

For KCC Use:	
Effective Date: _	
District #	

This authorization expires: \_

Spud date: \_

(This authorization void if drilling not started within 12 months of approval date.)

Agent:

# KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

1023915

Form C-1
October 2007
Form must be Typed
Form must be Signed

	TENT TO DRILL  (5) days prior to commencing well
Expected Spud Date:	Spot Description:
month day year	· · · · ·
	Sec Twp S. R LE W
OPERATOR: License#	
Name:	feet from E / W Line of Section
Address 1:	Is SECTION: Regular Irregular?
Address 2:	(Note: Locate well on the Section Plat on reverse side)
Contact Paragri	County:
Contact Person:	Lease Name: Well #:
Phone:	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):
	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	Depth to bottom of fresh water:
Seismic ; # of Holes Other	Depth to bottom of usable water:
Other:	Surface Pipe by Alternate: I II
If OWWO: old well information as follows:	
<u> </u>	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:
Directional, Deviated or Horizontal wellbore?  Yes No If Yes, true vertical depth:	Water Source for Drilling Operations:  Well Farm Pond Other:  DWR Permit #:
Bottom Hole Location:	(Note: Apply for Permit with DWR )
KCC DKT #:	Will Cores be taken?
	If Yes, proposed zone:
The undersigned hereby affirms that the drilling, completion and eventual plugit 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> to through all unconsolidated materials plus a minimum of 20 feet into the  4. If the well is dry hole, an agreement between the operator and the distr  5. The appropriate district office will be notified before well is either plugge  6. If an ALTERNATE II COMPLETION, production pipe shall be cemented	drilling rig; by circulating cement to the top; in all cases surface pipe <i>shall be set</i> anderlying formation. rict office on plug length and placement is necessary <i>prior to plugging</i> ; ed or production casing is cemented in; If from below any usable water to surface within <i>120 DAYS</i> of spud date. 33,891-C, which applies to the KCC District 3 area, alternate II cementing
ubmitted 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 requiredfeet	- File acreage attribution plat according to field proration orders;
	- Notify appropriate district office 48 hours prior to workover or re-entry;
Minimum surface pipe requiredfeet per ALT. I II	- Submit plugging report (CP-4) after plugging is completed (within 60 days);
Approved by:	- Obtain written approval before disposing or injecting salt water.

- 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:



#### IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

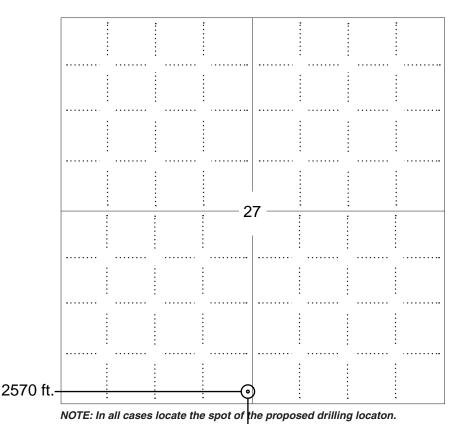
Plat of acreage attributable to a well in a prorated or spaced field

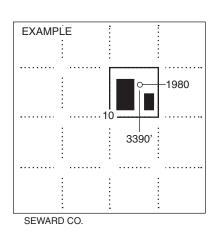
If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please 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.

ADING 15	
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
QTR/QTR/QTR/QTR of acreage:	io cooloni.
	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.)





### 170 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,
- 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

)23915

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 No  Length (feet)  Tom ground level to deepest point:  eliner Describe proce					
Distance to nearest water well within one-mile of pit		Depth to shallowest fresh waterfeet. Source of information:				
feet Depth of water well	feet		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 flow into the pit?  Yes No  Submitted Electronically		Type of material Number of work Abandonment	over and Haul-Off Pits ONLY:  al utilized in drilling/workover:  king pits to be utilized:  procedure:  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			

Form 88 — (PRODUCER'S SPECIAL) (PAID-UP)

63U (Rev. 1993)

Reorder No. 09-115 Kansas Blue Print 700 S. Broadway PO Box 703 Wichia, KS 67201-0703 310-28-0344-7246-1816 from

