



1024706

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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

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

API No. 15 - _____

Operator: _____

Lease: _____

Well Number: _____

Field: _____

Number of Acres attributable to well: _____

QTR/QTR/QTR/QTR of acreage: _____ - _____ - _____ - _____

Location of Well: County: _____

_____ feet from N / S Line of Section

_____ feet from E / W Line of Section

Sec. _____ Twp. _____ S. R. _____ E W

Is Section: Regular or Irregular

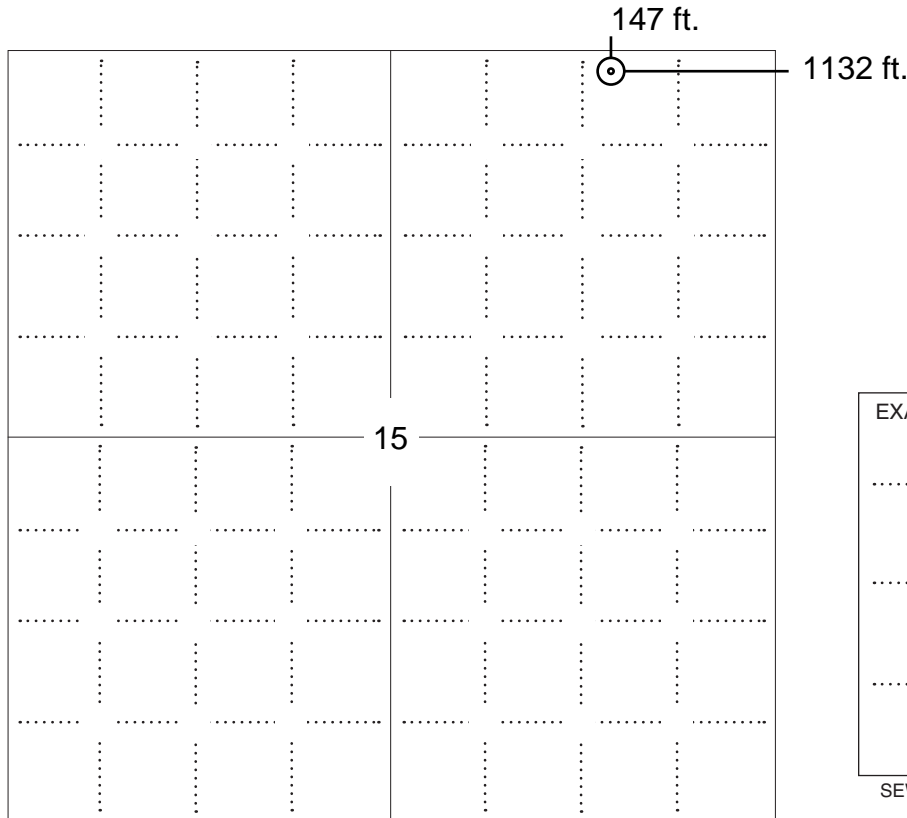
If Section is Irregular, locate well from nearest corner boundary.

Section corner used: NE NW SE SW

PLAT

(Show location of the well and shade attributable acreage for prorated or spaced wells.)

(Show footage to the nearest lease or unit boundary line.)



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

In plotting the proposed location of the well, you must show:

1. The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, 4 sections, etc.
2. The distance of the proposed drilling location from the south / north and east / west outside section lines.
3. The distance to the nearest lease or unit boundary line (in footage).
4. If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (C0-7 for oil wells; CG-8 for gas wells).



KANSAS CORPORATION COMMISSION 1024706
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	



ROBINSON SERVICES

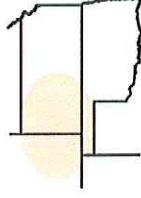
Oil Field & Construction Staking

P.O. Box 2324

Garden City, Kansas 67846

Office/Fax: (620) 276-6159

Cell: (620) 272-1499



e120308-h
PLAT NO.

8054
INVOICE NO.

Berexco Inc

OPERATOR

Denton #1

Clark County, KS
COUNTY

LEASE NAME

15 31s 24w
Sec. Twp. Rng.

MOVED

MOVED Main loc. = ~~82'~~ FNL - 1132' FEL = 2949.3' gr.
Alt. #1 = 335' FNL - 1132' FEL = 2948.6' gr.

LOCATION SPOT

SCALE: 1" = 1000'

DATE STAKED: Dec. 3rd, 2008

MEASURED BY: Burt W.

DRAWN BY: Gabe Q.

