

For KCC	Use:		
Effective	Date:		
District #			
00.40			

Kansas Corporation Commission Oil & Gas Conservation Division

Form C-1 October 2007 Form must be Typed

	ITENT TO DRILL All blanks must be Filled All blanks must be Filled and the fille
Expected Spud Date:	Spot Description:
month day year	
OPERATOR: License#	feet from N / S Line of Section
Name:	feet from E / W Line of Section
Address 1:	Is SECTION: Regular Irregular?
Address 2:	(Note: Locate well on the Section Plat on reverse side)
City: State: Zip: +	County:
Contact Person:	Lease Name: Well #:
Phone:	Field Name:
CONTRACTOR: License#	Is this a Prorated / Spaced Field?
Name:	
Hamo.	Target Formation(s):
Well Drilled For: Well Class: Type Equipment:	Nearest Lease or unit boundary line (in footage):
Oil Enh Rec Infield Mud Rotary	Ground Surface Elevation:feet MSL
Gas Storage Pool Ext. Air Rotary	Water well within one-quarter mile:
Disposal Wildcat Cable	Public water supply well within one mile:
Seismic ; # of Holes Other	Depth to bottom of fresh water:
Other:	Depth to bottom of usable water:
	Surface Pipe by Alternate: I II
If OWWO: old well information as follows:	Length of Surface Pipe Planned to be set:
Operator:	Length of Conductor Pipe (if any):
Well Name:	Projected Total Depth:
Original Completion Date: Original Total Depth:	Formation at Total Depth:
3.1g.1.a. 33.1p.a.3.1 2 a.1g.1.a. 13.a. 23p.11.	Water Source for Drilling Operations:
Directional, Deviated or Horizontal wellbore?	Well Farm Pond Other:
If Yes, true vertical depth:	DWR Permit #:
Bottom Hole Location:	(Note: Apply for Permit with DWR)
KCC DKT #:	Will Cores be taken?
	If Yes, proposed zone:
	ii res, proposed zone.
7	FIDAVIT
The undersigned hereby affirms that the drilling, completion and eventual plug	gging 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 <i>prior</i> 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 to	
through all unconsolidated materials plus a minimum of 20 feet into the	, ,
4. If the well is dry hole, an agreement between the operator and the distr	, , , , , , , , , , , , , , , , , , , ,
5. The appropriate district office will be notified before well is either plugg	
6. If an ALTERNATE II COMPLETION, production pipe shall be cemented.	33,891-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	
must be completed within 60 days of the space date of the work shall be	plagged. In an ouses, Norm 1 district office prior to drift contenting.
Nuls points of Electronically.	
Submitted Electronically	Remember to
For KCC Use ONLY	Remember to:
I OF IVOC USE CIVE!	- File Drill Pit Application (form CDP-1) with Intent to Drill:

	Remember to:
For KCC Use ONLY	- File Drill Pit Application (form CDP-1) with Intent to Drill;
API # 15	- File Completion Form ACO-1 within 120 days of spud date;
Conductor pipe requiredfeet	 File acreage attribution plat according to field proration orders; Notify appropriate district office 48 hours prior to workover or re-entry;
Minimum surface pipe requiredfeet per ALT. I II	- Submit plugging report (CP-4) after plugging is completed (within 60 days);
Approved by:	- Obtain written approval before disposing or injecting salt water.
This authorization expires: (This authorization void if drilling not started within 12 months of approval date.)	If this permit has expired (See: authorized expiration date) please check the box below and return to the address below.
(This authorization void it drilling not started within 12 months of approval date.)	Well Not Drilled - Permit Expired Date:
Spud date: Agent:	Signature of Operator or Agent:
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IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

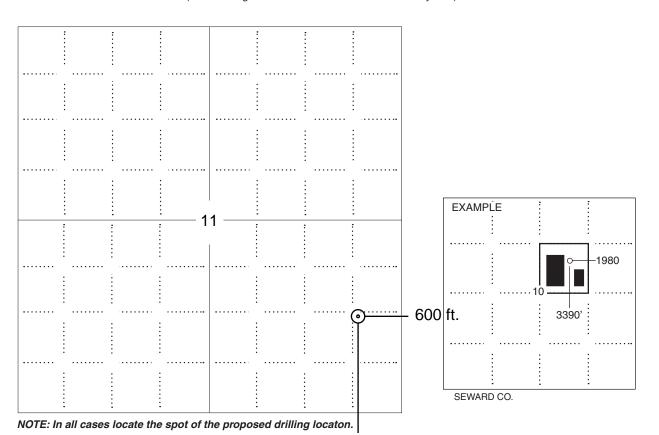
Plat of acreage attributable to a well in a prorated or spaced field

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:	Location of Well: County:
Lease:	feet from N / S Line of Section
Well Number:	feet from E / W Line of Section
Field:	Sec Twp S. R
Number of Acres attributable to well:	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.)



