

OIL AND GAS LEASE

THIS AGREEMENT, dated July 13, 2015, is made and entered into by and between **Town of Windsor, a Colorado Municipal Corporation**, whose address is 301 Walnut St., Windsor, CO 80550 hereinafter called Lessor (whether one or more) and Grizzly Petroleum Company, LLC, whose address is 1801 Broadway, Suite 500, Denver, Colorado 80202, hereinafter called Lessee.

WITNESSETH, That the Lessor, for and in consideration of TEN AND MORE (\$10.00+) DOLLARS cash in hand paid, the receipt of which is hereby acknowledged, and the covenants and agreements hereinafter contained, has granted, demised, leased and let, and by these presents does grant, demise, lease and let exclusively unto the said Lessee, the land hereinafter described, with the exclusive right for the purpose of drilling, mining, exploring by geophysical and other methods, operating, and producing therefrom oil and all gas of whatsoever nature or kind, with rights of way and easements for roads, laying pipe lines, and erections of structures thereon to produce, save, and take care of said products, all the certain tract(s) of land situated in the County of Weld, State of Colorado, described as follows, to-wit:

Township 6 North, Range 67 West, 6th P.M.

Section 20: Lot 14, Block 1, Riverbend Subdivision Second Replat, Town of Windsor, County of Weld, State of Colorado.

Weld County Tax Assessor Parcel ID No. 080720206014

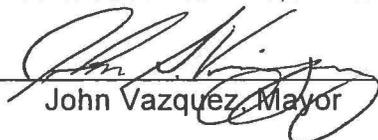
Containing approximately .21771 gross acres.

NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THEORY CONTRARY, THIS IS A NO SURFACE OCCUPANCY LEASE. IT IS AGREED THAT LESSEE, IT'S SUCCESSORS AND ASSIGNS SHALL NOT CONDUCT ANY DRILLING OPERATIONS OR LOCATE ANY PRO DUSTIN FACILITIES UPON THEORY LEASE LANDS, NOR WILL ANY ACCESS TO THEORY SURFACE OF THEORY LEASE LANDS BE PERMITTED WITHOUT EXPRESS WRITTEN CONSENT OF THEORY LESSOR.

1. It is agreed that this lease shall remain in force for a term of **Three (3) years** from this date, and as long thereafter as oil or gas of whatsoever nature or kind is produced from said leased premises or on acreage pooled therewith, or drilling operations are continued as hereinafter provided. If, at the expiration of the primary term of this lease, oil or gas is not being produced on the leased premises or on acreage pooled therewith but Lessee is engaged in drilling or reworking operations thereon, then this lease shall continue in force so long as operations are being continuously prosecuted on the lead premises or on acreage pooled therewith; and operations shall be considered continuously prosecuted if not more that ninety (90) days shall elapse between the completion or abandonment of one well and the beginning of operations for the drilling of a subsequent well. If after discovery of oil or gas on said land or on acreage pooled therewith, the production should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or reworking operations within ninety (90) days from date of cessation of production or from the 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 for so long as oil or gas is 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 lands pooled therewith.
 In the event a well or wells is drilled and completed on the lands, or on the lands pooled therewith, for the purpose of developing coalbed gas, the word "Operations" shall mean, in addition to those matters covered in the preceding paragraphs: (1) Operations of said wells to remove water or other substances from the coalbed, or to dispose of such water or other substances, even though such Operations may not result in the production of hydrocarbons in paying quantities, or (2) shutting-in or otherwise discontinuing production from said wells to allow for surface or underground mining affecting the drillsite or wellbore.
2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any Operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligations thereafter accruing as to the acreage surrendered.
3. In consideration of the premises the said Lessee covenants and agrees:
 - 1st. To deliver to the credit of the Lessor, free of cost, in the pipe line to which Lessee may connect wells on said land, the equal **Twenty per-cent (20%)** part of all oil produced and saved from the leased premises.
 - 2nd. To pay lessor on gas and casinghead gas produced from said land (1) when sold by Lessee, **Twenty per-cent (20%)** of the net proceeds delivered from such sale or (2) when used by Lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, of **Twenty per-cent (20%)** of such gas and casinghead gas, Lessors interest, in either case, to bear **Twenty per-cent (20%)** of the cost of compressing, dehydrating and other wise treating such gas or casinghead gas to render it marketable or usable and **Twenty per-cent (20%)** of the cost of gathering and transporting such gas and casinghead gas from the mouth of the well to the point of sale or use.
 - 3rd. To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product, a royalty of **Twenty per-cent (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 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 ninety (90) days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that Leased Substances are 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 mineral estate therein, then the royalties (including any shut-in oil and/or gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.
6. Lessee shall have the right to use, free of cost, gas, oil, and water produced on said land x for Lessees operation thereon.
7. When required by Lessor, Lessee shall bury Lessees pipe line below plow depth.
8. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of Lessor.

