OIL AND GAS LEASE

This AGREEMENT made this 15th day of February, 84, between Lola M. Sievers and Sonia S. Heckel, Co-Trustees for the Lola M. Sievers Trust R.F.D. Roca, Nebraska 68430

hereinafter called Lessor (whether one or more), and Leaseholds Unlimited, LTD., Englewood, Colorado 80111

hereinafter called Lessee. WITNESSETH:

1. Lessor, in consideration of Ten and more DOLLARS, in hand paid, the receipt and sufficiency of which is hereby acknowledged, of the royalties herein provided and of the agreements of Lessee hereinafter contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil and gas, laying pipe lines, building tanks, power stations, telephone lines and other structures thereon to produce, save and take care of said products, and housing its employees, the following described land, to-wit:

Lancaster County, Nebraska

SEE EXHIBIT "A" ATTACHED HERETO, MADE A PART HEREOF AND SIGNED FOR IDENTIFICATION

XXX Section XXX Township XXX Range

In addition to the land above described, Lessor hereby grants, leases and lets exclusively unto Lessee the same purpose as specified above, all of the following described land which Lessor owns or claims by limitation, prescription or reversionary interest, and which is contiguous to or forms a part of the lands above particularly described, including all oil, gas and other minerals in and under and that may be produced from said lands, all streams, roads, easements and rights of way which traverse or adjoin any of said lands for rental payment purposes, the said lands within this lease are estimated to comprise 771.15 acres, whether it actually comprises more or less.

2. Subject to the other provisions herein contained, this lease shall be for a term of 10 years from this date (called "primary term") and as long thereafter as oil or gas or other minerals covered hereby are produced in paying quantities from said land, or from lands with which said land is pooled or unitized, or operations for drilling or reworking are conducted thereon.

3. The royalties to be paid by Lessee are: (a) on oil and other liquid hydrocarbons, one-eighth of that produced and saved from said land, same to be delivered at the wells or to the credit of Lessor into the pipe line to which the wells may be connected; Lessee may from time to time purchase any royalty oil in its possession, paying the posted market price for such oil for the same gravity prevailing for the field where produced on the date of purchase; (b) on gas and the constituents thereof produced from said land and sold or used off the premises or in the manufacture of gasoline or other products, one-eighth of the proceeds at the market value at the well of one-eighth of the gas so sold or used, provided that on gas sold at the wells the royalty shall be one-eighth of the amount realized from such sale; (c) on gas and water from said land, except water from Lessor's wells, streams, lakes and ponds, for all operations hereunder, and the royalty on gas shall be one-eighth of the gas so used, provided that on gas sold at the wells the royalty shall be one-eighth of the amount realized from such sale; (c) on gas and water from said land, except water from Lessor's wells, streams, lakes and ponds, for all operations hereunder, and the royalty on gas shall be one-eighth of the gas so used.

4. If a well capable of producing gas or gas in paying quantities is completed on the above described lands or lands with which said lands are pooled, and all such wells are shut in, before or after the expiration of the primary term of this lease, or if all production of gas should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or reworking operations within sixty (60) days thereafter or if Lessee shall commence the payment of shut-in gas royalties within sixty (60) days after such shut-in or cessation of production. If at the expiration of the primary term of this lease a well capable of producing gas in paying quantities is located on the premises, or on lands with which said premises are pooled, and all such wells are shut in, or production therefrom is not sold by Lessee, such shut-in gas well royalty shall be paid to Lessor at the end of each successive period of one year thereafter during the time such gas well or wells are shut in and no other royalties shall be payable to Lessor during such period. If at any time subsequent to the primary term of this lease gas is not sold or used off the premises or in the manufacture of gasoline or other products for a period of one year, and there is no well capable of producing gas in paying quantities on the premises or on lands with which said premises are pooled, Lessee shall pay or tender to Lessor at the end of said one year period, and thereafter on or before each anniversary of the end of said one year period during the time such conditions continue, a royalty of $100.00 per year per net mineral acre then covered by this lease, such payment or tender to be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing. Notwithstanding anything contained to the contrary in this lease, after the primary term Lessee shall not have the right to hold this lease by the payment of shut-in royalties for more than three consecutive years, and Lessee shall have no right to maintain this lease in force by the payment of shut-in royalties for more than three consecutive years. Should any well located on the premises or on lands with which said premises are pooled be completed in a formation which is regulated by a governmental agency, and because of such regulation the well is incapable of producing more than a restricted amount or at restricted times, Lessee's obligation to pay shut-in royalty hereunder shall be reduced proportionately or suspended, as the case may be, during the period of such restriction.

