

For KCC	Use:		
Effective [Date:		
District # .			

Approved by: _

This authorization expires: _

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

Form C-1 October 2007 Form must be Typed

	e (5) days prior to commencing well
Expected Spud Date:	Spot Description:
month day year	,, Sec TwpS. R 🔲 E 🔲 W
	(a/a/a/a) section N / S Line of Section
OPERATOR: License#	feet from E / W Line of Section
Name:	Is SECTION: Regular Irregular?
Address 1:	is SECTION. Tregular Tregular:
Address 2: + State: Zip: +	(Note: Locate well on the Section Plat on reverse side)
Contact Person:	County:
Phone:	Lease Name: Well #:
	Field Name:
CONTRACTOR: License#	Is this a Prorated / Spaced Field?
Name:	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:
	Water Source for Drilling Operations:
Directional, Deviated or Horizontal wellbore? Yes No	Well Farm Pond Other:
f Yes, true vertical depth:	DWR Permit #:
Bottom Hole Location:	(Note: Apply for Permit with DWR)
	(Note: Apply for Permit with DWR) Will Cores be taken? Yes No
(CC DKT #:	Will Cores be taken? Yes No
AFI The undersigned hereby affirms that the drilling, completion and eventual plut 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 <i>shall be</i> posted on each 3. The minimum amount of surface pipe as specified below <i>shall be set</i> 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 dist 5. The appropriate district office will be notified before well is either pluggen.	Will Cores be taken? If Yes, proposed zone: FIDAVIT Igging of this well will comply with K.S.A. 55 et. seq. In drilling rig; by circulating cement to the top; in all cases surface pipe shall be set e underlying formation. In this work of the set o
AFI The undersigned hereby affirms that the drilling, completion and eventual plut 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 <i>shall be</i> posted on each 3. The minimum amount of surface pipe as specified below <i>shall be set</i> through all unconsolidated materials plus a minimum of 20 feet into th. 4. If the well is dry hole, an agreement between the operator and the dist 5. The appropriate district office will be notified before well is either plugg 6. If an ALTERNATE II COMPLETION, production pipe shall be cemente Or pursuant to Appendix "B" - Eastern Kansas surface casing order #1 must be completed within 30 days of the spud date or the well shall be	Will Cores be taken? If Yes, proposed zone: FIDAVIT Ingging of this well will comply with K.S.A. 55 et. seq. In drilling rig; It by circulating cement to the top; in all cases surface pipe shall be set expected by circulating formation. It is office on plug length and placement is necessary prior to plugging; ged or production casing is cemented in; deform below any usable water to surface within 120 DAYS of spud date. It is a system of the system of th
AFI The undersigned hereby affirms that the drilling, completion and eventual plust 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 3. The minimum amount of surface pipe as specified below shall be set 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 dist. 5. The appropriate district office will be notified before well is either plugg. 6. If an ALTERNATE II COMPLETION, production pipe shall be cemente Or pursuant to Appendix "B" - Eastern Kansas surface casing order #1 must be completed within 30 days of the spud date or the well shall be ubmitted Electronically For KCC Use ONLY	Will Cores be taken? If Yes, proposed zone: FIDAVIT Ingging of this well will comply with K.S.A. 55 et. seq. In drilling rig; In dril

- Obtain written approval before disposing or injecting salt water.

check the box below and return to the address below.

- If this permit has expired (See: authorized expiration date) please



1023

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

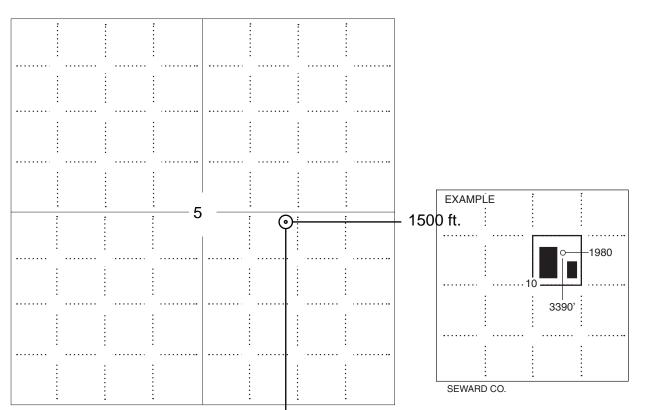
Plat of acreage attributable to a well in a prorated or spaced field

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:	SecTwp S. R 🗌 E 🗍 W
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.)



