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LAnn Adams - Filed By df
Box Elder Co., UT
For LIBERTY PIONEER ENERGY SOURCE

PRODUCERS 88
Rocky Mountain
Rev 3/03 Amend

RECORDING REQUESTED BY
Liberty Pioneer Energy Source, Inc.

WHEN RECORDED MAIL TO
Liberty Pioneer Energy Source, Inc.
1411 E. 840 North
Orem, UT 84097

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 22nd day of June, 2009, by and between Reeder Ranch LLC, Chris W. Reeder and Martin W. Reeder as Managers, whose post office address is 1160 North 2600 West, Brigham City, Utah 84302, hereinafter called Lessor (whether one or more) and Liberty Pioneer Energy Source, Inc., whose post office address is 1411 E. 840 North, Orem, UT 84097, hereinafter called Lessee

WITNESSETH, That the Lessor, for and in consideration of Ten Dollars (\$10.00) and other valuable consideration, cash in hand paid, the receipt of which is hereby acknowledged, and the covenants and agreements hereinafter contained, has granted, demised, leased and let, and by these presents does grant, demise, lease and let exclusively unto the said Lessee, the land hereinafter described, with the exclusive right for the purpose of exploring by geophysical and other methods, and operating for and producing therefrom oil and all gas of whatsoever nature or kind, with rights of way and easements for laying pipe lines and erection of structures thereon to produce, save and take care of said products, all that certain tract of land situated in the County of Box Elder, State of Utah, described as follows, to-wit:

SEE EXHIBIT A

Containing 598.02 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of Five (5) years from this date and so long thereafter as oil or gas of whatsoever nature or kind is produced from said leased premises or on acreage pooled therewith, or drilling operations are continued as hereinafter provided. If, at the expiration of the primary term of this lease, oil or gas is not being produced on the leased premises or on acreage pooled therewith but Lessee is then engaged in drilling or re-working operations thereon, then this lease shall continue in force so long as operations are being continuously prosecuted on the lease premises or on acreage pooled therewith; and operations shall be considered to be continuously prosecuted if not more than ninety (90) 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 or on acreage pooled therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or re-working operations within ninety (90) days from date of cessation of production or from date of completion of 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 on acreage pooled therewith.
2. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.
3. In consideration of the premises the said Lessor covenants and agrees:
 - 1st. To deliver to the credit of Lessor, free of cost, in the pipe line to which Lessee may connect wells or said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

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2nd. To pay Lessor one-eighth (1/8) of the gross proceeds each year, payable quarterly, for the gas from each well where gas only is found, while the same is being used off the premises, and if used in the manufacture of gasoline a royalty of one-eighth (1/8) payable monthly at the prevailing market rate for gas.

3rd. To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of one-eighth (1/8) of the proceeds, at the mouth of the well, payable monthly at the prevailing market rate.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners Two Dollars per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line below plow depth.

8. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of Lessor.

9. Lessee shall pay for damages caused by Lessee's operations to growing crops on said land.

10. Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

11. The rights of Lessor and Lessee hereunder may be assigned in whole or part. No change in ownership or Lessor's interest (by assignment or otherwise) shall be binding on Lessee until Lessee has been furnished with notice, consisting of certified copies of all recorded instruments or documents and other information necessary to establish a complete chain of record title from Lessor, and then only with respect to payments thereafter made. No other kind of notice, whether actual or constructive, shall be binding on Lessee. No present or future division of Lessor's ownership as to different portions or parcels of said land shall operate to enlarge the obligations or diminish the rights of Lessee, and all Lessee's operations may be conducted without regard to any such division. If all or any part of this lease is assigned, no leasehold owner shall be liable for any act or omission of any other leasehold owner.

