



**For KCC Use:**  
 Effective Date: \_\_\_\_\_  
 District #: \_\_\_\_\_  
 SGA?  Yes  No

KANSAS CORPORATION COMMISSION 1021917  
 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"/> Seismic ; _____ # of Holes	<input type="checkbox"/> Disposal	<input type="checkbox"/> Wildcat
<input type="checkbox"/> Other: _____	<input type="checkbox"/> Other	<input type="checkbox"/> Mud Rotary
		<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  
 (AAA) \_\_\_\_\_ 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: _____	
<b>This authorization expires:</b> _____ <small>(This authorization void if drilling not started within 12 months of approval date.)</small>	
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: \_\_\_\_\_



1021917

**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.**

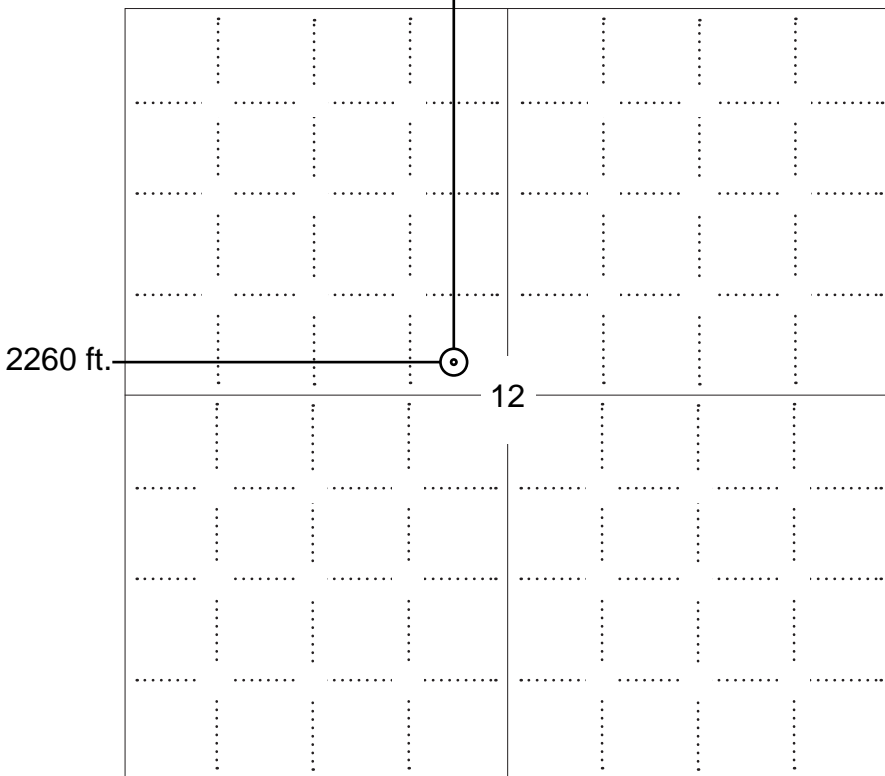
Section corner used:  NE  NW  SE  SW

**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.)*

2420 ft.