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

2500 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

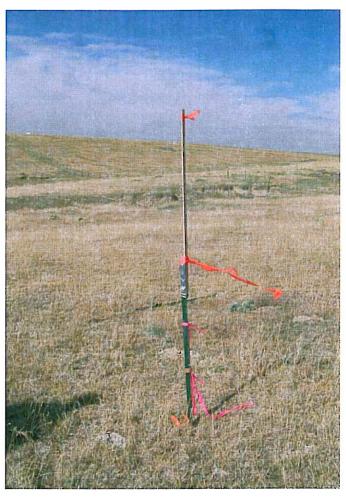
023472

Form CDP-1
April 2004
Form must be Typed

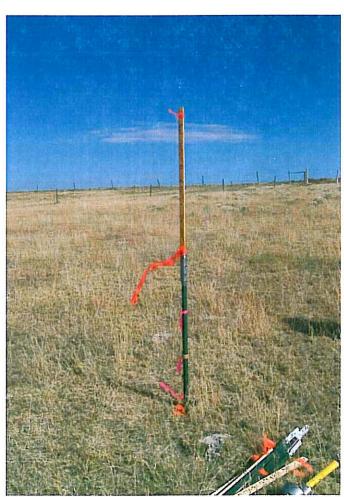
APPLICATION FOR SURFACE PIT

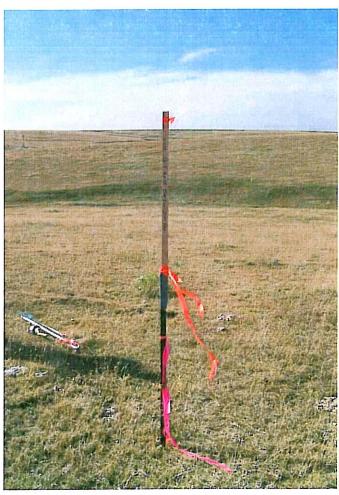
Submit in Duplicate

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) Is the pit located in a Sensitive Ground Water Is the bottom below ground level? Yes No Pit dimensions (all but working pits): Depth from If the pit is lined give a brief description of the material, thickness and installation procedure	Artificial Liner? Yes 1 Length (feom ground level to de	No No et) Describe proce	
		ccgy,	
Distance to nearest water well within one-mile	of pit	Depth to shallo	owest fresh waterfeet.
feet Depth of water wellfeet			redwell owner electric logKDWR
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? Yes No Submitted Electronically		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.	
	KCC (OFFICE USE OF	NLY Steel Pit RFAC RFAS
Date Received: Permit Num	ber:	Permi	it Date: Lease Inspection: Yes No









OIL AND GAS LEASE

THIS AGREEMENT, is made and entered into the 18th day of August., 2005, by and between Kip R. Wiese, and Deann G. Wiese, husband and wife whose address is RR 2, flox 54, 5t. Francis, KS 67756, hereinafter called Lestor (whether one or more) and LONETREE ENERGY & ASSOCIATES, LLC whose address is 950 17th Street, Suite 2000A, Denver, Colorado 80202, hereinnfler called Lessee:

1. For and inconsideration of -TEN AND MORE-DOLLARS (\$10.00 AND MORE) in hand paid, receipt of which is hereby acknowledged, and of the agreements of Lesses hereinafter set forth, Lessor hereby grants, demises, leases, and lets exclusively unto said Lesses the lands hereinafter described for the purpose of prospecting, exploring by geophysical and other methods, drilling, mining, operating for and producing oil or gas, or both, including, but not as a limitation, easinghead gas, easinghead gasoline, gas-condensate (distillate) and any substance, whether similar or dissimilar, produced in a gaseous state, together with the right to construct and maintain pipe lines, telephone and electric lines, tanks, power stations, ponds, readways, plants, equipment, and structures thereon to produce, save and take care of said oil and gas, and the exclusive right to inject air, gas, water, brine and other fluids from any source into the subsurface strata and any and all other rights and privileges necessary, incident to, or convenient for the economical operation of said land, alone or conjointly with neighboring land, for the production, saying and taking care of oil and gas and the injection of nir, gas, water, brine, and other fluids into the subsurface atrain, said lands being situated in the County of Cheyenne, State of Kansas, and being described as follows, to-wit:

TOWNSHIP 4 SOUTH, RANGE 41 WEST, 6th P.M.

Section 3: All

Section 5: S2

Section 9: N2NW

Section 13: E2

SEE EXHIBIT A ATTACHED HERETO AND MADE A PART HEREOF

it being the purpose and intent of Lessor to lease, and Lessor does hereby lease, all of the lands or interests in lands owned by Lessor which adjoin the lands above described or which lie in the section or sections herein specified. For all purposes of this lease, said lands shall be deemed to contain 1360.00 acres.