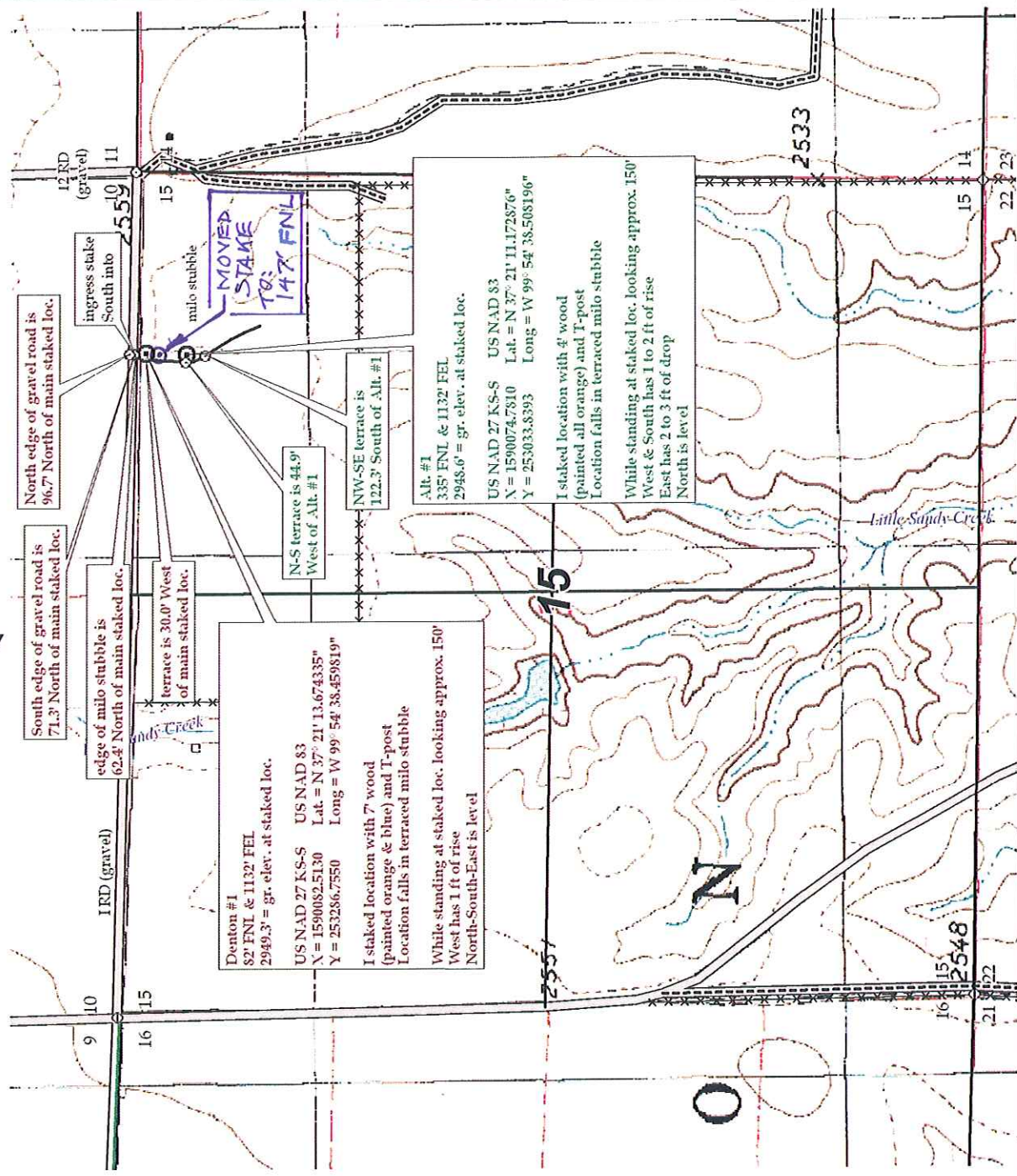
AUTHORIZED BY: Evan & Cameron



Directions: From the North side of Minneola, Ks at the intersection of Hwy 54 & Hwy 283 - Now go 3.6 miles South on Hwy 283 - Now go 0.8 mile on East on Hwy 283 - Now go 2 miles on South on Hwy 283 - Now go 4.2 miles East on I Rd to the NW corner of section 15-31s-24w - Now go 0.8 mile on East on I Rd to ingress stake South into - Now go 82' South through milo stubble into main staked location.

Final ingress must be verified with land owner or Berexco Inc.