5. If operations for drilling or reworking are not conducted on said land or lands with which said land is pooled or unitized on or before one year from this date, the lease shall terminate as to both parties, unless on or before the expiration of said period Lessee shall pay or tender to Lessor or to the credit of Lessor in National Bank of Commerce Lincoln, Nebraska 68501, or its successors, which shall be and remain the depository for the payments hereunder regardless of changes in the ownership of said land or the royalties or other moneys payable under this lease, the sum of SEVEN HUNDRED SEVENTY ONE & 15/100 Dollars ($771.15) which shall operate as a rental and cover the privilege of deferring the commencement of operations for drilling or reworking for a period of twelve (12) months. In like manner and upon like payments or tenders annually the commencement of operations for drilling or reworking may be further deferred for successive periods of twelve (12) months each during the primary term. The payment or tender of rentals herein referred to may be made or tendered by check or draft of Lessee, or any assignee thereof, mailed or delivered on or before the rental paying date to the depository bank or to Lessor or to the last assignee of record known to Lessee, and the depositing of such rental, draft or check in any post office properly addressed to the person to whom such rental is payable and with sufficient postage affixed shall be deemed payment hereunder as provided. If such bank (or any successor bank) should fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept payment hereunder, Lessor shall, upon request by Lessee, deliver to Lessee a proper recordable instrument naming another bank as depository agent to receive such payments. If Lessee shall commence to drill a well within the term of this lease or any extension thereof, or before the expiration of a period during which Lessee is not required to pay rental, the right to defer the commencement of operations for drilling or reworking during the remainder of the term then current shall be exhausted. All rentals paid hereunder may be applied by Lessee to the credit of any part hereof. Lessee may at any time execute and deliver to Lessor or file for record a release or releases covering any part or parts of the above described land, and thereupon be relieved of all obligations, as to the acreage surrendered, thereafter to accrue. If this lease is now or hereafter shall be owned in severalty or in separate tracts, the premises hereunder may be developed and operated as an entirety, and the royalties shall be paid to each separate owner or owners in the proportion that the acreage owned by each such owner bears to the entire leased acreage. There shall be no obligation on the part of Lessee to offset wells on separate tracts into which the land covered by this lease may be severed by Lessor after assignment, but Lessee may pool or unitize as provided in paragraph 6 hereof. If Lessee releases all but a portion of the land then subject to this lease, Lessee's obligation to pay or tender rentals shall be reduced proportionately.

6. Lessee shall have the right but not the obligation to pool all or any part of the land covered by this lease or any oil or gas rights thereunder with any 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 properly to develop and operate said premises, such pooling to be into units not exceeding 80 acres plus a tolerance of ten percent (10%) of one hundred and sixty (160) acres for oil, and not exceeding six hundred and forty (640) acres plus a tolerance of ten percent (10%) of six hundred and forty (640) acres for gas, except that larger units may be created to conform to any spacing or well unit pattern that may be prescribed or permitted by governmental authority having jurisdiction. Lessee may pool or unitize in any manner and as often as desired, any part or parts (which may be separately developed or operated hereunder) of the land covered by this lease, whether or not similarly pooled or unitized, or the right to pool or unitize may be exercised with respect to only a portion of the land covered by this lease or any oil or gas rights therein, and the pooling of a portion of the land shall not exhaust the rights of the Lessee hereunder to pool this lease or portions thereof into other units. Lessee shall exercise said pooling right by executing an instrument identifying the pooled acreage. The entire acreage so pooled into a unit shall be treated, for all purposes except the payment of royalties, as if it were actually covered by and operations conducted or production had on or from the land covered by this lease, and operations conducted and production had or had established on or from any part of such unit which includes all or a portion of the land covered by this lease, regardless of whether such operations were conducted or production was had or established on or from land which is not included in such unit, shall be considered for all purposes, except the payment of royalties, as operations conducted upon or production had or had established on or from the land covered by this lease. There shall be allocated to the land covered by this lease within any such unit such proportion of the total production of unitized minerals from wells in the unit, after deducting any used in lease or unit operations, as the number of surface acres covered by this lease and included in the unit bears to the total number of surface acres in the unit, such production to be considered for all purposes except the payment of royalties as being produced from the land covered by this lease which is included in the unit in the proportion that the number of surface acres so included bears to the total number of surface acres in the unit, and the royalties payable to Lessor hereunder shall be computed and paid on the production so allocated to the land covered by this lease and included in the unit. In the absence of production from any unit which includes land covered by this lease, any part of the land covered by this lease included in any such unit may be released at any time by written instrument executed by Lessee and filed for record in the county where the land is situated. If, after the expiration of the primary term of this lease, a unit is created hereunder which contains less than the maximum number of acres hereinabove specified, Lessee may, at any time prior to or during the continuation of operations or production as provided in paragraph 4 hereof, enlarge such unit to conform to the size specified for units hereunder by adding additional acreage thereto, but the enlargement of any unit as to any part of the acreage included therein shall not relieve Lessee of the duty to pay royalties as to the acreage included in such unit prior to such enlargement. Should any unit as originally created hereunder contain less than the maximum number of acres hereinabove specified, Lessee may, at any time thereafter, whether before or after production is obtained on the unit, enlarge such unit by adding additional acreage thereto, but the enlargement of any unit as to any part of the acreage included therein shall not relieve Lessee of the duty to pay royalties as to the acreage included in such unit prior to such enlargement. Should any unit as originally created hereunder contain less than the maximum number of acres hereinabove specified, or should Lessee enlarge any unit to include additional acreage hereunder, then in the event any existing unit is so enlarged, Lessee shall execute and place of record a supplementary declaration of unitization identifying and describing the enlarged unit, and the effective date of such enlargement shall be the first day of the calendar month next following the filing thereof, or the date of first production from the enlarged unit, whichever is earlier, unless Lessee shall specify in such supplementary declaration of unitization that it shall become effective as of the first day of the calendar month next following the filing thereof. In the absence of production from the enlarged unit, Lessee may file such supplementary declaration of unitization at any time prior to the filing of record notice of termination.

