

CITY OF CRAIG – Memo to City Council

Date: September 17, 2025

To: Mayor and Members of the Craig City Council

From: Dan Davidson, Director – Museum of Northwest Colorado

Through: City Manager

Subject: Approval of Oil & Gas Lease – Museum of Northwest Colorado / Zenergy, Inc.

I. PURPOSE & REQUEST

The purpose of this agenda item is to request City Council approval of an Oil and Gas Lease between the City of Craig, for the benefit of the Museum of Northwest Colorado, and Zenergy, Inc. Approval will authorize the Mayor to execute the lease and related documents, including the Memorandum of Oil and Gas Lease.

II. BACKGROUND & SUMMARY

- The Museum of Northwest Colorado, a City-owned non-profit, holds donated mineral interests.
- While new lease activity is limited due to the current oil and gas climate in Colorado, occasional leasing provides valuable supplemental income for museum operations.
- The proposed lease with Zenergy, Inc. covers **915.77 gross acres** of mineral interests in Moffat County, Colorado (legal description included in the lease).
- Lease terms include:
 - **Primary Term:** Five (5) years, continuing as long as production is in paying quantities.
 - **Royalty:** 16.666667% on oil, gas, and associated hydrocarbons produced.
 - **Consideration:** \$10,545.51 (paid-up lease; no annual rental payments required).
- The Order for Payment confirms the lump sum payment due upon execution and acceptance of title.

III. FINANCIAL IMPACT

- **Revenue:** \$10,545.51 will be deposited in the City's accounts for the benefit of the Museum of Northwest Colorado.
- Funds will be available as unrestricted revenue to support museum operations, programming, and preservation efforts.

IV. STAFF RECOMMENDATION

Staff recommends **approval** of the Oil and Gas Lease and related documents with Zenergy, Inc., and authorization for Mayor Chris Nichols to execute all necessary documents on behalf of the City of Craig.

V. PROPOSED MOTION

“I move to approve Resolution No. 30 (2025), authorizing the execution of an Oil and Gas Lease between the City of Craig for the benefit of the Museum of Northwest Colorado and Zenergy, Inc., and to authorize the Mayor to sign all necessary documents.”

Prepared By:

Dan Davidson, Museum Director

Reviewed By:

City Manager

CITY OF CRAIG, COLORADO

RESOLUTION NO. 30 (2025)

A RESOLUTION AUTHORIZING THE EXECUTION OF AN OIL AND GAS LEASE BETWEEN THE CITY OF CRAIG FOR THE BENEFIT OF THE MUSEUM OF NORTHWEST COLORADO AND ZENERGY, INC.

WHEREAS, The Museum of Northwest Colorado, a non-profit entity wholly owned by the City of Craig, has historically accepted donated mineral interests, and on occasion executes mineral leases to generate supplemental revenue to support its cultural, educational, and preservation efforts; and

WHEREAS, The Museum Director, Dan Davidson, has reviewed and recommended approval of an Oil and Gas Lease agreement with Zenergy, Inc., an Oklahoma corporation, for certain mineral interests in Moffat County, Colorado; and

WHEREAS, The lease, dated **September 9, 2025**, covers approximately **915.77 gross acres** (more or less) of mineral interests in Moffat County, Colorado, as fully described in the lease document; and

WHEREAS, The primary term of the lease is **five (5) years** with the usual continuation provisions for production in paying quantities thereafter, and provides for a royalty of **16.666667%** on oil, gas, and associated hydrocarbons produced, together with other terms and conditions as stated in the lease; and

WHEREAS, The lease is a **paid-up lease** and provides for payment to the City of Craig, for the benefit of the Museum of Northwest Colorado, in the amount of **Ten Thousand Five Hundred Forty-Five Dollars and Fifty-One Cents (\$10,545.51)** as consideration for execution of the lease; and

WHEREAS, The City Council finds that approval of this lease will provide additional resources to support the Museum of Northwest Colorado's mission and is in the best interest of the City of Craig and its residents;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CRAIG, COLORADO:

1. **Approval of Lease** – The City Council hereby approves the Oil and Gas Lease, dated September 9, 2025, by and between the City of Craig, for the benefit of the Museum of Northwest Colorado, as Lessor, and Zenergy, Inc., as Lessee, covering the mineral interests described therein.