This drawing does not constitute a monumented survey or a land survey plat
This drawing is for construction purposes only



OIL AND GAS LEASE

THIS AGREEMENT, Entered into this 19th day of December 05 20
between Denton Ranch, Inc., a Kansas corporation; Betty Jo Denton, Trustee of the Betty Jo Denton Trust of 1991; and Winfield Denton, Trustee of the Winfield Denton Trust of 1991
HCL, Box 137, Minneola, KS 67865
and J. Fred Hambright, Inc., 125 N. Market, #1415, Wichita, KS 67202 hereinafter called lessor,

1. That lessor, for and in consideration of the sum of -ten & more- Dollars in hand paid and of the covenants and agreements hereinafter contained to be performed by the lessee, has this day granted, leased, and let and let exclusively unto the lessee the hereinafter described land, with any reversionary rights therein, and with the right to utilize this lease or any part thereof with other oil and gas leases as drilling and the drilling, mining, and operating for producing and saving all of the oil, gas, gas condensate, casinghead gas, and other fluids and substances into the subsurface strata, and for constructing roads, laying pipe lines, building tanks, storing oil, building power stations, electrical lines and other structures thereon necessary or convenient for the economical operation of said land alone or conjointly with neighboring lands, to produce, save, take care of, and manufacture all of such substances, and the injection of water, brine, and other substances into the subsurface strata, said tract of land being situated in the County of Clark hereinafter called lessee, does witness:

State of Kansas and described as follows:

Township 31 South, Range 24 West
Section 13: ALL
Section 14: ALL
Section 15: E/2



STATE OF KANSAS, CLARK COUNTY]
This instrument was filed for Record on
01/05/2006 at 03:55 PM and duly recorded
Book 132 Page 0117 Fees \$24.00
Melissa L. Young
Melissa L. Young, Register Of Deeds

containing 1.600 acres, more or less.
2. This lease shall remain in force for a term of three (3) years (called "primary term") and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of the products covered by this lease is or can be produced.

3. The lessee shall deliver to lessor as royalty, free of cost, or into the pipe line to which lessee may connect its wells the equal one-eighth part of all oil produced and saved from the leased premises, or at the lessee's option may pay to the lessor for such one-eighth royalty the market price at the wellhead for oil of like grade and gravity prevailing on the day such oil is run into the pipe line or into storage tanks.

4. The lessee shall pay to the lessor, as a royalty, one-eighth (1/8th) of the proceeds received by the lessee from the sale of gas, gas condensate, gas distillate, casinghead gas, gas used for the manufacture of gasoline or any other product, and all other gases, including their constituent parts, produced from the land herein leased. If such gas is not sold by the lessee, lessee may pay or tender annually at or before the end of each yearly period during which such gas is not sold, as a shut-in royalty, whether one or more wells, an amount equal to one dollar per net mineral acre, and while said shut in royalty is so paid or tendered, it will be considered under all provisions of this lease that gas is being produced in paying quantities. The first yearly period during which such gas is not sold shall begin on the date the first well is completed for production of gas.

5. This lease is a paid-up lease and may be maintained during the primary term without further payments or drilling operations.
6. In the event 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 to said lessor only in the proportion which his interest bears to the whole and undivided fee; however, in the event the title to any interest in said land should revert to lessor, or his heirs, or his or their grantee, this lease shall cover such reversion.
7. The lessee shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from existing wells of the lessor. When required by lessor, the lessee shall bury its pipe lines below plow depth and shall pay for damage caused by its operations to growing crops on said land. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of the lessor. Lessee shall have the right at any time during, or after the expiration of this lease to remove all machinery, fixtures, houses, buildings and other structures placed on said premises, including the right to draw and remove all casing.

8. 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 the heirs, devisees, executors, administrators, successors, and assigns, but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of lessee, and no change of ownership in the land or in the royalties or any sum due under this lease shall be binding on the lessee until it has been furnished with either the original recorded instrument of conveyance or a duly certified copy thereof, or a certified copy of the will of any deceased owner and of the probate thereof, or certified copy of the proceedings showing appointment of an administrator for the estate of any deceased owner, whichever is appropriate, together with all original recorded instruments of conveyance or duly certified copies thereof necessary in showing a complete chain of title back to lessor of the full interest claimed, and all advance payments of rentals made hereunder before receipt of said documents shall be binding on any direct or indirect assignee, grantee, devisee, or administrator, executor, or heir of lessor.

9. If the leased premises are now or shall hereafter be owned in severalty or in separate tracts, the premises may, nonetheless be developed and operated as one lease, and all royalties accruing hereunder shall be divided among and paid to such separate owners in the proportion that the acreage owned by each separate owner bears to the entire leased acreage. There shall be no obligation on the part of the lessee to offset wells on separate tracts into which the land covered by this lease may now or hereafter be divided by sale, devisee, descent, or otherwise, or to furnish separate measuring or receiving tanks.

10. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the lessee, at its option, may pay and discharge in whole or in part any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands and, in event it exercises such options it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying to the discharge of any such mortgage, tax or other lien, any royalty accruing hereunder.
11. If after the expiration of the primary term, production of oil or gas should cease from any cause, this lease shall not terminate if lessee commences additional drilling or reworking operations within one hundred-twenty (120) days thereafter, or if at the expiration of the primary term, oil or gas is not being produced on said land, but lessee is then engaged in drilling or reworking operations thereon, then in either event, this lease shall remain in force so long as operations are prosecuted either on the same well or any other well thereafter commenced, with no cessation of more than one hundred-twenty (120) consecutive days, and if they result in production of oil or gas, this lease shall remain in effect so long thereafter as there is production of oil or gas under any provision of this lease.

12. Lessee may, at any time surrender or cancel this lease in whole or in part by delivering or mailing such release to the lessor, or by placing same of record in the proper county. In case said lease is surrendered and canceled as to only a portion of the acreage covered thereby, then all payments and liabilities thereafter accruing under the terms of said lease as to the portion canceled shall cease and determine, but as to the portion of the acreage not released the terms and provisions of this lease shall continue and remain in full force and effect for all purposes.

13. All provisions hereof, express or implied, shall be subject to all federal and state laws and the orders, rules, or regulations (and interpretations thereof) of all governmental agencies administering the same, and this lease shall not be in any way terminated wholly or partially nor shall the lessee be liable in damages for failure to comply with any of the express or implied provisions hereof if such failure accords with any such laws, orders, rules or regulations (or interpretations thereof). If lessee should be prevented during the last six months of the primary term hereof from drilling a well hereunder by the order of any constituted authority having jurisdiction thereof, the primary term of this lease shall continue until six months after said order is suspended.

14. Lessee, at its option, is hereby given the right and power to pool or combine into one or more units the land covered by this lease, or any portion thereof, with other land covered by another lease, or leases 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 such minerals in and under said land, such pooling to be in a unit or units not exceeding 80 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 and/or condensate or distillate well, plus a tolerance of ten percent (10%) to conform to Governmental Survey quarter acreages. Lessee shall execute in writing and file for record in the county in which the land is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a unit or units shall be treated for all purposes, except the payments of royalties on production from the pooled unit, as if it were included in this lease. If production is found on any part of the pooled acreage it shall be treated as if production is had from this lease whether any well is located on the land covered by this lease or not. Any well drilled on any such unit shall be and constitute a well hereunder. In lieu of the royalties elsewhere herein specified lessor shall receive on production from the pooled unit so pooled only such portion of the royalty stipulated herein as the amount of his net royalty interest therein on an acreage basis bears to the total mineral acreage so pooled in the particular unit involved.

15. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors of said lessor and lessee.

It is understood and agreed that wherever the words and figures "one-eighth (1/8)" appear in this lease, it shall be amended to read "three-sixteenths (3/16)" in each case.
See ADDENDUM attached hereto and made a part hereof.

IN WITNESS WHEREOF, we sign the day and year first above written.

Betty Jo Denton
Betty Jo Denton, Trustee SS#447-16-8707
W. Winfield Denton
Winfield Denton, Trustee SS# 507-09-9574
Betty Jo Denton
Betty Jo Denton, President
Winfield Denton
Winfield Denton, President

Denton Ranch, Inc.

TAX ID# 48-0931573

STATE OF _____ } ss. ACKNOWLEDGMENT FOR INDIVIDUAL (Kans., Okla., and Colo.)
COUNTY OF _____

Before me, the undersigned, a Notary Public, within and for said county and state, on this _____ day of _____, 20____, personally appeared _____ and _____

to me personally known to be the identical person who executed the within and foregoing instrument and acknowledged to me that _____ executed the same as _____ free and voluntary act and deed for the uses and purposes therein set forth.

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

My commission expires _____ Notary Public.

STATE OF Kansas } ss. ACKNOWLEDGMENT FOR INDIVIDUAL (Kans., Okla., and Colo.)
COUNTY OF Clark

Before me, the undersigned, a Notary Public, within and for said county and state, on this 19th day of December, 2005, personally appeared _____ and Betty Jo Denton, Trustee of the Betty Jo Denton Trust of 1991; Winfield Denton, Trustee of the Winfield Denton Trust of 1991

to me personally known to be the identical person who executed the within and foregoing instrument and acknowledged to me that they executed the same as their free and voluntary act and deed for the uses and purposes therein set forth.