7. Lessee shall have the right at any time, whether before or after production is obtained on the land hereby leased, to commence or continue operations for drilling for a test well or wells on any part of the above described lands with a view thereby to the establishment of a unit or units hereunder, and to complete such test well or wells as a producer of oil or gas or both, and the commencement of operations for drilling or reworking of such test well or wells shall be considered for all purposes as the commencement of operations for drilling or reworking on the land covered by this lease, and the drilling or reworking of such test well or wells shall be considered for all purposes as the drilling or reworking of a well on the land covered by this lease, and Lessee shall have the right to maintain this lease in force during the drilling or reworking of such test well or wells and during the completion or abandonment thereof, and to produce from such test well or wells during the period of such drilling or reworking operations and during any extension of time allowed for such operations, and if such test well or wells are completed as producers of oil or gas in paying quantities, Lessee shall have the right to maintain this lease in force during the continuance of production from such test well or wells, and during any period for which shut-in royalties are paid as provided in paragraph 4 hereof, and during any period for which rentals are paid as provided in paragraph 5 hereof, and during any period of time allowed for operations for drilling or reworking on such test well or wells or for the completion or abandonment thereof, and during any extension of time allowed for such operations.

8. If Lessee shall commence to drill a well within the term of this lease or any extension thereof, or before the expiration of a period during which Lessee is not required to pay rental, the right to defer the commencement of operations for drilling or reworking during the remainder of the term then current shall be exhausted. All rentals paid hereunder may be applied by Lessee to the credit of any part hereof. Lessee may at any time execute and deliver to Lessor or file for record a release or releases covering any part or parts of the above described land, and thereupon be relieved of all obligations, as to the acreage surrendered, thereafter to accrue. If this lease is now or hereafter shall be owned in severalty or in separate tracts, the premises hereunder may be developed and operated as an entirety, and the royalties shall be paid to each separate owner or owners in the proportion that the acreage owned by each such owner bears to the entire leased acreage. There shall be no obligation on the part of Lessee to offset wells on separate tracts into which the land covered by this lease may be severed by Lessor after assignment, but Lessee may pool or unitize as provided in paragraph 6 hereof. If Lessee releases all but a portion of the land then subject to this lease, Lessee's obligation to pay or tender rentals shall be reduced proportionately.