9. Lessee shall pay for damages caused by Lessee's operation on said land.
10. Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.
11. The rights of Lessor and Lessee hereunder may be assigned in whole or part. No change of Lessor's interest (by assignment or otherwise) shall be binding on Lessee until Lessee has been furnished with notice, consisting of certified copies of all recorded instruments or documents and other information necessary to establish a complete chain of record title from Lessor, and then only with respect to payments thereafter made. No other kind of notice, whether actual or constructive, shall be binding on Lessee. No present or future division of Lessor's ownership as to different portions or parcels of land shall operate to enlarge the obligations or diminish the rights of Lessee, and all Lessee's operations may be conducted without regard to any such division. If all or any part of this lease is assigned, no leasehold owner shall be liable for any act or omission of any other leasehold owner.
12. Lessee, at its option, is hereby given the right and power at any time and from time to time as a recurring right, either before or after production, as to all or any part of the land described herein and as to any one or more of the formations hereunder, to pool or unitize the leasehold estate and the mineral estate covered by this lease with other land lease or leases in the immediate vicinity for the production of oil and gas, or separately for the production of either, when in Lessee's judgment it is necessary or advisable to do so, and irrespective of whether authority similar to this exists with respect to such other land, lease or leases. Likewise, units previously formed to include formations not producing oil or gas, may be reformed to exclude such non-producing formations. Any unit may include land upon which a well has theretofore been completed or upon which operations for drilling have theretofore been commenced. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total number of surface acres covered by this lease and included in the unit bears to the total number of surface acres in such unit.
13. When operations or production are delayed or interrupted by lack of water, labor or material, or by fire, storm, flood, war, rebellion, insurrection, riot, strike, differences with workmen, or failure of carriers to furnish transport or furnish facilities for transportation or lack of market in the field for the minerals produced, or as a result of any cause whatsoever beyond the control of Lessee, the time of such delay or interruption shall not be counted against Lessee and this lease shall remain in force during such delay or interruption and ninety (90) days thereafter, anything in this lease to the contrary notwithstanding.
14. Lessor hereby agrees that the Lessee shall have the right at any time to redeem for Lessor, by payments, any mortgages, taxes or other liens on the above described lands, in the event of default of payment by Lessor and be subrogated to the rights of the holder thereof, and the undersigned Lessor, for itself and its heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, insofar as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.
15. Should any one or more of the parties hereinabove named as Lessor fail to execute this lease, it shall nevertheless be binding upon all such parties who do execute it as Lessor. The word "Lessor", as used in this lease, shall mean any one or more of the parties who execute this lease as Lessor. All the provisions of this lease shall inure to the benefit of and be binding on the personal representatives, heirs, successors and assigns of Lessor and Lessee.

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

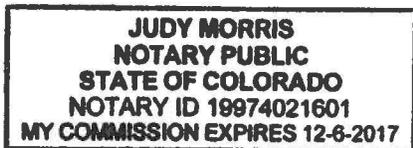
By: 
John Vazquez, Mayor

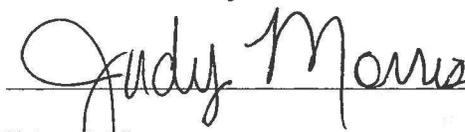
Attest: 
Patti Garcia, Town Clerk

COUNTY OF Weld)
)
STATE OF COLORADO)

ACKNOWLEDGEMENT—CORPORATION

The foregoing instrument was acknowledged before me this on this day 28th of July, 2015 by John Vazquez, Mayor for the Town of Windsor, a Colorado Municipal Corporation and Patti Garcia, Town Clerk for the Town of Windsor, a Colorado Municipal Corporation. WITNESS my hand and official seal.




Notary Public:

After recording return to:

Grizzly Petroleum Company, LLC
1801 Broadway, Suite 500
Denver, CO 80202

July 13, 2015

ORDER OF PAYMENT

On approval of the agreement associated herewith and on approval of title to same, Great Western Oil and Gas Company, LLC will make payment as indicated herein by check within 90 days of receipt of said agreement. No default shall be declared for failure to make payment until 15 days after receipt by Great Western Oil and Gas Company, LLC of written notice of Payee's intention to declare such default. In the event title research reveals that the Payee owns less than the full and undivided 100% interest in the property covered by the agreement, it is understood and agreed that the amount referenced below shall be proportionately reduced according to the percentage of the interest that the payee owns.

Pay To: **Town of Windsor**

The Amount of:

One Thousand and forty-two dollars - \$1,042.00

To be allocated as follows:

\$762.00 as Lease Bonus

\$280.00 as reimbursed legal fees

Address:

310 Walnut St.

Windsor, CO 80550

Phone number: _____

This payment is for an **Oil and Gas Lease** dated **7-13-2015**, which covers the property described as follows:

Township 6 North, Range 67 West, 6th P.M.