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

My commission expires _____ William Torpey Notary Public.
WILLIAM TORPEY
NOTARY PUBLIC
STATE OF KANSAS
My Appt. Exp. 2-4-08

STATE OF Kansas } ss.
COUNTY OF Clark } ACKNOWLEDGMENT FOR CORPORATION

On this 1st day of December, A. D., 2005, before me, the undersigned, a Notary Public in and for the county and state aforesaid, personally appeared Winfield Denton

to me personally known to be the identical person who signed the name of the maker thereof to the within and foregoing instrument as its _____ President and acknowledged to me that he executed the same as his free and voluntary act and deed, and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

Given under my hand and seal the day and year last above written.

My commission expires _____ William Torpey Notary Public.
WILLIAM TORPEY
NOTARY PUBLIC
STATE OF KANSAS
My Appt. Exp. 2-4-08

No. _____ FROM _____ TO _____
Date _____ 20____ Section _____ Twp _____ Rge _____
No. of Acres _____ Term _____ County _____
STATE OF _____ } ss. _____
County of _____ }
This instrument was filed for record on the _____ day of _____ 20____ at _____ o'clock _____ M., and duly recorded in Book _____ Page _____ of the records of this office.
By _____ Register of Deeds.
When recorded, return to _____

NOTE: When signature by mark in Kansas, said mark to be witnessed by at least one person and also acknowledged. For acknowledgment by mark, use regular Kansas acknowledgment.

STATE OF _____ } ss. ACKNOWLEDGMENT FOR INDIVIDUAL (Kans., Okla., and Colo.)
COUNTY OF _____

Before me, the undersigned, a Notary Public, within and for said county and state, on this _____ day of _____, 20____, personally appeared _____ and _____

to me personally known to be the identical person who executed the within and foregoing instrument and acknowledged to me that _____ executed the same as _____ free and voluntary act and deed for the uses and purposes therein set forth.

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

My commission expires _____ Notary Public.

ADDENDUM

Addendum to Oil and Gas lease dated December 19, 2005 by and between **Denton Ranch, Inc., the Winfield Denton Trust of 1991 and the Betty Jo Denton Trust of 1991** hereinafter collectively referred to as Lessor, and J. Fred Hambright, Inc., as Lessee

This Oil and Gas lease shall cover the following described lands, all situated in Clark County, Kansas and described as follows:

Township 31 South, Range 24 West
Section 13: ALL
Section 14: ALL
Section 15: E/2

1. Size of unit held by production. It is understood and agreed that any producing well classified as an oil well will hold no more than 160 acres past the primary term of this lease. Lessee shall designate the 160 acre tract held by production to Lessor in writing. In the event a well is drilled which is capable of producing gas in paying quantities, Lessee shall have the right to designate a gas operating unit of not more than 640 acres plus a tolerance of 10% to conform to Governmental Survey. Lessee shall designate the 640 acre gas operating unit held by production to Lessor in writing. Said gas operating unit may be held past the primary terms of this lease by payment of royalty or shut-in royalty as herein provided.

Upon expiration of the primary term of this lease, Lessee agrees to release all acreage not held by production or otherwise held by any other terms contained in this lease. The Lessee shall place a properly executed release of record and shall mail a copy thereof to Lessor. If Lessee fails or refuses to file appropriate releases after written demand is made to the last assignee of record Lessor shall be entitled to recover attorney fees for obtaining a release and filing it of record.

2. Consultation regarding location. Prior to the construction of any roads, pipelines, tank battery installation, or initial installation of any other equipment on the leased premises, Lessee shall consult with Lessor and/or its tenant and mutually agree upon the location and direction of same. Lessor and/or its tenant agree not to unreasonably withhold or deny the location and direction of such roads, pipelines, tank batteries or the placement of other equipment necessary for the production of oil or gas.

3. Wellsite damages. Lessee agrees to pay Lessor a reasonable amount, but not less than \$5,000.00 payable in advance of commencing drilling operations, for each drill site location on the leased premises. Upon the establishment of a drilling site and the excavation of slush pits, all topsoil shall be removed and piled separately and shall be returned to the surface when the pits are filled. All drill sites shall be properly fenced against livestock by Lessee and shall remain fenced until the site is restored to its original condition and contour. Lessee further agrees to clean up the drill site area and remove all rash and debris and to restore the surface of the land damaged by Lessee's operations to its original contour and condition as nearly as is practicable.

4. Non-wellsite damages. In addition to the payment for damages to the wellsite, as further consideration hereunder, Lessee agrees to pay for all other damages caused by its operations, whether temporary or permanent, (and specifically including damages to growing crops at the minimum rate of \$25.00 per rod) whether to crops, native grass, livestock, fences, water wells and other structures or improvements located on the leased premises. All gates and cattle guards installed by Lessee on the leased premises shall be maintained in good working order by Lessee during the life of this lease and at such time as Lessee elects to abandon this lease, said gates and cattle guards shall remain in place and become the property of the Lessor.