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

**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 1021917  
OIL & GAS CONSERVATION DIVISION

Form CDP-1  
April 2004  
Form must be Typed

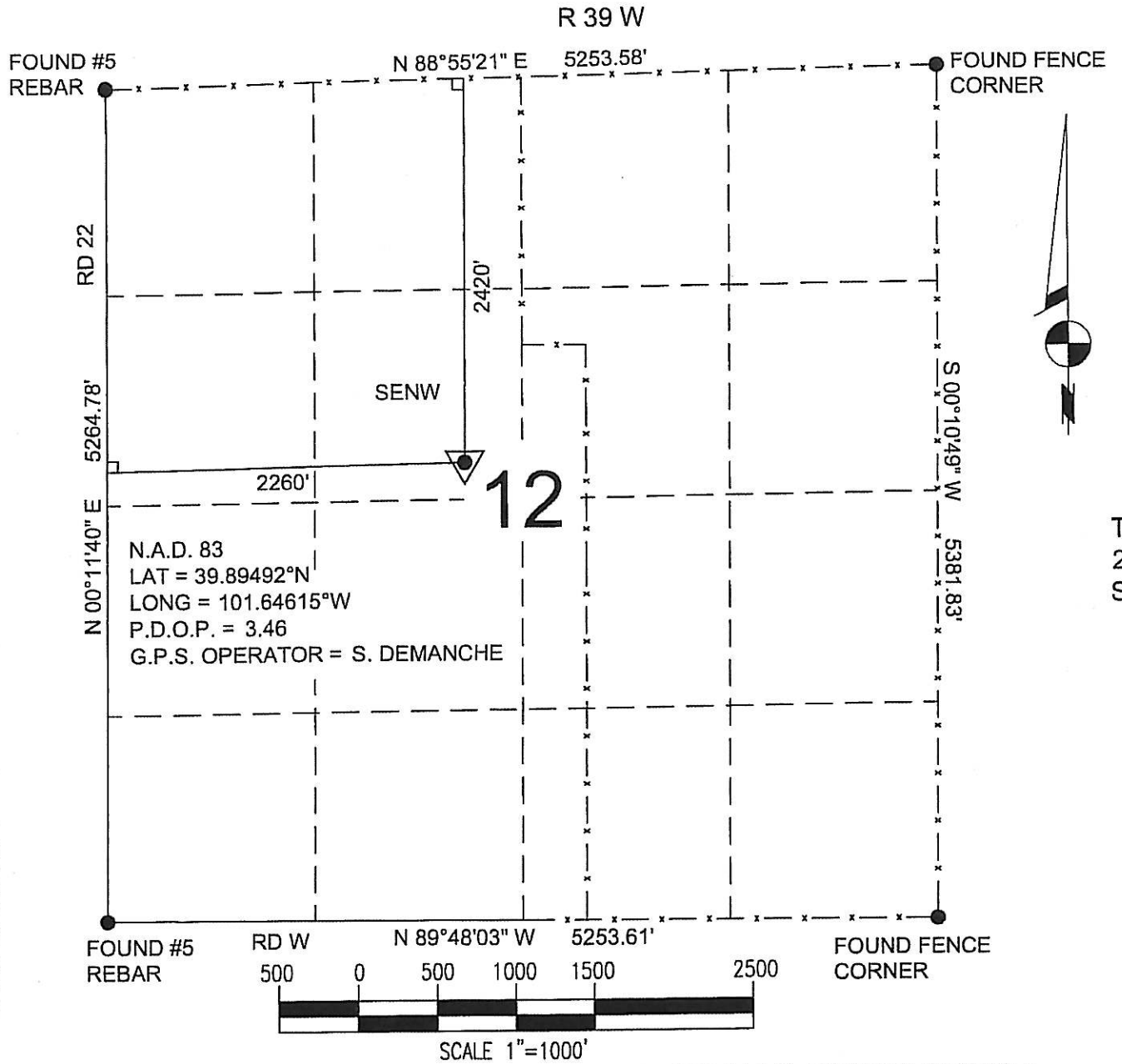
**APPLICATION FOR SURFACE PIT**

*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	
<b>Emergency, Settling and Burn Pits ONLY:</b> 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		<b>Drilling, Workover and Haul-Off Pits ONLY:</b> 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			

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

BASIS OF BEARINGS: THE WEST LINE OF SECTION 12 AS SHOWN HEREON



T 2 S

POWER SURVEYING COMPANY, INC. OF FREDERICK, COLORADO HAS IN ACCORDANCE WITH A REQUEST FROM DAN CASPER OF NOBLE ENERGY INC. DETERMINED THE LOCATION OF ZIMBELMAN 22-12 TO BE 2420' FNL & 2260' FWL OF SECTION 12, TOWNSHIP 2 SOUTH, RANGE 39 WEST OF THE 6th PRINCIPAL MERIDIAN, COUNTY OF CHEYENNE, STATE OF KANSAS.

**LOCATION NOTES:**

LOCATION FALLS IN: WHEAT STUBBLE  
IMPROVEMENTS: NONE WITHIN 200' OF LOCATION

ELEVATION DETERMINED FROM NAVD 1988 DATUM. GROUND ELEVATION = 3314'

DISTANCES AND BEARINGS ARE FIELD MEASURED UNLESS NOTED OTHERWISE.

**LEGEND:**

- SECTION CORNER (AS NOTED)
- ▼ PROPOSED WELL LOCATION



7800 MILLER DRIVE, UNIT C  
FREDERICK, CO 80504  
(303) 702-1617, FAX (303) 702-1488

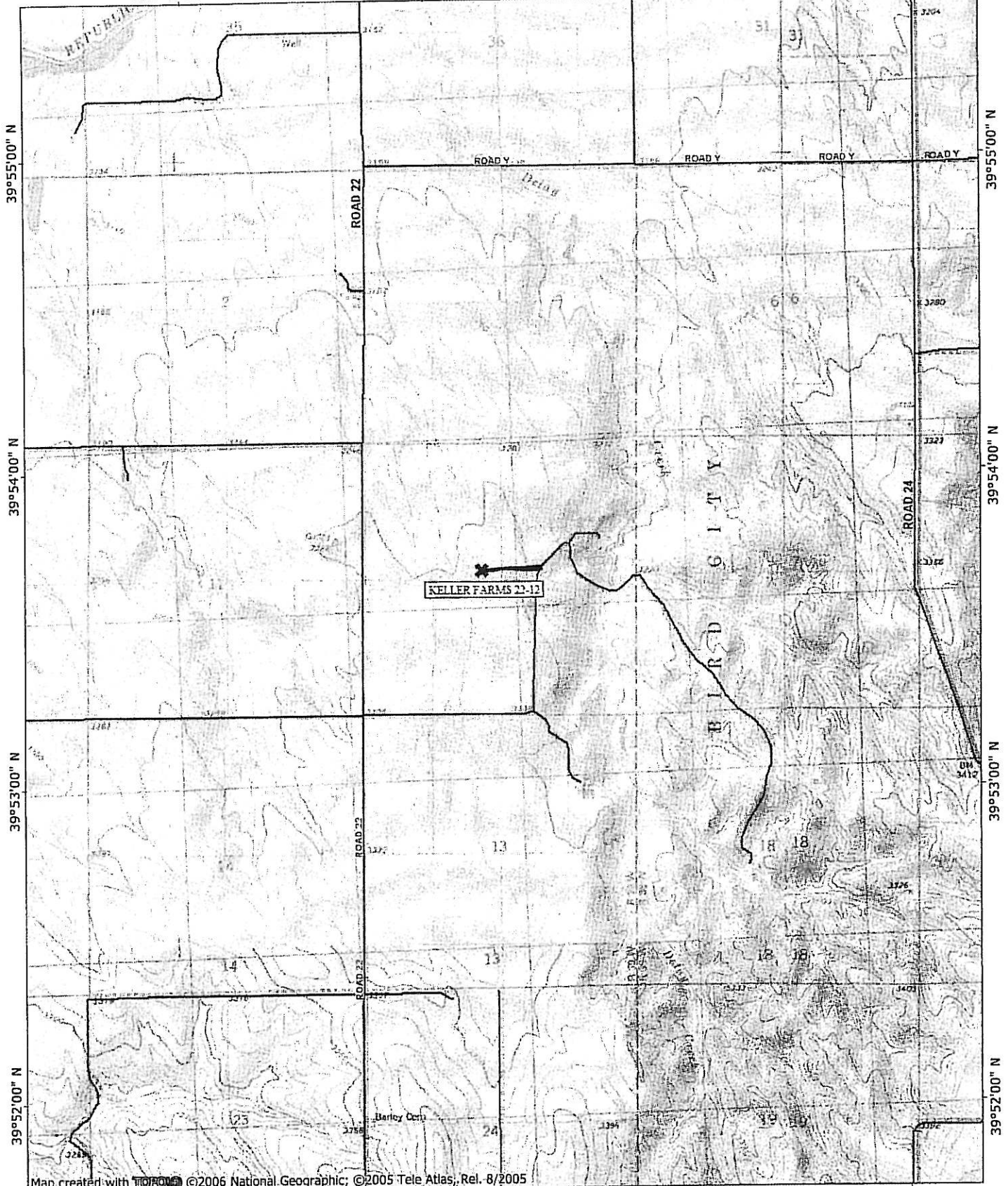
WORK ORDER # 501-08-568  
FIELD DATE: 8-25-08  
DATE OF COMPLETION: 8-27-08

