For KCC Use:

District	#	
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### **KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION**

Form C-1 October 2007 Form must be Typed Form must be Signed All blanks must be Filled

1023749

### NOTICE OF INTENT TO DRILL

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

Expected Spud Date:	Spot Description:
month day year	(alaalaa) Sec Twp S. R E W
OPERATOR: License#	feet from N / S Line of Section
Name:	feet from L E / W Line of Section
Address 1:	Is SECTION: Regular Irregular?
Address 2:	(Note: Locate well on the Section Plat on reverse side)
City: State: Zip: +	County:
Contact Person:	Lease Name: Well #:
Phone:	Field Name:
CONTRACTOR: License#	Is this a Prorated / Spaced Field?
Name:	Target Formation(s):
	Nearest Lease or unit boundary line (in footage):
Well Drilled For: Well Class: Type Equipment:	Ground Surface Elevation:feet MSL
Oil Enh Rec Infield Mud Rotary	Water well within one-quarter mile:
Gas Storage Pool Ext. Air Rotary	Public water supply well within one mile:
Disposal Wildcat Cable	
Seismic ; # of Holes Other	Depth to bottom of fresh water:
Other:	Depth to bottom of usable water:
If OWWO: old well information as follows:	Surface Pipe by Alternate:
Towwo. od weiriniornation 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?	Well Farm Pond Other:
If Yes, true vertical depth:	DWR Permit #:
Bottom Hole Location:	( <b>Note:</b> Apply for Permit with DWR )
KCC DKT #:	Will Cores be taken?   Yes   No
	If Yes, proposed zone:

### **AFFIDAVIT**

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 et. seq. It is agreed that the following minimum requirements will be met:

1. Notify the appropriate district office *prior* to spudding of well;

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

### Submitted Electronically

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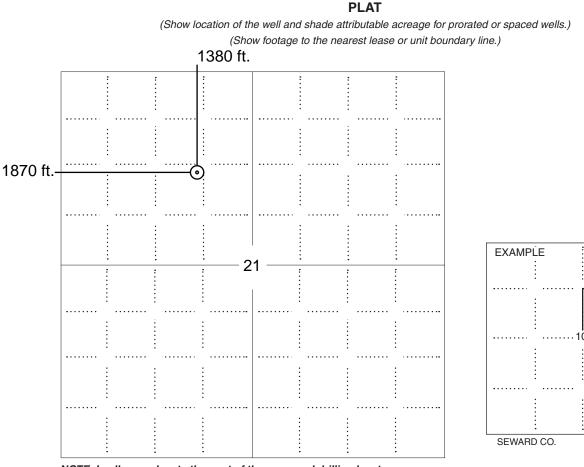
### IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

Side Two

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

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

API No. 15	
Operator:	Location of Well: County:
Lease:	feet from N / S Line of Section
Well Number:	feet from E / W Line of Section
Field:	Sec Twp S. R E W
Number of Acres attributable to well: QTR/QTR/QTR/QTR of acreage:	Is Section: Regular or Irregular
	If Section is Irregular, locate well from nearest corner boundary.
	Section corner used: NE NW SE SW



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 1023749 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:	Pit is:			
Emergency Pit Burn Pit	Proposed	Existing	SecTwpR	R East West
Settling Pit Drilling Pit	If Existing, date constructed:		Feet from [	North / South Line of Section
Workover Pit Haul-Off Pit (If WP Supply API No. or Year Drilled)	Pit capacity:		Feet from [	East / West Line of Section
		(bbls)		County
Is the pit located in a Sensitive Ground Water	Area? Yes	No		mg/l y Pits and Settling Pits only)
Is the bottom below ground level?	Artificial Liner?	No	How is the pit lined if a pla	
Pit dimensions (all but working pits):	Length (fe	eet)	Width (feet)	N/A: Steel Pits
Depth fr	om ground level to d	eepest point:	(feet)	No Pit
Source of information:			west fresh water mation: red well owner	
Emergency, Settling and Burn Pits ONLY:			over and Haul-Off Pits ONLY:	
Producing Formation:		Type of materia	al utilized in drilling/workover:	
Number of producing wells on lease:		Number of wor	Number of working pits to be utilized:	
Barrels of fluid produced daily: Abandonmen		Abandonment	procedure:	
Does the slope from the tank battery allow all spilled fluids to		t be closed within 365 days of spud date.		
Submitted Electronically				
KCC OFFICE USE ONLY Steel Pit RFAC RFAS				
Date Received: Permit Num	ber:	Permi	t Date: Le	ase Inspection: Yes No

# AMENDMENT OF OIL AND GAS LEASE

WHEREAS, on the 30<sup>th</sup> day of January, 2006, Keith J. Kennedy and Patricia L. Kennedy, husband and wife, as Lessor, executed an Oil and Gas Lease to Castle Resources, Inc., as Lessee, and recorded in Book 261, Page 251 of the Records of Sheridan County, Kansas, covering the following described lands in Sheridan County, Kansas, to wit:

