



For KCC Use:
 Effective Date: _____
 District # _____
 SGA? Yes No

KANSAS CORPORATION COMMISSION 1018164
OIL & GAS CONSERVATION DIVISION

Form C-1
 October 2007

Form must be Typed
Form must be Signed
All blanks must be Filled

NOTICE OF INTENT TO DRILL

Must be approved by KCC five (5) days prior to commencing well

Expected Spud Date: _____
 month day year

OPERATOR: License# _____
 Name: _____
 Address 1: _____
 Address 2: _____
 City: _____ State: _____ Zip: _____ + _____
 Contact Person: _____
 Phone: _____

CONTRACTOR: License# _____
 Name: _____

Well Drilled For:	Well Class:	Type Equipment:
<input type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input type="checkbox"/> Infield
<input type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input type="checkbox"/> Pool Ext.
	<input type="checkbox"/> Disposal	<input type="checkbox"/> Wildcat
<input type="checkbox"/> Seismic ; _____ # of Holes	<input type="checkbox"/> Other	<input type="checkbox"/> Mud Rotary
<input type="checkbox"/> Other: _____		<input type="checkbox"/> Air Rotary
		<input type="checkbox"/> Cable

If OWWO: old well information as follows:
 Operator: _____
 Well Name: _____
 Original Completion Date: _____ Original Total Depth: _____

Directional, Deviated or Horizontal wellbore? Yes No
 If Yes, true vertical depth: _____
 Bottom Hole Location: _____
 KCC DKT #: _____

Spot Description: _____
 _____ - _____ - _____ - _____ Sec. _____ Twp. _____ S. R. _____ E W
 (00/00) _____ feet from N / S Line of Section
 _____ feet from E / W Line of Section

Is SECTION: Regular Irregular?
 (Note: Locate well on the Section Plat on reverse side)

County: _____
 Lease Name: _____ Well #: _____

Field Name: _____
 Is this a Prorated / Spaced Field? Yes No

Target Formation(s): _____
 Nearest Lease or unit boundary line (in footage): _____

Ground Surface Elevation: _____ feet MSL
 Water well within one-quarter mile: Yes No

Public water supply well within one mile: Yes No
 Depth to bottom of fresh water: _____

Depth to bottom of usable water: _____
 Surface Pipe by Alternate: I II

Length of Surface Pipe Planned to be set: _____
 Length of Conductor Pipe (if any): _____

Projected Total Depth: _____
 Formation at Total Depth: _____

Water Source for Drilling Operations:
 Well Farm Pond Other: _____

DWR Permit #: _____
 (Note: Apply for Permit with DWR)

Will Cores be taken? Yes No
 If Yes, proposed zone: _____

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 et. seq.

It is agreed that the following minimum requirements will be met:

1. Notify the appropriate district office **prior** to spudding of well;
2. A copy of the approved notice of intent to drill **shall be** posted on each drilling rig;
3. The minimum amount of surface pipe as specified below **shall be set** by circulating cement to the top; in all cases surface pipe **shall be set** through all unconsolidated materials plus a minimum of 20 feet into the underlying formation.
4. If the well is dry hole, an agreement between the operator and the district office on plug length and placement is necessary **prior to plugging**;
5. The appropriate district office will be notified before well is either plugged or production casing is cemented in;
6. If an ALTERNATE II COMPLETION, production pipe shall be cemented from below any usable water to surface within **120 DAYS** of spud date. Or pursuant to Appendix "B" - Eastern Kansas surface casing order #133,891-C, which applies to the KCC District 3 area, alternate II cementing must be completed within 30 days of the spud date or the well shall be plugged. **In all cases, NOTIFY district office** prior to any cementing.

Submitted Electronically

For KCC Use ONLY

API # 15 - _____

Conductor pipe required _____ feet

Minimum surface pipe required _____ feet per ALT. I II

Approved by: _____

This authorization expires: _____
 (This authorization void if drilling not started within 12 months of approval date.)

Spud date: _____ Agent: _____

Remember to:

- File Drill Pit Application (form CDP-1) with Intent to Drill;
- File Completion Form ACO-1 within 120 days of spud date;
- File acreage attribution plat according to field proration orders;
- Notify appropriate district office 48 hours prior to workover or re-entry;
- Submit plugging report (CP-4) after plugging is completed (within 60 days);
- Obtain written approval before disposing or injecting salt water.
- If this permit has expired (See: authorized expiration date) please check the box below and return to the address below.

Well Not Drilled - Permit Expired Date: _____
 Signature of Operator or Agent: _____



1018164

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

Plat of acreage attributable to a well in a prorated or spaced field

If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please show all the wells and within 1 mile of the boundaries of the proposed acreage attribution unit for gas wells and within 1/2 mile of the boundaries of the proposed acreage attribution unit for oil wells.

