on any plan for surface development, and to provide in such plan, or related surface use agreement, for oil and gas operations pursuant to this lease.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed as of the day and year first above written.

Delores E. Baker

STATE OF _____ }
 } ss.
 COUNTY OF _____ }

ACKNOWLEDGEMENT-INDIVIDUAL

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____, 20____, personally appeared Delores E. Baker, a single woman dealing in her sole and separate property, to me known to be the identical person(s), described in and who executed the within and foregoing instrument of writing and acknowledged to me that he/she/they duly executed same as his/her/their free and voluntary act and deed for the uses and purposes therein set forth and in the capacity stated therein.

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

My Commission expires: _____

Notary Public: _____

Address: _____