1	SCANNED		CROSS-INDEXED /
	ownship 9 South, Range 27 West	Section 21: S/2NW/4	

and containing 80 acres, more or less; and,

Sheridan County, Kansas FILED FOR RECORD This 30 day of OCT 2008 at 10:59 o'clock A M., in Vol 210 Page 217

WHEREAS, the Oil and Gas Lease did not include any provision for pooling or unitizing SEM stands for the production of oil and gas minerals; and Lessor now finds it desirous to amend above shown described Oil and Gas Lease to include said provision in order to promote the exploration and SEAL production of oil and gas minerals; and,

NOW, THEREFORE, the undersigned parties, in consideration of Ten and no/100 Dollars (\$10.00) and other good and valuable consideration, receipt of which is hereby acknowledged, do hereby amend the above described Oil and Gas Lease by inserting the following language the Oil and Gas Lease

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

and do hereby further ratify, grant, lease and let all of the above described lands in accordance with the terms and provisions of said Lease, as herein amended. Except as herein amended, the above described Oil and Gas Lease shall remain in full force and effect in accordance with the original terms and conditions therein set out.

EXECUTED this 20th day of October, 2008

 $\sim$ ACKNOWLEDGMENT (Keith J. Wennédy) State of Kansas X

) County of Sheridan)

(Patricia L. Kennedy) X: Betrickal

ommission expires: above written.

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

 $\mathcal{AOM}$  Before me, the undersigned, a Notary Public, within and for said County and State on this day of October, 2008, personally appeared Keith J. Kennedy and Patricia L. Kennedy, husband and wife, to me personally known to be the identical persons who executed the within and foregoing instrument and acknowledged to me that they executed the same as a free and voluntary act and deed for the uses and purposes therein set forth in the foregoing Amendment of Oil and Gas Lease.

NOTARY PUBLIC - State of Kansas KEITH CALLDWELL M. Annt. Exn 3-28-09 The set con

terell Notary Public

Lease No. 3407-025

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63U (Rev. 2005) OIL AND GAS LEASE
Agreement, Made and entered into the 30th day of January, 2006 by and between Keith J. Kennedy and Patricia L. Kennedy, husband and wife
whose mailing address is RIAL Rox 54 HOREEN KS 67740 Hereincafter called Lessor (whether one or more), andCastle Resources Inchereinafter called Lesser (whether one or more).
Lessor, in consideration of <u>Valuable Consideration</u> <u>Dollars (\$ )</u> in hand paid, receipt of which is here acknowledged and of the royalties herein provided and of the agreements of the lesses herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring by geophysical and other means, prospecting drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases, and their respective constituent products, injecting gas, water, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, prover stations, telephone lines, and other means for and housing and operating for and producing oil liquid hydrocarbons, all gases, and their respective constituent products and other means, take care of, treat, manufacture, process, tore and transport said oil, liquid hydrocarbons, gases and their respective constituent products and other products manufacture in the notice and other water therein situated in County of <u>Sheridan</u> State of State of State of State of <u>Kansa</u> and other wetersionary rights and after-acquired interest, therein situated in County of <u>Sheridan</u> State of <u>Kansa</u>
S1/2 of nw1/4. In Section 21 Township 9South Range 27 West containing 80 acres, more or less, and all accretions thereto.
Subject to the provisions herein contained, this lease shall remain in force for a term of <u>3</u> years from this date (calfed "primary term") and as long thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, or any of them, is produced from said land or land with which said land is pooled. In consideration of the premises the said lessee covenants and asrees:
$1^{st}$ . 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-eight (1/8) part of all oil produced and saved from the leased premises.
2 <sup>nd</sup> . To pay lessor for gas of whatsoever nature or kind produced and sold, or used off the premises, or used in the manufacture of any products therefrom, one-eight (1/8) of the proceeds received by lessee from such sales), for the gas sold, used off the premises, or in the manufacture of products therefrom, said payments to be made monthly. Where gas from a well producing gas only is not sold or used, lessee may or tender as royalty One Dollar (\$1.00) per year per net mineral acre retained hereunder, and if such payment or tender is made it will be considered that gas is being produced within the meaning of the preceding paragraph.
V - M
If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein provided for shall be paid the said lessor only in the proportion which lessor's interest bears to the whole and undivided fee.
Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for lessee's operation thereon, except water form the wells of lessor. When requested by lessor, lessee shall bury lessee's pipelines below plow depth. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of lessor. Lessee shall pay for damages caused by lessee's operations to growing crops on said land. Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.
If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment of rentals or royalities shall be binding on the lessee until after the lessee has been furnished with a written transfer or assignment or a true copy thereof. In case lessee assigns this lease, in whole or in part, lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment.
Lessee may at any time execute and deliver to lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.
All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, in whole or in part, nor lessec held liable in damages, for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.
Lessor 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 under signed lessors, for themselves and their heirs, successors, and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, in so far as said right of dower and homestead may in any vary affect the purposes for which this lease is made, as recited herein.
IN WITNESS WHEREOF, The undersigned execute this instrument as of the day and year first above written. Witnesses:
Keith I Keinedy tax ld Number Patricia I. Keinedy tax ld Number Lill for end SIS - 48-7782 Patricia I. Keinedy Tog 509.74-4509

