

FIRST ADMINISTRATIVE MODIFICATION OF CONTRACT BETWEEN

UNITED STATES OF AMERICA

and

ROCKY MOUNTAIN HELIUM, LLC

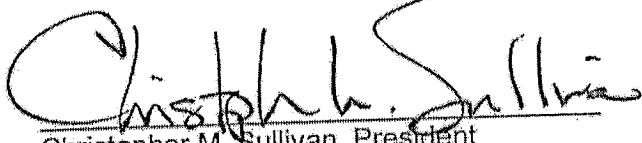
THE AGREEMENT ("Agreement") entered into between ROCKY MOUNTAIN HELIUM, LLC, a Colorado limited liability company ("RMH"), and the United States of America, acting through the UNITED STATES DEPARTMENT OF INTERIOR – BUREAU OF LAND MANAGEMENT ("BLM"), entered into June 24, 1994 and effective August 1, 1994, is hereby modified and amended as follows:

- A. **Federal Helium Agreement Lands – Area of Mutual Interest ("AMI").** The lands covered by the Agreement are set forth in Exhibit "A" ("Said Lands"). So long as the Agreement is in effect, BLM shall not auction, solicit, or offer Federal helium extraction rights to third parties on any lands within the area of interest described in Exhibit "B" ("AMI Lands"). Pursuant to Sections 1.10, 2.2, and 7.2 of the Agreement, additional Producing Acreage, whether or not within the AMI Lands, shall be added to the Agreement by designation of such lands by RMH, and within 15 days thereafter the acreage so designated shall become subject to all the terms and conditions of the Agreement, as modified herein.
- B. **Prudent Operator.** RMH shall act as a prudent operator to develop the AMI Lands for helium conservation and extraction from the natural gas streams produced from these lands, and to designate additional Federal lands to be added to the Agreement.
- C. **Designated Plant.** Pursuant to Section 2.1 of the Agreement, the Badger Wash gas plant, located in Section 29, Township 8 South, Range 103 West, 6th P.M., Mesa County, Colorado, is the first plant designated by RMH to exercise its exclusive right and privilege to take possession of the Federal gas streams for the purposes of extracting helium produced from the Producing Acreage on Said Lands.
- D. **BLM Helium Gross Proceeds Purchase Price Payments.** The purchase price to BLM for all Crude Helium extracted from natural gas produced and extracted from Contract Lands, including Producing Acreage added to the Agreement, shall be \$5.00 per Mcf. Such purchase price is equal to nineteen percent (19%) of a base price for Crude Helium of \$26.25 per Mcf. For the purposes of calculating the purchase price, Crude Helium volumes shall be measured at the point where Crude Helium is first extracted from the gas steam. The purchase price paid to BLM shall be free and clear of all costs of production, gathering, transportation, processing, compression, and from any other costs or expenses.
- E. **Price Adjustments.** The purchase price for Crude Helium shall be fixed for a period of two (2) years from the date of first helium production. Once per year thereafter, the purchase price for Crude Helium shall be adjusted proportionately, based upon a formula that reasonably reflects increases or decreases in the market price of Refined Liquid Helium. 2002 market prices for refined liquid helium (bulk) shall be the basis price for any price adjustments. The provisions of Paragraph D., above, and this Paragraph E. supersede any inconsistent provisions of Section 4.1 of the Agreement.

- F. **Rights of Inspection.** Under Section 13.1 of the Agreement, the right of BLM to inspect contracts or evidence of other arrangements for disposal of helium shall not extend beyond the point of first extraction and transfer of title of Crude Helium at any designated gas plant under the Agreement.
- G. **Resolution of BLM Contract Disputes.** Dispute resolution regarding BLM's administration of the Agreement shall be by appeal to the Director of the New Mexico BLM state office, and shall be conducted according to Federal law.
- H. **Validity of Agreement.** BLM confirms that, from the effective date of the Agreement on August 1, 1994, through and including the effective date of this modification, the Agreement is, and has always been, a valid contract of the United States of America, legally and properly awarded in a public Federal auction, and the Agreement continues in full force and effect according to its terms, and as modified herein.
- I. **Election to Terminate Agreement.** In the event helium extraction facilities are under construction on or before August 1, 2004, the right to early termination set forth in Section 3.3 of the Agreement shall be deleted.

These modifications to the Agreement shall be made effective upon payment in full of all accrued rentals, penalties and interest within 90 days of the date both parties have executed these modifications (the "effective date"). All other terms and provisions of the Agreement shall remain the same.

