

**AMENDMENT OF OIL AND GAS LEASE**

STATE OF COLORADO                    §  
  §           **KNOW ALL MEN BY THESE PRESENT:**  
COUNTY OF \_\_\_\_\_           §

This Amendment of Oil and Gas Lease ("Agreement") entered into this \_\_\_\_\_ day of \_\_\_\_\_ 2024, by Town of Johnstown whose address is P.O. Box 609, 101 W. Charlotte St., Johnstown, CO 80534, (herein referred to as "Lessor"), and PDC Energy, Inc., a Delaware Corporation, whose address is 1099 18th Street, Suite 1500, Denver, CO 80202 (herein referred to as "Lessee").

**Recitals**

WHEREAS, Town of Johnstown (Original Lessor) and PDC Energy, Inc. (Original Lessee) entered into that certain Paid-Up Oil and Gas Lease (herein referred to as the "Lease") dated March 20, 2023, (herein referred to as the "Effective Date"), recorded at Reception No. 4892233, of the Official Public Records of Weld County, Colorado; and

WHEREAS, said Lease burdens the following described lands (herein referred to as the "Lands"):

Township 4 North, Range 67 West of the 6th PM  
Sections 3, 4, 5 & 8: Those lands described on Exhibit A, attached hereto and made a part hereof.

...Containing approximately 27.6293 gross acres, more or less, and subject to all existing easements and rights of way of record...

WHEREAS, said Lease is now owned by PDC Energy, Inc.

**Agreement**

NOW THEREFORE, in consideration of the covenants and agreements contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor(s) and Lessee do hereby agree, by the execution hereof, and do hereby modify and amend the lease as follows:

1. **Lease Amendment.** The Lease shall be and is hereby modified and amended and as follows:
  - a. By deleting the gross acres of 27.6293 and replacing with gross acres of 34.8529.
  - b. By deleting Exhibit "A" - Addendum of the Lease and replacing it with Exhibit "A" - Addendum of this Amendment.
  - c. By deleting Exhibit "A" of the Lease and replacing it with Exhibit "A" of this Amendment.
  - d. **Ratification of Lease.** Lessor(s) and Lessee do hereby further ratify, adopt, and confirm the Lease as hereby amended, as a valid and subsisting Lease and the undersigned Lessor(s) do hereby grant, demise, lease, and let unto Lessee, the present owner of said Lease, the premises described above, subject to and in accordance with all of the terms and provisions of said Lease as hereby amended.
  - e. **Lease Remains in Effect.** Except as expressly modified and amended herein, the Lease shall remain in full force and effect as originally written and will continue to govern the rights and obligations of Lessor(s) and Lessee.
  - f. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of Lessor(s) and Lessee, and each of their respective heirs, legal representatives, successors and assigns.
  - g. **Multiple Counterparts.** This Agreement may be executed in any number of counterparts and shall be binding on each party executing the same to the same extent as if all parties had executed one instrument. Such counterparts may be recorded separately or may be combined to form one instrument for recording purposes.

All amendments to the Lease outlined in this Agreement are to be effective as March 20, 2023.

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

**PDC ENERGY, INC.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ACKNOWLEDGMENT**

STATE OF \_\_\_\_\_ §

§

COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_ as \_\_\_\_\_ of **PDC Energy, Inc.**, a Delaware corporation, on behalf of such corporation.

(SEAL)

\_\_\_\_\_  
Notary Public, State of \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

**LESSOR(S):**

**TOWN OF JOHNSTOWN, COLORADO**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ACKNOWLEDGMENT**

STATE OF \_\_\_\_\_ §

§

COUNTY OF \_\_\_\_\_ §

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_, as his/her free act and deed for the purposes set forth hereinabove.

(SEAL)

\_\_\_\_\_  
Notary Public, State of \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

*Exhibit "A"*

**ADDENDUM**

This Addendum is attached to and by this reference made a part of that certain Oil & Gas Lease made the 20th day of March 2023 (the "Lease"), and effective as of March 20, 2023 (the "Effective Date"), by and between the Town of Johnstown, Colorado, as Lessor and PDC Energy, Inc., as Lessee.