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PAGE 251 BOOK 261

STATE OF JANSaS COUNTY OF Sheridan The foregoing instrument was acknowledged before me this [1] day of <u>Jelt211 and Taltan</u> and Taltan et al. Forme defe
My commission expires Lanuary 12, 21219 Mount Public Sciences 13
STATE OF ACKNOWLEDGEMENT FOR INDIVIDUAL (KsOkCoNe) COUNTY OF add
My commission expires Notary Public
STATE OF ACKNOWLEDGEMENT FOR INDIVIDUAL (KsOkCoNe) COUNTY OF adv of adv of and
My commission expires Notary Public
Nie zorregoung nasuumeur was achnowreugeu uezote nie uus uay uzand
Notary Public
Aligned       Aligned         Aligned       Aligned         PROM       FROM         TO       To         TO       To         TO       To         To       To         Section       To         This instrument was filed for record on the 7 bit       To         To       County       Elefectidan         To       To       Section         This instrument was filed for record on the 7 bit       To         To       To       Section         To       To       Section         This instrument was filed for record on the 7 bit       To         Book       To       Page         To       Section       Section         This instrument was filed for record on the 7 bit       To         To       Section       Section         Section       Section       Section
SO ZE ACKNOWLEDGEMENT FOR CORPORATION (KsOkCoNe)
was acknowiedged before me
Corporation, on behalf of the corporation. My commission expires
Notary Public

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BOOK 261

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(Rev. 2005) 030

## **OIL AND GAS LEASE**

January, 2006 e. day 27th and entered into the Agreement, Made

by and betweenC. Date Albert and Wanter, huspand and wife
Earory K.C.
1-1-1-2-Z
whose mailing address is
and Castle Resources Inc.
Lessec:
Lessor, in consideration of
e lessee herein contained, hereby grants, drilling, minuing and operating for and pr subsurface strata, laying pipe lines, stori, t, manufacture, process, tore and transpo using and otherwise caring for its employ of

accretions all and lcss, 5 more 8 containing West 5 Rango 9South Township ភ Section In Secti thereto.

Subject to the provisions herein contained, this lease shall remain in force for a term of \_\_\_\_\_\_3 years from this date (called "primary term") and as long thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, or any of them, is produced from said land or land with which said land is pooled.

In consideration of the premises the said lessee covenants and agrees

<sup>14</sup>. 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-eight (1/8) part of all oil produced and saved from the leased premises.

 $2^{ad}$ . To pay lessor for gas of whatsoever nature or kind produced and sold, or used off the premises, or used in the manufacture of any products therefrom, one-eight (1/8) of the proceeds received by lessee from such sales), for the gas sold, used off the premises, or in the manufacture of products therefrom, said payments to be made monthly. Where gas from a well producing gas only is not sold or used, lessee may pay or tender as royalty One Dollar (\$1.00) per year per net mineral acre retained heremder, and if such payment or tender is made it will be considered that gas is being produced within the meaning of the preceding paragraph. 28

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

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein provided for shall be paid the said lessor only in the proportion which lessor's interest bears to the whole and undivided fee.

Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for lessee's operation thereon, except water form the wells of lessor. When requested by lessor, lessee shall bury lessee's pipelines below plow depth. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of lessor. Lessee shall pay for damages caused by lessee's operations to growing crops on said land. Lessee shall pay for damages caused by lessee's operations to growing crops on said land. Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

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

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

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

Lessor 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 under signed lessors, for themselves and their heirs, successors, and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, in so far as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

Lessec, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, when in lessec's judgment it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of oil, gas or other minerals in and that may be produced from said premises, such pooling to be of tracts configuous to one another and be into a unit or units not exceeding 40 acres each in the event of an oil well, or into a unit on the not exceeding 40 acres each in the event of a noil well, or into a unit or units not exceeding 640 acres each in the event of a noil well. Tessee shall excente in writing and record in the pooled found on the pooled forms of the nonly in which the land herein leased is situated in instrument identifying and describing the pooled acreage. The entire acreage so found on the pooled found on the pooled acreage, it shall be treated as if production is had from this lease, whether the well or wells be located on the prover of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage bases bears to the total acreage so pooled in the pooled in the unit or his royalty interest therein on an acreage bases bears to the total acreage in the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage bases bears to the total acreage so pooled in the portion of the royalty site unit or his royalty interest therein on an acreage bases bears to the total acreage in the particular unit involved

undersigned excoute this instrument as of the day and year first above written. IN WITNESS WHEREOF, The