			OIL AND	GAS LEAS	SE .			9344 • 264-5165 fax com • kbp@kbp.com
AGREEMENT, M	lade and entered into	the 7th	day of	November				2005
				rrell, his wi	Lfe			
		****				*****		
hose mailing address is	2925 H Ro	ad, Hill	City, KS 6	7642		hereinafter ca	alled Lessor (whet	her one or more
nd	John O. F	armer, In	ic.		<del></del>			
			· · · · · · · · · · · · · · · · · · ·				hereina	ter caller Lesse
onstituent products, inject and things thereon to prod	ting gas, water, othe luce, save, take care of erefrom, and housing	r fluids, and air int of, treat, manufactu g and otherwise ca	to subsurface strata, l	he lessee herein contained ining and operating for a aying pipe lines, storing o d transport said oil, liquid l s, the following described	il, building tanks,	power stations, tel	ns, all gases, and ephone lines, and	their respective other structure
herein situated in County	of Gr	aham		State of I	Kansas			s follows to-wit
	•						Please is	, 50g
		****					Indirect	3
		The	Southwest	Quarter (SW	ŧ)		Computer	and the same of th
n Section27	, Township	9 South	, Range2	2 West and co	ontaining	160	acres, mo	re or less, and a
	visions herein contai	ned, this lease sha	ill remain in force for	r a term of <u>three (</u> m, is produced from said	years from thi	date (called "prim	ary term"). and e	s long thereafte
In consideration o	of the premises the se	aid lessee covenant	s and agrees:					
om vice readed pretimees.				essee may connect wells o				
remises, or in the manuf royalty One Dollar (\$1	acture of products the	s solu by lessee, in	no event more than	or used off the premises, one-eighth (%) of the pro onthly. Where gas from a d if such payment or tend	ceeds received by	lessee from such s	ales), for the gas	sold, used off th
This lease may be	e maintained during	the primary term	hereof without furt	her payment or drilling o	perations. If the	essee shall comme	nce to drill a well	
and in paying quantities	o, titte leade bilaii cui	initiae and he in to	rce with like ellect a	en to completion with rea s if such well had been con tire and undivided fee sim	mpleted within th	e term of years first	t mentioned.	
ie said iessoi omy m the	proportion which les	saor a interest Deal	rs to the whole and u	ndivided fee. said land for lessee's ope				ior snall be paid
When requested by	y lessor, lessee shall	bury lessee's pipe	lines below plow dep	th.			) Wells of lessor.	
	rilled nearer than 20 for damages caused b			l premises without written on said land.	consent of lessor	•		
Lessee shall have	the right at any time	e to remove all ma	chinery and fixtures	placed on said premises, i	including the righ	t to draw and remo	ve casing.	
essee has been furnished	, successors or assig with a written trans	ns, but no chang sier or assignment	e in the ownership or a true copy there	ning in whole or in part in the land or assignment of the land or assignment of the land or assigns	t of rentals or ro	valties shall be him	ding on the less	a until after th
Lessee may at an	eu portion or portion y time execute and	s arising subseque deliver to lessor o	nt to the date of assi r place of record a r	gnment. elease or releases coverin	g any portion or s			
All express or im	plied covenants of th	ons and de reneve is lease shall be s	d of all obligations a ubject to all Federal	s to the acreage surrender and State Laws, Executi h, if compliance is preven	ed. ve Orders Rules o	r Regulations and	this lease shall n	ot he terminated
Lessor hereby was ny mortgages, taxes or o gned lessors, for themse	rrants and agrees to other liens on the ab- elves and their heirs	defend the title to ove described land	the lands herein desdis, in the event of de	cribed, and agrees that the	lessee shall have r, and be subrogs	the right at any tin	nc to redeem for le	ssor, by paymen
Lessee, at its opti	on, is hereby given t	any way affect the the right and pow	purposes for which er to pool or combine	this lease is made, as reci	ted herein. this lease or any :	nortion thereof with	h other land leas	e or legene in th
nmediate vicinity thereconservation of oil, gas o	ot, when in lessee's It other minerals in .	judgment it is no and under and the	ecessary or advisabl at may be produced	e to do so in order to pr from said premises, such	operly develop ar	d operate said lea	se premises so a	s to promote the
cooled into a tract or uni ound on the pooled acres oyalties elsewhere herei	it shall be treated, for age, it shall be treated in specified, lessor si	or all purposes exc d as if producition hall receive on m	land herein leased in epi the payment of i is had from this lead roduction from a m	nits not exceeding 640 acr s situated an instrument royalties on production fr se, whether the well or we nit so pooled only such al acreage so pooled in the	identifying and on the pooled unition of the roy	describing the pool t, as if it were incli he premises covered alty atiquisted her	led acreage. The uded in this lease I by this lease or	entire acreage s . If production i not In lieu of th
				~ F100 III BIE				
							•	
								*
IN WITNESS WE	HEREOF, the under-	igned execute this	instrument as 26 ats	day and year first above	written			
Witnesses:	(4	4	T. T.	)	, 1	<i>1</i> ) .	173	
	to annually		- Jan		111 .	Tallie	<u>. K</u>	
			**** ·	Robert F	. Farrell			
			,	10a	1 × Z	for 4 6 21.	2 12	
				Donna L.	Farrell	in experience (	-(	<del></del>