12. Lessee, at its option, is hereby given the right and power at any time and from time to time as a recurring right, either before or after production, as to all or any part of the land described herein and as to any one or more of the formations hereunder, to pool or unitize the leasehold estate and the mineral estate covered by this lease with other land, lease or leases in the immediate vicinity for the production of oil and gas or separately for the production of either, when in Lessee's judgment it is necessary or advisable to do so, and irrespective of whether authority similar to this exists with respect to such other land, lease or leases. Likewise, units previously formed to include formations not producing oil or gas may be reformed to exclude such non-producing formations. The forming or reforming of any unit shall be accomplished by Lessee executing and filing of record a declaration of such unitization or reformation, which declaration shall describe the unit. Any unit may include land upon which a well has theretofore been completed or upon which operations for drilling have theretofore been commenced. Production, drilling or re-working operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or re-working operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties. Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total number of surface acres covered by this lease and included in the unit bears to the total number of surface acres in such unit. In addition to the foregoing, Lessee shall have the right to unitize, pool, or combine all or any part of the above described lands as to one or more of the formations thereunder with other lands in the same general area by entering into a cooperative or unit plan of development or operation approved by any government authority and, from time to time, with the approval, to modify, change or terminate any such plan or agreement and, in such event, the terms, conditions and provisions of this lease shall be deemed modified to conform to the terms, conditions, and provisions of such approved cooperative or unit plans of development or operation and particularly, all drilling and development requirements of this lease, express or implied, shall be satisfied by compliance with the drilling and development requirements of such plan or agreement, and this lease shall not terminate or expire during the life of such plan or agreement. In the event that said above described lands or any part thereof, shall hereafter be operated under any such cooperative or unit plan of development or operation whereby the production therefrom is allocated to different portions of the land covered by said plan, then the production allocated to any particular tract of land shall, for the purpose of computing the royalties to be paid hereunder to Lessor, be regarded as having been produced from the particular tract of land to which it is allocated and not to any other tract of land; and the royalty payments to be made hereunder to Lessor shall be based upon production only as so allocated. Lessor shall formally express Lessor's consent to any cooperative or unit plan of development or operation adopted by Lessee and approved by any government agency by executing the same upon request of Lessee.

13. 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 if such failure is the result of, any such Law, Order, Rule or Regulation.

14. Lessor agrees that the Lessee shall have the right at any time to redeem for Lessor, by payment, any mortgages, taxes or other liens on the above described lands in the event of default or payment by Lessor and be subrogated to the rights of the holder thereof, and the undersigned Lessors, for themselves and their heirs, successors and assigns hereby surrender and release all right of dower and homestead in the premises described herein, insofar as said right of dower or homestead may in any way affect the purposes for which this lease is made as recited herein.

15. Should any one or more of the parties hereinabove named as Lessor fail to execute this lease, it shall nevertheless be binding upon all such parties who do execute it as Lessor. The work "Lessor," as used in this lease shall mean any one or more or all of the parties who execute this lease as Lessor. All the provisions of this lease shall be binding on the heirs, successors and assigns of Lessor and Lessee.

16. Prior to the expiration of the primary term of this lease, or if operations are being conducted on said lease or land pooled therewith at the expiration of the primary term in such manner as to maintain this lease in force, within thirty (30) days after the completion of a dry hole resulting from such operations, lessee may extend the primary term of this lease as to all or any part of acreage then covered hereby, for an additional five (5) years beyond the initial primary term by written notification of action taken and by making payment to lessor or to lessor's successor in interest, or to the credit of lessor or such successor in interest in any depository bank named herein or in any amendatory instrument in the sum of an amount equal to the original consideration per net mineral acre paid for the execution of this lease for each net acre as to which the lease is so extended.. If this option is exercised by lessee, the lease as extended will thereafter be treated as if the original primary term had been five (5) years longer.

IN WITNESS WHEREOF, this instrument is executed the date first written above.

Reeder Ranch, LLC

Chris W. Reeder
Chris W. Reeder, Manager



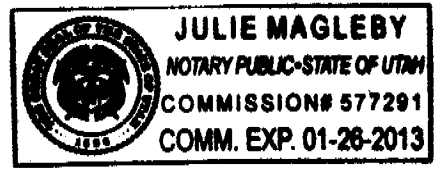
Martin W. Reeder
Martin W. Reeder, Manager

STATE OF Utah }
COUNTY OF Salt Lake, Box Elder }

ss. ACKNOWLEDGEMENT

The foregoing instrument was acknowledged before me this 22 day of June, 2009
by

My commission expires on: 1-26-2013



Julie Magleby
Notary Public (Signature)
Julie Magleby
Notary Public (Printed Name)
Notary Public for the State of Utah
Residing at: Provo, UT

Exhibit "A"

This Exhibit "A" is attached to and made a part thereof a certain Oil, Gas and Mineral leased dated June 22, 2009, by and between, **REEDER RANCH, LLC**, with Chris W. Reeder and Martin W. Reeder as Managers, as Lessors and **Liberty Pioneer Energy Source, Inc.**, as Lessee.