101°40'00" W

101°39'00" W

101°38'00" W

WGS84 101°37'00" W



39°55'00" N

39°54'00" N

39°53'00" N

39°52'00" N

39°55'00" N

39°54'00" N

39°53'00" N

39°52'00" N

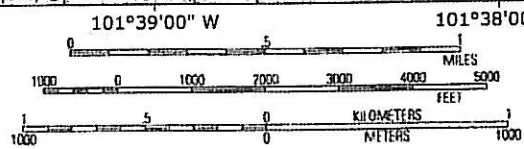
Map created with TOPO! ©2006 National Geographic; ©2005 Tele Atlas, Rel. 8/2005

101°40'00" W

101°39'00" W

101°38'00" W

WGS84 101°37'00" W

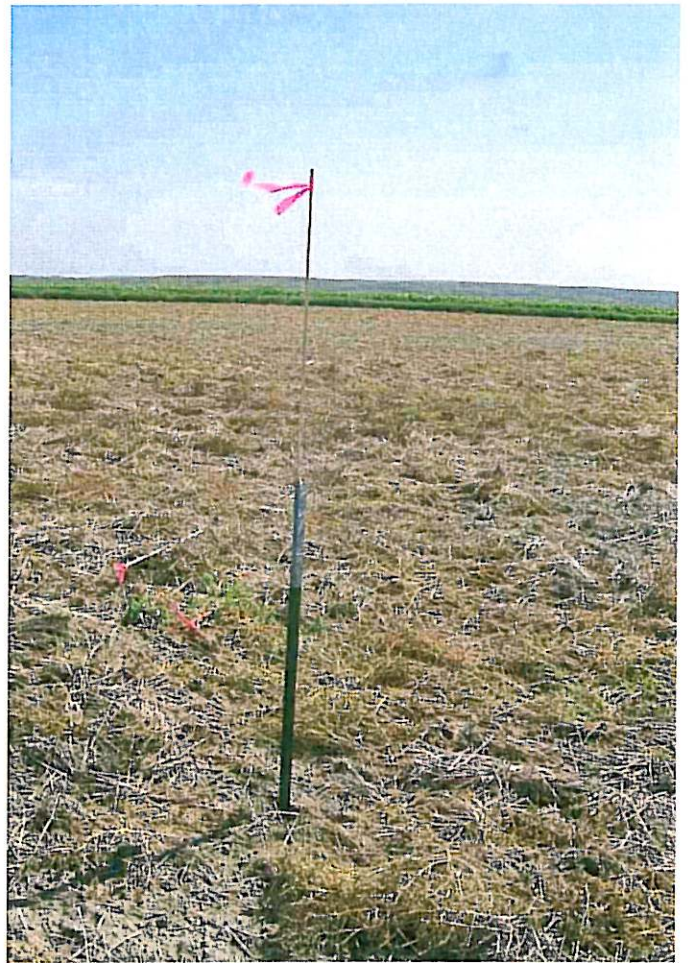


TN MN

7 1/2°

08/27/08







**OIL AND GAS LEASE**  
(AND RIGHT OF WAY AGREEMENT)

STATE OF KANSAS, CHEYENNE COUNTY  
This instrument was filed for record on the  
5<sup>th</sup> day of April, 2008  
at 11:30 o'clock A.M. and recorded  
in Book 147 Page 437-440  
Fee: \$0.00 Register of Deeds  
Re: BRC  
Denver, CO



AGREEMENT, Made and entered into the 8th day of December, 2005, by and between

Mark J. Zimbelman and Sue L. Zimbelman, husband and wife

whose post office address is Rt. 1, Box 460, St. Francis, KS 67756

hereinafter called Lessor (whether one or more) and Bill Barrett Corporation, whose address is 1099 18<sup>th</sup> St., Ste. 2300, Denver, CO 80202, hereinafter called Lessee:

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

See Exhibit "A" attached hereto and made a part hereof for the description of the lands covered by this lease.

and containing 2,160.37 acres, more or less. This lease covers all the land described above including all lands now or hereafter owned or claimed by Lessor, adjacent, contiguous or a part of the tract or tracts described above, whether such additional lands be owned or claimed by deed, limitation or otherwise, or are fenced or unfenced, or whether such lands are inside or outside of the description set forth above.

1. It is agreed that this lease shall remain in force for a term of Five (5) years and as long thereafter as oil or gas of whatsoever nature or kind is produced from said leased premises or on acreage pooled therewith, or drilling operations are continued as hereinafter provided. If, at the expiration of the primary term of this lease, oil or gas is not being produced on the leased premises or on acreage pooled therewith but Lessee is then engaged in drilling or re-working operations thereon, then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises or on acreage pooled therewith; and operations shall be considered to be continuously prosecuted if not more than one hundred and eighty (180) days shall elapse between the completion or abandonment of one well and the beginning of operations for the drilling of a subsequent well. If after discovery of oil or gas on said land or on acreage pooled therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or re-working operations within one hundred and eighty (180) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipe line to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor on gas and casinghead gas produced from said land (1) when sold by Lessee, one-eighth of the net proceeds derived from such sale, or (2) when used by Lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, of one-eighth (1/8) of such gas and casinghead gas, Lessor's interest, in either case, to bear one-eighth of the cost of compressing, dehydrating and otherwise treating such gas or casinghead gas to render it marketable or usable and one-eighth of the cost of gathering and transporting such gas and casinghead gas from the mouth of the well to the point of sale or use.