9. Lessee shall have the right at any time, whether before or after production is obtained on the land hereby leased, to commence or continue operations for drilling for a test well or wells on any part of the above described lands with a view thereby to the establishment of a unit or units hereunder, and to complete such test well or wells as a producer of oil or gas or both, and the commencement of operations for drilling or reworking of such test well or wells shall be considered for all purposes as the commencement of operations for drilling or reworking on the land covered by this lease, and the drilling or reworking of such test well or wells shall be considered for all purposes as the drilling or reworking of a well on the land covered by this lease, and Lessee shall have the right to maintain this lease in force during the drilling or reworking of such test well or wells and during the completion or abandonment thereof, and to produce from such test well or wells during the period of such drilling or reworking operations and during any extension of time allowed for such operations, and if such test well or wells are completed as producers of oil or gas in paying quantities, Lessee shall have the right to maintain this lease in force during the continuance of production from such test well or wells, and during any period for which shut-in royalties are paid as provided in paragraph 4 hereof, and during any period for which rentals are paid as provided in paragraph 5 hereof, and during any period of time allowed for operations for drilling or reworking on such test well or wells or for the completion or abandonment thereof, and during any extension of time allowed for such operations.

10. If Lessee shall commence to drill a well within the term of this lease or any extension thereof, or before the expiration of a period during which Lessee is not required to pay rental, the right to defer the commencement of operations for drilling or reworking during the remainder of the term then current shall be exhausted. All rentals paid hereunder may be applied by Lessee to the credit of any part hereof. Lessee may at any time execute and deliver to Lessor or file for record a release or releases covering any part or parts of the above described land, and thereupon be relieved of all obligations, as to the acreage surrendered, thereafter to accrue. If this lease is now or hereafter shall be owned in severalty or in separate tracts, the premises hereunder may be developed and operated as an entirety, and the royalties shall be paid to each separate owner or owners in the proportion that the acreage owned by each such owner bears to the entire leased acreage. There shall be no obligation on the part of Lessee to offset wells on separate tracts into which the land covered by this lease may be severed by Lessor after assignment, but Lessee may pool or unitize as provided in paragraph 6 hereof. If Lessee releases all but a portion of the land then subject to this lease, Lessee's obligation to pay or tender rentals shall be reduced proportionately.

11. Lessee shall have the right at any time, whether before or after production is obtained on the land hereby leased, to commence or continue operations for drilling for a test well or wells on any part of the above described lands with a view thereby to the establishment of a unit or units hereunder, and to complete such test well or wells as a producer of oil or gas or both, and the commencement of operations for drilling or reworking of such test well or wells shall be considered for all purposes as the commencement of operations for drilling or reworking on the land covered by this lease, and the drilling or reworking of such test well or wells shall be considered for all purposes as the drilling or reworking of a well on the land covered by this lease, and Lessee shall have the right to maintain this lease in force during the drilling or reworking of such test well or wells and during the completion or abandonment thereof, and to produce from such test well or wells during the period of such drilling or reworking operations and during any extension of time allowed for such operations, and if such test well or wells are completed as producers of oil or gas in paying quantities, Lessee shall have the right to maintain this lease in force during the continuance of production from such test well or wells, and during any period for which shut-in royalties are paid as provided in paragraph 4 hereof, and during any period for which rentals are paid as provided in paragraph 5 hereof, and during any period of time allowed for operations for drilling or reworking on such test well or wells or for the completion or abandonment thereof, and during any extension of time allowed for such operations.

12. If Lessee shall commence to drill a well within the term of this lease or any extension thereof, or before the expiration of a period during which Lessee is not required to pay rental, the right to defer the commencement of operations for drilling or reworking during the remainder of the term then current shall be exhausted. All rentals paid hereunder may be applied by Lessee to the credit of any part hereof. Lessee may at any time execute and deliver to Lessor or file for record a release or releases covering any part or parts of the above described land, and thereupon be relieved of all obligations, as to the acreage surrendered, thereafter to accrue. If this lease is now or hereafter shall be owned in severalty or in separate tracts, the premises hereunder may be developed and operated as an entirety, and the royalties shall be paid to each separate owner or owners in the proportion that the acreage owned by each such owner bears to the entire leased acreage. There shall be no obligation on the part of Lessee to offset wells on separate tracts into which the land covered by this lease may be severed by Lessor after assignment, but Lessee may pool or unitize as provided in paragraph 6 hereof. If Lessee releases all but a portion of the land then subject to this lease, Lessee's obligation to pay or tender rentals shall be reduced proportionately.