2. **Authorization to Execute** – The Mayor is hereby authorized and directed to execute the Oil and Gas Lease, the Memorandum of Oil and Gas Lease, and any related documents necessary to carry out the intent of this Resolution.
3. **Deposit of Proceeds** – All proceeds from the lease shall be deposited with the City of Craig Finance Department for the benefit of the Museum of Northwest Colorado.
4. **Further Actions** – City staff is authorized to take all actions necessary to effectuate the execution and recording of said lease and related documents in accordance with applicable laws and regulations.
5. **Appropriation of Lease Proceeds** – The City Council is desirous to modify and amend the 2025 budget to appropriate \$10,545.51 in additional funds in the Museum Fund.

RESOLVED AND ADOPTED this 23rd day of September, 2025, by the City Council of the City of Craig, Colorado.

CITY OF CRAIG, COLORADO

By: _____
Chris Nichols, Mayor

ATTEST:

By: _____
Katie Carmody, City Clerk

MEMORANDUM OF OIL AND GAS LEASE

STATE OF COLORADO §
COUNTY OF MOFFAT §

KNOW ALL MEN BY THESE PRESENTS:

THIS MEMORANDUM OF OIL AND GAS LEASE is made this 9th day of September, 2025, by and between the City of Craig for benefit of Museum of Northwest Colorado, County of Moffat, State of Colorado whose post office address is 300 West 4th Street Craig, CO 81625 hereinafter called Lessor (whether one or more) and Zenergy, Inc., whose post office address is 6100 S. Yale Ave., Ste 1700, Tulsa, OK 74136 hereinafter called Lessee:

Lessor and Lessee have entered into an Oil and Gas Lease dated September 9th, 2025 (the “Lease”) covering the following described lands located in Moffat County, Colorado, to wit:

Township 11 North, Range 90 West, 6th P.M.

Section 6: Lots 21 (21.57), 23 (20.99) , 25 (0.45)

Section 7: N. 514.8' of Lots 7 (.089), 8 (38.15), 9 (39.87)

Township 12 North, Range 90 West, 6th P.M.

Section 20: Lots 9(39.60), 10(39.54), 11(39.48), 12(39.40), 13(39.45), 14(39.50), 15(39.55), 16(39.61)

Township 12 North, Range 91 West, 6th P.M.

Section 13: Lots 5 (40.62), 6 (40.60), 11 (40.41), 12 (40.44), NE

Section 24: Lots 1 (40.23), 2 (40.25), 8 (40.37), 9 (40.54)

Section 25: Lot 16 (40.21)

Containing 915.77 acres, more or less.

Said Lease provides for a primary term of five years from the date of the Lease and shall remain in force as long thereafter as oil or gas is produced in paying quantities from the above-described lands by Lessee, or drilling or reworking operations are prosecuted thereon under the terms and provisions of said Lease.

Lessor and Lessee are executing this Memorandum of Oil and Gas Lease for the purpose of placing the same of record in the county and state in which the above-described lands are situated in order to constitute constructive notice of said Lease in lieu of recording of said Lease in its entirety. A full and complete copy of said Lease will be maintained in the office of both Lessor and Lessee at the addresses shown above.

IN WITNESS WHEREOF, this Memorandum of Oil and Gas Lease is executed as of the date referenced above, and upon execution shall be binding on the signatory and the signatory’s heirs, devisees, executors, administrators, successors and assigns, whether or not this Memorandum of Oil and Gas Lease has been executed by all parties herein named as Lessor.

Lessor:

Museum of Northwest Colorado
Acting by and through the Craig City Council

By: _____

ACKNOWLEDGMENTS

STATE OF COLORADO
COUNTY OF MOFFAT

The foregoing oil and gas lease was acknowledged before me this _____ day of _____A.D. 2025, by _____ as Mayor of the City of Craig

WITNESS my hand and official seal.

