State of Utah
School & Institutional
Trust Lands Administration

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Gary R. Herbert
Governor

Spencer J. Cox
Lieutenant Governor

David Ure
Director

July 10, 2017

Ms. Dana Dean, P.E.
Associate Director - Mining
Utah Division of Oil, Gas and Mining
1594 W North Temple, Ste. 1210
Salt Lake City, UT 84116

Re: Land Owner Consultation: West Ridge Resources, Inc. Application for Alternative Postmining Land Use for Methane Extraction Facilities – West Ridge Mine Reclamation Plan No. C/007/0041 (MRP). ML 53402.OBA

Dear Ms. Dean:

At the request of West Ridge Resources, Inc. (WRR) and Global Carbon Strategies Corporation (GCS), and as the owner and manager of the subject lands, we have been asked to review the Emissions Reduction (ER) Project proposed by the above referenced application. The Utah School & Institutional Trust Lands Administration (SITLA) owns the land and the methane resources for the proposed ER Project. On September 1, 2016, SITLA entered into a lease with GCS regarding the development of the Project (M.L. No. 53402-OBA) (Methane Lease or Lease), copy attached. Based on our review of WRR's application and subject to the terms of our lease with GCS, SITLA believes that the ER Project meets the criteria for approval of an alternative postmining land use under Utah Coal Program R645-301-413.220 and .300.

Background

Under the terms of the Methane Lease, ML 53402.OBA, SITLA, leased to GCS the rights to capture, remove, and destroy coal mine methane (CMM) from the Mine's underground workings. The Methane Lease includes five (5) gob vent holes (GVH) and CMM extraction equipment and facilities. These same gob vent holes are located on WRR's coal leases with SITLA and prior to temporary cessation of the Mine were used to vent methane to protect the Mine's underground work force (GVH Project). The GVH Project is located on three (3) separate tracts of land covering less than three (3) acres. The Division of Oil, Gas and Mining (DOGM) approved the development and operation of the GVH Project in association with WRR's mining operations as described in the GVH Appendices attached to the MRP. Pursuant to the terms of an Asset Sale and Purchase Agreement, WRR has agreed to sell the GVH Project to GCS, conditioned upon approval of the application for alternative postmining land use and removal of the GVH Project from the MRP.

SITLA has reviewed WRR's application filed with the Division on June 8, 2017, to change the postmining land use and to remove the GVH Project from the MRP so as to enable GCS to purchase the GVH Project. Upon completing the acquisition, GCS intends to construct an enclosed flare system at the main facility site and operate an industrial/commercial ER Project provided that GCS secures all required state and local permits and approvals as required under Section 6 of the Methane Lease.

The provisions of R645-301-413.300 provide for consultation between DOGM and SITLA as the landowner or land management agency concerning WRR's pending application. Based on our review of WRR's application and the Division's rules at R645-301-413.220 and .300, we believe the ER Project meets the criteria for approval of an alternative postmining land use.

Proposed ER Project: Highest and Best Use

As manager of the State's school and institutional trust lands, SITLA believes the ER Project meets the requirements of R645-301-413.220 as, "the highest and best use that can be achieved which is compatible with surrounding areas and does not require the disturbance of areas previously unaffected by mining." The Methane Lease is compatible with and indeed overlaps SITLA's current coal mining leases with WRR for the West Ridge Mine. All of these areas are located on SITLA leases within the Mine boundaries and are currently subject to the MRP. Upon approval of WRR's application, the GVH Project will be removed from the MRP and become part of the ER Project as an approved alternative postmining land use. Therefore, the ER Project will not disturb areas previously unaffected by mining because the ER Project was originally within the boundaries of a mining operation. Further the ER Project will be operated in a manner compatible with WRR's operations under the adjoining MRP.

As detailed below, pursuant to the terms of the Methane Lease, GCS is proposing that SITLA approve a plan of operations and reclamation that includes the reclamation requirements which currently apply to the GVH Project. GCS will post a $75,000 performance and reclamation bond with SITLA. Moreover, the rentals and royalties paid pursuant to the Methane Lease support SITLA's mission of maximizing revenues for Utah's public education and trust beneficiaries. Additional economic, tax and employment benefits to the State and to Carbon County are anticipated from ER Project development and operations. (See: Application pages 4-6). Royalties will be paid to SITLA based on the destruction of methane which results in positive environmental impacts on air quality. In sum, development of the ER Project will generate revenues for the State and local government and create positive air quality benefits, which constitute the highest and best use that can be achieved with respect to SITLA's methane resource.