1320 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 OIL & GAS CONSERVATION DIVISION

23089 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: Emergency Pit Burn Pit Settling Pit Drilling Pit Workover Pit Haul-Off Pit (If WP Supply API No. or Year Drilled)	Pit is: Proposed If Existing, date c Pit capacity:		SecTwpR East West Feet from North / South Line of Section Feet from East / West Line of Section
		(bbls)	County
Is the pit located in a Sensitive Ground Water	Area? Yes	No	Chloride concentration: mg/l (For Emergency Pits and Settling Pits only)
Is the bottom below ground level? Yes No	Artificial Liner?	No	How is the pit lined if a plastic liner is not used?
Pit dimensions (all but working pits):	Length (fe	eet)	Width (feet) N/A: Steel Pits
Depth fr	om ground level to de	eepest point:	(feet) No Pit
material, thickness and installation procedure).	liner integrity, i	ncluding any special monitoring.
Distance to nearest water well within one-mile	e of pit	Depth to shallo Source of infor	west fresh waterfeet.
feet Depth of water well	feet		redwell owner electric logKDWR
Emergency, Settling and Burn Pits ONLY:		Drilling, Work	over and Haul-Off Pits ONLY:
Producing Formation:		Type of materia	al utilized in drilling/workover:
Number of producing wells on lease:		Number of wor	king pits to be utilized:
Barrels of fluid produced daily:		Abandonment	procedure:
Does the slope from the tank battery allow all flow into the pit? Yes No	spilled fluids to	Drill pits must I	pe closed within 365 days of spud date.
Submitted Electronically			
	КСС	OFFICE USE O	NLY Steel Pit RFAC RFAS
Date Received: Permit Num	ber:	Perm	it Date: Lease Inspection:

OIL AND GAS LEASE

THIS AUREEMENT, EILER	d into this the 22nd day of O	October		20 <u>05</u>	between
Barry G. Schwien and Sha	arla M. Schwien, his wife		And the second s		
			hereinaster called	d Lessor (whethe	r one or more),
and American Warrior, Inc	<u> </u>				
				,hereinafter	called Lessee:
herein provided and of the		Dollars in hand paid, rec	ases and lets exclusively	unto lessee for	the purpose of
gases, and their respective co tanks, power stations, teleph transport said oil, liquid hyd otherwise caring for its empl the County of Ness	onstituent products, injecting gone lines, and other structures rocarbons, gases and their respoyees, the following described	gas, water, other fluids, and air in s and things thereon to produce pective constituent products and d land, together with any reversions and description.	to subsurface strata, layin save, take care of, treat, other products manufact onary rights and after-acqu	ig pipe lines, stor manufacture, pro ured therefrom, a	ing oil, building ocess, store and and housing and

In consideration of the premises the said lessee covenants and agrees:

to obtain such rotary drilling rig and commence operations for the drilling of a well.

1st. To deliver to the credit of lessor, free of cost, in the pipeline 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.

from said land or land with which said land is pooled. If, due to circumstances beyond Lessee's control, Lessee is unable to obtain a rotary drilling rig prior to the expiration of the primary term, Lessor agrees that Lessee shall have a reasonable time, not to exceed <u>ninety</u> (90) days, within which