API No. 15 - _____

Operator: _____

Lease: _____

Well Number: _____

Field: _____

Number of Acres attributable to well: _____

QTR/QTR/QTR/QTR of acreage: _____ - _____ - _____ - _____

Location of Well: County: _____

_____ feet from N / S Line of Section

_____ feet from E / W Line of Section

Sec. _____ Twp. _____ S. R. _____ E W

Is Section: Regular or Irregular

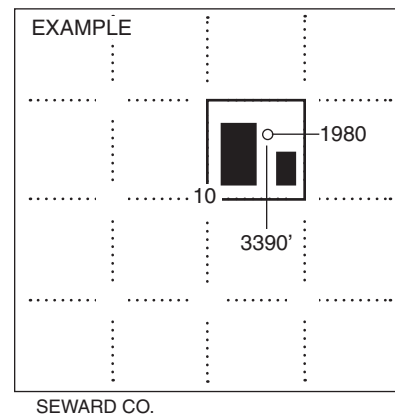
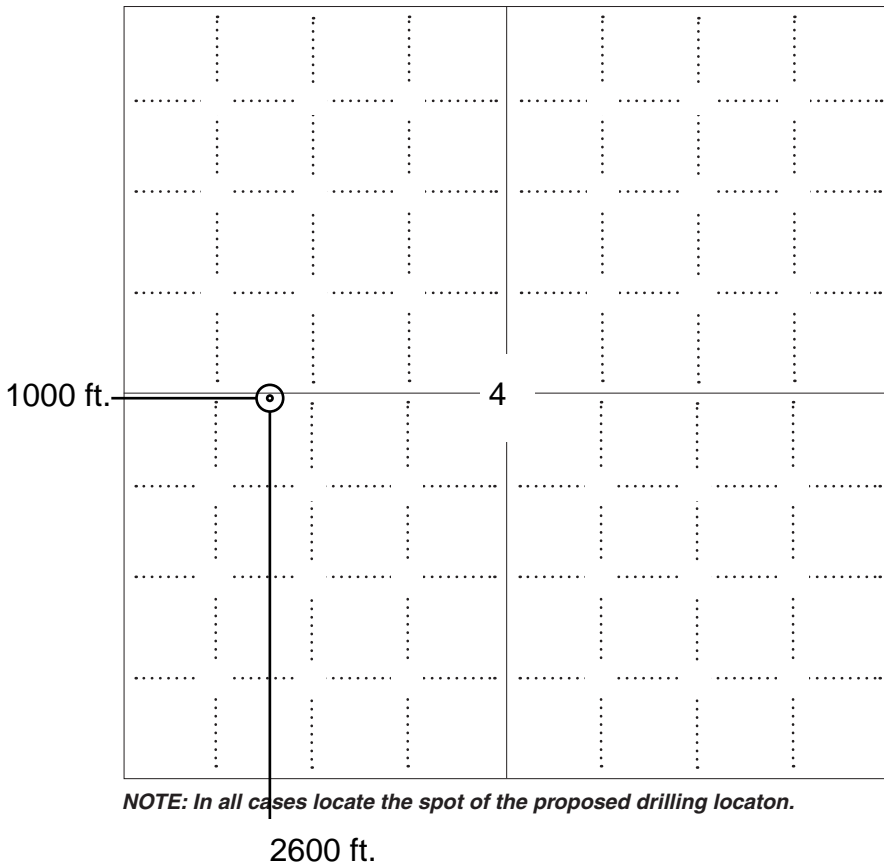
If Section is Irregular, locate well from nearest corner boundary.

Section corner used: NE NW SE SW

PLAT

(Show location of the well and shade attributable acreage for prorated or spaced wells.)

(Show footage to the nearest lease or unit boundary line.)



NOTE: In all cases locate the spot of the proposed drilling location.

2600 ft.

In plotting the proposed location of the well, you must show:

1. The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, 4 sections, etc.
2. The distance of the proposed drilling location from the south / north and east / west outside section lines.
3. The distance to the nearest lease or unit boundary line (in footage).
4. If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (C0-7 for oil wells; CG-8 for gas wells).



