



1023341

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

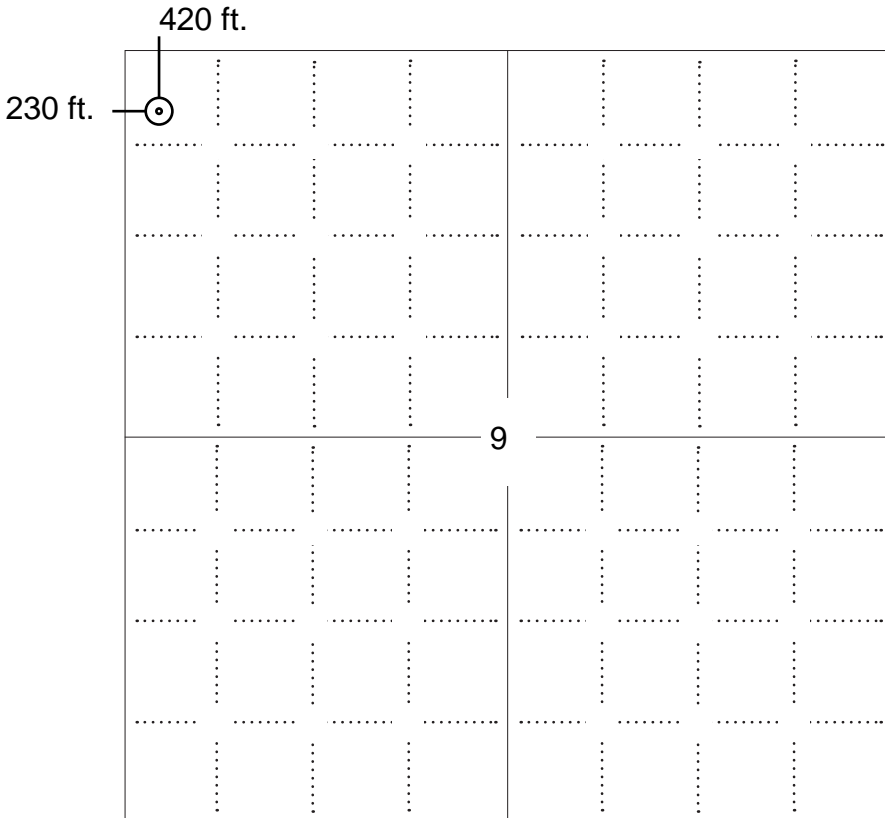
If Section is Irregular, locate well from nearest corner boundary.

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 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 1023341
OIL & GAS CONSERVATION DIVISION