- 2. Subject to the other provisions herein contained, this lease shall remain in force for a term of FIVE (5) years from this date (herein called "primary term") and as long thereafter as oil and gas, or either of them, is produced from the above described land or lands pooled therewith or drilling operations are continuously prosecuted as hereinafter provided. "Drilling operations" includes operations for the drilling a new well, the reworking, deepening or plugging back of a well or hole or other operations teremainte province. Draining operations: includes operations for the critising a new west, the reworking deepening or pagging peace of a west of more of mining of a conducted in an effort to obtain or re-establish production of oil or gas; and drilling operations shall be considered to be "continuously prosecuted" if not more than 90 days shall elapse between the completion or abandorment of one well or hole and the commencement of drilling operations on another well or hole. If, at the expiration of the primary term of this lease, oil or gas is not being produced from the above described land but Lessee is then engaged in drilling operations, this lesse shall continue in force so long as oil long as drilling operations are continuously prosecuted; and if production of oil or gas results from any such drilling operations, this lesse shall continue in force so long as oil or gas shall be produced. If, after the expiration of the primary term of this lease, production from the above described land should cease, this lease shall not terminate if Lessee is then prosecuting drilling operations, or within 90 days after each such essation of production commences drilling operations, and this lesso shall remain in force so long as such operations are continuously prosecuted, and if production results therefrom, then as long thereafter as oil or gas is produced from the above described land.
- 3. Lessee shall deliver free of cost to Lessor, into the pipeline or storage tanks to which the wells may be connected, one-eighth (18) of all oil and other liquid hydrocarbons produced and saved from the leased premises, or, at Lessee's option, to pay to Lessor for such oil one-eighth (1/8) of the amount received by Lessee for all oil and other liquid hydrocarbons produced and saved from the lease premises.
- 4. Lessee thall pay to Lessor for gas, gas condensate, gas distillate, easinghead gas and all other gases, including their constituent parts, produced from the lease premises and told or produced from said lands and used off the lease premises or in the manufacture of other products, a sum equal to one-eighth (1/8 th) of the net proceeds received by Lessee from the cale of such produced substances where the same is sold at the mouth of the well or, if not sold at the mouth of the well, then one-eighth (1/8°) of the market value thereof at the mouth of the well, but in no event more than one-eighth (1/8°) of the actual amount received by Lessee for the sale thereof, Without limiting the foregoing, it is expressly agreed the Lessee shall at all times have the right to charge the Lessee's royalty share of gas produced hereunder, with a proportionate share of the casts, if any, of gathering, compression, transportation, dehydration and any other costs incurred for the delivery and transportation of such gas to the point of delivery to the first purchaser of such production, and all applicable production, severance and other taxes.
- 5. If a well capable of producing gas or gas and gas-condensate in paying quantities located on the leased premises (or on acreage pooled or consolidated with all or a portion of the leased premises into a unit for the drilling or operation of such well) is at any time shut in and no gas or gas-condensate therefrom is sold or used off the premises or for the manufacture of gasoline or other products then, notwithstanding any other provision to the contrary, such shut-in well shall be deemed to be a well on the leased premises producing gas in paying quantities and this lease will continue in force during all of the time or times while such well is so shut in, whether before or after the expiration of the primary term hereof. Lesses shall be obligated to pay or tender to Lessor within 45 days after the expiration of each period of one year in length (annual period) during which such well is so shut in, as royally, an amount equal to one hundred dollars (\$100.00), provided that, if gas or gas-condensate from such well is sold or used as aforesaid before the end of any such annual period, or if at the end of any such annual period, this fease is being maintained in force and effect otherwise than by reason of such abut-in well, Lessee shall not be obligated to pay or tender, for that particular annual period, said sum of money. Such payment shall be deemed a royally under all provisions of this lease. Royally ownership as of the last day of each such annual period as shown by Lessee's records shall govern the determination of the party or parties entitled to receive
- 6. If the interest Lessor owns in the land covered by this lease is less than the entire and undivided fee simple mineral estate therein, then whether or not such lesser interest is referred to or described herein, all royalities herein provided shall be paid to Lessor only in the proportion which his interest bears to the whole and undivided mineral fee.
- 7. If the estate of either party hereto is assigned or sublet, and the privilege of assigning or subletting in whole or in part is expressly allowed, the express and implied covenants hereof shall extent to the rublestees, successors and assigns of the parties; and in the event of an assignment or subletting by Lessee, Lessee shall be relieved and discharged as to the leasehold rights so assigned or sublet from any liability to Lessor thereafter accruing upon any of the covenants or conditions of this lease, either express or implied. No change in the ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee or require separate measuring or installation of separate tanks by Lessee. Notwithstanding any actual or constructive knowledge of or notice to Lessee, no change in ownership of said land or of the right to receive rentals or royalties hereunder, or of any interest therein, whether by reason of death, conveyance or any other matter, shall be binding on Lessee (except at Lessee's option in any particular case) until 90 days after Lessee has been furnished written notice thereof, and the supporting information hereinafter referred to, by the party claiming as a result of such change in ownership or interest. Such notice shall be supported by original or certified copies of all documents and other instruments o proceedings necessary in Lessee's opinion to establish the ownership of the claiming party.
- 8. Lessee may, at any time, execute and deliver to Lessor or place of record a release covering all or any part of the acresge embraced in the feased premises or covering any one or more zones, formations or depths underlying all or any part of such acresge, and thereupon shall be relieved of all obligations thereafter to accrue with respect to the acreage, zones, formations or depths covered by such release.
- 9. Lessee is granted the right, from time to time while this lease is in force, to pool into a separate operating unit or units all or any part of the land covered by this lease with other land, lease or leases, or interests therein (whether such other interests are pooled by a voluntary agreement on the part of the owners thereof or by the exercise of a right to pool by the Lessees thereof) when in Lessee's judgment it is necessary or advisable in order to promote conservation, to properly develop or operate the land and interests to be pooled, or to obtain a multiple production allowable from any governmental agency having control over such matters. Any pooling because may cover all oil and gas, or any one or more of the substances covered by this lease, and may cover one or more or all zones or formations underlying all or any portion or portions of the leased premises. Any unit formed by such pooling shall be of abutting or comering tracts and shall not exceed 640 acres (plus a tolerance of 10%) for gas and gas-condensate and shall not exceed 40 acres (plus a tolerance of 10%) for any other substances covered by this lease; provided that if any governmental regulation or order shall prescribe a spacing pattern for the development of a field wherein the above described land, or a portion thereof, is located, or allocate a producing allowable based on acreage per well, then any such unit may embrace as much additional acreage as may be so prescribed or as may be permitted in such allocation of allowable. The area pooled and the zones or formations and substances pooled shall be set forth by Lessee in a "declaration of pooling" filed for record in the county or counties in which the pooled area is located. Such pooling shall be effective on the date such declaration is filed unless a later effective date is specified in such declaration. In lieu of the royalties elsewhere herein specified, except shut-in gas well royalties, Lessor shall be paid on pooled substances produced from any unit in the proportion, but only in the proportion, that Lessor's acreage interest . VOL 145 PAGE 345