KANSAS CORPORATION COMMISSION 1018164
OIL & GAS CONSERVATION DIVISION

Form CDP-1
April 2004
Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name: _____		License Number: _____	
Operator Address: _____			
Contact Person: _____		Phone Number: _____	
Lease Name & Well No.: _____		Pit Location (QQQQ): _____-_____-_____-_____	
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input type="checkbox"/> Drilling Pit <input type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit <i>(If WP Supply API No. or Year Drilled)</i>		Pit is: <input type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: _____ (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input type="checkbox"/> No		Chloride concentration: _____ mg/l <i>(For Emergency Pits and Settling Pits only)</i>	
Is the bottom below ground level? <input type="checkbox"/> Yes <input type="checkbox"/> No		Artificial Liner? <input type="checkbox"/> Yes <input type="checkbox"/> No	
How is the pit lined if a plastic liner is not used?		_____	
Pit dimensions (all but working pits): _____ Length (feet) _____ Width (feet) _____ N/A: Steel Pits Depth from ground level to deepest point: _____ (feet) _____ No Pit			
If the pit is lined give a brief description of the liner material, thickness and installation procedure.		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring.	
Distance to nearest water well within one-mile of pit _____ feet Depth of water well _____ feet		Depth to shallowest fresh water _____ feet. Source of information: _____ measured _____ well owner _____ electric log _____ KDWR	
Emergency, Settling and Burn Pits ONLY: Producing Formation: _____ Number of producing wells on lease: _____ Barrels of fluid produced daily: _____ Does the slope from the tank battery allow all spilled fluids to flow into the pit? <input type="checkbox"/> Yes <input type="checkbox"/> No		Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: _____ Number of working pits to be utilized: _____ Abandonment procedure: _____ _____ Drill pits must be closed within 365 days of spud date.	
Submitted Electronically			

KCC OFFICE USE ONLY		Steel Pit	RFAC	RFAS
Date Received: _____	Permit Number: _____	Permit Date: _____	Lease Inspection: <input type="checkbox"/> Yes <input type="checkbox"/> No	

This instrument filed for record this

17th day of Feb

2005

at 11:35 o'clock P.M. and

recorded in Book 130 Page 152

Fees \$ 20.00

Melissa L. Young, Register of Deeds

PHOTOCOPIED

(Prod. Pooling)(Kansas, Oklahoma)(640 Shut-In)(Paid-Up)

OIL AND GAS LEASE
(Paid-up)

AGREEMENT, made and entered into this 10th day of February, 2005, by and between, **Willis M. Harden and Velmarce R. Harden, husband and wife, Box 746, Ashland, KS 67831**, party of the first part, hereinafter called Lessor (whether one or more), and **Wint Harris, P. O. Box 489, Elkhart, KS 67950**, party of the second part, hereinafter called Lessee.

WITNESSETH, that the said Lessor, for and in consideration of Ten Dollars, cash in hand paid, and other good and valuable consideration receipt of which is hereby acknowledged and of the covenants and agreements hereinafter contained on the part of Lessee to be paid, kept and performed, has granted, demised, leased and let and by these presents does exclusively grant, demise, lease and let unto the said Lessee, for the sole and only purpose of exploring by geophysical and other methods, mining and operating for oil (including but not limited to distillate and condensate), gas (including casinghead gas and helium and all other constituents), and for laying pipelines, and building tanks, power stations and structures thereon, to produce, save and take care of said products, all that certain tract of land, together with any reversionary rights therein, situated in the County of Clark, State of Kansas, described as follows, to-wit:

Lot 1(39.58), Lot 2(39.57) and the South Half of the Northeast Quarter (S/2NE/4); the Southeast Quarter of the Northwest Quarter (SE/4NW/4); the South Half of the Southwest Quarter of the Northwest Quarter (S/2SW/4NW/4)

All in Section 4, Township 32 South, Range 21 West. Containing 239.15 acres more or less.