13. Lessee shall have the right at any time, whether before or after production is obtained on the land hereby leased, to commence or continue operations for drilling for a test well or wells on any part of the above described lands with a view thereby to the establishment of a unit or units hereunder, and to complete such test well or wells as a producer of oil or gas or both, and the commencement of operations for drilling or reworking of such test well or wells shall be considered for all purposes as the commencement of operations for drilling or reworking on the land covered by this lease, and the drilling or reworking of such test well or wells shall be considered for all purposes as the drilling or reworking of a well on the land covered by this lease, and Lessee shall have the right to maintain this lease in force during the drilling or reworking of such test well or wells and during the completion or abandonment thereof, and to produce from such test well or wells during the period of such drilling or reworking operations and during any extension of time allowed for such operations, and if such test well or wells are completed as producers of oil or gas in paying quantities, Lessee shall have the right to maintain this lease in force during the continuance of production from such test well or wells, and during any period for which shut-in royalties are paid as provided in paragraph 4 hereof, and during any period for which rentals are paid as provided in paragraph 5 hereof, and during any period of time allowed for operations for drilling or reworking on such test well or wells or for the completion or abandonment thereof, and during any extension of time allowed for such operations.

14. If Lessee shall commence to drill a well within the term of this lease or any extension thereof, or before the expiration of a period during which Lessee is not required to pay rental, the right to defer the commencement of operations for drilling or reworking during the remainder of the term then current shall be exhausted. All rentals paid hereunder may be applied by Lessee to the credit of any part hereof. Lessee may at any time execute and deliver to Lessor or file for record a release or releases covering any part or parts of the above described land, and thereupon be relieved of all obligations, as to the acreage surrendered, thereafter to accrue. If this lease is now or hereafter shall be owned in severalty or in separate tracts, the premises hereunder may be developed and operated as an entirety, and the royalties shall be paid to each separate owner or owners in the proportion that the acreage owned by each such owner bears to the entire leased acreage. There shall be no obligation on the part of Lessee to offset wells on separate tracts into which the land covered by this lease may be severed by Lessor after assignment, but Lessee may pool or unitize as provided in paragraph 6 hereof. If Lessee releases all but a portion of the land then subject to this lease, Lessee's obligation to pay or tender rentals shall be reduced proportionately.

15. Lessee shall have the right at any time, whether before or after production is obtained on the land hereby leased, to commence or continue operations for drilling for a test well or wells on any part of the above described lands with a view thereby to the establishment of a unit or units hereunder, and to complete such test well or wells as a producer of oil or gas or both, and the commencement of operations for drilling or reworking of such test well or wells shall be considered for all purposes as the commencement of operations for drilling or reworking on the land covered by this lease, and the drilling or reworking of such test well or wells shall be considered for all purposes as the drilling or reworking of a well on the land covered by this lease, and Lessee shall have the right to maintain this lease in force during the drilling or reworking of such test well or wells and during the completion or abandonment thereof, and to produce from such test well or wells during the period of such drilling or reworking operations and during any extension of time allowed for such operations, and if such test well or wells are completed as producers of oil or gas in paying quantities, Lessee shall have the right to maintain this lease in force during the continuance of production from such test well or wells, and during any period for which shut-in royalties are paid as provided in paragraph 4 hereof, and during any period for which rentals are paid as provided in paragraph 5 hereof, and during any period of time allowed for operations for drilling or reworking on such test well or wells or for the completion or abandonment thereof, and during any extension of time allowed for such operations.

16. If Lessee shall commence to drill a well within the term of this lease or any extension thereof, or before the expiration of a period during which Lessee is not required to pay rental, the right to defer the commencement of operations for drilling or reworking during the remainder of the term then current shall be exhausted. All rentals paid hereunder may be applied by Lessee to the credit of any part hereof. Lessee may at any time execute and deliver to Lessor or file for record a release or releases covering any part or parts of the above described land, and thereupon be relieved of all obligations, as to the acreage surrendered, thereafter to accrue. If this lease is now or hereafter shall be owned in severalty or in separate tracts, the premises hereunder may be developed and operated as an entirety, and the royalties shall be paid to each separate owner or owners in the proportion that the acreage owned by each such owner bears to the entire leased acreage. There shall be no obligation on the part of Lessee to offset wells on separate tracts into which the land covered by this lease may be severed by Lessor after assignment, but Lessee may pool or unitize as provided in paragraph 6 hereof. If Lessee releases all but a portion of the land then subject to this lease, Lessee's obligation to pay or tender rentals shall be reduced proportionately.