VOL 145 PAGE 346

in the land covered by this lease and placed in the unit bears to the total acreage in the land placed in such unit. Nothing herein contained shall authorize or effect any transfer of any little to any leasehold, royalty or other interest pooled pursuant hereto. The commencement of a well, the conducting of other drilling operations, the completion of a well or of a dry hole, or the operation of a producing well on the pooled area, shall be considered for all purposes (except for royalty purposes) the same as if each well were located on, or such drilling operations were conducted tipen, the lands covered by this lease whether or not such well is located upon, or such drilling operations goverations are sended upon, said lands. Lessee may terminate any pooling effected pursuant hereto any time the pooled unit is not producing and no drilling operations are being conducted thereon by executing and filling of record in the county or counties in which the pooled area is located a written declaration of the termination of such pooling, provided that the pooling of all interests not covered by this lease which comprise a part of such pooled unit be also terminated in some effective manner.

- 10. Lesses shall have the right to use, free of cost, oil, gas and water produced on said land for its operations thereon except water from wells of Lessor. Lesses 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. No part of the surface of the leased premises shall, without the written content of Lesses, be left, granted or licensed by Lessor to any other party for the location, construction or maintenance of structures, tanks, pits, reservoirs, equipment, or machinery to be used for the purpose of exploring, developing or operating adjacent lands for oil, gas or other minerals.
- 11. Lesses shall bury below plow depth its pipe lines on the leased premises when requested by a Lessor owning an interest in the surface. No well shall be drilled nearer than 200 feet to any house or barn now on said premises without the written consent of the owner of the surface on which such house or barn is located. Lessee shall pay for damages to growing crops caused by its operations on said lands.
- 12. Lessor hereby warrants and agrees to defend the title to the lands herein described, but if the interest of Lessor covered by this lesse is expressly stated to be less than the entire fee or mineral estate, Lessor's warranty shall be limited to the interest so stated. Lessoe may purchase or lease the rights of any party claiming any interest in said land and exercise such rights as may be obtained thereby but Lessee shall not suffer any forfeiture nor incur any liability to Lessor by reason discred. Lessee shall have the right at any time to pay for Lessor, any mortigage, taxes or other lien on said lands, in the event of default of payment by Lessor, and be subrogated to the rights of the holder thereof, and any such payments made by Lessor for Lessor may be deducted from any amounts of money which may become due Lessor under this lesse.
- 13. All express provisions and implied covenants of this lease shall be subject to all applicable laws, governmental orders, rules and regulations. This lease shall not be terminated in whole or in part, nor Lessee held liable in damages, because of a temporary cessation of production or of drilling operations due to the breakdown of equipment or due to the repairing of a well or wells, or because of failure to comply with any of the express provisions or implied covenants of this lease if such failure is the result of the exercise of governmental authority, war, armed hostilides, lack of market, act of God, strike, civil disturbance, fire, explosion, flood or any other cause reasonably beyond the control of Lessee.
- 14. Breach by Lesses of any obligations hereunder shall not constitute a forfeiture or termination of this fease nor cause a termination or reversion of the estate created hereby or be grounds for cancellation hereof in whole or in part. In the event Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have skey (60) days after receipt of such notice in which to commence compliance with the obligations imposed by this lesse.
- 15. This lease and all provisions thereof shall be applicable to and binding upon the parties and their respective successor and assigns. Reference herein to Lessor and Lessor shall include reference to their respective successors and assigns. Should any one or more of the parties named above as Lessor not execute this lease, it shall nevertheless be binding upon the party or parties executing same.
- 16. For the above consideration, Lessee is granted an option to renew this lease under the same terms and provisions for an additional three (3) years from the end of the primary term hereof, and as long thereafter as oil and gas is produced from said lands or lands pooled therewith. Lessee may exercise this option by paying to Lesser the sum of \$12.00 per net acre (as bonus and paid up rentals) prior to the expiration of said lease.