1. It is agreed that this lease shall remain in force for a term of Two (2) years from date (herein called primary term) and so long thereafter as oil or gas, or either of them, is produced from said land or lands pooled therewith
2. In consideration of the premises the said Lessee covenants and agrees:
 - A. To deliver to the credit of Lessor free of cost, in the pipeline to which it may connect its wells, a 1/8th part of all oil (including but not limited to condensate and distillate) produced and saved from the leased premises.
 - B. To pay Lessor for gas (including casinghead gas) and all other substances covered hereby, a royalty of 1/8th of the proceeds realized by Lessee from the sale thereof, less a proportionate part of the production, severance and other excise taxes and the cost incurred by lessee in producing, compressing, dehydrating, transporting, and marketing, or otherwise making such gas or other substances ready for sale or use, said payments to be made monthly. During any period (whether before or after expiration of the primary term hereof) when gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or operations on said leased premises sufficient to keep this lease in force, Lessee shall pay or tender a royalty of One Dollar (\$1.00) per year per net royalty acre retained hereunder, such payment or tender to be made, on or before the later of ninety (90) days following the date of shut in or the anniversary date of this lease during the period such well is shut in, to the Lessor. When such payment or tender is made it will be considered that gas is being produced within the meaning of the entire lease.
3. If, at the expiration of the primary term, there is no production in paying quantities on the leased land or on lands pooled therewith but Lessee is conducting operations for drilling, completing or reworking a well, this lease nevertheless shall continue as long as such operations are prosecuted or additional operations are commenced and prosecuted (whether on the same or successive wells) with no cessation of more than one hundred eighty (180) days, and if production is discovered, this lease shall continue as long thereafter as oil or gas are produced. In addition, if at any time or times after the primary term, there is a total cessation of all production, for any cause (other than an event of force majeure), this lease shall not terminate if Lessee commences or resumes any drilling or reworking operations or production within one hundred eighty (180) days after such cessation. Drilling operations or mining operations shall be deemed to be commenced when the first material is placed on the leased premises or when the first work other than surveying or staking the location is done thereon which is necessary for such operations.
4. Lessee is hereby granted the right at any time and from time to time to utilize the leased premises or any portion or portions thereof, as to all strata or any stratum or strata, with any other lands as to all strata or any stratum or strata, for the production primarily of oil or primarily of gas with or without distillate. However, no unit for the production primarily of oil shall embrace more than 40 acres, or for the production primarily of gas with or without distillate more than 640 acres; provided that if any governmental regulation shall permit or prescribe a spacing pattern for the development of the field or allocate a producing allowable based on acreage per well, then any such unit may embrace as much additional acreage as may be so permitted or prescribed or as may be used in such allocation of allowable. Lessee shall file written unit designations in the county in which the leased premises are located unless the pooling or unitization results from governmental order or rule, in which case no such written designation shall be required. Operations upon and production from the unit shall be treated as if such operations were upon or such production were from the leased premises whether or not the well or wells are located thereon. The entire acreage within a unit shall be treated for all purposes as if it were covered by and included in this lease except that the royalty on production from the unit shall be as below provided, and except that in calculating the amount of any shut in gas royalties, only the part of the acreage originally leased and then actually embraced by this lease shall be counted. In respect to production from the unit, Lessee shall pay Lessor, in lieu of other royalties thereon, only such proportion of the royalties stipulated herein as the amount of his acreage placed in the unit, or his royalty interest therein on an acreage basis bears to the total acreage in the unit.
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 herein provided shall be paid to the Lessor only in the proportion which his interest bears to the whole and undivided fee.
6. If the leased premises are now or shall hereafter be owned in severalty or in separate tracts, the premises may nonetheless be developed and operated as one lease, and all royalties accruing hereunder shall be divided among and paid to such separate owners

in the portion that the acreage owned by each separate owner bears to the entire leased acreage. There shall be no obligation on the part of the lessee to offset wells on separate tracts into which the land covered by this lease may now or hereafter be divided by sale, devise, descent or otherwise, or to furnish separate measuring or receiving tanks.

7. Lessee shall have the right to use, free of cost, gas, oil, and water produced on said land for its operations thereon, except water from wells of Lessor.

8. 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.

9. If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns. However, no change or division in ownership of the land or royalties shall enlarge the obligations or diminish the rights of Lessee. No change in the ownership of the land or royalties shall be binding on the Lessee until after the Lessee has been furnished with a written transfer or assignment or a true copy thereof. In case Lessee assigns this lease, in whole or in part, lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment.

10. If at any time within the primary term of this lease or any continuation thereof, Lessor receives any bona fide offer, acceptable to Lessor, to grant an additional lease (top lease) covering all or part of the aforescribed lands, Lessee shall have the continuing option by meeting any such offer to acquire such top lease. Any offer must be in writing and must set forth the proposed Lessee's name, bonus consideration and royalty consideration to be paid for such lease, and include a copy of the lease form to be utilized reflecting all pertinent and relevant terms and conditions of the top lease. Lessee shall have fifteen (15) days after receipt from Lessor of a complete copy of any such offer to advise Lessor in writing of its election to enter into an oil and gas lease with Lessor on equivalent terms and conditions. If Lessee fails to notify Lessor within the aforesaid fifteen (15) day period of its election to meet any such bona fide offer, Lessor shall have the right to accept said offer. Any top lease granted by Lessor in violation of this provision shall be null and void. Nothing in this paragraph shall interfere with Lessee's rights during the term of this lease.

11. All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules and 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 such failure is the result of any such Law, Order, Rule or Regulation, or operation of force majeure.

12. This lease shall be effective as to each Lessor on execution hereof as to his or her interest and shall be binding on those signing, notwithstanding some of the Lessors above named may not join in the execution hereof. The word "Lessor" as used in this lease means the party or parties who execute this lease as Lessor, although not named above.

13. Lessee may at any time and from time to time surrender this lease as to any part or parts of the leased premises by delivering or mailing a release thereof to lessor, or by placing a release of record in the proper County.