My Commission Expires: _____

Notary Public

ORDER FOR PAYMENT

OFP # MONC2025 - 2
Date 9/9/2025
Prospect Moffat County

Payor shall, subject to its approval of title, make payment as indicated herein by check or wire transfer within 60 business days of Payor's acknowledgment of this Order For Payment and the executed Oil & Gas Lease associated herewith. No default shall be declared for failure to make payment until 10 days after written notice from payee of intention to declare such default. The right to receive this payment shall not be assigned, whether as collateral or otherwise.
If the Oil & Gas Lease referenced herein covers a net mineral acreage amount other than the amount shown hereinafter, then the dollar amount listed herein shall be increased or reduced proportionately according to the net mineral acres of the oil and gas that Lessor owns. Mineral ownership for purposes of this payment shall be determined by Lessee's cursory check of the public records and does not constitute a legal opinion of title.
For collection, the original copy herein must be submitted along with the original properly executed associated Oil & Gas Lease. A copy is to be retained by Lessor.

PAY TO: Museum of Northwest Colorado
Address: 300 West 4th Street Craig, CO 81625

the amount of Ten-Thousand Five-Hundred and Forty-Five 51/100 Dollars \$ 10,545.51

This payment represents full consideration for the following Oil and Gas Lease, dated 9/9/2025 covering the following described property in Moffat County, Colorado to-wit:

Township 11 North, Range 90 West, 6th P.M.
Section 6: Lots 21 (21.57), 23 (20.99) , 25 (0.45)
Section 7: N. 514.8' of Lots 7 (.089), 8 (38.15), 9 (39.87)
Township 12 North, Range 90 West, 6th P.M.
Section 20: Lots 9(39.60), 10(39.54), 11(39.48), 12(39.40), 13(39.45), 14(39.50), 15(39.55), 16(39.61)
Township 12 North, Range 91 West, 6th P.M.
Section 13: Lots 5 (40.62), 6 (40.60), 11 (40.41), 12 (40.44), NE
Section 24: Lots 1 (40.23), 2 (40.25), 8 (40.37), 9 (40.54)
Section 25: Lot 16 (40.21)

Gross Acres: 915.77 Net Acres: 140.606737 Lessee: Zenergy, Inc.
Accepted and acknowledged this day of , 2025.
Lessor's Signature:
SS#/Tax ID#
Phone Number:

PAYOR:
Contex Energy Company LLC
1120 North Lincoln Street, Suite 902
Denver, CO 80203
By:
Agent for Contex Energy Company LLC

VOID if not presented to Payor within 30 days from the date hereof. This offer can be withdrawn at any time prior to Payor's receipt of this Order For Payment and associated properly signed documents.

FOR OFFICE USE ONLY

Date Received:
Date Due:

Account #
Project: AFE#:
Approved by: Date:
Date Paid: Check #

Museum of Northwest Colorado Oil & Gas Lease

Form #1.1

Revised October, 2022

This lease agreement is made as of the 9th day of September, 2025, between the City of Craig for benefit of Museum of Northwest Colorado, County of Moffat, State of Colorado, 300 West 4th Street Craig, CO 81625 acting by and through the Craig City Council, as Lessor, and Zenergy, Inc., whose address is 6100 S. Yale Ave., Ste 1700, Tulsa, OK 74136 as Lessee.

1. DESCRIPTION. In consideration of a cash bonus in the amount of TEN & MORE DOLLARS which has been paid to the City of Craig for the Museum of Northwest Colorado for deposit with the City of Craig Finance Department and receipt of which is acknowledged by the Lessor, Lessor hereby grants, leases and lets exclusively to Lessee the land in Moffat County, Colorado described below containing 915.77 gross acres, more or less, hereinafter called "leased premises" for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non-hydrocarbon substances produced in association therewith except coal. The term "gas" as used herein includes helium, carbon dioxide, gaseous sulfur compounds, coalbed methane and other commercial gases, as well as normal hydrocarbon gases, but does not include gases resulting from in situ combustion.

Township 11 North, Range 90 West, 6th P.M.