Lessee, its agents or employees, including seismograph operators, shall not operate any equipment on the leased premise when ground conditions are such that the operation of any equipment might unreasonably damage the surface or result in erosion of the surface.

- 5. Pipeline damages.** As a further consideration hereunder, Lessee agrees to pay Lessor, in advance of commencing construction, a minimum of \$10.00 per rod for any pipeline installed or constructed on the above described land.
- Lessee also shall pay any actual damages to growing crops, pasture grasses, fences and irrigation systems which may arise from Lessee's construction, maintenance and operation of any pipeline. All damages payable under this paragraph shall be due and payable within three months of the date such damage was incurred.
- 6. Pipeline depth.** All pipelines shall be buried to a minimum depth of 36 inches.
- 7. Shut-in gas royalty.** In the event a gas well is drilled and Lessee elects to pay shut-in royalty under the terms of this lease, shut-in royalty payments shall be tendered at the rate of \$5.00 per net mineral acre per year for the first two years and \$25.00 per acre for the next three years. Thereafter the lease shall terminate for non-production.
- 8. Saltwater disposal wells.** No wells drilled on the leased premises shall be used for saltwater disposal or other waste disposal without the written consent of the Lessor and without compensation for such use.
- 9. Water use.** Lessee shall not have the right to use water from Lessor's ponds or water wells for any purpose, and Lessee further agrees that any water well damaged by Lessee's operations shall be re-drilled at Lessee's sole expense.
- 10. Deep horizons.** If production extends the primary term of this lease more than three (3) years, Lessee shall release all rights to oil, gas and other mineral exploration and production in all zones, formations, or horizons that are 100 feet or more below the stratigraphic equivalent of the deepest depth drilled on land covered by this lease or land with which it may be unitized.
- 11. Gas taken in-kind for agricultural use.** Lessor shall have the right to take in kind the royalty, or any portion thereof, provided for gas herein, by using gas from any gas well on the land above described for farming and agricultural purposes on said land. Any gas so taken by Lessor shall be taken at or near the mouth of the well at a point to be designated by Lessee. All equipment necessary to the taking of such gas and the measuring of same shall be furnished by Lessor at its own expense. The method of taking gas and the point of connection for taking must be such as not to interfere with the operation of the well and must be submitted to Lessee or its assigns and accepted by it before gas is taken, which consent will not be unreasonably withheld. For gas so taken by Lessor in an amount less than the full royalty fraction provided for gas in this lease, Lessee shall have the right to make a corresponding deduction in gas royalty payments due Lessor, said payment to be made in accordance with the terms of this lease. Lessee or its assigns shall never be liable to Lessor, its agents or employees or any other person in regards to gas taken, the use thereof, the equipment used, and the manner of its use, the use to which it is put or anything incident thereto or resulting therefrom. Lessee or its assigns shall never be under any obligation to produce gas from any well on the leased premises unless practical or economical to do so.
- 12. Gas taken in-kind for personal use.** The Lessor shall have free of charge, gas from any gas well on the leased premises for stoves and inside lights in the principal dwelling house on said land or on other land owned by Lessor by making its own connections to the well, the use of such free gas to be at the Lessor's sole risk and expense. Lessor agrees not to use such free gas as fuel for any other purpose, including but not limited to, grain drying equipment, any engine driven device, garage/shop heaters or any other use not provided for herein.

13. **Seismograph operations.** No seismograph operator shall enter the lease premises without giving Lessor advanced written notice of its intention to do so and without, in advance, making the customary payment per mile for the right of ingress and egress and reasonable compensation for damages to the premises. If damages beyond that reasonably contemplated are incurred, Lessee or its agent shall pay Lessor within 60 days of the date of injury. Any seismograph operator shall provide Lessor with written evidence of its authority to conduct operation under this lease and with proof of liability insurance coverage in an amount of not less than \$100,000.00 per occurrence.

This lease and addendum, and all its terms, conditions and stipulations shall extend to and be binding on all of the heirs, administrators, executors, trustees, successors and assigns of Lessor and Lessee.

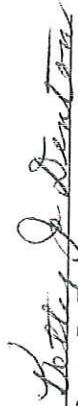
Denton Ranch, Inc.