Form CDP-1
April 2004
Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

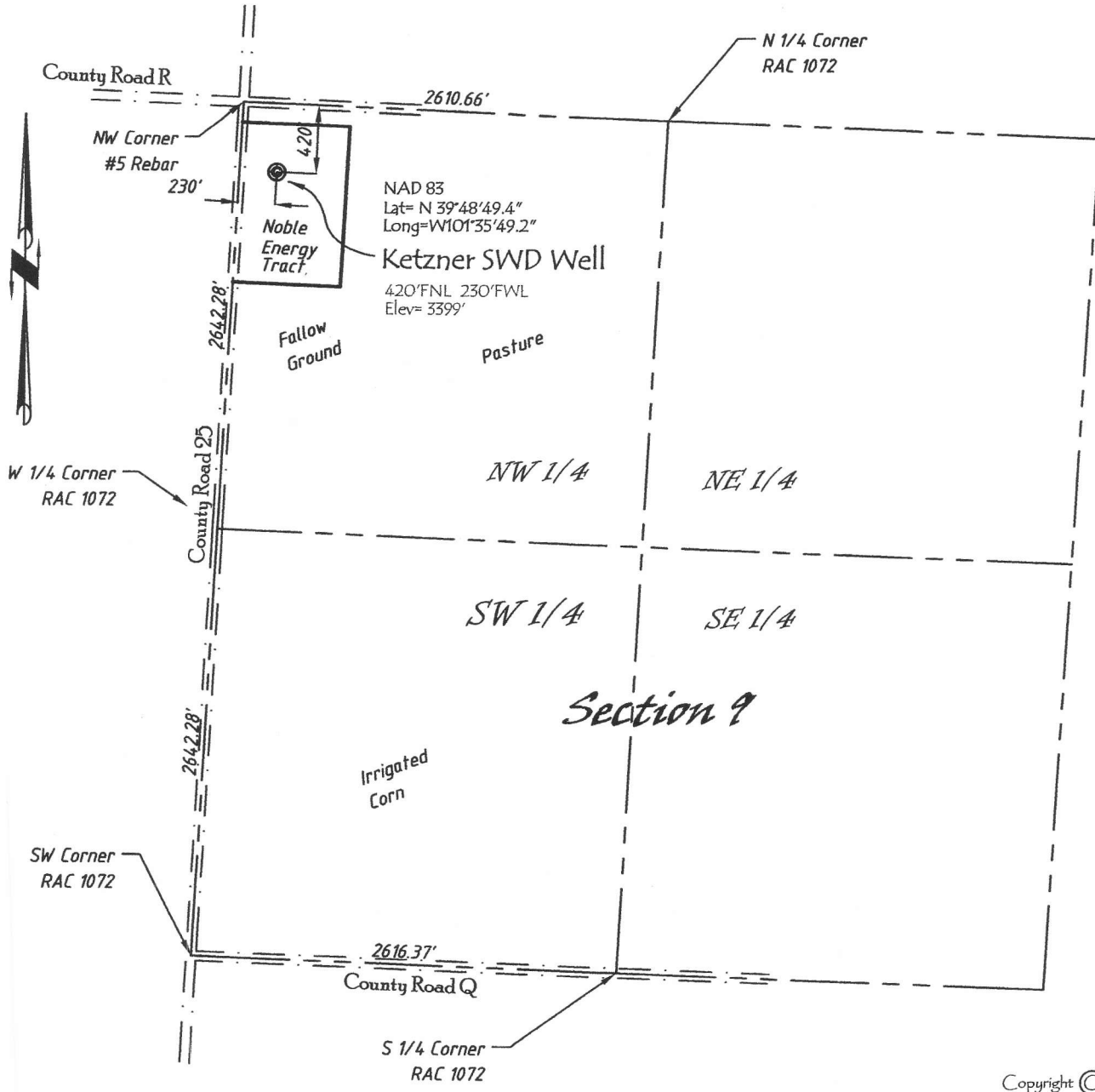
Operator Name: _____		License Number: _____	
Operator Address: _____			
Contact Person: _____		Phone Number: _____	
Lease Name & Well No.: _____		Pit Location (QQQQ): _____-_____-_____-_____	
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> 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	

Well Location Map

Ketzner SWD Well

Section 9, T3S, R38W, 6th P.M. Cheyenne County, Kansas
 420' FNL - 230' FWL Elev=3399'



Directions:

From the Intersection of Hwy 161 & Hwy 36 near Bird City, KS, Go W on Hwy 36 3 miles to cross rd, Go N on County Road 25, 3.9 miles, Then E 230' to staked location.

This Drawing is for Construction Purposes Only

Noble Energy, Inc.		
DRAWN GP	DATE 8/28/08	Section 9
FB B67 P71	EQ HiPro	T3S, R38W, 6th P.M.
SCALE 1"=1000'	SHEET 1 of 1	Cheyenne County, KS
		PROJECT NO. 1570.004

Copyright © 2008

North Winds Surveys, Inc.

402 Walnut
 Kanorado, KS
 785/599/2551



STATE OF KANSAS, CHEYENNE COUNTY
This instrument was filed for record on the
30th day of July, 2006
at 11:30 o'clock A.M. and recorded
in Book 148 Page 535-537
Bill Barrett Registrar of Deeds
Fee: 16.00
Re: BBC

OIL AND GAS LEASE

AGREEMENT Made and entered into the 30th day of January 2006, by and between
Ernest J. Ketzner, Jr., a married man dealing in his sole and separate property
whose post office address is HC 1, Box 16, Bird City, KS 67731 hereinafter called Lessor (whether one or more) and
Bill Barrett Corporation whose address is 1099 18th 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, as hereinafter provided, and erection of structures thereon to produce, save and take care of said products produced from the leased premises or lands pooled therewith, 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 640.00 acres, more or less. This lease covers all the land described above including any strips or small tracts 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. It is the intent of this provision to include only such lands as may actually be a part of the property described above, but may not be adequately described due to surveying errors, adverse possession or other matters which could result in the above property description not adequately covering the lands intended to be covered by this lease.

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 ninety (90) 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 ninety (90) days from date of cessation of production or from date of completion of dry hole, provided, however, that any drilling or re-working operations commenced under this provision shall continue, without cessation of more than sixty (60) consecutive days, until such drilling or re-working operations are completed. 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. The provisions of this paragraph pertaining to pooling shall be subject to the provisions of Paragraph 12.

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 on 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 month 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 Three Dollars (\$3.00) per year per net date such well is shut in and thereafter on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date 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 now or hereafter existing.

