



For KCC Use:

Effective Date: _____

District # _____

SGA? Yes No

KANSAS CORPORATION COMMISSION 1023792
OIL & GAS CONSERVATION DIVISION

Form C-1
October 2007

Form must be Typed
Form must be Signed
All blanks must be Filled

NOTICE OF INTENT TO DRILL

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

Expected Spud Date: _____
month day year

Spot Description: _____

OPERATOR: License# _____
Name: _____
Address 1: _____
Address 2: _____
City: _____ State: _____ Zip: _____ + _ - _ - _
Contact Person: _____
Phone: _____

_____ - _____ - _____ - _____ Sec. _____ Twp. _____ S. R. _____ E W
(000/000) _____ feet from N / S Line of Section
_____ feet from E / W Line of Section

Is SECTION: Regular Irregular?

(Note: Locate well on the Section Plat on reverse side)

CONTRACTOR: License# _____
Name: _____

County: _____

Lease Name: _____ Well #: _____

Field Name: _____

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): _____

Nearest Lease or unit boundary line (in footage): _____

Ground Surface Elevation: _____ feet MSL

Water well within one-quarter mile: Yes No

Public water supply well within one mile: Yes No

Depth to bottom of fresh water: _____

Depth to bottom of usable water: _____

Surface Pipe by Alternate: I II

Length of Surface Pipe Planned to be set: _____

Length of Conductor Pipe (if any): _____

Projected Total Depth: _____

Formation at Total Depth: _____

Water Source for Drilling Operations:

Well Farm Pond Other: _____

DWR Permit #: _____

(Note: Apply for Permit with DWR)

Will Cores be taken? Yes No

If Yes, proposed zone: _____

Well Drilled For: Well Class: Type Equipment:

- Oil Enh Rec Infield Mud Rotary
- Gas Storage Pool Ext. Air Rotary
- Disposal Wildcat Cable
- Seismic ; _____ # of Holes Other _____
- Other: _____

If OWWO: old well information as follows:

Operator: _____

Well Name: _____

Original Completion Date: _____ Original Total Depth: _____

Directional, Deviated or Horizontal wellbore? Yes No

If Yes, true vertical depth: _____

Bottom Hole Location: _____

KCC DKT #: _____

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 et. seq.

It is agreed that the following minimum requirements will be met:

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

Submitted Electronically

For KCC Use ONLY
API # 15 - _____
Conductor pipe required _____ feet
Minimum surface pipe required _____ feet per ALT. I II
Approved by: _____
This authorization expires: _____
(This authorization void if drilling not started within 12 months of approval date.)
Spud date: _____ Agent: _____

Remember to:

- File Drill Pit Application (form CDP-1) with Intent to Drill;
- File Completion Form ACO-1 within 120 days of spud date;
- File acreage attribution plat according to field proration orders;
- Notify appropriate district office 48 hours prior to workover or re-entry;
- Submit plugging report (CP-4) after plugging is completed (within 60 days);
- Obtain written approval before disposing or injecting salt water.
- If this permit has expired (*See: authorized expiration date*) please check the box below and return to the address below.

Well Not Drilled - Permit Expired Date: _____
Signature of Operator or Agent: _____