**In the event of a conflict or inconsistency between the printed terms of the Lease and the terms of this Addendum, the terms of this Addendum shall govern and control and shall be deemed to supersede the printed terms of the Lease.**

1. **Lessor.** The Lessor is the Town of Johnstown, whose address is 450 S. Parish Ave., Johnstown, CO 80534.
2. **Lease Term.** The following printed provision in this Lease in Paragraph 1 is hereby deleted in its entirety:

"Subject to the other provisions herein contained, this lease shall remain in force for a term of three (3) years (herein called "primary term") and as long thereafter as oil and gas, or either of them, is produced from the leased premises, or lands pooled or unitized therewith, or as long as Operations, as defined below, are being conducted at the end of the primary term and are continuously prosecuted thereafter in accordance with Section 5 below. For purposes of this lease, a well completed for the production of coalbed methane gas shall be deemed to be producing gas under this lease at all times when dewatering of the coal seams from which the coalbed methane gas will be produced is occurring. The term "Operations" shall mean any activity conducted on or off the leased premises that is reasonably calculated to obtain or restore production on the leased premises or lands pooled or unitized therewith, including without limitation, (i) drilling and completing or any act preparatory to drilling and completing (such as testing, fracking, obtaining permits, surveying a drill site, staking a drill site, building roads, clearing a drill site, or hauling equipment or supplies); (ii) reworking, plugging back, deepening, treating, stimulating, refitting, installing any artificial lift or production-enhancement equipment or technique; (iii) constructing facilities related to the production, treatment, transportation and marketing of substances produced from the leased premises; (iv) contracting for marketing services and sale of oil or gas; and (v) construction of water disposal facilities and the physical movement of water produced from the leased premises. Operations shall be considered to be "continuously prosecuted" if not more than one hundred twenty (120) days elapses between (a) the cessation of Operations or the permanent cessation of all production from any cause, including a revision of unit boundaries pursuant to the provisions of this lease or the action of any governmental authority, and (b) either the commencement of Operations or the restoration of production. Operations shall be deemed to have commenced for a new well at such time as the construction of the wellsite location or the road which provides access to the wellsite location has been initiated."

Paragraphs 5 and 19 of the Lease are also deleted in their entirety. Paragraphs 5, 19, and the above-described provision are hereby replaced with the following:

"This Lease shall remain in force for a primary term of three (3) years from 12:00 A.M. March 20, 2023 (effective date) to 11:59 P.M. March 20, 2026 (last day of primary term) and shall continue beyond the primary term as to the entirety of the leased premises if

one of the following “Operations” is satisfied on or before the end of the primary term, on or off the leased premises that is reasonably calculated to obtain or restore production on the leased premises or lands pooled or unitized therewith: (i) actual drilling operations are commenced, in search of oil, gas, or their constituents, (ii) a well capable of production is completed, or (iii) at least ninety (90) days prior to the end of the primary term, Lessee tender to Lessor payment equal to the initial consideration (i.e., bonus) given for the execution of this Lease, whereby such payment shall extend the primary term of this Lease by an additional two (2) years. If, at the expiration of the primary term of this Lease, oil or gas is not being produced on the leased premises, or lands pooled or unitized therewith, but Lessee is then engaged in drilling, re-working, completing, equipping, or dewatering operations on or off the leased premises that is reasonably calculated to obtain or restore production on the leased premises or lands pooled or unitized therewith, then this Lease shall continue in force so long as such operations are being continuously prosecuted on the leased premises, or lands pooled or unitized therewith; and such operations shall be considered to be continuously prosecuted if not more than ninety (90) consecutive 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, the production thereof should cease from any cause after the primary term, this Lease shall not terminate if Lessee commences additional drilling, completion, equipping, or re-working operations within ninety (90) days from the date of cessation of production, or from the date of completion of a 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 force so long as oil or gas is produced from the leased premises, or lands pooled or unitized therewith.”

3. **Royalty.** The printed provision in this Lease at Paragraph 2 is hereby deleted in its entirety, and replaced with the following:

“1<sup>st</sup>. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on the Premises, the equal 20% part of all oil produced and saved from the leased premises.

2<sup>nd</sup>. The lessee shall pay lessor, as royalty, on gas, including casinghead gas or other gaseous substances, produced from the leased premises and sold or used off the premises or used in the manufacture of gasoline or other products, the market value at the well of twenty percent (20%) of the gas sold or used, provided that on gas sold the royalty shall be twenty percent (20%) of the amount realized from such sale. The amount realized from the sale of gas shall be the price established by the gas sales contract entered into in good faith by lessee and a gas purchaser for such term and under such conditions as are customary in the industry. Price shall mean the net amount received by lessee after giving effect to applicable regulatory orders and after application of any applicable price adjustments specified in such contract or regulatory orders.