 $\neg \eta$ 38tax Id. Number 253llert ellyn) Albert Stars: ł 26-7040 tax Id Number 572-Ø C. Dale Albert Witnesser

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BOOK

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FORM 88 - (Producer's Special) (PAID-UP)	

63U (Rev. 2005)

## **OIL AND GAS LEASE**

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se mailing address is
and Castle Resources inc. hereinafter called Lessec:
Lessor, in consideration of <u>Valuable Consideration</u> <u>Dollars (\$ )</u> in hand paid, receipt of which is here acknowledged and of the royaltics herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring by gcophysical and other means, prospecting drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases, and their respective constituent products, injecting gas, water, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, power stations, telephone lines, and other structures and things thereon to produce, save, take care of, treat, manufacture, process, tore and transport said oil, liquid hydrocarbons, gases and their any reversionary rights and after-acquired interest, therein situated in County of <u>Sheridan</u> state of <u>Shate of</u> <u>Ranks</u> , and other structures and other produces manufactured therefron, and housing and otherwise caring for its employees; the following described land, together with sub reversionary rights and after-acquired interest, therein situated in County of <u>Sheridan</u> state of <u>Kansa</u> .
North ½ of the Northwest 1/4
In Section 21 Township 9South Range 27 West containing 80 acres, more or less, and all accretions thereto.
Subject to the provisions herein contained, this lease shall remain in force for a term of <u>3</u> years from this date (called "primary term") and as long thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, or any of them, is produced from said land or land with which said land is pooled.
In construction of the predict of lessor, free of cost, in the pipe line to which lessee may connect wells on said land, the equal one-eight (1/8) part of all oil produced and saved from the leased premises.
2 <sup>m4</sup> . To pay lessor for gas of whatsoever nature or kind produced and sold, or used off the premises, or used in the manufacture of any products therefrom, one-eight (1/8) of the proceeds received by lessee from such sales), for the gas sold, used off the premises, or in the manufacture of products therefrom, said payments to be made monthly. Where gas from a well producing gas only is not sold or used, lessee may pay or tender as royalty One Dollar (\$1.00) per year per net mineral acre retained heremder, and if such payment or tender is made it will be considered that gas is being produced within the manific of the preceding paragraph.
This lease may be maintained during the primary term hereof without further payment or drilling operations. If the lessee shall commence to drill a well within the term of this lease or any extension thereof, the lessee shall have the right to drill such well to completion with reasonable diligence and dispatch, and if oil or gas, or either of them, be found in paying quantities, this lease shall continue and be in force with like effect as if such well had been completed within the term of years first mentioned.
If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein provided for shall be paid the said lessor only in the proportion which lessor's interest bears to the whole and undivided fee.
Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for lessee's operation thereon, except water form the wells of lessor. When requested by lessor, lessee shall bury lessee's pipelines below plow depth. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of lessor. Lessee shall pay for damages caused by lessee's operations to growing crops on said land. Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.
If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment of rentals or royalties shall be binding on the lessee until after the lessee has been furnished with a written transfer or assignment or a true copy thereof. In case lessee assigns this lease, in whole or in part, lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment.
Lessee may at any time execute and deliver to lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.
All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, in whole or in part, nor lessee held liable in damages, for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.
Lessor 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 under signed lessors, for themselves and their heirs, successors, and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, in so far as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.
Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, when in lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of oil, gas or other minerals in and that may be produced from said premises, such pooling to be of tracts contiguous to one another and be into a unit or units not exceeding 40 acres each in the event of an oil well, the vent of an oil well, the land herein leased is stituated in instrument identifying and describing the pooled acreage. The entire acreage so found on the pooled found on the pooled acreage, it shall be treated as if production is had from this lease, whether the well or wells be located en the premises, covered by the lease or not. In lieu of the royalties elsewhere herein specified, lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage bases bears to the total acreage or not. In lieu of the unit or his royalty interest therein on an acreage bases bears to the total acreage or not were acreage in the unit or his royalty interest therein on an acreage bases bears to the total acreage in the unit or his royalty interest therein on an acreage bases bears to the total acreage in the unit or his royalty interest therein on an acreage bases bears to the total acreage in the unit or his royalty interest therein or an acreage bases bears to the total acreage in the particular unit involved
ersigned execute
514-12-3776

Porothea Enid Whitmer tax I.D. Number MORDANCH Earrell Whith Tomas

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