7. When requested by Lessee, Lessee shall bury Lessee's pipe lines below plow-depth thirty six (36) inches unless a lesser depth is agreed upon in writing by Lessor and Lessee.

8. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of Lessor. Unless waived in writing by Lessor, Lessee shall construct fences to keep livestock away from drill sites or well sites. This will include fencing around open pits until such are filled and reclaimed.

9. Lessee shall pay for damages caused by Lessee's operations to land, growing crops, grasses, fences, livestock and for damages to other personal property, 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 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, lines 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. Easements or rights-of-way for construction and maintenance of pipelines for the delivery of gas or the installation of electric lines are expressly excluded from this lease, except for electric lines or pipelines necessary for production of wells located on the subject premises or lands pooled therewith. Any additional easements for electric lines or pipelines shall be separately negotiated under the terms and for the consideration agreed upon.

11. 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 of 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

Ernest J. Ketzner, Jr.
Ernest J. Ketzner, Jr.

STATE OF KANSAS)
Oklahoma, Kansas, New Mexico, Wyoming, Montana, Colorado, Utah,
} ss. Nebraska, North Dakota, South Dakota
COUNTY OF CHEYENNE

ACKNOWLEDGMENT-INDIVIDUAL

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 22nd day of February, 2006, personally appeared Ernest J. Ketzner, Jr., a married man dealing in his sole and separate property to me known to be the identical person described in and who executed the within and foregoing instrument of writing and acknowledged to me that he duly executed the same as his 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
Notary Public.



Natalie Rogers

Address: 101 W Washington
St. Francis, KS 67756

STATE OF _____)
COUNTY OF _____) ss. ACKNOWLEDGMENT
(For use by Corporation)

On this _____ day of _____, 20____, before me personally appeared _____, to me personally known, who, being by me duly sworn did say that _____ he is the _____ of _____ and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said _____ acknowledged said instrument to be free act and deed of said corporation.

Witness my hand and seal this _____ day of _____, 20____.

My Commission Expires _____

Notary Public.

Address: _____

After Recording Return To:
Bill Barrett Corporation
1099 18th 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 January 30, 2006, by and between, Ernest J. Ketzner, Jr., a married man dealing in his sole and separate property, 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	3 SOUTH	38 WEST, 6 TH P.M.	4 ✓	SW/4
2	3 SOUTH	38 WEST, 6 TH P.M.	4 ✓	SE/4
3	3 SOUTH	38 WEST, 6 TH P.M.	9 ✓	NW/4
4	3 SOUTH	38 WEST, 6 TH P.M.	9 ✓	SW/4

2. Lessee or its assigns and successors (hereinafter referred to as "Lessee") agree to pay Lessor a surface damage payment of \$1,000.00 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 \$500.00 for each acre or fraction thereof in excess of two acres.
3. Lessee shall not conduct drilling operations on leased lands which are actively under 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.
4. 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. Lessee agrees to use best efforts to avoid interference with Lessor's irrigation operations in the placement and construction of such roads. Lessee will provide Lessor with a written agreement covering the placement of access roads prior to the commencement of road construction on the leased premises. Lessee agrees that such roads will not be graveled or paved without the prior written consent of Lessor.
5. 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.
6. 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.
7. 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.
8. 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. Any and all salt water discovered on leased premises will be disposed of properly. No salt water shall be disposed of by dumping or otherwise releasing it on the land surface.
9. 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.

EXHIBIT "A" (Continued)

Attached to and made a part of that certain Oil and Gas Lease dated January 30, 2006, by and between, Ernest J. Ketzner, Jr., a married man dealing in his sole and separate property, as Lessor, and Bill Barrett Corporation, as Lessee.

10. 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.
11. The shut-in gas clause appearing in Paragraph 4 of this lease shall not operate to maintain this lease for periods in excess of three (3) consecutive years after the expiration of the primary term.
12. Should Lessee's negligence on the leased lands result in death or injury to livestock, the stock owner will be reimbursed at a fair market value agreed upon by said owner and lessee. If a fair market value cannot be negotiated, a neutral arbitrator will be chosen by both parties and the owner will be reimbursed at one hundred percent (100%) of the value the arbitrator determines.
13. No well drilled on said leased premises will be used as a salt water disposal well except for the disposal of salt water from the leased premises. In the event lessee desires to use a non-producing well as a salt water disposal well on the leased lands, for salt water from land not owned by Lessor, then Lessor and Lessee shall enter into a separate written agreement for the same setting forth the terms and compensation agreed upon.
14. Nothing contained in this oil and gas lease shall prohibit the Lessor from leasing the leased premises or otherwise making arrangements for power production through wind generation equipment and facilities. It is agreed, however, that any such lease or other arrangement for wind generation shall be subordinate to this oil and gas lease and that Lessee shall be notified prior to the construction or installation of such wind generation equipment or facilities.
15. In the event this lease expires without production, Lessee shall file a release of this lease with the Register of Deeds of Cheyenne County, Kansas
16. Lessee, it's assigns, contractors and employees will not hunt on the leased lands without the consent of Lessor.