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

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar (\$1.00) per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

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

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

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

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

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

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

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

12. Lessee, at its option, is granted the right and power to voluntarily pool, unitize, or combine all or any portion of the lands described herein as to oil and/or gas, with any other adjacent lands, or leases, when in Lessee's judgment it is necessary or advisable to do so in order to properly develop and operate this lease, or to obtain the maximum production allowable for any well. Unless larger units are permitted, pooling may be in units not exceeding forth (40) acres for an oil well plus a tolerance of 10%, and six hundred forty (640) acres for a gas well plus a tolerance of 10%. Larger units may be created to conform to any spacing or well unit pattern that may be prescribed by governmental authorities. Lessee or Lessee's agent, shall record in the county where the above described lands are located an instrument identifying the unit and describing the pooled acreage. All acreage pooled into a unit shall be treated for all purposes, except the payment of royalties, as if it were included in this lease. Drilling and reworking operations, production of oil, gas, or other hydrocarbons, or the completion of a well as a shut-in gas well shall be considered for all purposes, except the payment of royalties, as if the operations were on, the production from, or the completion were on the above described lands, whether or not the well or wells are located on the lands described herein covered by this lease. In lieu of the royalty provided in this lease, including shut-in royalties, Lessor shall receive from a unit only that portion of the royalty provided for in this lease, as that portion of the above described lands placed in the unit, bears to the total amount of acreage included in a unit.

13. For the same consideration recited in the first paragraph above, the Lessor hereby grants unto the Lessee, its successors and assigns, rights-of-way over, across, and through the land hereinabove described for the purpose of installation, operation, maintenance, repair and replacement of one or more electric lines, and as well as one or more pipelines for the collection, gathering, and/or transmission of oil, gas, brines or other substances, together with the rights-of-way for ingress, egress, and passage over and across said lands for the purpose of conducting oil and gas exploration, production, operation and product transmission activities upon said lands, or upon lands adjacent thereto or in the vicinity thereof. The rights-of-way hereby granted are severable from, and independent of, the oil and gas lease rights herein granted and such rights-of-way shall continue in existence so long as the same are utilized by the Lessee, its successors or assigns, even though oil and gas lease rights may sooner terminate. The Lessee (or the then holder of the rights-of-way) shall pay for all damages, including growing crops, improvements, lands and/or livestock caused by its utilization of the rights-of-way hereby granted.

14. All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages, for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.

15. Lessor hereby warrants and agrees to defend the title to the lands herein described 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, and the undersigned Lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, insofar as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

16. In the event Lessor considers that Lessee has not complied with all its obligations hereunder, either express or implied, Lessor shall notify Lessee in writing, setting out specifically in what respects Lessee has breached this lease. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by Lessor. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder.

17. Should any one or more of the parties hereinabove named as Lessor fail to execute this lease, it shall nevertheless be binding upon all such parties who do execute it as Lessor. The word "Lessor," as used in this lease, shall mean any one or more or all of the parties who execute this lease as Lessor. All the provisions of this lease shall be binding on the heirs, successors and assigns of Lessor and Lessee, and this lease shall cover and bind all interest of the Lessor which may be acquired subsequent to the date of this lease which Lessor may hereafter acquire by way of reversion or otherwise.

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

Mark J. Zimbelman  
Mark J. Zimbelman, a/k/a Mark Zimbelman

Sue L. Zimbelman  
Sue L. Zimbelman, a/k/a Sue Zimbelman

STATE OF KANSAS  
COUNTY OF CHEYENNE

Oklahoma, Kansas, New Mexico, Wyoming, Montana, Colorado, Utah,  
} ss. Nebraska, North Dakota, South Dakota

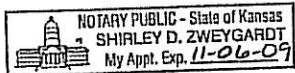
ACKNOWLEDGMENT--INDIVIDUAL

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 12<sup>TH</sup> day of DECEMBER, 2005, personally appeared Mark J. Zimbelman\* and Sue L. Zimbelman,\*\* husband and wife, to me known to be the identical persons described in and who executed the within and foregoing instrument of writing and acknowledged to me that they duly executed the same as their free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.

My Commission Expires 11-06-09

Shirley D Zwegardt  
Notary Public.



Address: Box 317  
St Francis KS 67756

\* a/k/a Mark Zimbelman,  
\*\* a/k/a Sue Zimbelman,

After Recording Return To:  
Bill Barrett Corporation  
1099 18<sup>th</sup> St., Ste. 2300  
Denver, CO 80202  
Attn: C. Edelen



EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated December 8, 2005, by and between, Mark J. Zimbelman, a/k/a Mark Zimbelman, and Sue L. Zimbelman, a/k/a Sue Zimbelman, husband and wife, as Lessor, and Bill Barrett Corporation, as Lessee.