## Form 88 — (Producer's Special) (PAID-UP)

63U (Rev. 1993)

Reorder No. 09-115

OIL AND G	AS LEASE 319-204-9344-284-5195 fax www.kbp.com · kbp@kbp.com
	November , 2005
oy and between <u>Robert F. Farrell and Donna L. Farre</u>	ll, his wife
2025 W.D. 1 W.11 G	
whose mailing address is 2925 H Road, Hill City, KS 6764.	hereinafter called Lessor (whether one or more
John O, Farmer, Inc.	V450-
	, hereinaßer caller Lesse
Lessor, in consideration of <u>One and other</u> s here acknowledged and of the royalides herein provided and of the agreements of the less of investigating, exploring by geophysical and other means, prospecting drilling, mining a constituent products, injecting gas, water, other fluids, and air into subsurface strata, laying and things thereon to produce, save, take care-of, treat, manufacture, process, store and transproducts manufactured therefrom, and housing and otherwise caring for its employees, the herein situated in County of <u>Graham</u>	pipe lines, storing oil, building anks, power stations, telephone lines, and other trespective port said oil, liquid hydrocarbons, gases and their respective constituent products and othe following described land, together with any reversionary rights and after-acquired interest
	ate of Ransas described as follows to wit
The Southeast Qua	Direct
27	
n Section 27 Township 9 South Range 22 We ceretions thereto.	
Subject to the provisions herein contained, this lease shall remain in force for a tern so il, liquid hydrocarbons, gas or other respective constituent products, or any of them, is p In consideration of the premises the said lesses_covenants and agrees;	n of $\underline{\text{three}(3)}$ years from this date (called "primary term"), and as long thereafte produced from said land or land with which said land is pooled.
1st. To deliver to the credit of lessor, free of cost, in the pipe line to which lessee nom the leased premises.	nay connect wells on said land, the equal one eighth (%) part of all oil produced and save
	ed off the premises, or used in the manufacture of any products therefrom, one-eighth (%) ghth (%) of the proceeds received by lessee from such sales), for the gas sold, used off the . Where gas from a well producing gas only is not sold or used, lessee may pay or tende the payment or tender is made it will be considered that gas is being produced within the
und in paying quantities, this lease shall continue and be in force with like effect as if suc	n well had been completed within the term of years first mentioned.
Lessee shall have the right to use, free of cost, gas, oil and water produced on said h When requested by lessor, lessee shall bury lessee's pipe lines below plow depth.	and for lessee's operation thereon, except water from the wells of lessor.
No well shall be drilled nearer than 200 feet to the house or barn now on said premi	ses without written consent of lessor.
essee has been furnished with a written transfer or assignment or a true copy thereof. In a with respect to the assigned portion or portions arising subsequent to the date of assignmen	on said premises, including the right to draw and remove casing.  whole or in part is expressly allowed, the covenants hereof shall extend to their heirs land or assignment of rentals or royalties shall be binding on the lessee until after the case lessee assigns this lease, in whole or in part, lessee shall be relieved of all obligations.
Lessee may at any time execute and deliver to lessor or place of record a release urrender this lease as to such portion or portions and be relieved of all obligations as to the All express or implied coverages of this lesses shall be subject to all stated and the success of the less shall be subject to all stated and the success or implied coverages of the less shall be subject to all stated and the success of the success shall be subject to all stated and the success of the success shall be subject to all stated and the success shall be subject to all stated and the success shall be subject to all stated and the success shall be subject to all stated and the success shall be subject to all stated and the subject to	or releases covering any portion or portions of the above described premises and thereby a acreage surrendered.
egulation.	empliance is prevented by, or if such failure is the result of, any such Law, Order, Rule of
Desor nereby warrants and agrees to defend the title to the lands herein described, ny mortgages, taxes or other liens on the above described lands, in the event of default o gned lessors, for themselves and their heirs, successors and assigns, hereby surrender a s said right of dower and homestead may in any way affect the purposes for which this let	ind release all right of dower and homesteed in the premises described begain in so fo
Lesse, at its option, is hereby given the right and power to pool or combine the aumediate vicinity thereof, when in lessee's judgment it is necessary or advisable to deconservation of oil, gas or other minerals in and under and that may be produced from sor units not exceeding 40 acres each in the event of an oil well, or into a unit or units not ecord in the conveyance records of the county in which the land herein leased is situa socied into a tract or unit shall be treated, for all purposes except the payment of royalite ound on the pooled acreage, it shall be treated as if production is had from this lease, whe oyalties elsewhere herein specified, lessor shall receive on production from a unit so; placed in the unit or his royalty interest therein on an acreage basis bears to the total acres	creage covered by this lease or any portion thereof with other land, lease or leases in the so in order to properly develop and operate said lease premises so as to promote the did premises, such pooling to be of tracts contiguous to one another and to be into a unit exceeding 640 acres each in the event of a gas well. Lessee shall execute in writing and ted an instrument identifying and describing the pooled acreage. The entire acreage so production from the pooled unit, as if it were included in this lease. If production is there the well or wells be located on the premises covered by this lease or not. In lieu of the mooled only such portion of the reveals within the begins at the amount of his acreage.
IN WITNESS WHEREOF, the undersigned execute this instrument as of the day at Vitnesses:	ad year first above written.
**************************************	120. 1 1 June 2
The same of the sa	Robert F. Farrell
	14 /
·.	Donna L. Farrell