14. Lessor hereby warrants and agrees to defend the title to the lands herein described and to indemnify Lessee of all adverse claims thereto, and all expenses incurred by Lessee in defending such claims, including reasonable attorney fees, and 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 of payment by Lessor, and be subrogated to the rights of the holder thereof.

15. The Lessee's failure to comply with any covenant or obligation of this lease shall not result in the forfeiture of the lease unless and until lessor has provided lessee notice of such default and gives Lessee sixty (60) days in which to cure such default.

IN TESTIMONY WHEREOF, we sign this the 16th day of February, 2005.

See Exhibit "A" attached hereto and made a part hereof.

Willis M. Harden
(Willis M. Harden)

Velmaree R. Harden
(Velmaree R. Harden)

STATE OF KANSAS

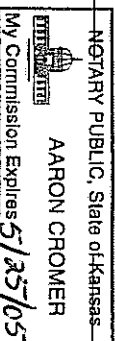
COUNTY OF CLARK

(ACKNOWLEDGMENT FOR INDIVIDUAL)

The foregoing instrument was acknowledged before me this 16th day of February, 2005,
by Willis M. Harden and Velmaree R. Harden, husband and wife.

My Commission expires:

5/25/05



Aaron Cromer
Notary Public

Exhibit "A"

Attached to and made a part of that certain Oil and Gas Lease dated February 10, 2005 by and between Willis M. Harden and Velmaree R. Harden, husband and wife, as Lessor, and Wint Harris, as Lessee.

1. The provisions of this addendum shall control and supersede the terms of the attached oil and gas lease when such terms conflict.
2. In accordance with the terms of the oil and gas lease for unitization of gas. In the event Lessee drills a gas well on the leased premises and a gas unit is to be established, Lessee agrees to create a gas unit that is comprised of, no less than 50% of lessor's property, regardless of whether the contributed acreage to said unit is on this lease or in combination with another lease given by Lessor. In the event Lessee drills a gas well on offsetting acreage and a gas unit is to be established, Lessee agrees to create a gas unit that consists of, no less than 25% of Lessor's property, regardless of whether the contributed acreage to said unit is on this lease or in combination with another lease given by Lessor. Lessee agrees to consult with Lessor in regard to the gas unit to be created.
3. In the event Lessee drills an oil well on the leased premises, Lessee agrees to prudently develop said lands and drill as many wells needed to adequately deplete the reservoir in a diligent manner and in accordance with the geological information obtained in the exploration process. In accordance with the terms of the oil and gas lease for unitization (pooling) of oil. In the event Lessee drills an oil well on the leased premises and an oil unit is to be established, Lessee agrees to create an oil unit that is comprised of, no less than 50% of lessor's property, regardless of whether the contributed acreage to said unit is on this lease in combination with another lease give by Lessor. In the event Lessee drills an oil well on offsetting acreage and an oil unit is to be established, Lessee agrees to create an oil unit that consists of, no less than 25% of Lessor's property, regardless of whether the contributed acreage to said unit is on this lease or in combination with another lease give by Lessor. Lessee agrees to consult with Lessor in regard to the oil unit to be created.
4. Where gas from a well or wells capable of producing gas only is not sold for a period of one (1) year from the end of the primary term and the well is "shut in", Lessee shall pay Lessor a shut-in royalty of \$7.50 per net mineral acre per year. Payment of shut-in royalty will not extend the lease for more than three (3) additional years from the date the well is shut-in, however it is understood that the well may be shut-in from time to time and that the three (3) year period provided for herein is not cumulative, but each shut-in period shall constitute the beginning of a new three (3) year period. This provision applies only to any shut-in period(s) after the primary term of this lease or any extension(s) have expired.
5. No well drilled upon the leased premises shall be used for disposal of salt water and other wastes without the written consent of Lessor and without compensating Lessor for its use, except for water production on the leased premises or on lands unitized herewith.
6. Lessee shall pay Lessor for any and all damages caused by Lessee's oil and gas exploration, operations, production or development, including, but not limited to, damage to improvements, livestock, personal property, land, soil, grass and crops. Lessee shall pay Lessor at least \$1,500.00, as a minimum, for each drill site location on the leased premises. Lessor may require prepayment of this amount prior to commencement of any drilling operations.
7. Lessee shall, upon the completion of any "dry-hole" test drilling operations, or upon the abandonment of any producing well, restore the surface of the land, including topsoil, to its original condition as nearly as is reasonably possible and remove all equipment, fixtures, structures and hard surface areas within six (6) months.
8. Lessee shall consult with Lessor regarding the route of ingress and egress on or through the lease premises relative to exploration, drilling, production and other lease operations prior to engaging in such operations.
9. Lessor reserves the right to pre-approve the location of all access roads, tank batteries and pipelines of any type prior to installation. Such approval shall not be unreasonably withheld.
10. In the event of production and continued use of the surface, Lessee, or its Assigns, will maintain, restore and repair the land area affected by the lease operations.
11. Lessee shall drill as many wells as are prudent and justified by facts and to the depths necessary for the effective protection against undue drainage by any well on adjacent land or leases owned by third parties.