Section 6: Lots 21 (21.57), 23 (20.99) , 25 (0.45)

Section 7: N. 514.8' of Lots 7 (.089), 8 (38.15), 9 (39.87)

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Section 13: Lots 5 (40.62), 6 (40.60), 11 (40.41), 12 (40.44), NE

Section 24: Lots 1 (40.23), 2 (40.25), 8 (40.37), 9 (40.54)

Section 25: Lot 16 (40.21)

TERM OF LEASE. This lease shall be in force for a primary term of **five** years from the date hereof and as long thereafter as oil, gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled or unitized therewith, subject to the other provisions hereof, or the lease is otherwise maintained in effect pursuant to the provisions hereof. Notwithstanding the foregoing, and except as modified by any pooling, communitization or unitization agreements approved by Lessor as hereinafter provided, this lease shall terminate at the end of its primary term except as to lands included within any spacing unit established by the Colorado Oil & Gas Commission (or, if no spacing has been established, 40 acres or the equivalent government survey lot for an oil well or 160 acres or the equivalent government survey lot or lots for a gas well), or as to lands included within a participating area approved by the Bureau of Land Management if said lands have been committed, with Lessor consent, to a federal exploratory unit, having located thereon a well being drilled or completed or capable of producing in paying quantities, as to which this lease shall continue in effect so long as production continues. For purposes of the preceding sentence, a completed coalbed methane well which is being dewatered shall be deemed capable of producing gas.

3. RENTAL OR PAID-UP LEASE (CHECK ONE)

 X PAID-UP LEASE. This is a paid up lease, no annual rental is due.

 RENTAL PAYMENT. If, on or before the first anniversary date hereof, operations for the drilling of a well for oil, gas or other substances covered hereby have not been commenced on the leased premises or lands pooled or unitized therewith, or if there is no production in paying quantities from the leased premises or lands pooled or unitized therewith, then, subject to the other provisions hereof, this lease shall terminate as to both parties unless Lessee, on or before that date, pays or tenders to the Lessor, acting by and through the City of Craig Finance Department, for the Museum of Northwest Colorado, which shall continue as Lessor's depository for receiving payments regardless of change in the ownership of the land, the sum of \$5.00 per acre per year as rental covering the privilege of deferring the commencement of operations for the drilling of a well for a period of 12 months from said anniversary date. In like manner and upon like payments or tenders, the commencement of operations for the drilling of a well may be further deferred for one or more 12-month periods during the primary term of this lease. All payments or tenders may be made in currency or by check. Mailed payments or tenders to the City of Craig finance Department, for the Museum of Northwest Colorado, by deposit in the US Mail, Registered or Certified, Return Receipt Requested, on or before the rental due date, shall constitute proper payment.

4. ROYALTY PAYMENT. Lessor may elect to receive its royalty share of production in money but if the oil or other liquid hydrocarbons are purchased by the Lessee or its affiliate in other than an arms-length transaction, such oil or other liquid hydrocarbons shall be valued at the highest price paid by Lessee or others for substantially similar production in Moffat County, Colorado in an arms-length transaction.
Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows:

- (a) For all liquid hydrocarbons and gas that are physically produced from the leased premises, or land pooled, unitized or communitized therewith, and sold, Lessor shall receive as its royalty 16.666667% of the sales proceeds actually received by Lessee, less this same percentage share of all Post Production

Costs. As used in this provision, Post Production Costs shall mean all costs actually incurred by Lessee and all losses of produced volumes whether by use as fuel, line loss, flaring, venting or otherwise from the after the wellhead to the point of sale. However, these costs do not include the costs of gathering, marketing, compression, dehydration, or transportation.

- (b) If, after the primary term, one or more wells on the leased premises are capable of producing gas in paying quantities but said well or wells are shut-in for any reason, such well or wells shall nevertheless be deemed to be producing in paying quantities for the purpose of maintaining this lease, but Lessee shall be obligated to pay to Lessor on each anniversary date of this lease an amount equal to the rentals provided for in Section 3 of this lease as shut-in gas royalty. Nothing in this Section 4(c) of this lease shall be deemed to extend the term of this lease more than two years beyond the end of its primary term without actual production unless each shut in well is produced for at least 120 days during each lease year following the expiration of said two-year period.

Lessor shall have the right at any time after royalty becomes payable, upon reasonable notice and at Lessor's expense, to audit Lessee's production and sales records to determine that royalty has been properly paid. The delivery of an audit request to Lessee by Lessor shall suspend the running of any limitation of time to seek remedy for unpaid royalty until 30 days after the audit is complete.

