

SOUTHEAST METRO STORMWATER AUTHORITY
acting by and through
SEMSWA WATER ACTIVITY ENTERPRISE

RESOLUTION 19-08
Authorization to Enter into an Oil and Gas Lease with
Aspired Energy, Inc.

WHEREAS, SEMSWA since its creation has acquired, by various means, ownership in real property located within its boundaries; and

WHEREAS, SEMSWA has been approached by Aspired Energy, Inc. (Aspired) to enter into an oil and gas lease with Aspired regarding 20.62 acres of real property in which SEMSWA has an ownership interest; and

WHEREAS, the lease does not give Aspired the right to utilize the surface of SEMSWA's real property, SEMSWA does not warranty title to the real property and Aspired agrees to hold SEMSWA harmless from liability resulting from Aspired's operations; and

WHEREAS, Aspired has offered to pay SEMSWA up to \$51,550.00 for a three-year lease with a two-year option thereafter; and

WHEREAS, in addition to that payment, the lease provides for additional payments to SEMSWA of 20% of the oil and gas produced from the property owned by SEMSWA after deducting from such royalty SEMSWA's proportionate amount of all post-production costs and expenses, if any; and

WHEREAS, if SEMSWA does not sign a lease with Aspired, it will not receive the \$51,500.00, but Aspired may still proceed to explore for oil and gas beneath SEMSWA real property, by virtue of Colorado's statutory pooling law; and

WHEREAS, further, if SEMSWA does not sign a lease with Aspired, SEMSWA will receive only 12.5% of the royalties and will receive that percentage only after the owners recover 200% of their drilling costs and 100% of surface equipment costs attributable to SEMSWA's ownership interest; and

WHEREAS, SEMSWA's legal counsel has reviewed the oil and gas lease and has no legal objection to it; and

WHEREAS, there is no risk to SEMSWA in entering into an oil and gas lease with Aspired and it is in SEMSWA's best interest to enter into such lease and receive up to \$51,500.00 for doing so.

NOW, THEREFORE, BE IT RESOLVED THAT:

The Chairperson of the Board of SEMSWA is authorized to enter into an Oil and Gas Lease with Aspired for the lease of 20.62 acres of real property that SEMSWA has an ownership interest in for three years with a two-year option and to execute any and all other associated documents to complete the transaction.

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Date: _____

ATTEST:

Secretary

Chairperson

APPROVED AS TO FORM:
Attorney for
Southeast Metro Stormwater Authority

By _____
Edward J. Krisor