1. Notwithstanding any other provisions of this lease, the lands described herein shall be treated as separately leased tracts with each separate tract being covered by a separate and distinct lease. All of the provisions of this lease agreement shall be applicable to each separate tract and be construed as if a separate lease agreement had been made and executed to cover each separate tract. The lands covered by this lease shall be divided into separate tracts as follows:

TRACT #	TOWNSHIP	RANGE	SECTION	TRACT DESCRIPTION
1	1 SOUTH	39 WEST, 6 <sup>TH</sup> P.M.	25 & 36	A tract within the SW/4 of Section 25 and the NW/4 of Section 36, as described in Deed dated April 27, 2000, recorded in Book 120, Page 507
2	1 SOUTH	39 WEST, 6 <sup>TH</sup> P.M.	33	That portion of the E/2SE/4 lying South of the county road, as described in Deed dated December 1, 1999, recorded in Book 119, Page 623
3	1 SOUTH	39 WEST, 6 <sup>TH</sup> P.M.	34	NE/4, AND that portion of the NW/4 lying South of the county road, as described in Deed dated December 1, 1999, recorded in Book 119, Page 623
4	1 SOUTH	39 WEST, 6 <sup>TH</sup> P.M.	34	SE/4, AND that portion of the SW/4 lying South of the county road, as described in Deed dated December 1, 1999, recorded in Book 119, Page 623
5	1 SOUTH	39 WEST, 6 <sup>TH</sup> P.M.	35	W/2NW/4, SW/4
6	1 SOUTH	39 WEST, 6 <sup>TH</sup> P.M.	35	SE/4
7	2 SOUTH	38 WEST, 6 <sup>TH</sup> P.M.	18	SW/4NW/4, W/2SW/4 {a/d/a Lots 2, 3 and 4}
8	2 SOUTH	39 WEST, 6 <sup>TH</sup> P.M.	1	SW/4
9	2 SOUTH	39 WEST, 6 <sup>TH</sup> P.M.	2	NE/4, N/2NW/4 {a/d/a Lots 1, 2, 3, 4, S/2NE/4}
10	2 SOUTH	39 WEST, 6 <sup>TH</sup> P.M.	2	SE/4
11	2 SOUTH	39 WEST, 6 <sup>TH</sup> P.M.	3	NE/4 {a/d/a Lots 1, 2, S/2NE/4}
12	2 SOUTH	39 WEST, 6 <sup>TH</sup> P.M.	12	NW/4
13	2 SOUTH	39 WEST, 6 <sup>TH</sup> P.M.	13	SE/4, E/2NE/4 except a .43 acre tract, as described in Warranty Deed dated July 10, 1894, recorded in Book 8, Page 236

2. Lessor hereby grants permission to Lessee or its assigns, authorized agents, contractors, or successors, (hereinafter referred to as "Lessee") to conduct geophysical operations over and across those certain lands owned by Lessor for the term of this lease. In consideration for granting this permission, Lessee agrees that all geophysical work performed on the leased lands shall be conducted at Lessee's own risk and expense, and Lessee agrees to pay for any actual damages which may be caused by its operations on the leased lands. Furthermore, Lessee indemnifies and holds Lessor harmless for all liability to or claim of negligent parties should any such claims arise from Lessee's geophysical operations on the leased lands. Lessee agrees that 2D seismic geophysical survey operations damage settlement shall be at the agreed rate of \$5000.00 per actual linear mile of leased property crossed. 3D seismic geophysical survey operations damages shall be at the following agreed rates per acre of your property that is actually crossed over by 3D seismic operations: \$1000 per surface acre for non-cultivated lands; \$2000 per surface acre for cultivated dry-land; \$3000 per surface acre for cultivated irrigated-lands. Said damages shall be settled and paid by BBC or its authorized agents, as soon possible, after geophysical survey operations are completed on your land.

3. Lessee or its assigns and successors (hereinafter referred to as "Lessee") agree to pay Lessor a surface damage payment of \$10000 prior to the drilling of each well located on the leased lands. In the event that any drillsite exceeds two acres, including roads, Lessee shall pay as additional surface damages, the sum of \$5000 for each acre or fraction thereof in excess of two acres.

4. Lessee shall not conduct drilling operations on leased lands which are actively under center pivot irrigation from April 1 through November 15 of each year without the prior written consent of Lessor. The intent is for the Lessee to avoid interference with Lessor's actual irrigation of the leased lands. In the event Lessee wishes to commence drilling operations on said lands during the said April 1 through November 15 period and Lessor refuses to consent to said operations, and if operations are necessary to maintain or extend the term of said lease, then the Lessor agrees to allow Lessee a period of 60 additional days from November 15 to commence drilling operations. In the event Lessee enters onto leased lands and the then current crop or crops have not been harvested, Lessee shall pay Lessor additional compensation for crop loss caused by Lessee's operations based upon Lessor's reasonable estimate of yield and the local market price for said crop or crops.

5. Lessee agrees to consult with Lessor as to the placement of access roads prior to any drilling operation in order to minimize, without undue hardship to Lessee, disturbance of the ground surface or the disruption of Lessor's farming and/or ranching operations.
6. Lessee agrees that while performing all excavations on the leased lands, it will segregate the topsoil horizon from lower soil horizon and stockpile these soils separately. Upon restoration, Lessee agrees to place all soils to their original position and contour as nearly as practicable and reasonable.
7. In the event an existing center pivot irrigation system is located on the leased lands before a producing well is drilled on said lands, Lessee agrees to use "low profile" production equipment; or to construct ramps for the center pivot; or to set well(s), pump(s), and production equipment off the irrigated portion of said lands provided the application is practicable in Lessee's judgment to avoid interference with said center pivot irrigation.
8. Lessee agrees to reimburse Lessor for any costs, expenses, losses or penalties to Lessor resulting from Lessee's operations on any portion of the leased lands which are covered by a Conservation Reserve Program contract, including any reseeding expenses.
9. Lessee agrees at all times to use best efforts in conducting operations on leased premises so as to protect the rights and property of the Lessor. All land which may be disturbed for Lessee's operations shall be treated so as to prevent erosion. Any equipment discarded by drilling contractor during the process of exploring for and/or producing oil or gas shall not be buried on said land, but shall be removed from the premises. Any fences cut by Lessee shall be repaired or replaced by Lessee so that such section equals or exceeds its original condition, and upon Lessor's request, all pits and equipment will be fenced in order to adequately hold livestock. Any oil and/or paraffin resulting from Lessee's operations shall be contained in pit(s) and removed from leased lands as soon as practical.
10. After a well is drilled, all areas which were disturbed by drilling and/or completion operations, and which are not needed for production operations, are to be reclaimed as close to their original condition, as nearly as is practicable and reasonable, no later than six months after completion of such operations, unless agreed to by Lessor. Any pits used for Lessee's drilling and/or reworking operations shall be filled and leveled as soon as conditions reasonably permit and the surface shall be returned as nearly as is practicable and reasonable to its original condition and contour following the completion of Lessee's operations.
11. Final reclamation is to be completed within six months after the plugging and abandonment of a well and Lessee shall be required to remove all production equipment, close access roads, re-grade and re-contour the wellsite and access roads, and re-seed any non-crop land with native grass.



