

Ent 113774 # 931 P 409-411  
Date: 04-AUG-2011 10:19:31AM  
Fee: \$16.00 Check  
Filed By: LCJ  
LOUISE JONES, Recorder  
SAN JUAN COUNTY CORPORATION  
For: PARADOX GROUP INC

16-

**MEMORANDUM OF OPTION TO LEASE**

THIS MEMORANDUM OF OPTION TO LEASE is made and effective this 20th day of May, 2011, by and between, **Redd Homer Smith, as Attorney-in-Fact for Lucy Redd, dealing in her sole and separate property, 46 Clovergate Circle, The Woodlands, Texas 77382** "Grantor", whether one of more, and **PARADOX GROUP INC., 1505 Hermosa Place, Colorado Springs, Colorado 80906**, hereinafter called "GRANTEE";

**WITNESSETH:**

1. GRANTOR has granted to GRANTEE an Option to Lease covering the interest of the GRANTOR in the following described land situated in the County of San Juan, State of Utah, to-wit;

**SEE COPY OF LEGAL DESCRIPTION PORTION OF THE SUBJECT OIL AND GAS LEASE, ATTACHED AS EXHIBIT "A"**

2. Said Option to Lease conveys an exclusive right from GRANTOR to GRANTEE for a specified term and price to purchase an oil and gas lease with certain specific lease provisions. The oil and gas lease which GRANTEE has the right to purchase maybe subject to an existing oil and gas lease, and the primary term of the lease which GRANTEE may purchase is for five (5) years from the termination date (if any) of the existing lease, and for as long thereafter as oil and/ or gas is produced. Said Option to Lease contains other provisions respecting the rights, if any, of the lessee under existing lease, and preventing modification of the existing lease by GRANTOR.

3. It is the purpose of this Memorandum of Option to Lease to give record notice of said Option to Lease.

4. A copy of said Option to Lease may be found at the following address:

**PARADOX GROUP INC.  
1505 HERMOSA PLACE  
COLORADO SPRINGS, COLORADO 80906**

5. This Memorandum of Option to Lease shall inure to the benefit of and be binding on the heirs, executors, administrators, personal representatives, successors and assigns of the parties hereto. In the event that GRANTEE does not exercise his Option to Lease by purchasing an oil and gas lease from GRANTOR as therein provided, a release of the said Option as referred to in this Memorandum of Option to Lease shall be recorded by GRANTEE.

IN WITNESS WHEREOF, this instrument is executed the day and year first above written

x Redd Homer Smith  
Redd Homer Smith, as Attorney-in-Fact for  
Lucy Redd

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UT-1084 E

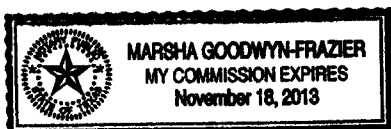
**ACKNOWLEDGMENT-INDIVIDUAL**

STATE OF TEXAS }  
COUNTY OF Montgomery

The foregoing instrument was acknowledged before me, this 10th day of June  
\_\_\_\_\_ 2011. by Redd Homer Smith, as Attorney-in-Fact for Lucy Redd, dealing  
in her sole and separate property

Witness my hand and official seal.  
My Commission Expires:  
11-18-13

Marsha Goodwyn-Frazier  
Notary Public, residing at:



**ACKNOWLEDGMENT-INDIVIDUAL**

STATE OF \_\_\_\_\_ }  
COUNTY OF \_\_\_\_\_ }

The foregoing instrument was acknowledged before me, this \_\_\_\_\_ day of \_\_\_\_\_  
2011. by \_\_\_\_\_

Witness my hand and official seal.  
My Commission Expires:

\_\_\_\_\_

\_\_\_\_\_

Notary Public, residing at:

**EXHIBIT "A"**

TOWNSHIP 33 SOUTH, RANGE 24 EAST, SLM.  
Section 21: W1/2NE1/4, NW1/4, N1/2SE1/4

containing 318.71 acres more or less

Sec. 21: 33S24E210601, 33S24E210602,  
33S24E212400