17. Lessee shall have the right at any time, whether before or after production is obtained on the land hereby leased, to commence or continue operations for drilling for a test well or wells on any part of the above described lands with a view thereby to the establishment of a unit or units hereunder, and to complete such test well or wells as a producer of oil or gas or both, and the commencement of operations for drilling or reworking of such test well or wells shall be considered for all purposes as the commencement of operations for drilling or reworking on the land covered by this lease, and the drilling or reworking of such test well or wells shall be considered for all purposes as the drilling or reworking of a well on the land covered by this lease, and Lessee shall have the right to maintain this lease in force during the drilling or reworking of such test well or wells and during the completion or abandonment thereof, and to produce from such test well or wells during the period of such drilling or reworking operations and during any extension of time allowed for such operations, and if such test well or wells are completed as producers of oil or gas in paying quantities, Lessee shall have the right to maintain this lease in force during the continuance of production from such test well or wells, and during any period for which shut-in royalties are paid as provided in paragraph 4 hereof, and during any period for which rentals are paid as provided in paragraph 5 hereof, and during any period of time allowed for operations for drilling or reworking on such test well or wells or for the completion or abandonment thereof, and during any extension of time allowed for such operations.

18. If Lessee shall commence to drill a well within the term of this lease or any extension thereof, or before the expiration of a period during which Lessee is not required to pay rental, the right to defer the commencement of operations for drilling or reworking during the remainder of the term then current shall be exhausted. All rentals paid hereunder may be applied by Lessee to the credit of any part hereof. Lessee may at any time execute and deliver to Lessor or file for record a release or releases covering any part or parts of the above described land, and thereupon be relieved of all obligations, as to the acreage surrendered, thereafter to accrue. If this lease is now or hereafter shall be owned in severalty or in separate tracts, the premises hereunder may be developed and operated as an entirety, and the royalties shall be paid to each separate owner or owners in the proportion that the acreage owned by each such owner bears to the entire leased acreage. There shall be no obligation on the part of Lessee to offset wells on separate tracts into which the land covered by this lease may be severed by Lessor after assignment, but Lessee may pool or unitize as provided in paragraph 6 hereof. If Lessee releases all but a portion of the land then subject to this lease, Lessee's obligation to pay or tender rentals shall be reduced proportionately.

19. Lessee shall have the right at any time, whether before or after production is obtained on the land hereby leased, to commence or continue operations for drilling for a test well or wells on any part of the above described lands with a view thereby to the establishment of a unit or units hereunder, and to complete such test well or wells as a producer of oil or gas or both, and the commencement of operations for drilling or reworking of such test well or wells shall be considered for all purposes as the commencement of operations for drilling or reworking on the land covered by this lease, and the drilling or reworking of such test well or wells shall be considered for all purposes as the drilling or reworking of a well on the land covered by this lease, and Lessee shall have the right to maintain this lease in force during the drilling or reworking of such test well or wells and during the completion or abandonment thereof, and to produce from such test well or wells during the period of such drilling or reworking operations and during any extension of time allowed for such operations, and if such test well or wells are completed as producers of oil or gas in paying quantities, Lessee shall have the right to maintain this lease in force during the continuance of production from such test well or wells, and during any period for which shut-in royalties are paid as provided in paragraph 4 hereof, and during any period for which rentals are paid as provided in paragraph 5 hereof, and during any period of time allowed for operations for drilling or reworking on such test well or wells or for the completion or abandonment thereof, and during any extension of time allowed for such operations.

20. If Lessee shall commence to drill a well within the term of this lease or any extension thereof, or before the expiration of a period during which Lessee is not required to pay rental, the right to defer the commencement of operations for drilling or reworking during the remainder of the term then current shall be exhausted. All rentals paid hereunder may be applied by Lessee to the credit of any part hereof. Lessee may at any time execute and deliver to Lessor or file for record a release or releases covering any part or parts of the above described land, and thereupon be relieved of all obligations, as to the acreage surrendered, thereafter to accrue. If this lease is now or hereafter shall be owned in severalty or in separate tracts, the premises hereunder may be developed and operated as an entirety, and the royalties shall be paid to each separate owner or owners in the proportion that the acreage owned by each such owner bears to the entire leased acreage. There shall be no obligation on the part of Lessee to offset wells on separate tracts into which the land covered by this lease may be severed by Lessor after assignment, but Lessee may pool or unitize as provided in paragraph 6 hereof. If Lessee releases all but a portion of the land then subject to this lease, Lessee's obligation to pay or tender rentals shall be reduced proportionately.

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