This Instrument was filed for record on the

day of February, 2003

at 11:30 o'clock A.M. and recorded

in Book 130 Page 532-533

Register of Deeds

Cheyenne, KS

Ks/Neb/Colo  
Producers Form 88

VOL 130 PAGE 532

## OIL AND GAS LEASE

This Oil and Gas Lease (the "Lease") is dated September 30, 2002 (the "Effective Date"). The parties to this Lease are ALBERT KELLER FARMS, INC., as Lessor (whether one or more), whose address is Route 1, Box 271, St. Francis, Kansas 67756, and ENERGY SUPPLY EXPLORATION AND DEVELOPMENT LLC, as Lessee, whose address is 212 N. Market, Suite 312, Wichita, Kansas 67202.

1. For the consideration of Ten and More Dollars, the receipt of which Lessor acknowledges, and Lessee's covenants and agreements in this Lease, Lessor grants, leases, and lets exclusively to Lessee, the lands described below (the "Lands"), with the right to unitize, pool, or combine all or part of this Lease with other lands or leases for the purpose of carrying on geological, geophysical, or other exploration work, core drilling and the drilling, mining, and operating for, producing, and saving oil, gas, and other hydrocarbons, and for constructing roads, laying pipelines, building tanks, storing oil, building power stations, telephone lines, and other structures necessary or convenient for the economical operation of the Lands alone, or with adjacent lands, and to produce, save, and take care of the oil and gas produced. The Lands are located in Cheyenne County, Kansas, and are described as follows:

**TOWNSHIP 2 SOUTH, RANGE 38 WEST****\*\*Each tract is treated as a separate Oil and Gas Lease as set forth below\*\***

- Section 6: Tract #1: NW [160 acres] ✓  
Tract #2: SW [160 acres]
- Section 7: Tract #3: NW [160 acres] ✓  
Tract #4: SW [160 acres] ✓  
Tract #5: SE [160 acres] ✓
- Section 17: Tract #6: W/2W/2, that portion of the NENW lying South and West of public highway, and in
- Section 20: Tract #6 (continued); NWNW [Tract #6 = 205 acres]
- Section 18: Tract #7: NE [160 acres] ✓  
Tract #8: SE [160 acres] ✓  
Tract #9: E/2W/2, NWNW and, in
- Section 19: Tract #9 (continued); NENW [Tract #9 = 240 acres]

**TOWNSHIP 2 SOUTH, RANGE 39 WEST**

- Section 1: Tract #10: E/2E/2 & SWNE [240 acres] ✓
- Section 12: Tract #11: NE [160 acres] ✓  
Tract #12: SE & E/2SW [240 acres] ✓

Notwithstanding any provisions of this Lease, or any wording contained in this Lease (such as "the Lands," "this Lease," "the Lease," "leasehold," or any similar terms), each of the separately designated tracts ("Tracts") to this Lease shall be treated for all purposes as a separate and distinct lease. All of the provisions contained in this lease form shall be applicable to each separate Tract and be construed as if a separate lease agreement had been made and executed covering each separate Tract.

The Lands are deemed to contain the amount of acres for EACH TRACT AS SET FORTH HEREIN, whether they contain more or less.

2. This Lease shall remain in force for a primary term of five (5) years (the "Primary Term") from the Effective Date and as long thereafter as oil, gas, or other hydrocarbons are, or can be produced from the Lands. On or before five (5) years from the Effective Date, if this Lease is not otherwise provided in force, Lessee, at its option may automatically renew this lease and extend the Primary Term for an additional five (5) year term if, on or before five (5) years from the Effective Date, Lessee tenders consideration to Lessor, in the amount of \$ per net mineral acre as to the lands covered by this lease.

3. The royalties to be paid by Lessee are: (a) on oil and other liquid hydrocarbons, one-eighth (1/8<sup>th</sup>) of that produced and saved from said land, the same to be delivered at the wells, or to the credit of Lessor into the pipeline to which the wells may be connected; Lessee may from time to time purchase any royalty oil in its possession, paying the market price therefore prevailing for the field where produced on the date of purchase; (b) on gas and the constituents thereof produced from said land and sold or used off the premises or in the manufacture of products therefrom, the market value at the well of one-eighth (1/8<sup>th</sup>) of the product sold or used. On product sold at the well, the royalty shall be one-eighth (1/8<sup>th</sup>) of the net proceeds realized from such sale. All royalties paid on gas sold or used off the premises or in the manufacture of products therefrom will be paid after deducting from such royalty Lessor's proportionate amount of all post-production costs, including but not limited to gross production and severance taxes, gathering and transportation costs from the wellhead to the point of sale, treating, compression, and processing. On product sold at the well, the royalty shall be one-eighth (1/8<sup>th</sup>) of the net proceeds realized from such sale, after deducting from such royalty Lessor's proportionate amount of all of the above post-production costs and expenses, if any. Where there is a gas well or wells on the Lands subject to this Lease or lands pooled with the Lands, whether before or after the Primary Term, and the well or wells are shut-in and there is no other production, drilling operations or other operations being conducted on the Lands capable of keeping this Lease in force under any of its terms or provisions, Lessee may pay as royalty to Lessor (and if within the Primary Term such payment shall be in lieu of delay rentals) the sum of \$ per year per acre of the Lands then subject to this Lease (the shut-in royalty). Payments of shut-in royalty are to be made to the depository, named above or directly to Lessor as shown, on or before the anniversary date of this Lease following the expiration of 12 months from the date a well or the wells are shut-in, and if the wells remain shut-in following the anniversary date of this Lease during the period the wells are shut-in. Upon payments being made this Lease shall be deemed to be maintained in full force and effect.