SITLA's Plan of Operations

Section 6 of the Methane Lease expressly provides that prior to commencing operations on the Leased Premises, GCS is required to submit to SITLA a plan of operations and reclamation (Plan of Operations). The Plan of Operations will, among other things, contain measures to protect mineral, surface, paleontological and cultural resources on the leased premises, and provide for the final reclamation of the site upon termination of ER Project operations.

GCS has provided to SITLA copies of the GVH Appendices, which contain the DOGM approved provisions for reclamation bonding and restoration of the site to its pre-mining/industrial use. This land use includes agriculture, wildlife habitat and recreational uses. GCS has agreed to incorporate in the SITLA Plan of Operations, and be bound by, all relevant terms and conditions in the GVH Appendices pertaining to the GVH Project. Pursuant to Section 8 of the Methane Lease, GCS will post with SITLA performance and reclamations bonds as financial guarantees to assure its full compliance with all of the Lease terms and conditions.

Compliance with Criteria for Alternative Postmining Land Use.

We have reviewed WRR's application and believe that the ER Project meets the criteria for approval as an alternative postmining land use as set forth at R645-301-413.300.

The terms of the Methane Lease assure that there is a reasonable likelihood of the achievement of the use as required by R 645-301-413.310. The lease term is for 5 years and can be extended beyond the primary term only if GCS is engaged in diligent operations. See Methane Lease Section 2.1. SITLA has been provided with a copy of the Asset Sale and Purchase Agreement between the WRR and GCS and will obtain further evidence of the closing pursuant to Section 13.12 of the Methane Lease.

Section 6.2 of the Methane Lease requires GCS to comply with all applicable law. This provision assures that GCS will meet the requirements of R 645-301- 413.320 and that the ER Project will not present any actual or probably hazard to public health or safety, or threat of water diminution or pollution.

Further the Methane Lease assures compliance with the criteria of R 645-301-413.330, by assuring that the ER Project will not be impractical or unreasonable (among other provisions, see diligence requirements, Section 2.3); by assuring that the ER Project will not be inconsistent with applicable land use plans or policies (see compliance with law requirements, Section 6.2); will not involve unreasonable delay in implementation (see primary term of 5 years, Section 2.1, extension by diligent operations, Section 2.2 and

diligence requirements, Section 2.3); and will not cause or contribute to violations of federal, Utah, or local law (see compliance with laws Section 6.2).

Based on our review of WRR's application and subject to the terms of the Methane Lease, SITLA believes that the ER Project meets the criteria for approval of an alternative postmining land use.

Please contact me if you have questions or wish to discuss further.

Yours very truly,

SCHOOL AND INSTITUTIONAL
TRUST LANDS ADMINISTRATION

LaVonne J. Garrison
Assistant Director/Oil and Gas
E-mail: lavonnegarrison@utah.gov
Office Ph: (801) 538-5197

Board Approval Date (office use only): 08/18/2016

MINERAL LEASE NO. 53402-OBA

GRANT: SCH: 1281.24
MULT: 881.10

UTAH STATE LIMITED LEASE FOR METHANE

THIS LIMITED LEASE FOR METHANE (the "Lease") is entered into effective the 1st day of September, 2016, (the "Effective Date"), by and between the STATE OF UTAH, acting by and through the SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION, 675 East 500 South, Suite 500, Salt Lake City, Utah 84102, (hereinafter "Lessor"), and

Global Carbon Strategies Corporation
1524 East 8th Avenue
Denver, Colorado 80218

having a business address as shown above (hereinafter "Lessee", whether one or more).

WITNESSETH:

That the State of Utah, as Lessor, in consideration of the rentals, royalties, and other financial consideration required to be paid by Lessee, and the covenants of Lessee set forth below, does hereby GRANT AND LEASE to Lessee the right and privilege to obtain access to and capture, extract, gather, produce, remove, ventilate, and destroy coal mine methane (the "Leased Substances," as hereinafter defined) from the following described lands located in Carbon County, State of Utah, (the "Leased Premises"):

T13S, R13E, SLB&M
Sec. 36: All 640 SCH

T14S, R13E, SLB&M
Sec. 2: Lots 1(40.18), 2(40.27), 3(40.35), 4(40.44)
S½N½, S½ [All] 641.24 SCH

T14S, R13E, SLB&M
Sec. 3: Lots 1(40.44), 2(40.37), 3(40.29)
S½N½, S½ [Lots aka N½NE¼, NE¼NW¼] 601.10 MULT