Section 20: Lot 14, Block 1, Riverbend Subdivision Second Replat, Town of Windsor, County of Weld, State of Colorado.

Containing .21771 GROSS ACRES



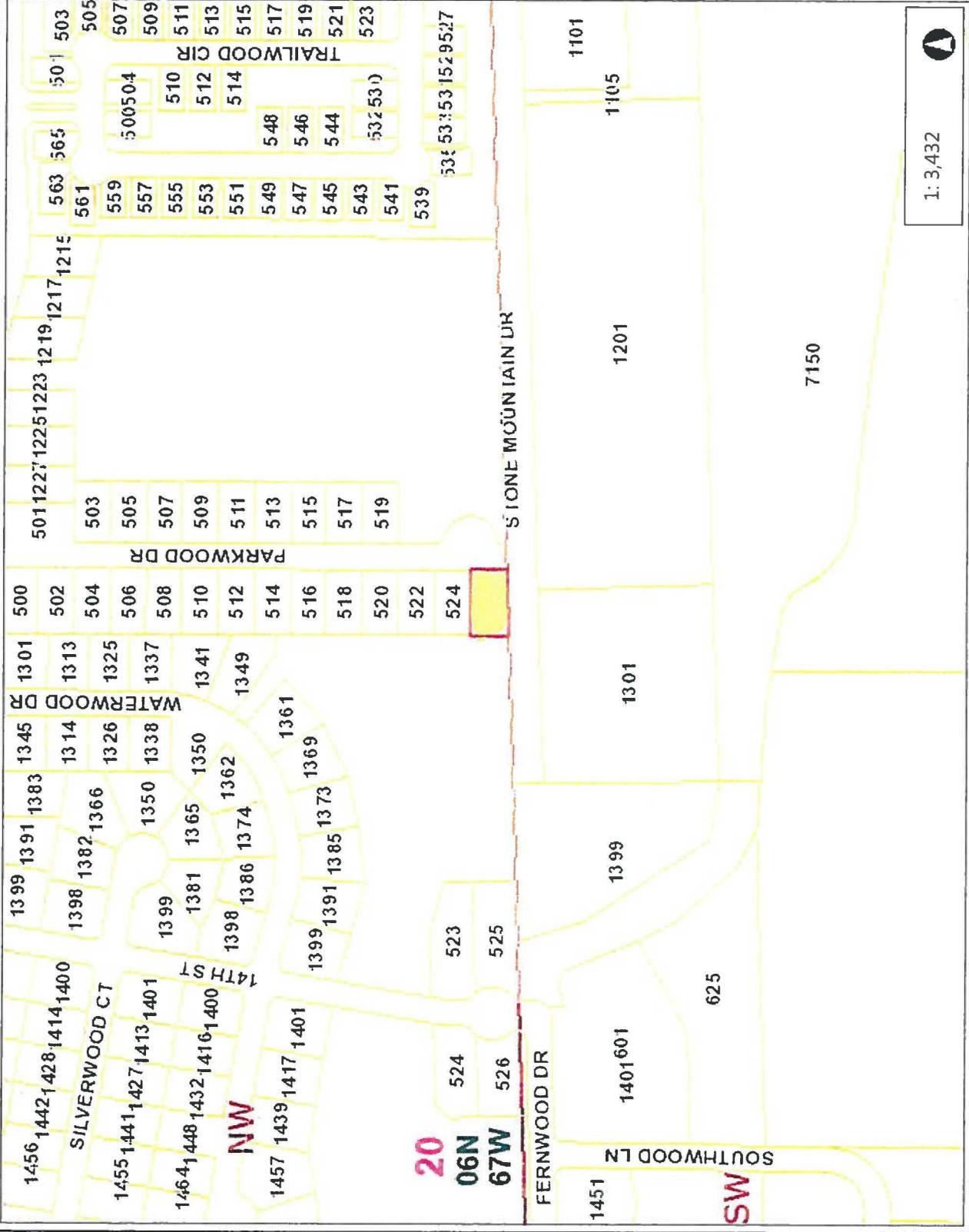
Date: 7/27/15

_____ Date: _____

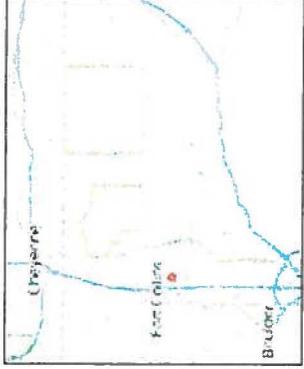
For Office Use Only:

Sent via Certified mail on _____

Check # _____ in the amount of \$ _____



1: 3,432



- Legend**
- Parcels
 - Highway
 - Township / Range
 - Section
 - Quarter Section
 - County Boundary

Notes

6N-67W-Sec 20
Parcel ID No. 080720206014

572.1 0 286.04 572.1 Feet

This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.
THIS MAP IS NOT TO BE USED FOR NAVIGATION