IN WITHESS WHEREOF, this lease is ex	ecuted as of the day and year first abo	Comment of Wine
Kip II Wese		Deönn G. Wiese
STATE OF JANSAS COUNTY OF CHEYEUNE) 55.	Oklahoma, Kansas, New Mexico, Wyoming, Montana, Colorado, Utah, Nebrasia, North Dakota, South Dakota ACKNOWLEDGEMENT - INDIVIDUAL
On the day of day of signers of the above instrument, who	245 (487, A.D. 2005, persituly acknowledged to me that	onally appeared before me Kip R. Wiese and Deonn G. Wiese, busband and wife, the bey executed the same. WIINESS pay party and official seal.
My commission expires:	JANET S. JEN NOTARY PUB STATE OF KAN My App. Exp. 20/24	Noury ubio
STATE OF COUNTY OF] as. ·	ACKNOWLEDGEMENT (For use by Corporation)
On the	, A.D, 20, pen	onally appeared before me
· ,	n of its Board of Directors and said	who being duly swom, did say that he is thePresident of, a corporation, and that said instrument was signed in behalf ofacknowledged to me that
My commission expires:		Notary Public
#P1		Residing et:

11

- 4

EXHIBIT A

ADDENDUM TO OIL AND GAS LEASE

Attached hereto and made a part hereof that certain Oil and Gas Lease dated the 18th day of August, 2005, by and between <u>Kip R. Wiese and Deonn G. Wiese</u>, <u>husband and wife</u> as LESSOR and LoneTree Energy & Associates, LLC, 950 17th Street, Suite 2000-A, Denver, CO 80202, as LESSEE, covering the following described lands to wit:

TOWNSHIP 4 SOUTH, RANGE 41 WEST, 6th P.M.

Section 3: All Section 5: S2 Section 9: N2NW Section 13: E2

Containing 1360.00 acres more or less.

Notwithstanding the provisions of this lease to the contrary, this lease shall terminate at the end of the primary term as to all of the leased land except those lands within a producing spacing unit prescribed by law or administrative authority on which is located a well producing or capable of producing oll or gas on which lessee is engaged in drilling or reworking operations. This lease shall not terminate so long as drilling or reworking operations are being continuously prosecuted if not more than one-hundred twenty (120) days shall lapse between the completion or abandonment of one well and the beginning operations for the drilling of another well.

SIGNED FOR ACKNOWLEDGEMENT:

Kin R. Wiese

Deann C Wiese

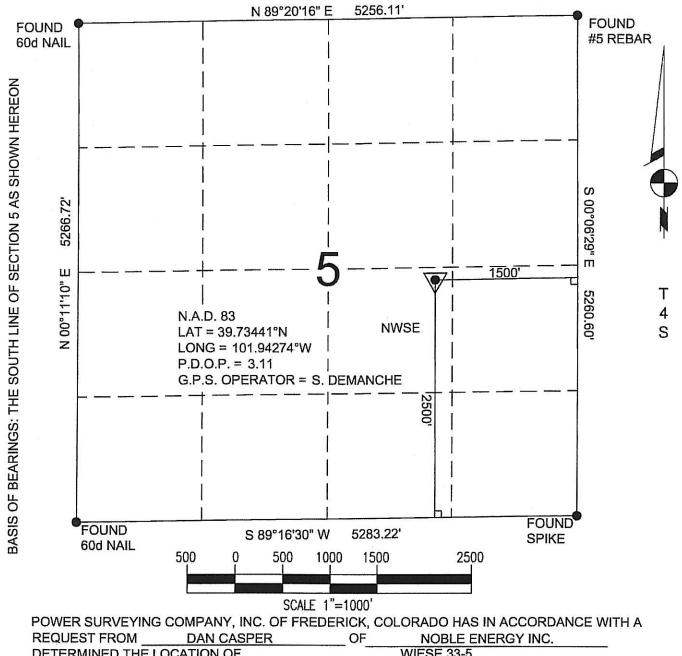
STATE OF KANSAS, CHEYENNE COUNTY
This instrument was filed for record on the