T14S, R13E, SLB&M
Sec. 10: W½NW¼, SW¼, SW¼SE¼ 280 MULT

containing 2,162.34 acres, more or less,

together with the right and privilege, as conditioned herein, to construct and maintain on the surface estate of the following described lands ("Surface Estate") gob vent holes, ("GVHs," as hereinafter described), coal mine methane extraction facilities ("Extraction Facilities," as hereinafter defined), roads, buildings, communication lines, gathering lines, pipelines, tanks, pumping and compression stations, and any other structures or improvements to the extent necessary to capture, extract, gather, produce, remove, ventilate, and destroy the Leased Substances:

T14S, R13E, SLB&M
Sec. 3: NE1/4SW1/4SE1/4, SW1/4SW1/4SE1/4 [Within] as more particularly described in the map attached as Exhibit "A"

Together with the nonexclusive right to use existing rights of way or access that Lessor may have to obtain ingress and egress to and from the Surface Estate and Leased Premises.

This Lease is subject to, and Lessee hereby agrees to and accepts, the following covenants, terms, and conditions:

1. DEFINITIONS.

1.1 Leased Substances. Leased Substances means gases containing methane and other hydrocarbons emitted, liberated, or released from the mined coal seam roof and floor, strata overlying and underlying the lower Sunnyside coal seam, gob areas, coal pillars, barriers, and waste rock in the underground workings, airways and ventilations systems, portals, roadways stations, and sealed areas of the West Ridge Coal Mine that are owned by Lessor. As used in this Lease, Leased Substances includes substances that may be described as coalbed methane, coalmine methane, mine methane, and abandoned mine methane.

1.2 GVHs. GVHs or gob vent holes means the five (5) existing vertical boreholes, which are located on the Surface Estate and were drilled into the gob area within underground Panel 8 in the southwest corner of the West Ridge Coal Mine.

1.3 Extraction Facilities. Extraction Facilities means the equipment described on Exhibit "B" attached hereto and incorporated herein by reference, as well as the above-described GVHs, a flare, a gas pipeline, metering, communication, and fire suppression equipment, security fencing, and other equipment necessary to capture, extract, gather, produce, remove, ventilate, and destroy the Leased Substances.

2. TERM OF LEASE; RELINQUISHMENT.

2.1 Primary Term. This Lease, unless terminated at an earlier date as hereinafter provided, is granted for a primary term of five (5) years commencing on the Effective Date.

2.2 Extension beyond Primary Term. Subject to Lessee's compliance with the other provisions of this Lease, this Lease shall remain in effect beyond the primary term for so long thereafter as Lessee is engaged in diligent operations.

2.3 Diligent Operations. Diligent operations means Lessee will continue to capture, extract, gather, produce, remove, ventilate, and destroy Leased Substances, and pay Lessor royalties (as described below), with a cessation of no more than ninety (90) consecutive days or a cumulative period of no more than one-hundred eighty (180) days during any lease year after the primary term. Upon and after expiration of the primary term, where Lessee holds the lease by approved diligent operations, Lessor may review and determine as of each anniversary of the Effective Date whether Lessee is engaged in diligent operations sufficient to maintain this Lease in effect.

2.4 Relinquishment. Lessee may relinquish this Lease at any time by filing a written notice of relinquishment with Lessor, subject to Lessor's right to disapprove any relinquishment if Lessee has failed to pay all rentals, royalties, and other amounts due and owing to Lessor, if the Lease is otherwise not in good standing. Relinquishment shall not relieve Lessee from any continuing obligations to the extent provided in Paragraph 10.2 of this Lease.

3. ANNUAL RENTAL PAYMENT. Lessee shall pay annually on the Effective Date of the Lease a rental payment of Five Thousand Dollars ($5,000.00). The annual rental payment may be credited towards royalty payments as they accrue for that lease year. Failure to pay the annual rental payment for a period of one month from the date such rent is due, and upon expiration of a written notice from Lessor to Lessee requiring performance within thirty (30) days of the written notice, shall constitute a default and entitle Lessor to forfeit Lessee's interest in the Lease and to take other legal remedies available at law.

4. ROYALTIES.

4.1 Royalty Payment. Lessee shall pay Lessor a royalty payment, free of all costs and expense, of twelve and one-half cents (12.5¢) for every one million British thermal units ("MMBtus") of Leased Substances delivered to the flare and destroyed in the Extraction Facilities ("Qualifying Methane Volume," which will be expressed in MMBtus). At the end of each calendar month, the Qualifying Methane Volume will be determined by Lessee based on meter measurements taken at the collection point for the flare. All measuring devices shall be tamper-proof.