## (PRODUCER'S SPECIAL) (PAID-UP)

63U (Rev. 1993)

# OIL AND GAS LEASE





316-264-9344 • P.O. Roy 703 • Wichita, KS 67201-070

by and between Elden Ambrosier and Betty Ambro	osier, his wife
	Direct
	Indiana.
	Computer
PP3 Poy 68 Norton VC 67654	
hose mailing address is RR3 Box 68, Norton, KS 67654	hereinafter called Lessor (whether one or more)
nd John O. Farmer, Inc.	
•	hereinafter caller Lessee
Lessor, in consideration ofOne and other	1.00+
here acknowledged and of the royalties herein provided and of the agreements of the left investigating, exploring by geophysical and other means, prospecting drilling, mining onstituent products, injecting gas, water, other fluids, and air into subsurface strata, laying and things thereon to produce save sales core of control of the c	g and operating for and producing oil, liquid hydrocarbons, all gases, and their respective g pipe lines, storing oil, building tanks, power stations, telephone lines, and other structures nsport said oil, liquid hydrocarbons, gases and their respective constituent products and other of following described land, together with any reversionary rights and after-acquired interest.
The Northeast Quarter (NE <sup>1</sup> / <sub>4</sub> )	
n Section 34 Township 9 South Range 22 We	est and containing 160 acres, more or less, and al
s oil, liquid hydrocarbons, gas or other respective constituent products, or any of them, is In consideration of the premises the said lessee covenants and agrees:	erm of $\underline{One}$ (1) years from this date (called "primary term"), and as long thereafter s produced from said land or land with which said land is pooled.
1st. To deliver to the credit of lessor, free of cost, in the pine line to which lesson	e may connect wells on said land, the equal one-eighth (%) part of all oil produced and saved
2nd. To pay lessor for gas of whatsoever nature or hind and and and	
remises, or in the manufacture of products therefore gold never the trian one-	used off the premises, or used in the manufacture of any products therefrom, one-eighth (%) eighth (%) of the proceeds received by lessee from such sales), for the gas sold, used off the ly). Where gas from a well producing gas only is not sold or used, lessee may pay or tender such 'payment or tender is made it will be considered that gas is being produced within the
This lease may be maintained during the primary term beautiful and	payment or drilling operations. If the lessee shall commence to drill a well within the term
und in paying quantities, this lease shall continue and be in force with like effect as if su	completion with reasonable diligence and dispatch, and if oil or gas, or either of them, be 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 a e said lessor only in the proportion which lessor's interest bears to the whole and undivi	
Lessee shall have the right to use, free of cost, gas, oil and water produced on said	i land for lessee's operation thereon, except water from the wells of lessor.
When requested by lessor, lessee shall bury lessee's pipe lines below plow depth. No well shall be drilled nearer than 200 feet to the house or barn now on said pren	·
Lessee shall pay for damages caused by lessee's operations to growing crops on sa	nises without written consent of lessor. aid land.
Lessee shall have the right at any time to remove all machinery and fixtures place	ed on said premises, including the right to draw and remove casing.
	in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs to leand or assignment of rentals or royalties shall be binding on the lessee until after the n case lessee assigns this lease, in whole or in part, lessee shall be relieved of all obligations ent.
Lessee may at any time execute and deliver to lessor or place of record a release irrender this lease as to such portion or portions and be relieved of all obligations as to ti	
All express or implied covenants of this lease shall be subject to all Endered and	he acreage surrendered. State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or
gned lessors, for themselves and their heirs, successors and assigns, hereby surrender	d, and agrees that the lessee shall have the right at any time to redeem for lessor, by payment of payment by lessor, and be subrogated to the rights of the holder thereof, and the under and release all right of dower and homestead in the premises described herein, in so far
Lessee, at its option, is hereby given the right and power to pool or combine the	lease is made, as recited herein.
onservation of oil, gas or other minerals in and under and that may be produced from a runits not exceeding 40 acres each in the event of an oil well, or into a unit or units no cord in the conveyance records of the county in which the land herein leased is situ soled into a tract or unit shall be treated, for all purposes except the payment of royalit und on the pooled acreage; it shall be treated as if not production is had from this lease who	and our in outer to properly develop and operate said lease premises on as to promote the said premises, such pooling to be of tracts contiguous to one another and to be into a unit of exceeding 640 acres each in the event of a gas well. Lessee shall execute in writing and ated an instrument identifying and describing the pooled acreage. The entire acreage so ties on production from the pooled unit, as if it were included in this lease. If production is hether the well or wells be located on the premises covered by this lease or not. In lieu of the
Lessee retains the exclusive right to exp	plore using geophysical and other methods.
Lessee has the option of extending the pr	
paying Lessor One Thousand Six Hundred Dolla	
IN WITNESS WHEREOF, the undersigned execute this instrument as of the day a itnesses:	and year first above written.
	Ell a. T
•	
	Closen american
	Elden Ambrosier