at 11.30 o'clock 4. M. and recorded in Book 145 Page 345-347

Re: Lonetree Energy

	AHSAS BLUE PR	ı
13	The Manual of	_

Kan., Okla. & Colo.1963 Rev. (JW) Bw OIL AND	GAS LEASEN ©
THIS AGREEMENT made and entered into this 2nd day of	April 175
Route 1, Box 51, St. Francis,	E. Zweygardt, husband and wife, of
Kangas Nahnaska Natural Cas Co	B0214
WHITESSETH: That the lesser, for and in consideration of — Ten and More— sufficiency of which is hereby acknowledged, and the covenants and agreements hereinatter conta and assigns, the following described land for the purpose of carrying on geological, grouplystical and assigns, the following described land for the purpose of carrying on geological, grouplystical and assigns, the following described land for the purpose of carrying on geological, grouplystical with oil and gas operations hereunder, or as a by-product of oil and gas, and the exclusive ri- gipts of way and casements for laying policy interphene and telegraph lines, tanks, power taring for such products, and any and all other rights and privileges necessary, incident to or taring for such products, and any and all other rights and privileges necessary, incident to or taring for such products, and any and all other rights and privileges necessary, incident to or taring for such products, and any and all other rights and privileges necessary, incident to or taring for such products, and any and all other rights and privileges necessary, incident to or taring for such products, and any and all other rights and privileges necessary, incident to or taring for such products, and any and all other rights and privileges necessary, incident to or taring for such products are the products of the product of the products of the p	Dollars (\$ 10.00 & More) in hand paid, the receipt and ined, dues hereby grant, denite, least and let unto the said lease, evaluately, its successors
and assigns, the following described land for the purpose of carrying on geological, grophysical producting and saving of oil, gas, gas condemate, gas distillate, casinghead gas, casinghead gas with oil and gas, and the exclusive ri-	and other exploratory work, including core drilling, and the drilling, mining, exerating for, line, and all other gases and their constituent parts, and other minerals produced in connection that of injecting water, being and other fields and substances into the subsurface strata, with
Cating for such products, and any and all other rights and privileges receiving, incident to add the rights and privileges receiving, incident to raid land for the products on of laid products or substances and the erection of structures there believe and other substances into the substances are laid to fail tract of land, together with any of the privileges of the substances into the substances are laid to fail tract of land, together with any of the privileges are substances.	nounce, stations, pounds, readoways and other natures or similarly services for producing, treating and convenient in the economical or efficient operation, alone or completing with other lands, of no no produce, save and take care of said products and substances and the injection of water, versionary rights therein, said text of tand being situated in the County of
Cheyenne state of Kansas Township 3 South, Range 41 West, 6th 1	and described as follows, to-wit:
Section 32: All Towns	ship 4 South, Range 41 West, 6th P.M.
Soction 24. C1 CEINEL ADECU	ion 4: Lots 1, 2, 3, 4, $S_{2}^{\frac{1}{2}}N_{2}^{\frac{1}{2}}$, $N_{2}^{\frac{1}{2}}N_{2}^{\frac{1}{2}}S_{2}^{\frac{1}{2}}$ on 5: Lots 1, 2, 3, 4, $S_{2}^{\frac{1}{2}}N_{2}^{\frac{1}{2}}$
	Lon 8: NW
MANUAL XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	pose of calculating the amount of any money payment permitted or required by the terms of
adjacent or contiguous thereto and owned or claimed by the lessor, which land shall, for the put this lease, be considered as containing exactly 2, 320 a 00 acres, whether there is a TO HAVE AND TO HOLD the tame (subject to the other provisions herein contained for years from this date thereafter called "Primary Term") and as long thereafter as oil, gas, gas reduced from said lease premises or operations for the drilling or production thereof are coming consideration of the premises, it is hereby mutually agreed as follows: 1. To deliver, free of coil, to the lesser at the well or to the credit of lessor into the produced and saved from the lesse premises or at the lesser's option to pay to the lesser for a prevailing on the day such oil is not link to pipe line or strange tanks.	eern eendemate, gas distillate, casinghead gas, casinghead gasoline, and other minimals may be used as hereinalter provided.
produced and saved from the lease greaters or at the well or to the credit of lester into the produced and saved from the lease greaters or at the leases's option to pay to the lester for a prevailing on the day such oil is run into the pipe line or storage tanks. 2. On gaz, gas condininate, gas distillate, casinghead gas and all other gases, including the	p per line to which lestee may compile its well, an equal one-eight level, part of all bit uch ene-lested (Sath) the market price at the well-lead for oil of a like grade and gravity cir constituent parts, produced from said land and sold or used off the lease premises or in
the manufacture of gasoline or other products, lesses shall pay to lesser a turn caul to ensert the same is sold at the mouth of the well or, if not sold at the mouth of the well, then one-ei- than ens-eighth (With) of the actual amount procedure by lesses for the sale thereof. 3. If gas from any well or wells on the premises capable of producing as in commercial	with (Walh) of the gross preceds received from the sale of such produced substances where guide (Walh) of the market value thereof at the mouth of the well, but in no event more quantities is not sold or used off the premises or in the manufacture of gasoline for a
prevailing on the day such oil is no into the pipe line or storage tasks. 2. On gaz, gas consistent, pas distillate, casingheed gas and all other gazes, including the manufacture of gazoline or other products, lesse shall pay to lesser a turn equal to creed the same is sold at the mouth of the well, been once than one-eighth titleh of the actual amount received by lesser for the sale thereof. 3. If gas from any well or wells or the premises canable of producing gas in commercial period of one (1) year or more during which time there is no other production from the last a sum equal to the delay rentals provided in paragraph mother 6 hereof, whether during or after of the terms of this leave, including the habenoum clause, be conclusively defended that gas the state of the state and the terms of this leave, including the habenoum clause, be conclusively defended that gas the state of the s	premises, then lettee shall become chiligated to pay as regally for each annual period the primary term. In consideration of the chiligation so to pay, it shall within the meaning is being produced from the premises during the time such gas is not take or used. Current market price at the mouths at the well, but my an event more than one-should (4sth)