STATE OF KANSAS, CHEYENNE COUNTY
This instrument was filed for record on the
25th day of March, 2004
at 11:30 o'clock A.M. and recorded
in Book 136 Page 677-679
J. Fred Hambright
Fee: 16.00 Register of Deeds
Re: Hambright
Seal of the Register of Deeds, Cheyenne County, Kansas

OIL AND GAS LEASE

This Oil and Gas Lease (the "Lease") is dated January 20th, 2004 (the "Effective Date") The parties to this Lease are

Lonnie D. Willis and
Patricia S. Willis, his wife

as Lessor (whether one or more), whose address is HC 1 Box 15, Bird City, Kansas 67731
and J. Fred Hambright, Inc., as Lessee, whose address is, 125 N. Market, #1415, Wichita, KS 67202.

1. For the consideration of Ten and More (\$10.00 & 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 utilize, 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:

****Each Tract is treated as a separate oil and gas lease****

Township 2 South, Range 38 West

- ✓ Tract #1 Section 29: W $\frac{1}{2}$
- ✓ Tract #2 Section 33: SW $\frac{1}{4}$
- ✓ Tract #3 Section 34: NE $\frac{1}{4}$

Township 3 South, Range 38 West

- ✓ Tract #4 Section 2: SW $\frac{1}{4}$
- ✓ Tract #5 Section 8: W $\frac{1}{2}$; NE $\frac{1}{4}$
- ✓ Tract #6 Section 9: E $\frac{1}{2}$
- ✓ Tract #7 Section 15: SW $\frac{1}{4}$

The Lands are deemed to contain 1,760 acres for 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 continued 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 equivalent to the initial bonus payment (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 (1/8th) 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 (1/8th) of the product sold or used. On product sold at the well, the royalty shall be one-eighth (1/8th) 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 (1/8th) 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 \$1 00 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 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.

5. 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.

6. 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, to remove all machinery, fixtures, buildings, and other structures placed on the Lands, including the right to draw and remove all casing.

7. 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.

8. 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.

9. 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.

10. 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.

11. 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.

11/10/04-32

12. 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.

13. 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.

14. Lessee, at its option, is granted the right and power to voluntarily pool, unitize, 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 10%, and 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 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.

15. See Rider attached hereto and made a part hereof:

Lessor

Lonnie D. Willis
Lonnie D. Willis S.S.#
515-44-8702

Patricia S. Willis
Patricia S. Willis S.S.#
509-48-2064

Acknowledgment For Individual

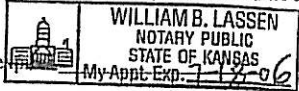
STATE OF Kansas

COUNTY OF Cherokee

Before me, the undersigned, a Notary Public, within and for said county and state, on this 20th day of January, 2004, personally appeared Lonnie D. Willis and Patricia S. Willis, his wife

to me personally known to be the identical person(s) who executed the within and foregoing instrument and acknowledged to me that they 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 official seal the day and year last above written.

My commission expires  William B. Lassen
Notary Public

Acknowledgment For Corporation

STATE OF _____

COUNTY OF _____

Be it remembered that on this _____ day of _____, 20____, before me, the undersigned, a Notary Public, duly commissioned, in and for the county of _____ and State of _____, came _____, president of _____,

a corporation of the State of _____, 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 _____
Notary Public _____

Rider

Attached to and made a part of an Oil & Gas lease dated January 20th, 2004 by and between, Ironie D. Willis and Patricia S. Willis, his wife, as Lessor and J. Fred Hambright, Inc., as Lessee.

If the lands covered hereby are irrigated by the use of a self-propelled overhead sprinkler system, presently in operation or installed hereafter, the Lessee, prior to conducting operations hereon, shall consult with the Lessor in regard to said drilling operations. Said operations shall be conducted in such a manner as will least disturb or interfere with Lessor's irrigation system or the surface contours of the leased premises. Should any alterations to the surface contours be caused by its operations, Lessee, or his assigns, shall restore said surface contours to their former condition as nearly as is practicable. In the event of production and continued use of the surface, Lessee, or his assigns, will restore or prepare the surface and situate and install all equipment needed in connection therewith, so that Lessee's use will not interfere with the passage of said overhead sprinkler irrigation system. Lessee shall consult with Lessor in regard to the route of ingress and egress on said premises for the purpose of drilling and production.