5. OPERATIONS. If Lessee drills a well which is incapable of producing in paying quantities (hereinafter called a "dry hole") on the leased premises, or if all production permanently ceases from any cause, and in the event this lease is not otherwise being maintained in force, it shall nevertheless remain in force if Lessee commences further operations for reworking an existing well or for drilling an additional well or for otherwise obtaining or restoring production on the leased premises within 120 days after completion of operations on such dry hole or within 120 days after such cessation of all production, or, should the lease be within the primary term, if Lessee commences such further operations or pays rental on or before the next rental payment date (if any) and any subsequent rental payment dates. If, during or at the end of the primary term this lease is not otherwise being maintained in force, but Lessee is then engaged in drilling, reworking or any other operation reasonably calculated to obtain or restore production therefrom, including the dewatering of any completed coalbed methane well, this lease shall remain in force for an additional 120 days and so long as production of oil, gas or other substances covered hereby continues in paying quantities.

6. POOLING AND COMMUNITIZATION. Lessee shall have the right to pool or communitize all or any part of the leased premises with any other lands within a spacing unit as to any or all depths or zones, and as to any or all substances covered by this lease in those cases where this lease covers part of the land within a spacing unit established by order of the Colorado Oil & Gas Conservation Commission for a single well. In all other cases, pooling or communitization may occur only with the consent of the Lessor evidenced by a resolution of the Craig City Council authorizing joinder to the pooling or communitization agreement or declaration. If any part, but less than all, of the leased premises is pooled or communitized, that part of the leased premises outside of the pooled or communitized tract shall be segregated to a separate lease having the same terms as this lease which shall continue in effect for the balance of the primary term of this lease and an additional six months thereafter, and as long thereafter as production continues from the land covered by the segregated lease outside the pooled or communitized tract.

7. UNITIZATION. Except where required by statute, Lessee shall have no power to commit all or any part of the leased premises to a unitization agreement, whether for a federal exploratory unit, secondary recovery or other unit, without the consent of the Lessor evidenced by a resolution as provided in Section 6 above. Lessor may impose conditions on its joinder to any such unit, which shall apply regardless of any provisions of the unit agreement.

8. PAYMENT REDUCTIONS. If Lessor owns less than the full mineral estate in all or any part of the leased premises, payment of rentals, royalties and shut-in royalties hereunder shall be reduced as follows:

- (a) Rentals shall be reduced to the proportion that Lessor's interest in the entire leased premises bears to the full mineral estate in the entire leased premises, calculated on a net acreage basis, and
- (b) Royalties and shut-in gas royalties for any well on any part of the leased premises shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises.

9. OWNERSHIP CHANGES. The interests of either Lessor or Lessee hereunder may be conveyed, assigned or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, personal representatives and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished notice of the change of ownership, together with a copy of the instrument of transfer. In the event of any question as to who is entitled to payment of rentals, royalties and shut-in gas royalties, Lessee may pay the same to the City of Craig for the Museum of Northwest Colorado for deposit with the City of Craig Finance Department. No transfer of all or any interest in this lease by the Lessee shall relieve the Lessee of all or any part of its obligations under this lease or the surface use agreement hereinafter provided for in Section 12, unless the assignee agrees to accept all obligations of lessee in a written instrument. Lessee shall deliver to Lessor a copy of all assignments of this lease when the same are recorded.

10. RELEASE OF LEASE. Lessee may, at any time, and from time to time, deliver to Lessor and record in the Moffat, Colorado records a written release of this lease as to a full or undivided interest in all or any portion of the leased premises or any depth or zones thereunder and shall thereupon be relieved of all obligations thereafter arising with respect to the interests so released, except as may be provided in the surface use agreement hereinafter provided for

in Section 12 and the rules of the Colorado Oil & Gas Conservation Commission. If this lease expires or is terminated, Lessee must record a release in the Moffat County, Colorado records within 45 days of receipt of a demand therefor.