Township 9 North, Range 2 West, Salt Lake Base and Meridian

Section 4: Beginning at a point 80 rods East of the Northwest corner of the Southwest 1/4 of section 4, Township 9 North, Range 2 West, Salt Lake Base and Meridian, running thence East 1 rod, thence South 158 rods, thence West 1 rod, thence North 158 rods to the point of beginning. Containing 0.95 acres more or less. (03-068-0008) ✓

Section 9: That part of the South One-Half of the Southeast Quarter of Section 9, Township 9 North, Range 2 West, SLM. Lying east of C.P.R.R. right-of-way and west of Interstate 15. Containing 65.8 Acres more or less. (03-074-0011) ✓

The Northeast Quarter, lying South of the O.S.L.R.R. and west of Interstate 15; the Southeast Quarter of the Northwest Quarter, less that portion to Joseph T. Reeder, Tax ID Number 03-074-0015. The North One-Half of the Southeast Quarter and the East One-Half of the Southwest Quarter, and all land lying west of C.P.R.R. Co's track in the Southwest Quarter of the Southeast Quarter, Section 9, Township 9 North, Range 2 West, Salt Lake Base & Meridian. Less all of that portion belonging to the Santa Fe Pacific Realty Corp., Tax ID number 03-074-0018. Containing 222.62 acres more or less. (03-074-0010) ✓

THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 9, TOWNSHIP 9 NORTH, RANGE 2 WEST, SALT LAKE BASE AND MERIDIAN. LESS: RAIL ROAD RIGHTS OF WAY. LESS: COUNTY ROAD AND STATE ROAD. LESS: THAT TRACT LYING NORTH OF THE COUNTY ROAD. Containing 17.6 acres more or less. (03-074-0003) ✓

Beginning 22 rods, 7 links South of the Northeast Corner of the Northwest Quarter of the Northwest Quarter of Section 9, Township 9 North, Range 2 West, Salt Lake Base & Meridian; thence running Northwest along railroad 21 rods and 3 links; thence Southeast 28 rods, 16 links; thence North 14 rods to the point of beginning. (This tract is mostly surrounded by the 100 foot strip of land formerly the O.S.L.R.R. right-of-way and now the Santa Fe Pacific Realty Corp. strip of land.) Containing 1 acre more or less. (03-074-0002) ✓

Section 10: Lot 10 Box Elder Lake Subdivision amended and extended. containing 2.76 acres more or less. (03-250-0010) ✓

Lot 11 Box Elder Lake Subdivision amended and extended. Containing 5.65 acres more or less. (03-250-0011) ✓

All of that part of the West One-Half of the Northwest Quarter of Section 10, Township 9 North, Range 2 West, Salt Lake Base & Meridian lying west and south of the county road. Also: Beginning 80 rods East and 94.6 rods South of the Northwest Corner of said Section; thence South 1079 feet; thence East 1320 feet to the county road; thence North 40°40' West 1367 feet; thence North 83°57' West 432 feet to the point of beginning. Less the Malad Valley Railroad right-of-way. Exclusive of the state highway. Less for the state road commission. Less that portion deeded to James Collin Sheridan, Tax ID number 03-075-0014. Less that tract deeded to Nucor, Tax ID number 03-075-0017. Containing 1.46 acres more or less. (03-075-0053) ✓

Section 15: The South 1/2 of the Southwest 1/4 of section 15, Township 9 North, Range 2 West, Salt Lake Base and Meridian, lying outside Brigham City limits. Containing 8.89 acres more or less. (03-108-0054) ✓