4.2 Reporting and Payment. Based on the Qualifying Methane Volume destroyed at the flare each month, Lessee will pay Lessor a royalty payment using the rate in Section 4.1 above before the end of the next succeeding calendar month. Royalty payments will be accompanied by a verified statement, in a form approved by Lessor, stating the Qualifying Methane Volume, the method and manner of calculating the royalty, and the measurement, if any, of Leased Substances produced but not delivered to the flare and consumed or destroyed in the Extraction Facilities, as well as any other information reasonably required by Lessor. To confirm the Qualifying Methane Volume, Lessee will provide to Lessor a third party verification report for each period in which carbon allowances, credits, or offsets are produced and verified from Lessee's flare operations. Lessee shall maintain all records pertaining to Qualifying Methane Volume and the calculation of royalties for a period of at least seven years after the date to which the documents pertain.

5. RESERVATIONS TO LESSOR. Lessor hereby excepts and reserves from the operation of this Lease the following rights and privileges:

5.1 Rights-of-Way and Easements. Lessor reserves the right to establish rights-of-way and easements upon, through, and across the Leased Premises and the Surface Estate, under terms and conditions that will not unreasonably interfere with operations under this Lease, for roads, pipelines, electric transmission lines, transportation and utility corridors, and any other purposes deemed reasonably necessary by Lessor.

5.2 Other Mineral Leases; Multiple Mineral Development. Lessor reserves the right to enter into mineral leases and agreements with third parties covering minerals other than the Leased Substances, under terms and conditions that will not unreasonably interfere with operations under this Lease. Lessor agrees that during the term of this Lease, Lessor will not enter into any lease or other business agreement that grants or leases any rights or interests in the Leased Substances to a third party, other than the rights previously granted under coal leases existing prior to the Effective Date of this Lease. Lessor further reserves the right to impose reasonable stipulations upon operations under this Lease to permit multiple mineral development of the Leased Premises.

5.3 Use and Disposal of Surface Lands. To the extent that Lessor owns the surface lands above the Leased Premises, not including the Surface Estate and subject to the rights granted to Lessee pursuant to this Lease in Paragraph 7.1, Lessor reserves the right to use, lease, sell, or otherwise dispose of the surface of the Leased Premises. Lessor reserves the right to charge for, negotiate and coordinate with other surface owners, land management agencies or governmental agencies regarding mitigation or impact fees and shall coordinate the collection and expenditure of such fees, if any, that are imposed or collected. Notwithstanding any other provision of this Lease, Lessor reserves the right to permit third parties to undertake surface activities associated with seismic, geophysical, and geochemical exploration for oil and gas (such activities being considered by Lessor to be a surface use) without compensation or other obligation to Lessee so long as such activities do not damage or unreasonably interfere with Lessee's operations.

5.4 Rights Not Expressly Granted. Lessor further reserves all rights and privileges of every kind and nature, except as specifically granted in this Lease.

6. LEASE OPERATIONS.

6.1 Plan of Operations. At least thirty (30) days prior to commencing operations on the Leased Premises and Surface Estate, Lessee must submit to Lessor for its approval a plan of operations and reclamation. Lessee may not commence operations until Lessor has approved its plan of operations. Lessor may condition its consent to the plan of operations upon Lessee's agreement to comply with reasonable measures for the prevention of waste, protection of mineral and surface resources, protection of cultural resources, reclamation, and other measures deemed necessary by Lessor. Lessee must also obtain all necessary approvals for its operations from the Utah Division of Oil, Gas & Mining ("UDOGM"), the Utah Department of Environmental Quality ("DEQ"), or any successor regulatory agency, prior to commencing any operations on the Leased Premises and the Surface Estate. Lessee must provide Lessor with proof of the approval of its operations by UDOGM and DEQ.

6.2 Compliance with Applicable Law. Lessee, shall comply with all applicable federal, state and local statutes, regulations, and ordinances, whether now in effect or enacted in the future, including without limitation the rules and regulations of UDOGM and DEQ, statutes and regulations governing the management of school and institutional trust lands, applicable statutes and regulations relating to safety and health, and applicable statutes, regulations and ordinances relating to public health, pollution control, management of hazardous substances, cultural resources, and environmental protection.