4. If operations for the drilling of a well for oil or gas are not commenced on the Lands on or before September 30, 2003 (the "Rental Payment Date"), this Lease shall terminate unless Lessee, before that date, pays or tenders to Lessor DIRECTLY AT THE ABOVE ADDRESS, the sum of ONE DOLLAR PER ACRE AS SHOWN ON EXHIBIT [TRACT] ("Rentals") which shall operate as a rental and cover the privilege of deferring the commencement of operations for drilling for a period of one year. In like manner and upon like payments or tenders the commencement of operations for drilling may be further deferred for like successive periods until the end of the Primary Term. All payments or tenders may be made by check or draft of Lessee or Lessee's assigns, mailed or delivered on or before the Rental Paying Date, either directly to Lessor, or to the Depository. Lessor agrees the consideration provided in paragraph 1. covers not only the privileges granted by this Lease from the Effective Date to the first Rental Payment Date but also Lessee's option of extending that period, and all other rights conferred in this Lease. Notwithstanding the death of the Lessor or his/her successors in interest, the payment or tender of Rentals shall be binding on the heirs, devisees, executors, and administrators of Lessor.

5. If at any time prior to the discovery of oil or gas or other hydrocarbons on the Lands, and during the Primary Term, Lessee drills a dry hole or holes on the Lands, this Lease shall not terminate, provided operations for the drilling of a well shall be commenced by the next ensuing Rental Paying Date, or Lessee begins or resumes the payment of Rentals.

6. If Lessor owns a lesser interest in the Lands than the entire and undivided fee simple estate in the minerals, any royalty and Rentals which may be due or payable shall be paid to Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee. Lessee's failure to proportionately reduce Rentals shall have no effect on the right to reduce royalties to correspond with Lessor's actual interest in the mineral estate in the Lands.

7. Lessee is granted the right to use, free of cost, gas, oil, and water found on or under the Lands, for all of Lessee's operations, except water from Lessor's wells. When required by Lessor, Lessee will bury its pipelines crossing those portions of the Lands that are under cultivation below ordinary plow depth, and pay for damages caused by its operations to growing crops on the Lands. No well shall be drilled nearer than 200 feet to any house or barn located on the Lands on the Effective Date without the written consent of Lessor. Lessee has the right at any time during or after the expiration of this Lease, but is under no obligation, to remove all machinery, fixtures, buildings, and other structures placed on the Lands, including the right to draw and remove all casing. Lessee has no obligation to restore the surface of the Lands to its original condition where any alterations or changes were due to operations reasonably necessary under this Lease.

8. If the estate of either party is assigned, the privilege of assigning in whole or in part being expressly allowed, the terms of this Lease shall extend to the party's heirs, devisees, executors, administrators, successors, and assigns. No change of ownership in the Lands, Rentals or royalties, or any sum due, or the depository address of Lessor, under this Lease shall be binding on the Lessee until 60 days after it has been furnished with written notice of the change accompanied by the original recorded instrument or certified copy of the conveyance, a certified copy of the Will and probate proceedings of any deceased owner, or a certified copy of the proceedings showing the appointment of an administrator of the estate of any deceased owner, whichever is appropriate, together with all recorded instruments of conveyance or certified copies necessary to show a complete chain of title to the interest claimed. All advanced payment of Rentals made before the end of the 60-day period following Lessee's receipt of documents shall be binding on any direct or indirect assignee, grantee, devisee, administrator, executor, or heir of Lessor.

9. No change or division in the ownership of the Lands, Rentals, or royalties, however accomplished, shall enlarge the obligation or diminish the rights of the Lessee. In the event of an assignment in whole or in part by Lessee, the liability for breach of any obligation of this Lease shall rest exclusively on the owner of the portion of the Lease committing the breach. Lessee has no obligation to offset wells on separate tracts into which the Lands may be divided by sale, devise, descent or otherwise, or to furnish separate measuring devices or tanks. If this Lease is assigned as to a segregated part or parts of the Lands and the holders or owners of any part is in default in the payment of the proportionate part of the Rentals due, the default shall not operate to affect this Lease insofar as it covers a part of the Lands on which Lessee or any other assignee makes timely payment of Rentals. If six or more parties become entitled to royalty payments, Lessee may withhold payment until furnished with a recordable instrument executed by all the parties designating an agent to receive payment of royalties for all the parties.

10. Lessor warrants and agrees to defend title to the Lands and agrees Lessee, at its option, may pay and discharge in whole or in part any taxes, mortgages or other liens existing, levied or assessed on or against the Lands. If Lessee exercises this option it shall be subrogated to the rights of any holder or holders of the liens or

claims and may reimburse itself by applying to the amounts paid to discharge any mortgage, tax or other lien, any royalty, shut-in royalty, or Rentals accruing to the account of Lessor.

11. If Lessee commences operations for drilling at any time while this Lease is in force, this Lease shall remain in force and its terms shall continue so long as those operations are prosecuted. If production results from the operations, the Lease shall remain in effect as long as production continues.