Section 16: Beginning at a point 140 rods North of the Southeast corner of section 16, Township 9 North, Range 2 West, Salt Lake Base and Meridian, running thence West 58 rods to the railroad, thence Northwest along the railroad to the North section line, thence East 86 rods 12 feet, thence South 89 rods, thence East 29 rods 5 feet to the section line, thence South 92 rods to the point of beginning. Containing 83.85 acres more or less. (03-109-0011) ✓

Beginning at a point 203 feet west and 33 feet North of the Southeast corner of section 16, Township 9 North, Range 2 West, Salt Lake Base and Meridian, said point being on the West line of the old C.P.R.R right of way and on the North line of the road, thence North 20°33' West 1367 feet along the West line of the said R.R., thence North 89°30' West 622.7 feet, thence South 15°40' West 1332 feet, more or less, to the North line of said road, thence East along said North line 1620 feet more or less to the point of beginning. Containing 29.36 acres more or less. (03-109-0021) ✓

1462 ft
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Beginning at a point 189 rods East of the Northwest corner of section 16, Township 9 North, Range 2 West, Salt Lake Base and Meridian, running thence Southeast along the West line of railroad to a point 100 rods East of the center of said section, thence West 58 rods, thence North 42.25 rods, thence West 8 rods, thence North 58 rods, thence East 24 rods, thence in a Northwesterly direction parallel to and 1 rod West of railroad right of way to the North line of said section, thence East 1 rod to point of beginning. Containing 27 acres more or less. (03-109-0010) ✓

Beginning at the Southeast corner of section 16, Township 9 North, Range 2 West, Salt Lake Base and Meridian, running thence North 140 rods, thence West 58 rods to railroad, thence Southeast along railroad to South section line, thence East to point of beginning. less State Road. Containing 26.98 acres more or less. (03-109-0022) ✓

Beginning at the Northeast corner of section 16, Township 9 North, Range 2 West, Salt Lake Base and Meridian, running thence South 1346

feet, thence North 89°33' West 512 feet, Thence North 16°18' West 1355 feet, thence North 89°49' East 660.3 feet to the point of beginning. Containing 12.15 acres more or less. (03-109-0012) ✓

Beginning at a point 1346 feet South of the Northeast corner of section 16, Township 9 North, Range 2 West, Salt Lake Base and Meridian, running thence South 144 feet, thence North 89°33' West 499 feet, thence North 16°18' West 147 feet, thence South 89°33' East 512 feet to the point of beginning. Containing 1.41 acres more or less. (03-109-0013) ✓

Section 20: Beginning at the Northeast corner of section 20, Township 9 North, Range 2 West, Salt Lake Base and Meridian, running thence West 43 rods, thence South 157 rods, thence East 43 rods, thence North 157 rods to the point of beginning. Containing 42.5 acres more or less. (03-111-0016) ✓

Township 10 North, Range 2 West, Salt Lake Base and Meridian

Section 32: A part of the South 1/2 of the Southeast 1/4 of Section 32, Township 10 North, Range 2 West, Salt Lake Base and Meridian: Beginning at an existing fence corner located North 89°13'39" West 49.50 feet from the Southeast corner of said section 32, running thence South 89°54'36" West 1244.87 feet, thence North 11°09'01" West 114.66 feet, thence North 24°28'24" West 283.32 feet, thence North 51°31'06" West 137.88 feet, thence North 248.40 feet, thence West 128.44 feet, thence South to an existing fence corner 30 feet, thence along said fence line the following 5 courses: South 89°55'59" West 284.56 feet, thence North 65°00'55" West 83.70 feet, thence North 00°13'33" West 592.86 feet to the South right of way line of 2600 North Street (a County Road), thence North 89°58'32" East along said right of way line 1997.28 feet to the West right of way line of 2800 West Street (a County Road), thence South 00°07'57" East along said right of way line 1302.65 feet to the point of beginning. (Basis of bearing is the East line of said Section 32 assumed as North) LESS: Beginning at a point located North 89°13'39" West 49.50 feet and North 00°07'57" West 1302.65 feet and South 89°58'32" West 1979.28 feet from the Southeast corner of said section 32, running thence North 89°58'32" East 16 feet, thence South 00°13'33" East 582.84 feet, thence South 64°00'55" East 70.05 feet, thence North 89°55'59" East 280.88 feet, thence South 16 feet, thence South 89°55'59" West 284.56 feet, thence North 64°00'55" West 83.71 feet, thence North 00°13'33" West 592.86 feet to the point of beginning. Containing 49.50 acres more or less. (04-045-0021) ✓