6.3 Prudent Operator. Lessee shall exercise reasonable diligence in conducting operations on the Leased Premises and Surface Estate. Lessee shall conduct its operations as a prudent operator in accordance with standard industry methods and practices, having due regard for the protection of the interests and future operations of the West Ridge Coal Mine, Lessor's interest with respect to the Leased Premises and Surface Estate, and the health and safety of workers and employees and such other practices that are recognized within the industry.

6.4 Completion of Operations; Reclamation. Upon completion of Lessee's operations authorized under this Lease, Lessee shall plug all GVH wellbores located on the Leased Premises and Surface Estate in accordance with UDOGM rules and standard industry practice, and reclaim all surface disturbances relating to such operations as prescribed by Lessor and UDOGM. All Extraction Facilities, equipment, and material not removed from the Leased Premises within ninety (90) days of completion of Lessee's operations shall be deemed abandoned, and Lessor may remove or cause to be removed said equipment and material and sold to Lessor's account.

6.5 Cultural Resources. Prior to commencing any new surface disturbing operations or any operations that have the potential to affect historic properties, Lessee shall complete an addendum to the existing cultural resource inventory prepared for the Surface Estate in accordance with applicable laws and regulations, or otherwise provide evidence of compliance with *Utah Administrative Code* R850-60. Lessee shall provide such cultural resource compliance materials to Lessor prior to the approval of Lessee's plan of operations. Lessor will review all cultural resource compliance materials provided by Lessee, and may approve, condition or deny its consent to new surface disturbing operations based upon impacts to cultural resources. Lessor may require Lessee to complete appropriate cultural resources mitigation measures as a condition of approval of the plan of operations.

7. USE OF SURFACE ESTATE. Lessee may use and occupy the Surface Estate for all purposes reasonably necessary to capture, extract, gather, produce, remove, ventilate, and destroy the Leased Substances in compliance with its plan of operations and all applicable laws, rules, regulations, permits and approvals. Lessee may not use the Surface Estate prior to complying with the requirements of Paragraph 6.1. Such surface uses shall be exercised subject to the rights reserved to Lessor as provided in Section 5, and without unreasonable interference with the rights of any prior or subsequent lessee of Lessor. Lessee may not use surface lands overlying the Leased Premises other than the Surface Estate.

8. BONDING. Before commencing operations on the Leased Premises and Surface Estate, Lessee shall execute and post with Lessor a surety bond or other financial guarantee in the amount of Fifteen Thousand Dollars ($15,000.00) to guarantee Lessee's performance of all covenants and obligations under this Lease. Lessor may in its reasonable discretion require Lessee to furnish additional bonding for assuring compliance with the terms of this Lease upon thirty (30) days written notice.

10. DEFAULT.

10.1 Notice of Default; Termination. Upon Lessee's violation of or failure to comply with any of the terms, conditions or covenants set forth in this Lease, Lessor shall notify the then-current Lessee of such default by registered or certified mail, return receipt requested, at the last address for Lessee set forth in Lessor's files. Lessee shall then have thirty (30) days, or such longer period as may be granted in writing by Lessor, to either cure the default or request a hearing pursuant to the Lessor's administrative adjudication rules. In the event Lessee fails to cure the default or request a hearing within the specified time period, Lessor may cancel this Lease without further notice to or appeal by Lessee. Failure to timely pay rentals or royalties is not a breach of covenants but rather a failure of condition and shall cause the Lease to expire pursuant to its own terms.

10.2 Effect of Termination. The termination of this Lease for any reason, whether through expiration, cancellation or relinquishment, shall not limit the rights of the State of Utah to recover any royalties and/or damages for which Lessee may be liable, to recover on any bond on file, or to seek injunctive relief to enjoin continuing violations of the Lease terms. No remedy or election under this Lease shall be deemed exclusive, but shall, whenever possible, be cumulative with all other remedies available under this Lease, at law or in equity. Lessee shall surrender the Leased Premised upon termination; however, the obligations of Lessee with respect to plugging of abandoned wells, reclamation, indemnification and other continuing covenants imposed by this Lease shall survive the termination.

11. RIGHT OF ACCESS; RECORDS.

11.1 Reporting; Records. Lessee shall timely provide UDOGM, the Utah Department of Environmental Quality, and all other governmental agencies with oversight authority, the data, reports, and other information related to produced and destroyed methane that is required by such agency. Lessee shall provide a copy of the same upon request by Lessor.