2nd. To pay lessor for gas of whatsoever nature or kind produced and sold, or used off the premises, or used in the manufacture of any products therefrom, one-eighth (1/8), at the market price at the well, (but, as to gas sold by lessee, in no event more than one-eighth (1/8) of the proceeds received by lessee from such sales), for the gas sold, used off the premises, or in the manufacture of products therefrom, said payments to be made monthly. At any time, either before or after the expiration of the primary term of this lease, if there is a gas well or wells on the above land (and, for the purposes of this clause, the term "gas well" shall include wells capable of producing natural gas, condensate, distillate or any gaseous substance and wells classified as gas wells by any governmental authority) and such well or wells are shut-in, before or after production therefrom, lessee or any assignee hereunder may pay or tender annually, within sixty (60) days after the end of each yearly period during which such gas well or gas wells are shut-in, as substitute gas royalty, One Dollar (\$1.00) per net mineral acre retained hereunder, for the acreage then held under this lease, by the party making such payments or tenders, and, if such payments or tenders are made, it shall be considered under all provisions of this lease that gas is being produced from the leased premises in paying quantities.

This lease may be maintained during the primary term hereof without further payment or drilling operations. If the lessee shall commence to drill a well within the term of this lease or any extension thereof, the lessee shall have the right to drill such well to completion with reasonable diligence and dispatch, and if oil or gas, or either of them, be found in paying quantities, this lease shall continue and be in force with like effect as if such well had been completed within the term of years first mentioned.

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 for shall be paid the said lessor only in the proportion which lessor's interest bears to the whole and undivided fee.

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 wells of lessor.

Lessee shall bury lessee's pipelines below plow depth.

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

Lessee shall pay for damages caused by lessee's operations to said land.

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.

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, but no change in the ownership of the land or assignment of rentals 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.

Lessee may at any time execute and deliver to lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

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.

Lessor herby 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, in so far as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

State of Kansas Ness County

Book: 297 Page: 489

Receipt #: 370
Pages Recorded: 2
Cashier Initials: MH

Date Recorded: 11/18/2005 8:35:00 AM

Book: 297 Page: 490

Lessee, at its option, is hereby given the right and power to pool or combine the accessary or advisable to do so in order to properly develop and land, lease or lesses in the immediate vicinity thereof, when in lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said lesse premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises, such pooling to be into a unit or units not exceeding 40 acres each in the event of an oil well, or into a unit or units not exceeding 640 acres each in the event of a gas well. Lessee shall execute in writing and record in the conveyance records of the county in which the land herein leased is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit shall be treated, for all purposes except the payment of royalties on production from the pooled acreage. The entire acreage so pooled in the premises or not. In lieu of the payment of royalties on production from the pooled acreage, if shall be treated by this lease or not. In lieu of the payment of royalties on production from the pooled unit, as if it were included in this premises covered by this lease or not. In lieu of the payment of royalty stipulated herein as the organized as if production is had from this royalty interest therein from a unit so pooled only such portion of the royalty 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 so pooled in the payment of the particular unit involved.

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TTY OF Mess regoing instrument was acknowledged before me this 26th G. Schwien and Shada M. Schwien, his wife	OO lo ysb	ctoper	60 0s,	Хq*	
E OL Kansas					
		:# xsT ro #SS			
		:# xbT 10 #88	 		****
harla 111 t Schwar. Ha M. Schwien	₩	# xsT 10 #22			
- /) (/ /					
y G. Schwien		SS or Tax#:			
ITNESS WHEREOF, we sign the day and year first abo	ove written.				
•					
				 	
	***************************************			•	

OIL AND GAS LEASE

THIS AGREEMENT, Entered into this the 22nd day of October	, 20 <u>05</u>	between
Paul Schwien and Dianne Trankel Schwien, his wife		
PO Box 172		
Bazine, KS 67516 hereinat	fter called Lessor (wheth	er one or more),
and American Warrior, Inc.		<u> </u>
	,hereinafte	r called Lessee:
Lessor, in consideration of Ten (10) & O.V.C. Dollars in hand paid, receipt of which is herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exinvestigating, exploring by geophysical and other means, prospecting drilling, mining and operating for argases, and their respective constituent products, injecting gas, water, other fluids, and air into subsurface str tanks, power stations, telephone lines, and other structures and things thereon to produce, save, take care transport said oil, liquid hydrocarbons, gases and their respective constituent products and other products otherwise caring for its employees, the following described land, together with any reversionary rights and the County of Ness State of Kansas and described as follows	aclusively unto lessee for and producing oil, liquid hata, laying pipe lines, sto of, treat, manufacture, p manufactured therefrom, after-acquired interest, th	r the purpose of nydrocarbons, all ring oil, building rocess, store and and housing and
The South One-Half of the Southeast Quarter (S/2 SE/4)	· · · · · · · · · · · · · · · · · · ·	
In Section 11 , Township 19 South , Range 22 West , and containing	2 160 acres, mor	re or less, and all
accretions thereto.	J	,