Lessor does hereby lease and let exclusively unto Lessee all lands and minerals owned or claimed by Lessor in the within named Sections: 4, 9, 10, 15, 16, 20, T9N-R2W, Section 32, T10N-R2W

This lease is subject to a "Letter Agreement" dated June 19, 2009

No Operations Without Surface Agreement

Lessor and Lessee hereby agree that no operations of any type will be conducted on the leased premises before a surface use agreement and reclamation requirements, including interim and final re-vegetation requirements with a prime contractor, is entered into by both parties. Lessee shall consult with Chris Reeder with regards to all topsoil stockpiling and surface reclamation to ensure that all work is performed to Lessors satisfaction. Lessee agrees to hire Chris Reeder to perform said reclamation work, if Chris Reeder desires, and Chris Reeder agrees to perform said reclamation work for a fair and customary charge.

Water

Lessor does not agree to furnish water rights to Lessee under this lease, and Lessee agrees not to interfere with production of water by Lessor under any of Lessor's water rights. Lessee shall not use any spring, well, or surface water without the written consent of Lessor. Any and all currently discovered or newly discovered water shall be retained by Lessor and Lessee shall have no claims to such water. In the event that Lessee decides to abandon any wellbore drilled on Lessors surface, prior to plugging a well, Lessee will notify Lessor of Lessees intent to plug said well and Lessor shall have 7 days to elect to take over said wellbore. In the event that Lessor decides to take over said wellbore, Lessee agrees to plug said well to whatever depth Lessor elects, assuming the Division of Oil, Gas and Mining allows, and Lessor assumes any and all liability for said wellbore. Further, Lessee agrees to assist Lessor with any records which will assist Lessor to obtain permits for water.

Special Provisions

Notwithstanding anything to the contrary contained herein:

Prior to commencing surface drilling operations on any portion of the above described lands, the Lessee must obtain Lessor's prior written consent and meet to settle anticipated surface damages caused by Lessee's operations; however, said consent shall not be unreasonably withheld or arbitrarily denied.

In the event that any operations permitted under the terms of this lease are conducted on the surface of the above and foregoing lands, Lessee agrees to restore the surface of the subject lands to a condition as near its natural state as practicable and remove any fixtures and /or equipment placed on the subject lands within 120 days after cessation of drilling and/or production activities and/or any other operations thereon. Lessee shall pay lessor for all damages to crops, standing and growing timber, livestock, water wells, natural springs, land or improvements situated on the leased premises caused by Lessee's operations. The payment shall be the market value for all lands utilized in the making of surface location(s), including roadways for rights of ingress, egress and any production facilities. Furthermore, Lessee shall strictly observe and comply with all local, state and federal environmental laws dealing with the herein leased premises.

Lessee shall defend and indemnify and hold harmless, the Lessor(s) from and against all actions or causes of action, claims, losses and damages of every kind incident to or in any manner resulting in injury to persons (including employees, agents, representatives, invitees and licensees of Lessee, or others engaged by Lessee), and damages to property growing out of the use and occupancy of said property and any and all operations or other work or services contemplated or undertaken, thereon by Lessee, its agents, representatives, or others engaged by it to perform the same, including without limitation, all acts by it to perform the same, including without limitation, all acts of commission or omission of Lessee, its said agents, representatives, invitees, employees and licensees.

Drill Site Selection

In the event that Lessor(s) acreage is selected for a drill site or sites, Lessor and Lessee shall mutually agree on a drill site or sites so as not to hinder the use of Lessor(s) surface acreage as a hunting club, however, said selection shall not be unreasonably withheld or arbitrarily denied .

No Drill During Hunting Season

Lessee agrees that there will be no drilling activity on Lessor(s) acreage during the months of September thru January if Lessor(s) so request.