ROCKY MOUNTAIN HELIUM, LLC

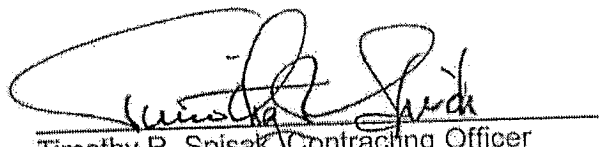

Christopher M. Sullivan, President

Date: MAY 2, 2003

This modification of Agreement is made effective as of 7.00 A.M. CST,

JUNE 5, 2003.

BUREAU OF LAND MANAGEMENT


Timothy R. Spisak, Contracting Officer

Date: JUNE 5, 2003

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Exhibit "A"
Federal Helium Agreement Lands -- FLL94-001

COLORADO

<u>Township</u>	<u>Range</u>	<u>Section</u>	<u>Federal Acreage</u>
8 south	103 west	31	454.36
8 south	103 west	32	620.96
8 south	104 west	34	640.00
8 south	104 west	35	640.00
8 south	104 west	36	640.00
9 south	103 west	5	641.05
9 south	103 west	6	641.59
9 south	104 west	1	941.40
9 south	104 west	2	938.84
		Subtotal:	6,158.20

UTAH

16 south	25 east	21	640.00
16 south	25 east	22	640.00
16 south	25 east	23	640.00
16 south	25 east	25	640.00
16 south	25 east	26	640.00
16 south	25 east	27	640.00
17 south	25 east	12	640.00
17 south	25 east	13	640.00
17 south	25 east	24	640.00
17 south	26 east	7	640.00
17 south	26 east	8	640.00
17 south	26 east	17	640.00
17 south	26 east	18	640.00
17 south	26 east	19	640.00
17 south	26 east	20	640.00
18 south	25 east	29	640.00
18 south	25 east	33	640.00
18 south	25 east	34	640.00
18 south	25 east	35	640.00
19 south	25 east	3	641.52
19 south	25 east	4	642.72
19 south	25 east	9	640.00
19 south	25 east	10	640.00
19 south	25 east	11	640.00
		Subtotal:	15,364.24

Total Federal Mineral Acreage 21,522.44

Exhibit "B"
Area of Mutual Interest "AMI" for Helium Extraction on Federal Lands
Contract No. FLL94-001

Helium AMI Lands in Colorado

Township 6 South, Range 102 West, 6th P.M.
Township 6 South, Range 103 West, 6th P.M.
Township 6 South, Range 104 West, 6th P.M.
Township 6 South, Range 105 West, 6th P.M.
(Corrective Survey)

Township 7 South, Range 102 West, 6th P.M.
Township 7 South, Range 103 West, 6th P.M.
Township 7 South, Range 104 West, 6th P.M.
Township 7 South, Range 105 West, 6th P.M.
(Corrective Survey)

Township 8 South, Range 102 West, 6th P.M.
Township 8 South, Range 103 West, 6th P.M.
Township 8 South, Range 104 West, 6th P.M.
Township 8 South, Range 105 West, 6th P.M.
(Corrective Survey)

Township 9 South, Range 102 West, 6th P.M.
Township 9 South, Range 103 West, 6th P.M.
Township 9 South, Range 104 West, 6th P.M.

Township 10 South, Range 103 West, 6th P.M.
Township 10 South, Range 104 West, 6th P.M.

Township 2 North, Range 2 West, 6th P.M.
Township 2 North, Range 3 West, 6th P.M.

Helium AMI Lands in Utah

Township 15 South, Range 22 East, SLM
Township 15 South, Range 23 East, SLM
Township 15 South, Range 24 East, SLM
Township 15 South, Range 25 East, SLM
Township 15 South, Range 26 East, SLM

Township 15.5 South, Range 24 East, SLM
Township 15.5 South, Range 25 East, SLM
Township 15.5 South, Range 26 East, SLM

Township 16 South, Range 22 East, SLM
Township 16 South, Range 23 East, SLM
Township 16 South, Range 24 East, SLM
Township 16 South, Range 25 East, SLM
Township 16 South, Range 26 East, SLM

Township 17 South, Range 22 East, SLM
Township 17 South, Range 23 East, SLM
Township 17 South, Range 24 East, SLM
Township 17 South, Range 25 East, SLM
Township 17 South, Range 26 East, SLM

Township 18 South, Range 22 East, SLM
Township 18 South, Range 23 East, SLM
Township 18 South, Range 24 East, SLM
Township 18 South, Range 25 East, SLM
Township 18 South, Range 26 East, SLM

Township 19 South, Range 22 East, SLM
Township 19 South, Range 23 East, SLM
Township 19 South, Range 24 East, SLM
Township 19 South, Range 25 East, SLM
Township 19 South, Range 26 East, SLM

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