ZCIAL) (PAID-UP)

v. 1993)

# OIL AND GAS LEASE





316-264-9344 • P.O. Box 793 • Wichita, KS 67201-0793 NT, Made and entered into the \_ 12th day of \_\_January Elden Ambrosier and Betty Ambrosier, his wife <sub>19</sub>\_2007 Direct molrock 1323 Computer, RR3 Box 68, Norton, KS 67654 whose mailing address is hereinafter called Lessor (whether one or more), John O. Farmer, Inc. Lessor, in consideration of One and other

is here acknowledged and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose constituent products, ingelting gas, water, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, power stations, telephone lines, and other respective products manufactured therefrom, and housing and otherwise caring for its employees, the following described land, together with any reversionary rights and after-acquired interest, therein sinusted in County of Graham hereinafter caller Lessee: Kansas \_ described as follows to-wit: The Northwest Quarter (NW1) 34 9 South In Section 22 West 160 accretions thereto Subject to the provisions herein contained, this lease shall remain in force for a term of One (1) 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. acres, more or less, and all 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 (1/2) part of all oil produced and saved premises. 2nd. To pay lessor for gas of whatsoever nature or kind produced and sold, or used off the premises, or used in the manufacture of any products therefrom, one-eighth (%) at the market price at the well, (but, as to gas sold by lessee, in no event more than one-eighth (%) 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 meaning 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 from the wells of lessor. 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 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 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 tinic 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, iso 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 under and that may be produced from said premises, such pooling to be of tracts contiguous to one another and to be into a unit or units not exceeding 640 acres each in the event of an oil well, or into a unit or units not exceeding 640 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 proposed into a tract or unit shall be treated, for all purposes except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved. Lessee retains the exclusive right to explore using geophysical and other methods. Lessee has the option of extending the primary term one (1) year by tendering or paying Lessor One Thousand Six Hundred Dollars on or before January 12, 2008. IN WITNESS WHEREOF, the undersigned execute this instrument as of the day and year first above written. lden Cimbran Elden Ambrosier

Betty Imbrosier