11.2 Inspection; Audit. Lessor's employees and authorized agents shall have the right to enter the Leased Premises to examine, inspect, survey and take measurements for the purposes of verifying the Qualifying Methane Volume amounts, the total volume of Leased Substances or project emissions produced during Lessee's methane destruction operations on the Leased Premises, and other proper lease operations. Upon reasonable notice to Lessee, Lessor's employees and authorized agents shall further have the right to audit, examine and copy (at Lessor's expense) all documents related to Lessee's efforts to capture, extract, gather, produce, remove, ventilate, and destroy coal mine methane including, but not limited to the records related to determining Qualifying Methane Volume and the calculation of royalties. Lessor's employees and authorized agents shall have the right to audit, examine and copy such records whether they are located on the Leased Premises or elsewhere. Lessee shall furnish all conveniences necessary for any inspections or audits; provided, however, that such inspections or audits shall be conducted in a manner that is in conformance with all applicable safety regulations and does not unreasonably interfere with Lessee's operations.

12. ASSIGNMENT OR SUBLEASE; OTHER AGREEMENTS.

12.1 Consent Required. Lessee shall not assign or sublease this Lease in whole or in part, or otherwise assign or convey any rights or privileges granted by this Lease, without the prior written consent of Lessor. Any assignment, sublease or other conveyance made without prior written consent of Lessor shall be void and

have no legal effect unless and until approved in writing by Lessor. Exercise of any right with respect to the Leased Premises in violation of this provision shall constitute a default under this Lease.

12.2 Limitation on Other Agreements. Lessee shall not enter into any agreement limiting, restricting, prorating, or otherwise affecting the natural production of Leased Substances from the Leased Premises in any way or in any event without the prior written consent of Lessor.

13. MISCELLANEOUS PROVISIONS.

13.1 No Warranty of Title. Lessor does not warrant title nor represent that no one will dispute the title asserted by Lessor to the Surface Estate and Leased Premises including, without limitation, any rights Lessor may have to capture, extract, gather, produce, remove, ventilate, and destroy the Leased Substances. It is expressly agreed that Lessee shall not be entitled to any refund for any rentals and royalties paid under the Lease in the event of title failure, nor shall Lessor be liable to Lessee for any alleged deficiency in title to the mineral estate. If any third party claims any rights to the Leased Substances, Lessee will have the right to place all royalty payments due Lessor in an interest-bearing trust account, pending a final resolution of the third party's claim. If Lessor owns an interest less than all of the Leased Substances, the royalties provided herein shall be paid to Lessor in the proportion which Lessor's interest bears to the entire volume of Leased Substances.

13.2 Notices. All notices herein provided to be given or which may be given by either party to the other, except as otherwise provided by law, shall be deemed to have been fully given when made in writing and deposited in the United States mail, postage prepaid, and addressed to the last known address of the parties. Lessee's address set forth above shall be conclusively deemed to be correct unless Lessor has received written notice of change of address from Lessee.

13.3 Indemnity. Lessee shall indemnify and hold Lessor harmless for, from and against each and every claim, demand, liability, loss, cost, damage and expense, including, without limitation, attorneys' fees and court costs, arising in any way out of Lessee's occupation and use of the Leased Premises and Surface Estate, including without limitation claims for death, personal injury, property damage, environmental damage or remediation, royalty disputes, unpaid wages and benefits. Lessee further agrees to indemnify and hold Lessor harmless for, from and against all claims, demands, liabilities, damages and penalties arising out of any failure of Lessee to comply with any of Lessee's obligations under this Lease, including without limitation attorneys' fees and court costs.

13.4 Interest. Interest shall accrue and be payable on all obligations arising under this Lease at such rate as may be set from time to time by rule enacted by Lessor. Interest shall accrue and be payable, without necessity of demand, from the date each such obligation shall arise. The accrual and payment of interest does not constitute a waiver or satisfaction of any penalty that may apply under the Lessor's Rules.

13.5 Governing Law: Consent to Suit; Jurisdiction. This Lease shall be governed by the laws of the State of Utah. Lessor and Lessee agree that all disputes arising out of this Lease shall be litigated only in the Third Judicial District Court for Salt Lake County, Utah. Lessee shall not bring any action against Lessor without exhaustion of available administrative remedies and compliance with applicable requirements of the Utah Governmental Immunity Act. Service of process in any such action is hereby agreed to be sufficient if sent by certified mail to Lessee at the last known address appearing in Lessor's records.

13.6 Attorneys' Fees. In the event Lessor institutes and prevails in any administrative or judicial proceeding for breach of this agreement, Lessor shall be entitled to collect its reasonable attorneys' fees and costs from Lessee.