1023792

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

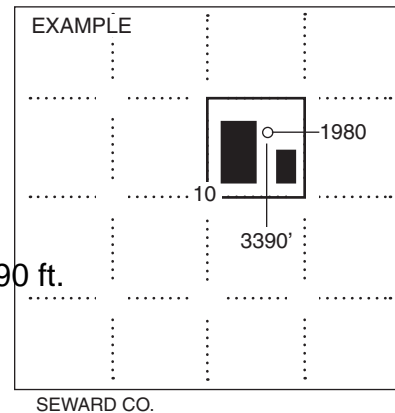
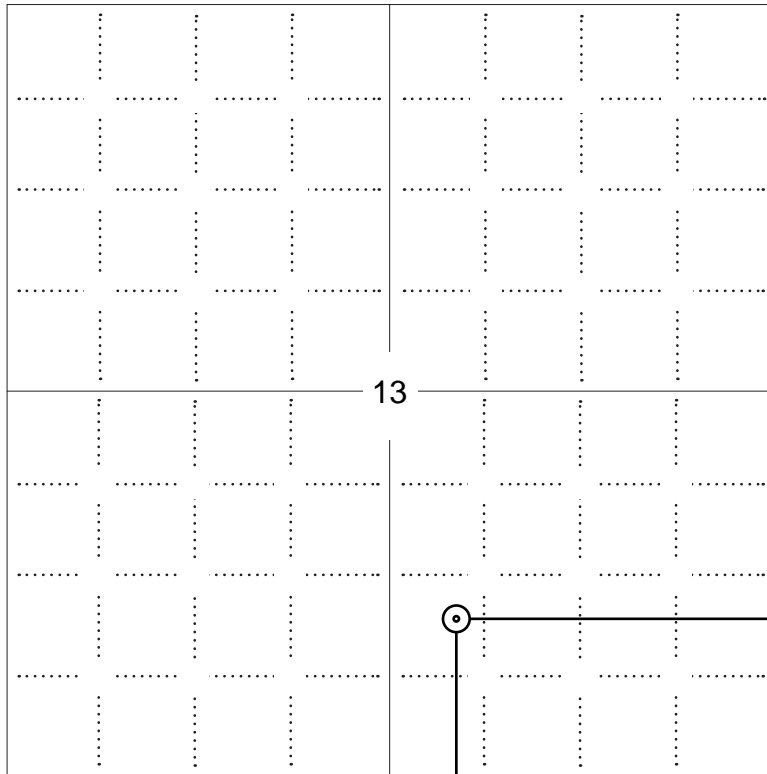
If Section is Irregular, locate well from nearest corner boundary.

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.

1080 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 1023792
OIL & GAS CONSERVATION DIVISION