of the actual amount received by the lette. 5. If any gas well on the lease premises produces dry gas in excess of that needed for or using such surplus gas for atoms and inside lights in the principal dwelling located upon the oil, distillate, condensate, gas, catinghed gas, catinghead gasing and all other petroleum electrors wells and tanks, for all corrections hereunder. 6. If operations for the drilling of a well for oil or gas are not commenced on the leas	erations because, leaver shall have the privilege, at his sale risk, cost and expense, of leave cremites. Motivisationating any of the pravisions abrevaid, leaver than name free use conducts, water and other minerals and materials from the feare premises, action, water from
CALL DESCRIPTION OF A STATE OF THE STATE OF	
Citizens State Sank et Gank et Cr to any bank designated in writing by lessor whether	St. Francis, Kansas 67756
three hundred twenty Dollars (\$2,320.00), operations for the drilling of said will for a period of one (1) year from said date. In a life	St. Francis, Kansas 67756 or not such written designation is recorded, or its successor or successor, which bank and its the comercial of said land or the right to rective remail, the sum of two
of said well may be further obtered for like persons successively. It is understood and agree options and other rights conferred upon the lessee. Lessee may, at any time, execute and deli- above described premises, as to any or all insecons, and thereby surrender this lease as to such where a part are portion of this lease is released at to all herizons, then rentals thereafter pays	of that the consideration first recited herein, the down payment, Covers all the printeget, et to letter or place of record a release covering any paytion or notificiant of the portion or portions and be relieved of all religations as to the portion surrendered, and by increasing may be reduced in the proportion that the acreage Coveral by this locate is
reducted by Said release or releases. Payment or lender of rental may be made by draft or the the lessor at his last known address las shown by lessee's records on or before the rental date, so transmitted, delivered or mailed. 7. It is expressly agreed that it lessee shall commence operations for the drilling of a	ch of the letter, transmitted, delivered or mailed to the authorized depository bank or to and the payment or tender that to greend to have been made when the check or draft is well at any time while its lease is in force, this lease shall remain in force and its term
to institute of the solid anomalous (a) move by rester records to be been the refilling of a strainment of resisting remained in the series shall commence operations for the drilling of a shall continue for so long as such operations are prosteuted and, if production results therefore described hand be a dry hole or fall to establish production, then and in that even if a secon of the last rental period for which rental has been paid (or within twelve 112 months from the second of the last rental period for which rental has been paid (or within twelve 112 months from the second of the last rental period for which rental has been paid (or within twelve 112 months from amount and in the same manner as hereinabore provided. II, within the primary term of the state in the second of the second	m, then an long as such production may continue. Should the first well drilled on the above d well is not commenced on said larm which twelve 1212 months following the cryonation the first anniversary of this lease if such well is drilled during the first year of the primary no of said twelve 1222 months habit sevence or commence the parents of centals in the tame
amount and in the same manner as hereinabore provided. II, within the primary term of this tontemptated in prapagable 3), this teams that not terminate provided operations for the destination more than nicety (90) days after such cessation; or, provided leaste begins or response to the primary term of this least, prompting on the least premitted that came term any parts (etc.)	lears, prediction on the least premises shall craim may cause fother than a cessation of common comm
resuras or commence operations for the drilling or reworking of a well within ninety 1900 of prosecution of such operations, and if production results therefrom, then as long as such produ- 8. Where resided by lessor, letter shall bury all pipe lines below collinary slow copth and the control of the contr	ys from the date of such cresation, and this feate shall remain in force and effect during the tion continues or the well or wells or capable of producing or the continues of the on tuttivated land, bessee shall pay lester for damage; caused by lester's operations to
other property placed by lestee on the locate premises, including the right to drow and rema- tions hermoder and any well it wells on the leave premises delified or used for the injection of tions area, the right to so use such facilities may be continued beyond the term of this lease	all casing. Any structures and facilities placed on the lease premises by lessee for opera- salt water or other fluids may also be used for lessee's operation on other lands in the by payment in advance of the sum of due Hundred Dallars (\$100.00) per year. No well
9. Lessee is granted the right, from time to them while this leave is the feer, to pool there hand, leave or leaves, or interest threeln (whether such other interests are pooled by she lessees, the restee, the right pool by the lessees thereofin, when in leaves indown it is necessary or advisable in order to	into a separate operating unit or units all or any part of the fand covered by this lease a voluntary agreement on the part of the owners thereof or by the exercise of a right to permit economytation, to properly develop
the substances covered by this lease, and may cover one or more or all zenes or formations under this substances covered by this lease, and may cover one or more or all zenes or formations under this be of abuttum or commands traits and shall not exceed 640 acres for 93, gas distillate lease, previded that if any governmental regulation or order thall presenbe a spacing pattern	Jan Hotters. Any posture performs of the feats premites. Any unit formed by using bully lying all or any portion or performs of the feats premites. Any unit formed by such posture or gas condensate and shall not extend 60 acres for any other substance covered by this for the development of a felic wherein the above described land, or a portion thereof, is
while of abstring or compring bests and shall not exceed 660 agrs for gay, gas dissiblate lease, provided that if any governmental regulation or ender shall prescribe a spacing pattern located, or allocate a producing allowable based on acreage per well, then any such unit may such allocation of a leable. The area posted and the cones or formations and substances poole or countlys in which the booled area is located. Such pooling that be effective on the date file of the royalties elementer borein appriched, except ball-in gas well royalties, lessons thail in	embroad as much adultional aurage as may be to preserved or at may be permitted in d shall be set forth by lessee in a 'Vedicaration of populary' (filed for received in the county such diclaration at lifed uners a latter effective date is smellfed in such declaration. In service on prediction from an area to popule only such persion of the regulation which, in the