PHOTOCOPIED

(Prod. Pooling)(Kansas, Oklahoma)(640 Shut-in)(Paid-Up)

OIL AND GAS LEASE
(Paid-up)

AGREEMENT, made and entered into this 10th day of February, 2005, by and between, **Willis M. Harden and Velmarce R. Harden, husband and wife, Box 746, Ashland, KS 67831**, party of the first part, hereinafter called Lessor (whether one or more), and **Wint Harris, P. O. Box 489, Elkhart, KS 67950**, party of the second part, hereinafter called Lessee.

WITNESSETH, that the said Lessor, for and in consideration of Ten Dollars, cash in hand paid, and other good and valuable consideration receipt of which is hereby acknowledged and of the covenants and agreements hereinafter contained on the part of Lessee to be paid, kept and performed, has granted, demised, leased and let and by these presents does exclusively grant, demise, lease and let unto the said Lessee, for the sole and only purpose of exploring by geophysical and other methods, mining and operating for oil (including but not limited to distillate and condensate), gas (including casinghead gas and helium and all other constituents), and for laying pipelines, and building tanks, power stations and structures thereon, to produce, save and take care of said products, all that certain tract of land, together with any reversionary rights therein, situated in the County of Clark, State of Kansas, described as follows, to-wit:

The Southwest Quarter (SW/4); of Section 4, Township 32 South, Range 21 West.
Containing 160.00 acres more or less.

1. It is agreed that this lease shall remain in force for a term of Two (2) years from date (herein called primary term) and so long thereafter as oil or gas, or either of them, is produced from said land or lands pooled therewith
2. In consideration of the premises the said Lessee covenants and agrees:
 - A. To deliver to the credit of Lessor free of cost, in the pipeline to which it may connect its wells, a 1/8th part of all oil (including but not limited to condensate and distillate) produced and saved from the leased premises.
 - B. To pay Lessor for gas (including casinghead gas) and all other substances covered hereby, a royalty of 1/8th of the proceeds realized by Lessee from the sale thereof, less a proportionate part of the production, severance and other excise taxes and the cost incurred by lessee in producing, compressing, dehydrating, transporting, and marketing, or otherwise making such gas or other substances ready for sale or use, said payments to be made monthly. During any period (whether before or after expiration of the primary term hereof) when gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or operations on said leased premises sufficient to keep this lease in force, Lessee shall pay or tender a royalty of One Dollar (\$1.00) per year per net royalty acre retained hereunder, such payment or tender to be made, on or before the later of ninety (90) days following the date of shut in or the anniversary date of this lease during the period such well is shut in, to the Lessor. When such payment or tender is made it will be considered that gas is being produced within the meaning of the entire lease.
3. If, at the expiration of the primary term, there is no production in paying quantities on the leased land or on lands pooled therewith but Lessee is conducting operations for drilling, completing or reworking a well, this lease nevertheless shall continue as long as such operations are prosecuted or additional operations are commenced and prosecuted (whether on the same or successive wells) with no cessation of more than one hundred eighty (180) days, and if production is discovered, this lease shall continue as long thereafter as oil or gas are produced. In addition, if at any time or times after the primary term, there is a total cessation of all production, for any cause (other than an event of force majeure), this lease shall not terminate if Lessee commences or resumes any drilling or reworking operations or production within one hundred eighty (180) days after such cessation. Drilling operations or mining operations shall be deemed to be commenced when the first material is placed on the leased premises or when the first work other than surveying or staking the location is done thereon which is necessary for such operations.
4. Lessee is hereby granted the right at any time and from time to time to utilize the leased premises or any portion or portions thereof, as to all strata or any stratum or strata, with any other lands as to all strata or any stratum or strata, for the production primarily of oil or primarily of gas with or without distillate. However, no unit for the production primarily of oil shall embrace more than 40 acres, or for the production primarily of gas with or without distillate more than 640 acres; provided that if any governmental regulation shall permit or prescribe a spacing pattern for the development of the field or allocate a producing allowable based on acreage per well, then any such unit may embrace as much additional acreage as may be so permitted or prescribed or as may be used in such allocation of allowable. Lessee shall file written unit designations in the county in which the leased premises are located unless the pooling or unitization results from governmental order or rule, in which case no such written designation shall be required. Operations upon and production from the unit shall be treated as if such operations were upon or such production were from the leased premises whether or not the well or wells are located thereon. The entire acreage within a unit shall be treated for all purposes as if it were covered by and included in this lease except that the royalty on production from the unit shall be as below provided, and except that in calculating the amount of any shut in gas royalties, only the part of the acreage originally leased and then actually embraced by this lease shall be counted. In respect to production from the unit, Lessee shall pay Lessor, in lieu of other royalties thereon, only such proportion of the royalties stipulated herein as the amount of his acreage placed in the unit, or his royalty interest therein on an acreage basis bears to the total acreage in the unit.
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 herein provided shall be paid to the Lessor only in the proportion which his interest bears to the whole and undivided fee.
6. If the leased premises are now or shall hereafter be owned in severalty or in separate tracts, the premises may nonetheless be developed and operated as one lease, and all royalties accruing hereunder shall be divided among and paid to such separate owners in the portion that the acreage owned by each separate owner bears to the entire leased acreage. There shall be no obligation on the part of the lessee to offset wells on separate tracts into which the land covered by this lease may now or hereafter be divided by