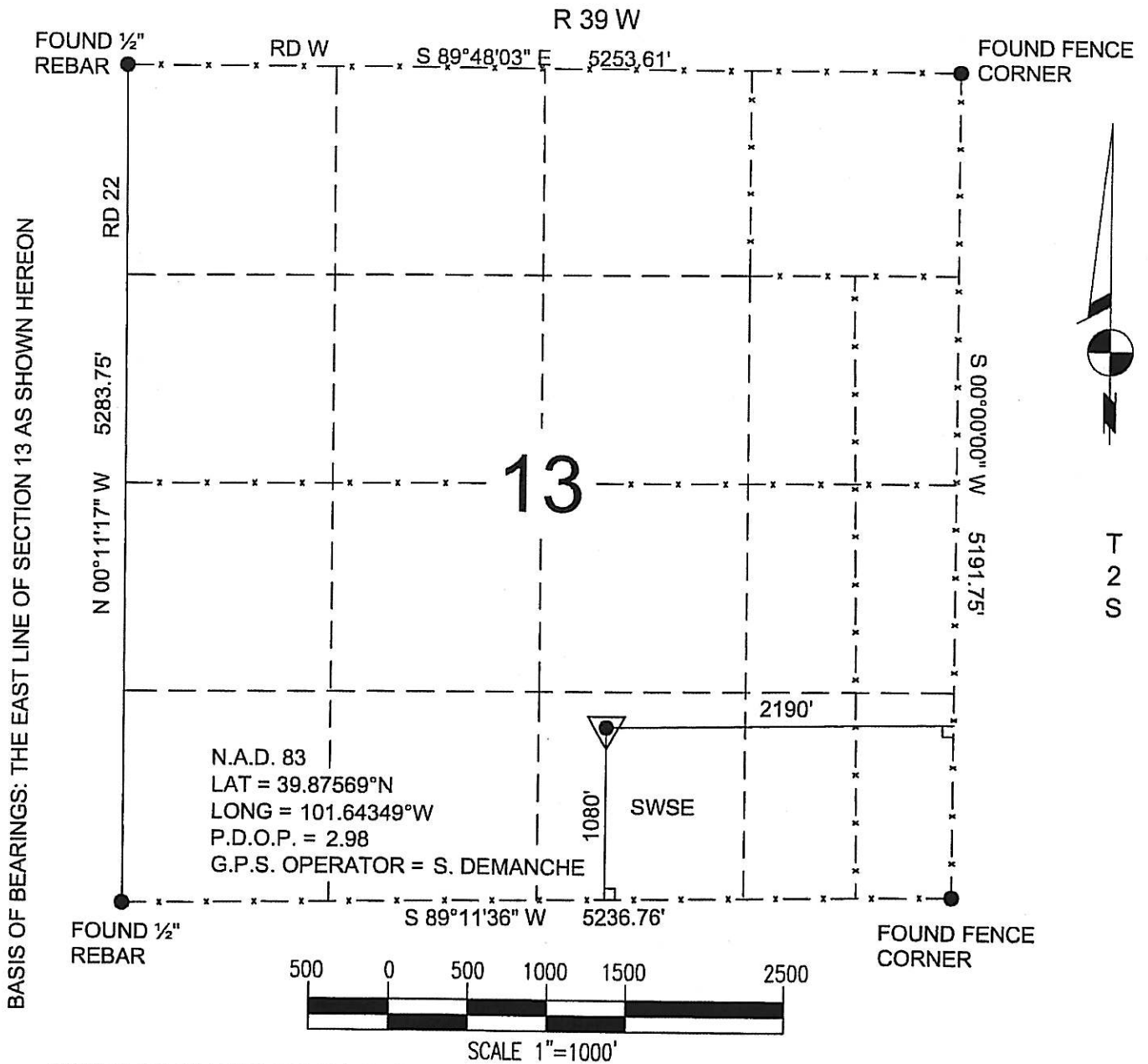
Form CDP-1
April 2004
Form must be Typed

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	



POWER SURVEYING COMPANY, INC. OF FREDERICK, COLORADO HAS IN ACCORDANCE WITH A REQUEST FROM DAN CASPER OF NOBLE ENERGY INC. DETERMINED THE LOCATION OF ZIMBELMAN 34-13 TO BE 1080' FSL & 2190' FEL OF SECTION 13, TOWNSHIP 2 SOUTH, RANGE 39 WEST OF THE 6th PRINCIPAL MERIDIAN, COUNTY OF CHEYENNE, STATE OF KANSAS

LOCATION NOTES:

LOCATION FALLS IN: NON IRRIGATED WHEAT FIELD
 IMPROVEMENTS: NONE WITHIN 200' OF LOCATION

ELEVATION DETERMINED FROM NAVD 1988 DATUM. GROUND ELEVATION = 3329'

DISTANCES AND BEARINGS ARE FIELD MEASURED UNLESS NOTED OTHERWISE.

LEGEND:

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



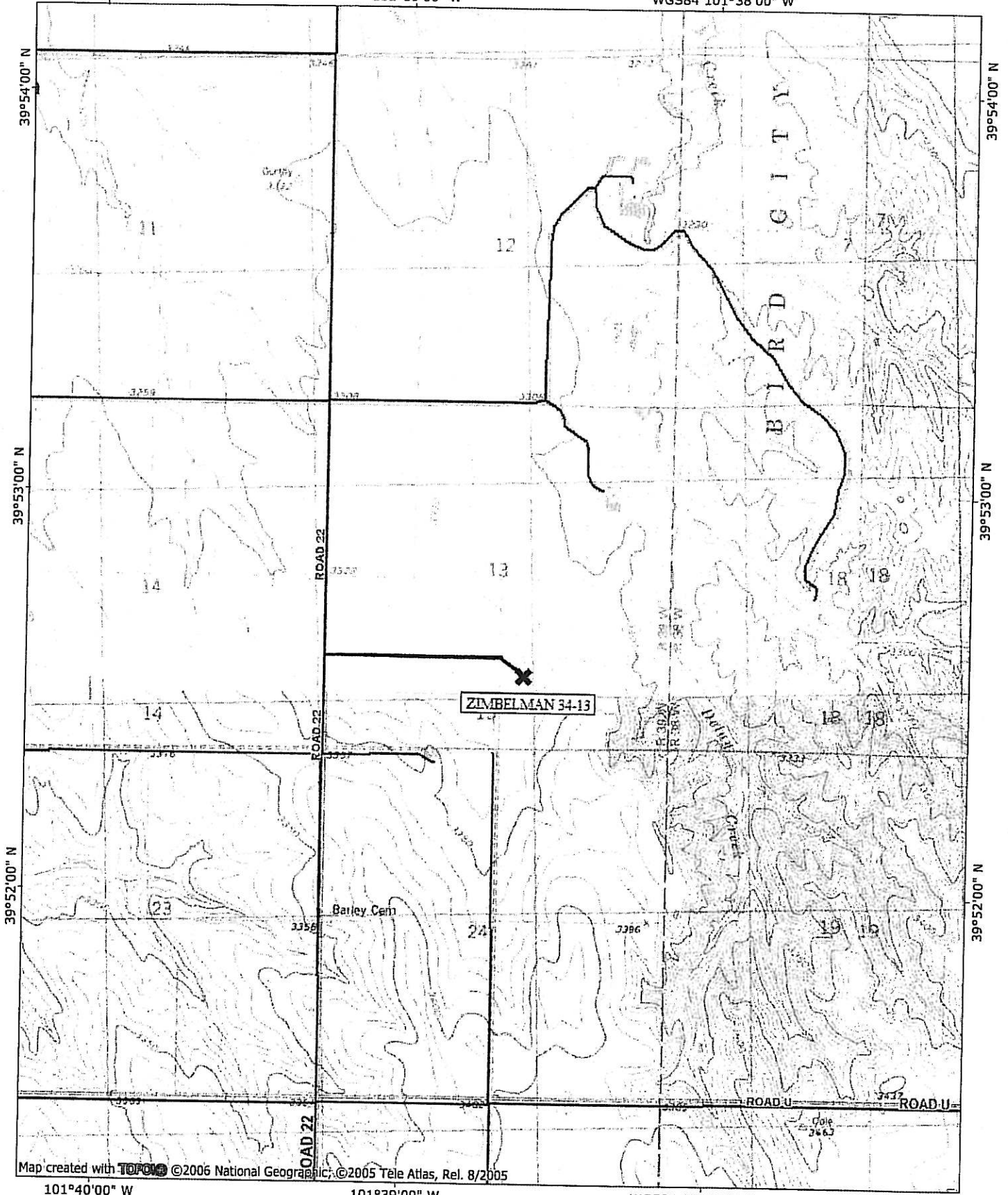
7800 MILLER DRIVE, UNIT C
 FREDERICK, CO 80504
 (303) 702-1617, FAX (303) 702-1488