3<sup>rd</sup>. In calculating royalties on production hereunder, Lessee may deduct Lessor’s proportionate part of any ad valorem, production and excise taxes.”

4<sup>th</sup>. Lessee shall make or cause to be made payment of any sum due as Royalty within ninety (90) days following the month of production for which the Royalty is due and owing.

4. **Post-Production Costs.** In the event lessee compresses, treats, purifies or dehydrates such gas (whether on or off the leased premises) or transports gas of the leased premises, lessee in computing royalty hereunder may not deduct from such price the actual charge incurred by lessee for each of such functions performed. However, if an unaffiliated third party compresses, treats, purifies, dehydrates, or processes such gas (whether on or off the leased premises) or transports gas off the leased premises, then Lessee shall pay Lessor a 20% royalty on the net proceeds received by lessee after accounting for such third party charges.
5. **Shut-In.** The printed provision in this Lease at Paragraph 6 is hereby deleted in its entirety and replaced with the following:

“If after the primary term one or more wells on the leased premises are capable of producing oil or gas or other substances covered hereby, but such well or wells are either shut in or production therefrom is not being sold by Lessee, and this Lease is not being held by production or otherwise under the Lease, such well or wells shall nevertheless be deemed to be producing for the purposes of maintaining this Lease. If for a period of sixty (60) consecutive days such well or wells are shut in or production therefrom is not sold by Lessee, including dewatering of coalbed gas, the Lessee shall pay an aggregate shut-in royalty of thirty dollars (\$30.00) per acre then covered by this Lease, such payment to be made to Lessor on or before the anniversary date of this Lease next ensuing after the expiration of the said sixty (60) day period and thereafter on or before each anniversary of date of this Lease while the well or wells are shut in or production therefrom is not being sold by Lessee. Lessee shall have no right to maintain this Lease by payment of shut-in gas royalty for any one shut-in period greater than two (2) consecutive years.”

6. **Delay.** The printed provision in this Lease, Paragraph 15, is hereby deleted in its entirety and replaced with the following:

“All covenants and conditions of this Lease shall be subject to all laws, rules, regulations and orders of any governmental authority having jurisdiction, including restrictions on the drilling and production of wells, and regulation of the price or transportation of oil, gas or other substance covered hereby. When operations or production are delayed or interrupted by such laws, rules, regulations or orders, or by fire, storm, flood, war, rebellion, insurrection or riot, within thirty (30) days of such delay Lessee shall notify Lessor of the delay in writing, at which point the time of such delay or interruption shall not be counted against Lessee relative to any covenants or conditions hereunder and this Lease shall remain in force during such delay and for ninety (90) days after the end of the delay, notwithstanding anything in this Lease to the contrary. Lessee shall not be liable for breach of any provisions, conditions, or implied covenants of this Lease when operations are so prevented or delayed.”

7. **Right to Redeem.** The printed provision in this Lease at Paragraph 16 is hereby deleted in its entirety and replaced with the following:

“Lessor hereby agrees that Lessee shall have the right to redeem for Lessor, by payment, any mortgages, taxes or other liens on the above described lands, in the event of Lessor’s default of payment on said mortgages, taxes or other liens. If Lessee redeems any such mortgages, taxes or other liens, Lessee may recover any amount expended out of Lessor’s royalties or shut-in royalties.”