sale, devise, descent or otherwise, or to furnish separate measuring or receiving tanks.

7. Lessee shall have the right to use, free of cost, gas, oil, and water produced on said land for its operations thereon, except water from wells of Lessor.

8. 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.

9. If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns. However, no change or division in ownership of the land or royalties shall enlarge the obligations or diminish the rights of Lessee. No change in the ownership of the land or royalties shall be binding on the Lessee until after the Lessee has been furnished with a written transfer or assignment or a true copy thereof. In case Lessee assigns this lease, in whole or in part, lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment.

10. If at any time within the primary term of this lease or any continuation thereof, Lessor receives any bona fide offer, acceptable to Lessor, to grant an additional lease (top lease) covering all or part of the aforescribed lands, Lessee shall have the continuing option by meeting any such offer to acquire such top lease. Any offer must be in writing and must set forth the proposed Lessee's name, bonus consideration and royalty consideration to be paid for such lease, and include a copy of the lease form to be utilized reflecting all pertinent and relevant terms and conditions of the top lease. Lessee shall have fifteen (15) days after receipt from Lessor of a complete copy of any such offer to advise Lessor in writing of its election to enter into an oil and gas lease with Lessor on equivalent terms and conditions. If Lessee fails to notify Lessor within the aforesaid fifteen (15) day period of its election to meet any such bona fide offer, Lessor shall have the right to accept said offer. Any top lease granted by Lessor in violation of this provision shall be null and void. Nothing in this paragraph shall interfere with Lessee's rights during the term of this lease.

11. All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules and 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 such failure is the result of any such Law, Order, Rule or Regulation, or operation of force majeure.

12. This lease shall be effective as to each Lessor on execution hereof as to his or her interest and shall be binding on those signing, notwithstanding some of the Lessors above named may not join in the execution hereof. The word "Lessor" as used in this lease means the party or parties who execute this lease as Lessor, although not named above.

13. Lessee may at any time and from time to time surrender this lease as to any part or parts of the leased premises by delivering or mailing a release thereof to lessor, or by placing a release of record in the proper County.

14. Lessor hereby warrants and agrees to defend the title to the lands herein described and to indemnify Lessee of all adverse claims thereto, and all expenses incurred by Lessee in defending such claims, including reasonable attorney fees, and 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 of payment by Lessor, and be subrogated to the rights of the holder thereof.

15. The Lessee's failure to comply with any covenant or obligation of this lease shall not result in the forfeiture of the lease unless and until lessor has provided lessee notice of such default and gives Lessee sixty (60) days in which to cure such default.

IN TESTIMONY WHEREOF, we sign this the 12th day of February, 2005.

See Exhibit "A" attached hereto and made a part hereof.

Willis M. Harden
(Willis M. Harden)

Velmaree R. Harden
(Velmaree R. Harden)

STATE OF KANSAS

COUNTY OF CLARK

)

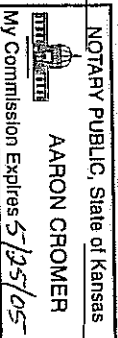
) SS.

(ACKNOWLEDGMENT FOR INDIVIDUAL)

The foregoing instrument was acknowledged before me this 12th day of February, 2005,
by Willis M. Harden and Velmaree R Harden, husband and wife.

My Commission expires:

5/12/05



Aaron Cromer
Notary Public

Exhibit "A"

Attached to and made a part of that certain Oil and Gas Lease dated February 10, 2005 by and between Willis M. Harden and Velma R. Harden, husband and wife, as Lessor, and Wint Harris, as Lessee.