WORK ORDER # 501-08-790
 FIELD DATE: 11-3-08
 DATE OF COMPLETION: 11-4-08

101°40'00" W

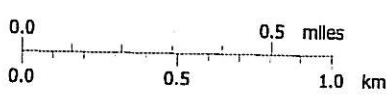
101°39'00" W

WGS84 101°38'00" W



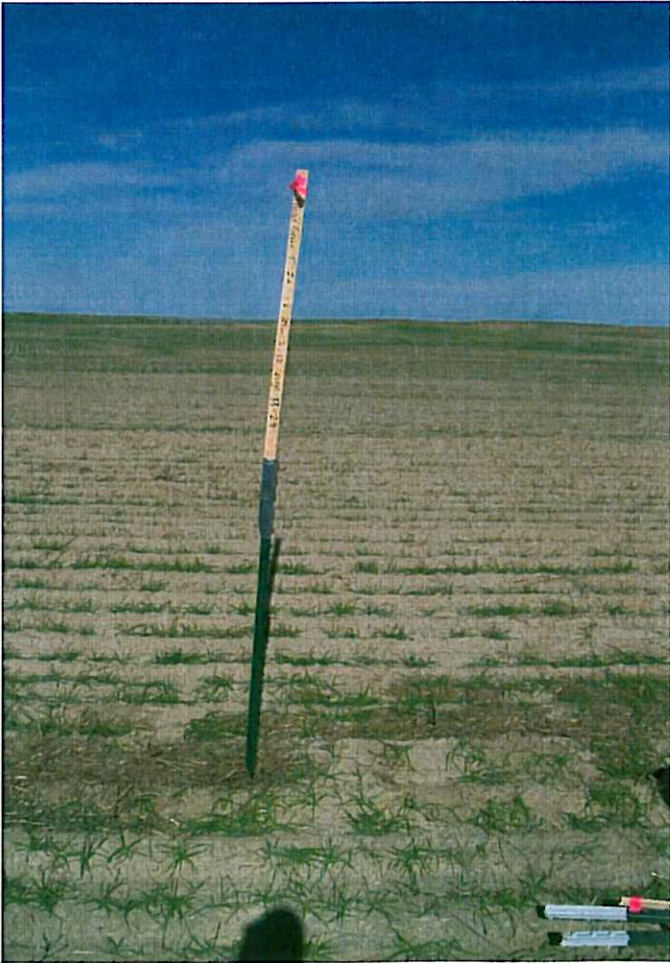
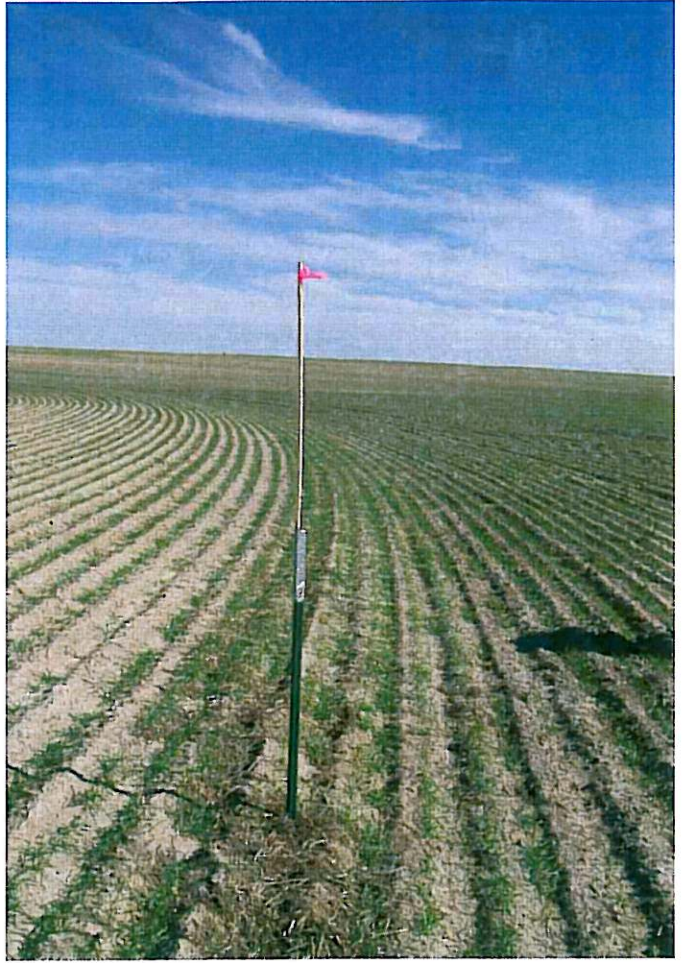
Map created with TOPO! ©2006 National Geographic; ©2005 Tele Atlas, Rel. 8/2005