**In addition to the foregoing amendments, the following provisions are added to this Lease:**

1. **No Surface Operations Clause.** The parties hereto agree that Lessee shall not have the right to drill wells, construct pipelines, construct access roads and/or install any other facilities on the leased premises, nor shall Lessee have the right of ingress to or egress from the leased premises.
2. **No Storage Rights Clause.** Notwithstanding anything herein contained to the contrary, Lessee agrees that the leased premises shall not be used for the purpose of gas storage as defined by the Federal Energy Regulatory Commission. Any reference to gas storage contained in this Lease is hereby deleted. If Lessor wishes to enter into an agreement regarding gas storage using the leased premises with a third party, Lessor shall first give Lessee written notice of the identity of the third party, the price or the consideration for which the third party is prepared to offer, the effective date and closing date of the transaction and any other information respecting the transaction which Lessee believes would be material to the exercise of the offering. Lessor does hereby grant Lessee the first option and right to purchase the gas storage rights by matching and tendering to the Lessor any third party's offering within 30 days of receipt of notice from Lessor.
3. **Oil & Gas Only.** Notwithstanding anything herein contained to the contrary, this Lease shall be deemed to cover only oil and gas and associated hydrocarbons produced through the wellbore.
4. **No Warranty of Title.** Notwithstanding anything herein contained to the contrary, this Lease is given and granted without warranty of title, express or implied.
5. **Disposal and Injection Wells.** The parties hereto agree that Lessee shall not have the right to drill, construct, or maintain disposal or injection wells on or under the leased premises.
6. **Retained Acreage.** Notwithstanding anything contained in this Lease to the contrary, at the expiration of the primary term, or upon the cessation of drilling, completion, equipping, or reworking operations sufficient to maintain this Lease beyond the primary term in the absence of production, whichever is the later, this Lease shall automatically terminate and revert to Lessor, its successors and assigns, without re-entry, SAVE AND EXCEPT as to that portion of the leased premises, if any, that is then included in a drilling and spacing unit, wellbore spacing unit, or other unit approved by the governmental authority having jurisdiction. Within sixty (60) days after the date this Lease shall terminate, in whole or in part, as provided herein or in any other provision of this Lease, Lessee shall execute and deliver to Lessor an instrument of designation in recordable form acknowledging such termination and its release of the Lease as to the terminated acreage.
7. **Compliance Clause.** Lessee's operations on the leased premises shall comply with all applicable federal and state regulations.
8. **Hold Harmless Clause.** Lessee agrees it will protect and save and keep Lessor harmless and indemnified against and from any penalty or damage or charges imposed for any violation of any laws or ordinances, occasioned by the neglect of Lessee, and Lessee will at all times protect, indemnify and save and keep harmless the Lessor against and from any and all loss, damage or expense, including any injury to any person or property whomsoever or whatsoever arising out of or caused by Lessee.
9. **Controlling Document.** All provisions of this Lease and Lease Addendum shall be interpreted together and in harmony with one another. The terms of the Lease Addendum shall govern when any provision of the Lease and Lease Addendum are inconsistent with one another or are in conflict.
10. **Notice of Assignment.** Not less than thirty (30) days from and after any assignment of this Lease, Lessee shall provide written notice to Lessor of the assignment and the contact information for the subsequent Lessee.

## EXHIBIT "A"

This Exhibit is attached to that certain Paid-Up Oil & Gas Lease dated March 20th, 2023, between The Town of Johnstown, as Lessor and PDC Energy, Inc., as Lessee, for the purposes of providing the legal description of the premises in the lease.

Township 4 North - Range 67 West, 6<sup>th</sup> PM, Weld County, Colorado  
Section 3, the following 2 Tracts:

Tract 1: 13.00 acres, more or less, described by metes and bounds in that certain Warranty Deed, dated March 14, 1963, from COLORADO ALFALFA PRODUCTS COMPANY to THE TOWN OF JOHNSTOWN, COLORADO, a municipal corporation, recorded at Reception No. 1405200, Weld County, Colorado.

Tract 2: 7.0001 acres, more or less, described by metes and bounds in that certain Warranty Deed, dated March 8, 1973, from COLORADO ALFALFA PRODUCTS COMPANY to THE TOWN OF JOHNSTOWN, COLORADO, a municipal corporation, recorded at Reception No. 1609103, Weld County, Colorado.

. . . Containing approximately 20.0001 gross acres

Township 4 North - Range 67 West  
Section 4, the following 2 Parcels:

Parcel 1:  
Lot 1, Block 1, Public Works Facility Subdivision, containing 1.4672 acres, more or less

Parcel 2:  
Lots 1 through 6, Block 2, Great Western Addition, containing 0.4821 acres, more or less

Township 4 North - Range 67 West  
Section 5, the following eight (8) parcels:

Parcel 1:  
Block 13 of Mary C Parish Addition according to the plat thereof dated 8/29/1925 and recorded at Reception No 469022, Weld County, Colorado, containing 2.21 acres, more or less.

