

SECTION 1:
OFFER TO LEASE

CONTACT:

Exterra Resources, LLC

Ted Coffelt

303-459-5484

Ted@TedCoffelt.com

North-826



December 1, 2016

North-826

**RIDGE WEST PUD COMMUNITY ASSOCIATION
MAILING: 706 S COLLEGE AVE STE 202
FORT COLLINS, CO 80524**

SECTION 1: OFFER TO LEASE

Township 6 North, Range 68 West, 6th P.M.

Section 24: Tracts A through D, Ridge West PUD.

Containing 66.57 acres, more or less.

RAINDANCE FC 23-232HXX	RAINDANCE FC 23-232HN	RAINDANCE FC 23-249HN	RAINDANCE FC 23-272HC
RAINDANCE FC 23-289HXX	RAINDANCE FC 23-289HN	RAINDANCE FC 23-312HN	RAINDANCE FC 23-312HC
RAINDANCE FC 23-329HXX	RAINDANCE FC 23-352HN	RAINDANCE FC 23-369HN	RAINDANCE FC 23-369HC
RAINDANCE FC 23-392HXX	RAINDANCE FC 26-009HN	RAINDANCE FC 26-032HN	RAINDANCE FC 26-032HC
RAINDANCE FC 26-049HN	RAINDANCE FC 26-072HXX	RAINDANCE FC 26-089HC	RAINDANCE FC 26-089HN
RAINDANCE FC 26-112HN	RAINDANCE FC 26-112HXX	RAINDANCE FC 26-129HC	RAINDANCE FC 26-152HN
RAINDANCE FC 26-169HN			

Great Western Operating Company, LLC ("Great Western") plans to spud the above-captioned wells as early as mid-year 2017. The spacing unit for the wells will comprise of the S/2 of Section 19, the W/2SW/4 of Section 20, the W/2NW/4 of Section 29, the N/2 of Section 30, Township 6 North, Range 67 West, Weld County, Colorado, and the SE/4 of Section 23, the S/2 of Section 24, the N/2 of Section 25, the NE/4 of Section 26, Township 6 North, Range 68 West, Larimer County, Colorado, containing 1,715.781 acres more or less, which includes your Unleased Mineral Interest described above.

On behalf of Grizzly Petroleum Company, LLC (an affiliate of Great Western Operating Company, LLC), Exterra Resources, LLC (Exterra) respectfully offers you the opportunity to enter in to a **Non-Surface Occupancy** Oil and Gas Lease under the following terms for the drilling of the above-captioned wells:

- \$1,500 per acre;
- 16.667% (1/6th) royalty interest;
- Five (5) year term.

If the terms, as set forth above, and the enclosed form of Oil and Gas Lease are acceptable, then please (1) execute the form of Oil and Gas Lease and have your signature properly acknowledged by a Notary Public (most banks will provide a Notary Public), (2) execute the enclosed Order for Payment, (3) complete and execute the enclosed W-9