1. The provisions of this addendum shall control and supersede the terms of the attached oil and gas lease when such terms conflict.
2. In accordance with the terms of the oil and gas lease for unitization of gas. In the event Lessee drills a gas well on the leased premises and a gas unit is to be established, Lessee agrees to create a gas unit that is comprised of, no less than 50% of lessor's property, regardless of whether the contributed acreage to said unit is on this lease or in combination with another lease given by Lessor. In the event Lessee drills a gas well on offsetting acreage and a gas unit is to be established, Lessee agrees to create a gas unit that consists of, no less than 25% of Lessor's property, regardless of whether the contributed acreage to said unit is on this lease or in combination with another lease given by Lessor. Lessee agrees to consult with Lessor in regard to the gas unit to be created.
3. In the event Lessee drills an oil well on the leased premises, Lessee agrees to prudently develop said lands and drill as many wells needed to adequately deplete the reservoir in a diligent manner and in accordance with the geological information obtained in the exploration process. In accordance with the terms of the oil and gas lease for unitization (pooling) of oil. In the event Lessee drills an oil well on the leased premises and an oil unit is to be established, Lessee agrees to create an oil unit that is comprised of, no less than 50% of lessor's property, regardless of whether the contributed acreage to said unit is on this lease or in combination with another lease given by Lessor. In the event Lessee drills an oil well on offsetting acreage and an oil unit is to be established, Lessee agrees to create an oil unit that consists of, no less than 25% of Lessor's property, regardless of whether the contributed acreage to said unit is on this lease or in combination with another lease given by Lessor. Lessee agrees to consult with Lessor in regard to the oil unit to be created.
4. Where gas from a well or wells capable of producing gas only is not sold for a period of one (1) year from the end of the primary term and the well is "shut in", Lessee shall pay Lessor a shut-in royalty of \$7.50 per net mineral acre per year. Payment of shut-in royalty will not extend the lease for more than three (3) additional years from the date the well is shut-in, however it is understood that the well may be shut-in from time to time and that the three (3) year period provided for herein is not cumulative, but each shut-in period shall constitute the beginning of a new three (3) year period. This provision applies only to any shut-in period(s) after the primary term of this lease or any extension(s) have expired.
5. No well drilled upon the leased premises shall be used for disposal of salt water and other wastes without the written consent of Lessor and without compensating Lessor for its use, except for water production on the leased premises or on lands unitized herewith.
6. Lessee shall pay Lessor for any and all damages caused by Lessee's oil and gas exploration, operations, production or development, including, but not limited to, damage to improvements, livestock, personal property, land, soil, grass and crops. Lessee shall pay Lessor at least \$1,500.00, as a minimum, for each drill site location on the leased premises. Lessor may require prepayment of this amount prior to commencement of any drilling operations.
7. Lessee shall, upon the completion of any "dry-hole" test drilling operations, or upon the abandonment of any producing well, restore the surface of the land, including topsoil, to its original condition as nearly as is reasonably possible and remove all equipment, fixtures, structures and hard surface areas within six (6) months.
8. Lessee shall consult with Lessor regarding the route of ingress and egress on or through the lease premises relative to exploration, drilling, production and other lease operations prior to engaging in such operations.
9. Lessor reserves the right to pre-approve the location of all access roads, tank batteries and pipelines of any type prior to installation. Such approval shall not be unreasonably withheld.
10. In the event of production and continued use of the surface, Lessee, or its Assigns, will maintain, restore and repair the land area affected by the lease operations.
11. Lessee shall drill as many wells as are prudent and justified by facts and to the depths necessary for the effective protection against undue drainage by any well on adjacent land or leases owned by third parties.



*Kathleen Sebelius, Governor
Thomas E. Wright, Chairman
Michael C. Moffet, Commissioner
Joseph F. Harkins, Commissioner*

April 15, 2008

MIKE MITCHELL
Falcon Exploration, Inc.
125 N MARKET STE 1252
WICHITA, KS67202-1719

Re: Drilling Pit Application
WILLIS Lease Well No. 1-4
SW/4 Sec.04-32S-21W
Clark County, Kansas

Dear MIKE MITCHELL:

District staff has inspected the location and has determined that an unsealed condition will present a pollution threat to water resources.

District staff has instructed that no earthen pits are to be used at this location. Steel pits are to be used. Please inform the Commission in writing as to which disposal well you utilized to dispose of the contents in the steel pits and the amount of fluid that was disposed. Please file form CDP-5 (August 2004), Exploration and Production Waste Transfer, within 30 days of fluid removal.

Should a haul-off pit be necessary please file form CDP-1 (April 2004), Application for Surface Pit. This location will have to be inspected prior to approval of the haul-off pit application. Conservation division forms are available through our office and on the KCC web site: kcc.ks.gov/conservation/forms/.