101°40'00" W 101°39'00" W WGS84 101°38'00" W



TN MN
7 1/2°

11/04/08



STATE OF KANSAS, CHEYENNE COUNTY
This instrument was filed for record on the
5th day of April, 2005
at 11:30 o'clock, A.M. and recorded
in Book 147, Page 437-440
Fee: \$20.00 Register of Deeds
Re: BAC Denver, CO

OIL AND GAS LEASE (AND RIGHT OF WAY AGREEMENT)



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

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

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

hereinafter called Lessor (whether one or more)

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 to the said Lessee, the land hereinafter described, with the exclusive right for the purpose of mining, exploring by geophysical and other methods, and operating for and producing therefrom oil and all gas of whatsoever nature or kind, with rights of way and easements for laying pipe lines, and erection of structures thereon to produce, save and take care of said products, all that certain tract of land situated in the County of Cheyenne, State of Kansas, described as follows, to-wit:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

15. Lessor hereby warrants and agrees to defend the title to the lands herein described and agrees that the Lessee shall have the right at any time to redeem for Lessor, by payment, any mortgages, taxes or other liens on the above described lands, in the event of default of payment by Lessor and be subrogated to the rights of the holder thereof, and the undersigned Lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, insofar as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

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

17. Should any one or more of the parties hereinabove named as Lessor fail to execute this lease, it shall nevertheless be binding upon all such parties who do execute it as Lessor. The word "Lessor," as used in this lease, shall mean any one or more 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.

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

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

STATE OF KANSAS

Oklahoma, Kansas, New Mexico, Wyoming, Montana, Colorado, Utah,

COUNTY OF CHEYENNE

Nebraska, North Dakota, South Dakota

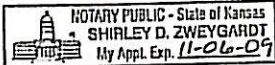
ACKNOWLEDGMENT-INDIVIDUAL

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

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

My Commission Expires 11-06-09

Shirley D Zwegardt
Notary Public.



Address: Box 317
St Francis KS 67756

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

After Recording Return To:
Bill Barrett Corporation
1099 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 December 8, 2005, by and between, Mark J. Zimbelman, a/k/a Mark Zimbelman, and Sue L. Zimbelman, a/k/a Sue Zimbelman, husband and wife, as Lessor, and Bill Barrett Corporation, as Lessee:

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

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

2. Lessor hereby grants permission to Lessee or its assigns, authorized agents, contractors, or successors, (hereinafter referred to as "Lessee") to conduct geophysical operations over and across those certain lands owned by Lessor for the term of this lease. In consideration for granting this permission, Lessee agrees that all geophysical work performed on the leased lands shall be conducted at Lessee's own risk and expense, and Lessee agrees to pay for any actual damages which may be caused by its operations on the leased lands. Furthermore, Lessee indemnifies and holds Lessor harmless for all liability to or claim of negligent parties should any such claims arise from Lessee's geophysical operations on the leased lands. Lessee agrees that 2D seismic geophysical survey operations damage settlement shall be at the agreed rate of \$500.00 per actual linear mile of leased property crossed. 3D seismic geophysical survey operations damages shall be at the following agreed rates per acre of your property that is actually crossed over by 3D seismic operations: \$2.00 per surface acre for non-cultivated lands; \$4.00 per surface acre for cultivated dry-land; \$5.00 per surface acre for cultivated irrigated-lands. Said damages shall be settled and paid by BBC or its authorized agents, as soon possible, after geophysical survey operations are completed on your land.

3. Lessee or its assigns and successors (hereinafter referred to as "Lessee") agree to pay Lessor a surface damage payment of \$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.

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

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