12. If, during the Primary Term, production on the Lands ceases from any cause, this Lease shall not terminate provided operations for the drilling of a well are commenced before or on the next ensuing Rental Paying Date; or, Lessee begins or resumes the payment of Rentals in the manner and amount provided in paragraph 5 above. If after the expiration of the Primary Term, production on the Lands ceases from any cause, this Lease shall not terminate provided Lessee resumes operations for drilling a well or commences reworking operations on a well within one hundred and eighty (180) days from the date of cessation of production. This Lease shall remain in force during the prosecution of the operations and, if production results or resumes, as long as production continues.

13. At any time Lessee may surrender this Lease in whole or in part by delivering or mailing a release to the Lessor, or by placing the release of record in the county where the Lands are located. If the Lease is surrendered on only a portion of the Lands, all payments and liabilities that accrue as to the released portion of the Lands shall cease and any subsequent Rentals that may be paid may be apportioned on an acreage basis. As to the portion of the Lands not released, the terms and provisions of this Lease shall continue and remain in full force and effect for all purposes.

14. All provisions of this Lease, express or implied, shall be subject to all federal and state laws and the orders, rules, or regulations of all governmental agencies administering them. This Lease shall not in any way be terminated in whole or in part, nor shall Lessee be liable in damages for failure to comply with any of the express or implied provisions of this Lease if the failure results from any such laws, orders, rules or regulations. If Lessee is prevented from drilling a well during the last six months of the Primary Term by the order of any constituted authority having jurisdiction, or if Lessee is unable during that period to drill a well due to the unavailability of necessary equipment, the Primary Term of this Lease shall continue for six months after the order is suspended and/or the equipment is available. Lessee shall pay Rentals during this extended time.

15. Lessee, at its option, is granted the right and power to voluntarily pool, utilize, or combine all or any portion of the Lands as to oil and/or gas, with any other adjacent lands, or leases, when in Lessee's judgment it is necessary or advisable to do so in order to properly develop and operate the Lease, or to obtain the maximum production allowable for any well. Unless larger units are permitted, pooling may be in units not exceeding forty (40) acres for an oil well plus a tolerance of     , and 640 acres for a gas well plus a tolerance of     . Larger units may be created to conform to any spacing or well unit pattern that may be prescribed by governmental authorities. Lessee or Lessee's agent, shall record in the county where the Lands are located an instrument identifying the unit and describing the pooled acreage. All acreage pooled into a unit shall be treated for all purposes, except the payment of royalties, as if it were included in this Lease. Drilling or reworking operations, production of oil, gas, or other hydrocarbons, or the completion of a well as a shut-in gas well shall be considered for all purposes, except the payment of royalties, as if the operations were on, the production from, or the completion were on the Lands, whether or not the well or wells are located on the Lands actually covered by this Lease. In lieu of the royalty provided in this Lease, including shut-in gas royalties, Lessor shall receive from a unit only that portion of the royalty provided for in this Lease, as that portion of the Lands placed in the unit, or bears to the total amount of acreage included in a Unit.


This Lease and all its terms, covenants, and conditions shall extend to and be binding on all successors grantees and assigns of Lessor and Lessee.

This Lease is executed by Lessor as of the date of the acknowledgment of Lessor's signature, but shall be deemed effective for all purposes as of the Effective Date stated above.

#### OTHER PROVISIONS:

- In the event of drilling operations on the Lands:
  - o Lessee shall install fencing around any open pits sufficient to keep cattle from entering the enclosed, pit area. Such fencing shall be maintained in good order and remain in place and until such time as said pits are permanently closed.
  - o Lessee shall not intentionally dispose of any produced brine or salt water on the surface of the lands.
  - o Lessee shall consult with Lessor as to the placement and location of roads prior to the drilling of any wells.
- Payment to Lessor by Lessee for damages to growing crops as set forth in above paragraph #7, shall also include payment for pasture grass.
- No well or well bore may be utilized by Lessee for the disposal of salt water from wells located off of the Lands or leased premises without the prior written consent of Lessor.
- The Lands are now or may hereafter be equipped for irrigation. If Lessee completes an oil or gas well on the lease premises, all operating and storage equipment, machinery, and fixtures will be low in profile and height, and located in such a manner to permit Lessor's use of center pivot irrigation systems or other common types of overhead irrigation systems that may be in place at the time of such well completion.
- Within 90 days following the expiration of this Lease, Lessee shall file a Release of Oil and Gas Lease in the records of the Register of Deeds of Cheyenne County, Kansas.
- Prior to the commencement of drilling operations and/or the installation of production facilities and pipelines on the Lands, Lessee agrees to make a good faith effort to negotiate for payment of surface damages. Lessee shall be responsible to Lessor for all damages caused by Lessee's operations, including but not limited to, damage or injury to the surface of the lease premises, timber, crops, pastures, domestic animals, roads, canals, ditches, artificial or natural drains, fences, buildings, water wells, and improvements located on the lease premises. Lessee shall protect and hold Lessor harmless from any claim or claims by any person, firm, or corporation resulting from Lessee's operations, regardless of the merit of any claim.

Lessor


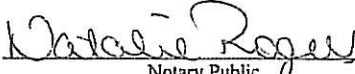
  
Stanley D. Keller, President Tax ID #

#### Acknowledgment For Corporation

STATE OF KANSAS  
COUNTY OF CHEYENNE

Be it remembered that on this 11<sup>th</sup> day of October, 2002, before me, the undersigned, a Notary Public, duly commissioned, in and for the county of Cheyenne and State of Kansas, came Stanley D. Keller, president of Albert Keller Farms, Inc., a corporation of the State of Kansas, personally known to me to be such officer, and to be the same person who executed as such officer the foregoing instrument of writing in behalf of said corporation, and he duly acknowledged the execution of the same for himself and for said corporation for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

My commission expires    
Natalie Rogers  
Notary Public