Parcel 2:  
The South 70 feet of Lot 8, Block 12 of Mary C Parish Addition according to the plat thereof dated 8/29/1925 and recorded at Reception No 469022, Weld County, Colorado, containing 0.0790 acres, more or less

Parcel 3:  
The East 65 feet of Lots 4-6, Block 3 of First Addition to Parish Heights according to the plat thereof dated 9/3/1908 and recorded at Reception No 132170, Weld County, Colorado, containing 0.2240 acres, more or less

Parcel 4:  
Lot 1, Being a Replat of Block 2, Map of Johnstown, situated in the Southeast Quarter of Section 5, Township 4 North, Range 67 West of the 6th P.M., according to the plat thereof dated 8/20/2021 and recorded at Reception No 4749987, Town of Johnstown, County of Weld, Colorado, containing 0.06 acres, more or less

Parcel 5:  
Lot 2, Being a Replat of Block 2, Map of Johnstown, situated in the Southeast Quarter of Section 5, Township 4 North, Range 67 West of the 6th P.M., according to the plat thereof dated 8/20/2021 and recorded at Reception No 4749987, Town of Johnstown, County of Weld, State of Colorado, containing 0.169 acres, more or less

Parcel 6:

Lot 3, Being a Replat of Block 2, Map of Johnstown, situated in the Southeast Quarter of Section 5, Township 4 North, Range 67 West of the 6th P.M., according to the plat thereof dated 8/20/2021 and recorded at Reception No 4749987, Town of Johnstown, County of Weld, State of Colorado, containing 0.726 acres, more or less

Parcel 7:

The West 10 feet of Lot 5, Block 4, Mary C. Parish Addition to the Town of Johnstown as reflected on the map recorded at Reception No. 469022 on September 14, 1925, being a part of the NW/4SE/4 of Section 5, T4N, R67W, 6th P.M., containing 0.1203 acres, more or less

Parcel 8:

The North 35 feet of Lots 1 through 11, Block 1, Second Addition to Parish Heights, as reflected on map recorded at Reception No. 333967 on August 30, 1920, being part of the S/2SE/4 of Section 5, T4N, R67W, 6th P.M., containing 0.6858 acres, more or less

Township 4 North - Range 67 West

Section 8, the following four (4) Parcels:

Parcel 1:

2.0730 acres, more or less, situated in the NW/4 of Section 8, T4N R67W, 6th PM, Weld County Colorado, as described in that certain Warranty Deed dated 7/08/1985 from CHESTER T. HAYS to TOWN OF JOHNSTOWN, recorded at Reception No. 2018415 of the Weld County Clerk and Recorder's office.

Parcel 2:

A tract or parcel of land being more particularly described as follows:

Commencing at the Northeast corner of Section 8; Thence N 89°09'43" W, along the north line of the northeast quarter of Section 8, a distance of 34.81 feet to the northeast property corner as described in Reception No. 2893088 of the Weld County Clerk and Recorder's Office, said point being the TRUE POINT OF BEGINNING;

1. Thence N 89°09'43" W, continuing along the north line of the Northeast quarter of Section 8, a distance of 100.04 feet;
2. Thence S 0°51'23" E, parallel with the east line of the northeast quarter of Section 8, a distance of 60.03 feet;
3. Thence S 89°09'43" E, parallel with the north line of the northeast quarter of Section 8, a distance of 100.04 feet to the existing west right of way line of Parish Avenue (April, 2005);
4. Thence N 0°51'23" W, along said existing west right of way line of Parish Avenue, a distance of 60.03 feet, more or less, to the TRUE POINT OF BEGINNING.

The above-described parcel contains 0.138 acres (6003 square feet), more or less.

Basis of Bearings: All bearings are based on a line connecting the N ¼ corner of Section 8, T04N-R67, 6th P.M. (2 ½" alum. cap in range box – LS 20676) and the NE corner of Section 8, (2 ½" alum. cap in range box – 20676) as bearing S 89°09'43" E.

Parcel 3:

Lot 1, Block 1, Johnstown Farms Filing No. 1 as depicted in that plat recorded at Reception No. 2974635 on August 2, 2002, located in the S/2NE/4 of Section 8, T4N, R67W, 6th P.M., containing 3.7991 acres, more or less

Parcel 4:

The North 250 feet of Lot 1 Block 2, Johnstown Farms Filing No. 1 as depicted in that plat recorded at Reception No. 2974635 on August 2, 2002, located in the SE/4NE/4 of Section 8, T4N, R67W, 6th P.M., containing 2.2798 acres, more or less

Township 4 North - Range 67 West

Section 9:

Parcel 1:

Lots 5 and 6, Johnstown Colony, as depicted in that Plat recorded at Reception No. 708516 on March 23, 1935, located in the NW/4NW/4 of Section 9, T4N, R67W, 6th P.M., containing 0.3386 acres, more or less