13.7 No Waiver. No waiver of the breach of any provision of this Lease shall be construed as a waiver of any preceding or succeeding breach of the same or any other provision of this Lease, nor shall the acceptance

of rentals or royalties by Lessor during any period of time in which Lessee is in default be deemed to be a waiver of such breach.

13.8 Severability. The invalidity of any provision of this Lease, as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof.

13.9 Entire Lease. This Lease, together with any attached stipulations, sets forth the entire agreement between Lessor and Lessee with respect to the subject matter of this Lease. No subsequent alteration or amendment to this Lease shall be binding upon Lessor and Lessee unless in writing and signed by both parties.

13.10 Binding Effect. This Lease shall be binding upon, and shall inure to the benefit of the parties to it and their respective legal representative, successors, and assigns.

13.11 Certification. Lessee certifies that by signing this Lease, it is qualified to do business in the State of Utah and is not in default under the laws of the State of Utah relative to qualification to do business within the state or not in default of any previous obligation with the Lessor.

13.12 Assignment of Interest from Mine Operator. Within 120 days of the Effective Date of this Lease, Lessee will provide Lessor with a copy of the written assignment between Lessee and operator of the West Ridge Coal Mine. The assignment must provide Lessee with an assignment of the mine operator's rights, interests, duties, and obligations in and to the Surface Estate, Leased Substances, GVHs, and Extraction Facilities.

IN WITNESS WHEREOF, the parties have executed this Lease as of the Effective Date.

THE STATE OF UTAH, acting by and through the SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION ("LESSOR")

DAVID URE, DIRECTOR

By: _____
LAVONNE J. GARRISON
ASSISTANT DIRECTOR/OIL & GAS

APPROVED AS TO FORM:

SEAN D. REYES
ATTORNEY GENERAL

By: _____
Special Assistant Attorney General

Form Approved: August 18, 2016

LESSEE: GLOBAL CARBON STRATEGIES CORPORATION

By: _____

Its: Vice President

STATE OF UTAH)
:
COUNTY OF SALT LAKE)

The foregoing instrument was acknowledged before me this 5th day of October 2016, by LaVonne J. Garrison in her capacity as Assistant Director/Oil and Gas of the School and Institutional Trust Lands Administration.

ALYSON HALE
Notary Public State of Utah
My Comm. Exp: June 18, 2018
Comm. Number: 683597

Alyson Hale
Notary Public

STATE OF _____)
:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____ 20____, by _____, in his/her capacity as _____ of the Lessee.

_____
Notary Public

STATE OF Utah)
:
COUNTY OF Salt Lake)

The foregoing instrument was acknowledged before me this 30th day of September 2016, by Collon C. Kennedy, Lessee. Global Carbon Strategies Corporation

Sarah Nielsen
Notary Public

SARAH NIELSEN
Notary Public State of Utah
My Commission Expires on:
September 14, 2019
Comm. Number: 684886