11. WARRANTY OF TITLE. Lessor does not warrant its title to the leased premises. It is the responsibility of the Lessee to determine what interest, if any, Lessor has in the leased premises. This lease is subject to all prior liens, encumbrances and grants of record and to all apparent easements and other uses.

12. SURFACE USE AGREEMENT. Lessee shall consult with the surface owner of the leased premises prior to commencing construction regarding the location of any roads, fences, pipelines or power lines, or installation of any production equipment, tank batteries or produced water disposal equipment, and regarding reclamation planning. Lessee shall take reasonable precautions to minimize adverse impact to farming and ranching operations on, and environmental and aesthetic degradation of, the surface of the leased premises, and follow generally accepted industry practices to protect fresh water strata from contamination and protect the surface from exposure to produced water and other contaminants. Lessee shall pay the surface owner for damages to growing crops, grass, buildings, livestock, fences and other improvements and personal property caused by Lessee's operations. Lessee shall enter into good faith negotiations with the owner of the surface of the leased premises for a surface use agreement prior to Lessee's entering upon or occupying the surface of the leased premises and, where such agreement is not reached, follow all applicable statutory and regulatory procedures for exercising its rights under this lease. Within six months after the termination of this lease, Lessee shall restore any of the leased premises disturbed by its operations to as near its condition at the beginning of this lease as practicable, and remove all machinery and fixtures placed by Lessee on said premises pursuant to this lease. The requirements of this paragraph shall apply to any and all surface-disturbing operations on the leased premises, including, but not by way of limitation, seismic and geophysical operations, whether the same are conducted under the authority of this lease or of any other lease covering the leased premises, and, by acceptance of this lease, Lessee acknowledges that the owner of the surface of the leased premises is, and is intended to be, a third party beneficiary of this Paragraph 12 and shall be entitled to enforce the same.

13. ANCILLARY RIGHTS. Lessee acknowledges that minerals other than oil or gas may exist on or under the leased premises and that the mining lessee of any such other minerals shall have the right to use the surface or subsurface of the leased premises for mining purposes, subject to using reasonable precautions to not jeopardize the uses authorized within this lease. Unless the surface use agreement described above in Section 12 otherwise provides, Lessee shall have no right to use the surface or subsurface of the leased premises for operations or production on other land. This lease shall not be deemed to grant to the Lessee any power or right to use the leased premises for gas storage or injection of waste or produced water.

14. FORCE MAJEURE. 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 such failure is the result of, any such law, order, rule, or regulation, war, lack of market, act of God, strike, fire, explosion, flood, or any other cause reasonably beyond the control of Lessee.

15. NOTIFICATION OF BREACH. In the event Lessor considers that Lessee has failed to comply with any obligation hereunder, express or implied, Lessor shall notify Lessee in writing specifying in what respect Lessor claims Lessee has breached this lease. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breach(es) alleged by Lessor. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any of the alleged breach(es) shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder.

16. NOTICES. All notices under this lease shall be deemed sufficient if sent by Registered or Certified Mail, Return Receipt Requested, as follows:

If to the Lessor: City of Craig / Museum of Northwest Colorado
 300 West 4th St.
 Craig, Colorado 81625

If to Lessee: Zenergy, Inc.,
 6100 S. Yale Ave., Ste 1700
 Tulsa, OK 74136

The above addresses shall be sufficient regardless of changes in ownership until and unless changed by written notices delivered as above provided.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above.

LESSOR:

Museum of Northwest Colorado
Acting by and through the Craig City Council

By: _____
_____, Mayor

Execution of this lease was authorized by Resolution No. _____ of the Craig City Council dated _____, 2025

LESSEE:

Zenergy, Inc.

By: _____

STATE OF COLORADO

COUNTY OF MOFFAT

The foregoing oil and gas lease was acknowledged before me this _____ day of _____ A.D. 2025, by _____ as Mayor of the City of Craig

WITNESS my hand and official seal.

My Commission Expires: _____

Notary Public

STATE OF _____

CITY AND COUNTY OF

The foregoing oil and gas lease was acknowledged before me this _____ day of _____ A.D. 2025,
by _____ as _____ of Zenergy, Inc..

WITNESS my hand and official seal.

My Commission Expires: _____

Notary Public