abteret of such pooling, would be payable herrander to letter on production from the land cover in the land covered by this lease which is placed in the pouled area bears to the amount of reflect any transfer of any tille to any leasehold, repairly or other interest modeled parameth here to a well not of a day hole, or the operation of a producing well on the noted area, shall be leaded on, or such distilling operations were conducted upon, the lands covered by this leave whe load. Lesse may terminate any pooling effected pursuant hereto at any time the posted unit portion and filling of record in the county or counter in which the posted area is located a	red by this lease which is claused in the posled area as the amount of the surface acreage the surface acreage of the entire posled area. Nithing hereis contained shall authorize or the commencement of a well, the conduct of other drilling operations, the commission tensificate for all purposest except for reposity purposes by the same as it said well were lo-
10. The rights of either party hereunder may be assigned in whole or in part and their in the exampling of the land, results or regalties, however accomplishing, that long rate or be its rights. Specifically, but not by way of limitation of the foregoing, the lessee shall not be received; that which limits separate the divided, or to furnish separate measuring or receiving tanks. Mathithating any	construed so as to enlarge or increase the obligations or burdens of the lesser, or diminish required to offset wells on separate tracts into which the land covered by this lease may
offsatter be divided, or to furnish septiate measuring or rectiving Links. Halvillataning any for all ter for the report of the reputition becomes on the process of the for all ter for the process of the reputition of the process of the commentary of the in concessing or interest. Such notice shall be supported by original or certified copies of all in concessing or interest. Such notice shall be supported by original or certified copies of all stability the countribule of the closining party. All advance payments of rentals made herround or indirect assigner, granter, device, administrator, executor, help or successor to the lessor, and above exercised the rental againsts the resident shall be appositioned as to the several lead and above exercised the rental againsts the resident shall be appositioned as to the several lead and above exercised the rental againsts the resident shall be appositioned as to the several lead to the process of the several lead to the process of the process	r accomplished, shall be binding on the lasser (except at leaser's option) until thirty (30) information hereinalter referred to, by the party claiming as the result of wuch change recorded decoments and other instruments or proceedings necessary in leaster's coin on to rewithin thirty (30) days after receive of said decoments shall be binding on any direct
11. In the event letter considers that the lessee hat falled to comply with any obligation profet letter claims. Letter has breached this leate. The service of such motics and elapse of 1 department of the control	the receipt of such notice lester shall meet or commence to meet the breachts alleged by
32. If lesser mans a less interest than the entire fee or mineral estate (whether or not lesser only in the proportion that his interest bears to the entire fee or mineral estate. If, and is that event on the next succeeding rental anniversary after lesser shall have notified lesse threat, the rental shall be increased to cover the additional interest so complied by the respect to the provision hereof, the provision hereof express or implied shall be subject to all federal and state law.	
In all provision never experts or implied that it subject to all leural and state has and interpretations thereof by such agencies or court having jurisdiction, and this lease : lad agencies or court having jurisdiction. It lesses should be prevented during the last six all agencies or court having jurisdiction. It lesses should be prevented during the last six multifulted authority having or assessing jurisdiction thereover, or it lesses should be unablished by the hereof are being available form any cause, the primary term of this lease shall authorities the best of the property of the property term of the lease shall and other than the property of the property of the property of the primary term of this lease shall and other than the property of the property of the property of the primary term of this lease shall be all the property of th	half not in any way be terminated wholly or partially nor shall the lessee be liable in e is caused by any such laws, orders, rules or regulations for interpretations, thereof by all months of the primary term layer from delling a well berender by the order of any only
constituted authority having or anterting jurisdiction thereover, or it reside thought do not re completion thereof not long available form any cause, the primary term of this leans shall halfable. This leans and all of its terms and conditions shall be binding upon all successors of all to execute this leans, it shall nevertheless be binding upon all lessors who do execute it. If half any payment or payments made by the lesses to the control and interest subject to this	continue until its (6) mentils after said order is supported and/or said explaned is the lesses. Should any one or more of the parties above named as lesses said the lesses. Should any one or more of the parties above named as lesses the parties above named as lesses and the lesses are lesses to the parties above named as lesses the parties above named as lesses and the less of the parties are lesses to the parties are less to the parties are lesses to the parties are less to the parties are lesses to the p
all to execute that least, it shall nevertheless be unusual used an lessers who of execute it. which any payment or payments made by the lessers to be more of any interest subject to this stress of the secute of any such party as a party-lesser for the purpose of walving homestead, 15. Lester fretch warrants and agreet to defend the title to the land above described as tay mortgage, faxes or other liens on the above described and in the event of default of paym.	lease shall be sufficient payment hereunder as 13 tuch interest notwithstanding the jointer dower or inchaste rights of inheritance, if any, of agreet that the lease shall have the right at any time to redeem for lessor, by payment,
the mortgage, taste or other lient on the above described land in the event of details of paymond lessor hereby agrees that any such asyments made by the lesser for the lessor may, at le he lessor under the terms of this lease. If WINEAES WIREOF, we sign this as of the day and year first above written.	new year with the reases among the sourcegated to the rights of the holder therea, see's option, be deducted from any amounts of namey which may become due or payable to
	X Willard H. Zwevgardt
VOL (38 PAGE 31	3 x 10 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2
100 10	Donna E. Zweygardt



LOCATION NOTES:

LOCATION FALLS IN: DRY LAND

IMPROVEMENTS: E-W FENCE 140' NORTH OF LOCATION

ELEVATION DETERMINED FROM NAVD 1988 DATUM. GROUND ELEVATION = 3544'

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 # 501-08-769
FIELD DATE: 10-21-08
DATE OF COMPLETION: 10-22-08