Lessor shall have the right to take, in kind, lieu of money royalty, gas produced from any gas well drilled on the land herein described or on any land which is unitized, solely for use as fuel to pump water for irrigation of crops grown on the land herein described or on other lands farmed by Lessor; which right shall be subject to the following terms and conditions:

- (1) The quantity of gas taken shall not exceed the fraction of gas produced each month which Lessor is entitled to receive as royalty from gas produced from such well, and a corresponding reduction shall be made in gas royalty payments under the terms of this lease. The value of said gas based upon wellhead price.
- (2) Any gas so purchased by Lessor shall be purchased at a point designated by Lessee at or near the mouth of the well.
- (3) The Lessee shall install, operate and maintain at or near said designated point all connections, regulators and meters necessary to control and measure such gas, at the sole cost of Lessor.
- (4) All such meters and appurtenant equipment shall remain the property of Lessee. Lessor, at his own risk and expense and at locations that will not interfere with Lessee's lease operations, shall install, operate and maintain the line necessary to service engine operating the pumping equipment.
- (5) The equipment and facilities used in the purchase measurement and transportation of such gas and utilization and operation thereof shall at all times be in compliance with all reasonable current requirements of Lessee. Lessor will at all times hold Lessee harmless from all claims and liabilities arising from the taking, transportation and use of such gas.
- (6) Nothing herein contained shall operate by implication to enlarge or increase the obligations which Lessee would have in the absence of this section as to the operation of said well or impair any right it would otherwise have to determine the quantity of gas it shall produce at any particular time; and the purchase, transportation and use of such gas shall be without interference with or danger to Lessee's property or its rights and operations under the lease.
- (7) Should a breach of Lessor's obligation occur under this paragraph, Lessee shall notify Lessor in writing of such breach and Lessor shall remedy same within thirty (30) days, or Lessor's privilege, hereunder, to purchase such gas shall be revoked.
- (8) The wellhead price hereunder shall be the price per Mmbtu, including all escalations, adjustments and allowances, received by Lessee for the sale of its gas produced from leased premises.
- (9) It is understood that the gas supplied to Lessor is raw gas as produced at the well, and Lessee shall have no obligation to odorize the same; that the gas may contain water, natural gasoline or other liquids; that the pressure at the delivery point may fluctuate, and Lessor assumes the risk thereof.

The leased premises is now under flood irrigation. At such time as Lessee desires to commence drilling operations thereon, Lessee shall consult with Lessor in regard to and shall conduct its operations in such a manner as will least disturb, interfere with, or damage Lessor's irrigation system or the surface contours of the leased premises. Lessee shall promptly restore any damage caused by it to said irrigation system and/or surface contours to their former condition as nearly as possible. In the event of production and continued use of the surface, Lessee will restore or prepare the surface so that Lessee's use thereof will not prohibit use of remaining ground. Lessee shall consult with Lessor in regard to the route of ingress and Egress on said premises for the purpose of drilling and production as to use of the surface for such ingress and egress.

Additional Provisions:

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.

Signed for Identification:

Ironie D. Willis
Ironie D. Willis

Patricia S. Willis
Patricia S. Willis



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

**NOTICE TO OPERATORS FILING INTENT TO DRILL
FOR DISPOSAL OR ENHANCED RECOVERY
INJECTION WELLS, (CLASS II INJECTION WELL)**

The attached approved Notice of Intent to Drill indicates the proposed well is to be used for injection. An approved "Intent to Drill" does not approve injection authority as a Class II Injection Well in Kansas.

Before any well is used for injection purposes, the operator must file an application for injection authority in accordance with K.A.R. 82-3-401 and provide notice in accordance with K.A.R. 82-3-402. The Conservation Division must issue a written permit granting the application before commencement of injection.

The Conservation Division requirements and restrictions associated with Class II Injection are identified in K.A.R. 82-3-400 et seq of our regulations. Associated regulations governing drilling, completion and injection applications may be found in K.A.R. 82-3-135, Table I, Table II, in the Cedar Hills Sandstone Moratorium, (Docket #156,397-C), and the Eastern Kansas Surface Casing Order, (Docket #133,891-C).

If you have questions regarding the approval of injection authority, an injection application may be filed as a "Design Approval" before actual drilling and completion of the well occurs. If you have any questions or concerns regarding Class II injection wells or regulations, call the Underground Injection Control Department at 316-337-6200.

Failure to obtain commission approval before beginning injection is punishable by a penalty, shut-in of the well or both.