EXHIBIT A

GVH SITE

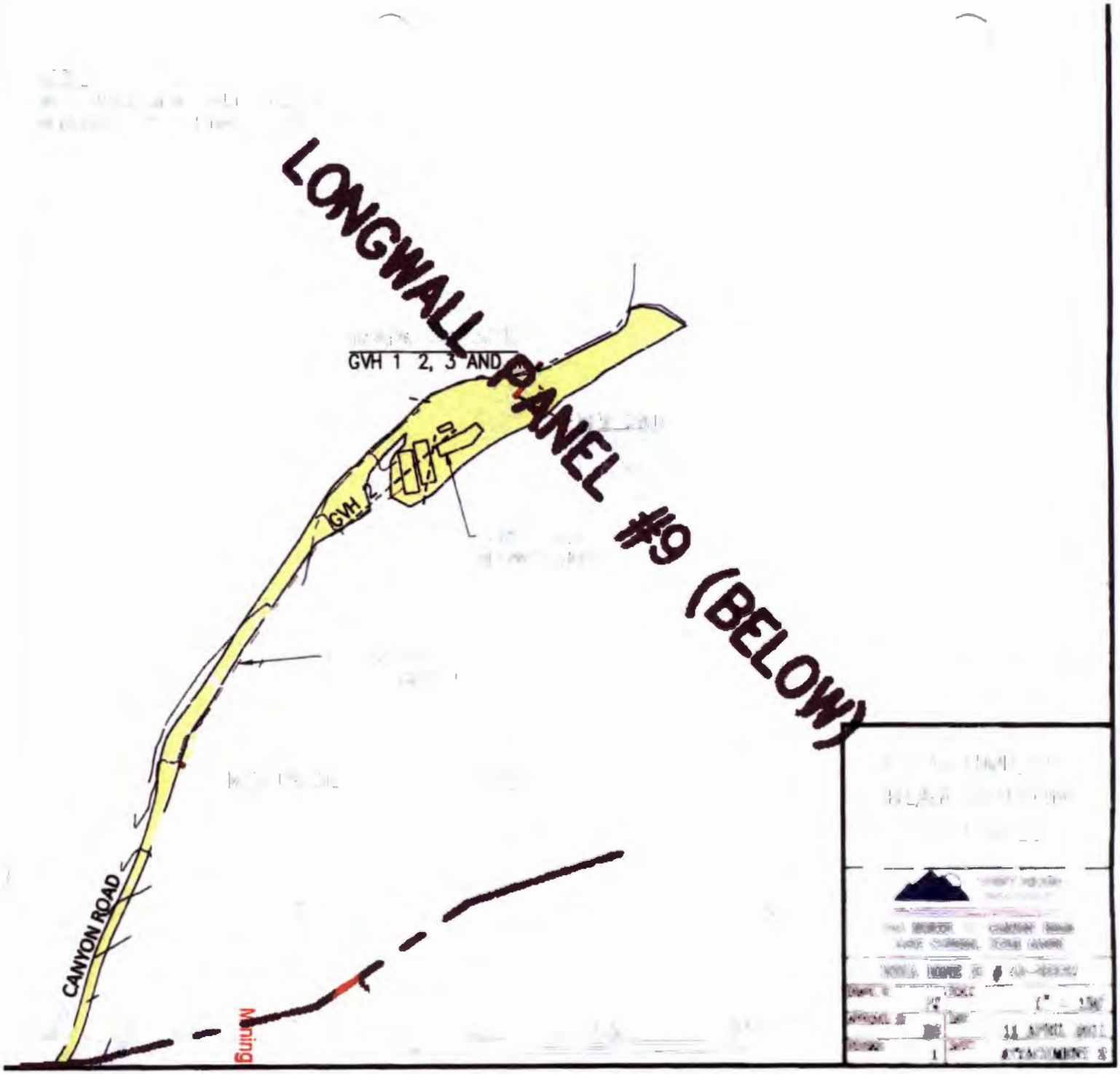
LONGWALL PANEL #9 (BELOW)
GVH 1 2, 3 AND
GVH 2
CANYON ROAD
Mining

EXHIBIT "B"
EXTRACTION FACILITIES

I. Historic West Ridge Mine's Extraction Facilities:

9 5/8 to 10" Flange Adapter
10" SS Gate Valve
10" Check Valve
10" fabricated Wye
10" Gear Actuated Butterfly Valves
10" flex hose w/ flange ends x 12'
10" long sweep 90° Els
10" Flame Arrestors
10" x 8" Adapters
8" x 10' Metering Spool
Verabar Flow Meter
Monitoring PLC
Control Panels w/Methanometer
10" x 8" Adapters
10" x 8" Tee
8" Check Valves
Vent Stack Adapters
Fiberglass Vent Stacks
10" long sweep 90° Els
10" Inlet Filter
10" 150# ss Gasket
10" 150# Blind Flange
14'w 10'h 36' long Tents (4)
7/8 x 4 3/4 Stud w/ nut
Gasket
GVHs (locations depicted on plat) (5)
Leveling Base
Support Frame
Viper 60-80 Air Compressor
Methane Extractor Units (MEUs) (operating) (4)
Methane Extractor Unit (spare)
Air Diaphragm Pump
Hose & ftg kit

II. Additional Equipment:

Additional equipment and infrastructure required by Lessee for flare operations will likely include, among other things, the following:

Enclosed Ground Flare
Steel Flare Shell AssemblyFlanged Inlet Nozzel
Flame Arrester
Butterfly Value w/SS Disc & Stem w/Pneumatically Controlled
Safety Shutoff Actuator
Nitrogen Regulator and Rack
Steel Bellows Type Flex Connector
Weather Shield at Top of Flare
Heat Screen Around Flare (as needed)
Thermocouples
Self-Checking Flame Safeguard Sensors
Flare Purge System with Air Blower and Verification Pressure Switch
Propane Gas Pilot System; Pilot Igniter
Burner System
Thermal Mass Flow Meter
Gas Analyzer
Pressure and Temperature Gauges
Control Panel
Satellite Modem and Communications System
Gas Pipeline from MEUs to Flare
GVH Site Security Fencing