Winfield Denton Trust of 1991


Winfield Denton, President


Winfield Denton, Trustee

Betty Jo Denton Trust of 1991


Betty Jo Denton, Trustee

FORM 88 - (PRODUCER'S SPECIAL) PAID-UP

STATE OF KANSAS, CLARK COUNTY }
This instrument was filed for Record on

12/9/2008 at 11:01 AM and duly recorded

Book 137 Page 270 Fees \$20.00

X-10131


Melissa L. Young, Register of Deeds**OIL & GAS LEASE**

AGREEMENT, Made and entered into the 23rd day of October, 2008 by and between Rick E. Marshall and Peggy Marshall, husband and wife, 804 CS 11, Minneola, KS 67865, hereinafter called lessor (whether one or more), and BEREKCO INC., P.O. Box 20380, Wichita, KS 67208, hereinafter called lessee:

Lessor, in consideration of ten and more Dollars (\$10.00) in hand paid, receipt of which is hereby 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 of investigating, exploring by geophysical, seismic and any other means, prospecting, drilling 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 pipelines, storing oil, building tanks and things thereon, save, take care of, treat, manufacture, process, store and transport said oil, liquid hydrocarbons, gases and their respective constituent products and other products manufactured therefrom, gas, water other fluids and air, the following described land, together with any reversionary rights and after-acquired interest therein, situated in the County of Clark, State of Kansas, described as follows, to-wit:

Township 31 South, Range 24 West of the 6th P.M.
Section 10: The Southeast Quarter (SE¼)

and containing 160 acres, more or less.

Subject to the provisions herein contained, this lease shall remain in force for a term of Two (2) 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:

1st. To deliver to the credit of lessor, free of cost, in the pipeline 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 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 (1/8), at the market price at the well, (but, as to gas sold by lessee, in no event more than one-eighth (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 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.

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 lessor's operations thereon, except water from 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 located on said premises without written consent of lessor.

Lessee shall pay for damages caused by lessor'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 lessor 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.

If, upon, or after the expiration of the primary term of this lease, the well or wells on the leased premises, or on the consolidated gas leasehold estate, shall be incapable of producing, this lease shall not terminate provided lessee resumes operations for drilling or reworking a well or wells on the leased premises or on the consolidated gas leasehold estate within ninety (90) days from such cessation, and this lease shall remain in force during the prosecution of such operations and, if production results therefrom, then as long as production continues.

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, 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 hereof, when in Lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said leased 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 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 situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled 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 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 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 thereon on an acreage basis bears to the total acreage so pooled in the particular unit involved.

If the leased premises shall now or hereafter be owned in severally or in separate tracts, the premises nevertheless shall be developed and operated as one lease, and all royalties accruing hereunder shall be treated as an entirety and shall be divided among and paid to such separate owners in the proportion that the acreage owned by each such separate owner bears to the entire leased acreage. There shall be no obligation on the part of the lessee to offset wells on separate tracts into which the land covered by this lease may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks.

This Oil and Gas Lease is subject to the terms and conditions of the Addendum attached hereto and made a part hereof.

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

Rick E. Marshall
Rick E. Marshall

Peggy Marshall
Peggy Marshall

State of Kansas }
County of Clark } ss:

This instrument was acknowledged before me on this 10 day of November 2008, by Rick E. Marshall and Peggy Marshall, husband and wife.

My appointment expires  Diane L. Hageman
Notary Public

When recorded, please return to:

BEREXCO INC.
P.O. Box 20380
Wichita, KS 67208

Attn: Land Department

Lease Dated: October 23, 2008

Lessor: Rick E. Marshall and Peggy Marshall, husband and wife

Lessee: BEREEXCO INC.

Description: SE¼ Section 10-31S-24W, Clark County, Kansas

1. Lessee agrees to consult with Lessor regarding the location of well sites, equipment, access roads, pipelines and other structures located upon the premises.
2. Before Lessee commences any operations on the lease premises, it shall pay Lessor minimum surface damages of \$5,000.00 per well site location. Lessor shall not take more than one (1) acre for any well site.
3. Lessee shall pay for all damages caused by its operations, whether damages be temporary or permanent, and specifically to include damages to growing crops, native grass, livestock, fences, water wells and other structures or improvements located on the premises. In the event of production the well shall be properly fenced against livestock by the Lessee and shall remain fenced until the site is restored to its original condition and contour. Lessee further agrees to clean up the premises and to restore the surface of the land to the original condition and contour as nearly as practicable upon the completion of its operations.
4. Lessee shall pay \$20.00 per rod for pipelines and road damages and \$20.00 per acre for seismic exploration in advance of damaging the same.
5. No wells drilled upon lease premises shall be used for salt water disposal or other waste disposal without the consent of the Lessor and without compensation for such use.
6. Lessee does not have the right to use Lessor's ponds or water wells, and Lessee further agrees that any water well damaged because of its operations shall be re-drilled.
7. Upon termination of this lease, the Lessee shall place a properly executed release of record and shall mail a copy thereof to Lessor. If Lessee fails or refuses to file appropriate releases after written demand is made to the last assignee of record Lessor shall be entitled to recover attorney fees for obtaining a release and filing it of record.
8. Production under the terms of this lease shall not hold any un-utilized portion of the leased premises beyond the primary term and Lessee shall release that part of the lease premises not utilized upon receipt of written demand by the Lessor.