Subject to the provisions herein contained, this lease shall remain in force for a term of Three (3) years from this date (called "primary term"), and as long thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, or any of them, is or can be produced from said land or land with which said land is pooled. If, due to circumstances beyond Lessee's control, Lessee is unable to obtain a rotary drilling rig prior to the expiration of the primary term, Lessor agrees that Lessee shall have a reasonable time, not to exceed ninety (90) days, within which to obtain such rotary drilling rig and commence operations for the drilling of a well.

In consideration of the premises the said lessee covenants and agrees:

1st. To deliver to the credit of lessor, free of cost, in the pipeline 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 for gas of whatsoever nature or kind produced and sold, or used off the premises, or used in the manufacture of any products therefrom, one-eighth (1/8), at the market price at the well, (but, as to gas sold by lessee, in no event more than one-eighth (1/8) of the proceeds received by lessee from such sales), for the gas sold, used off the premises, or in the manufacture of products therefrom, said payments to be made monthly. At any time, either before or after the expiration of the primary term of this lease, if there is a gas well or wells on the above land (and, for the purposes of this clause, the term "gas well" shall include wells capable of producing natural gas, condensate, distillate or any gaseous substance and wells classified as gas wells by any governmental authority) and such well or wells are shut-in, before or after production therefrom, lessee or any assignee hereunder may pay or tender annually, within sixty (60) days after the end of each yearly period during which such gas well or gas wells are shut-in, as substitute gas royalty, One Dollar (\$1.00) per net mineral acre retained hereunder, for the acreage then held under this lease, by the party making such payments or tenders, and, if such payments or tenders are made, it shall be considered under all provisions of this lease that gas is being produced from the leased premises in paying quantities.

This lease may be maintained during the primary term hereof without further payment or drilling operations. If the lessee shall commence to drill a well within the term of this lease or any extension thereof, the lessee shall have the right to drill such well to completion with reasonable diligence and dispatch, and if oil or gas, or either of them, be found in paying quantities, this lease shall continue and be in force with like effect as if such well had been completed within the term of years first mentioned.

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 for shall be paid the said lessor only in the proportion which lessor's interest bears to the whole and undivided fee.

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 wells of lessor.

Lessee shall bury lessee's pipelines below plow depth.

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

Lessee shall pay for damages caused by lessee's operations to said land.

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.

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, but no change in the ownership of the land or assignment of rentals 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.

Lessee may at any time execute and deliver to lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

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.

Lessor herby 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, in so far as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein

State of Kansas Ness County

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Book: SAY Page: 492

Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, when in lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises, such pooling to be into a unit or units not exceeding 40 acres each in the event of an east or unit or units not exceeding 640 acres each in the event of a gas well. Lessee shall execute in writing and record in the conveyance records of the county in which the land herein leased is shuated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit shall be treated, for all purposes except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on the pooled acreage, it shall be treated as if production is had from this lease, whether the well or wells be located only such portion of the royalty stipulated herein as the royalties elsewhere herein specified, lessor shall receive on production from a unit so pooled only such portion of the royalty 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 so pooled in the particular unit involved.

If at the end of the primary term, this lease is not otherwise extended by production, lessee or its assigns is hereby granted an

sommission expires	sildu¶ vastoM
JOTY OFday ofday ofday of	
TE OF	,
expires	Notary Public
foregoing instrument was acknowledged before me this	20g Why right white chi
NATY OF	BERNICE MOOF AND Appl. Exp. 202
TE OF	Notary Public
30/7/2 seriqxe noissimmo:	roull comnod
19 Schwien and Dianne Trankel Schwien, his wife	va. 20 05. 20d630
TEOF AANSAS	:# xeT 10 #SS
	:# XBT To #SS
anne Trankel Schwien	:# xeT 10 #SS
ul Schwien	SS of Tax#:
VITNESS WHEREOF, we sign the day and year first above written.	
ive dollars (\$5.00) per mineral acre shall be paid to the lessor	