Rick E. Marshall
Rick E. Marshall

Peggy Marshall
Peggy Marshall

ADDENDUM

It is understood and agreed that wherever the words and figures "one-eighth (1/8)" appear in this lease, it shall be amended to read "three-sixteenths (3/16)" in each case.

It is expressly agreed, notwithstanding anything to the contrary herein, if this lease be in force and effect at the expiration of the primary term, this lease shall thereupon terminate as to all formations not penetrated by the drilling of a test well or wells on the leased premises or land pooled or consolidated therewith, except if drilling is in progress at the end of the extended primary term.

Lessee, or assigns, further agrees to restore the surface to its original condition as nearly as is practicable upon completion of its operations thereon.

Lessor reserves the right to reasonably designate all routes of ingress and egress. Prior to the construction of any roads, pipelines, tank battery installations, or installation of other equipment on the leased premises, Lessee shall consult with the surface owner and/or tenant as to the location and direction of same.

R. E. Marshall
Rick E. Marshall

Peggy Marshall
Peggy Marshall

DECLARATION OF POOLED UNIT

State: KANSAS
County: CLARK
Operator: BEREXCO INC.
Effective Date: December 9, 2008

Operator, named above, pursuant to the authority granted by the terms of the oil and gas leases (the "Leases") described in Exhibit "A," pools and combines the following lands (the "Lands"), in the county and state named above, that are subject to the Leases, and designates the Lands as a Pooled Unit (the "Unit") for the purposes of drilling for and producing oil:

Township 31 South, Range 24 West

- Section 10: The Southwest Quarter of the Southeast Quarter of the Southeast Quarter (SW1/4SE1/4SE1/4) and the Southeast Quarter of the Southwest Quarter of the Southeast Quarter (SE1/4SW1/4SE1/4)
Section 15: The Northwest quarter of the Northeast quarter of the Northeast quarter (NW1/4NE1/4NE1/4) and the Northeast quarter of the Northwest quarter of the Northeast quarter (NE1/4NW1/4NE1/4)

The Unit created by this Declaration shall be known as the Denton No. 1 Unit. For the purpose of this Declaration and the designation of the Denton No. 1 Unit, reference is made to the Leases described in Exhibit "A" to this Declaration, insofar as the Leases cover the Lands included in the Unit. Exhibit "A" is made a part of this Declaration for all purposes.

Each of the Leases contain provisions authorizing the original Lessee and Lessee's successors or assigns to pool, combine, or unitize the Lands covered by each of the Leases with other lands and leases for the purpose of creating a unit for the production of oil or gas. This Declaration is executed by Operator, and is filed of record in the county where the Lands are located for the purpose of exercising the pooling authority granted to the Lessee in the Leases, and giving notice of the Lands included in the Unit hereby established.

This Declaration shall be, and the Unit created, effective as of the Effective Date stated above and shall be in effect for one-hundred eighty (180) days from the Effective Date and as long thereafter as oil is produced from a well or wells located on the Lands within the Denton No. 1 Unit or actual drilling or reworking operations are being conducted on the Lands within the Denton No. 1 Unit, with no cessation greater than the time periods provided for in the Leases.

This Declaration is signed by Operator as of the date of acknowledgment of Operator's signature below, but is effective for all purposes as of the Effective Date stated above.

BEREXCO INC.

By: [Signature]
Title: Charles B. Spradlin, Jr.
Vice President

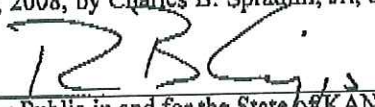
STATE OF KANSAS, CLARK COUNTY }
This instrument was filed for Record on
12/10/2008 at 12:40 PM and duly recorded
Book 137 Page 274 Fees \$16.00
Melissa L. Young, Register of Deeds

STATE OF KANSAS

COUNTY OF SEDGWICK

2008001028

This instrument was acknowledged to me on December 9, 2008, by Charles B. Spradlin, Jr., as Vice President of BEREXCO INC.


Notary Public in and for the State of KANSAS
Printed Name: Ross B. Griggs

Commission expires: 4/26/10

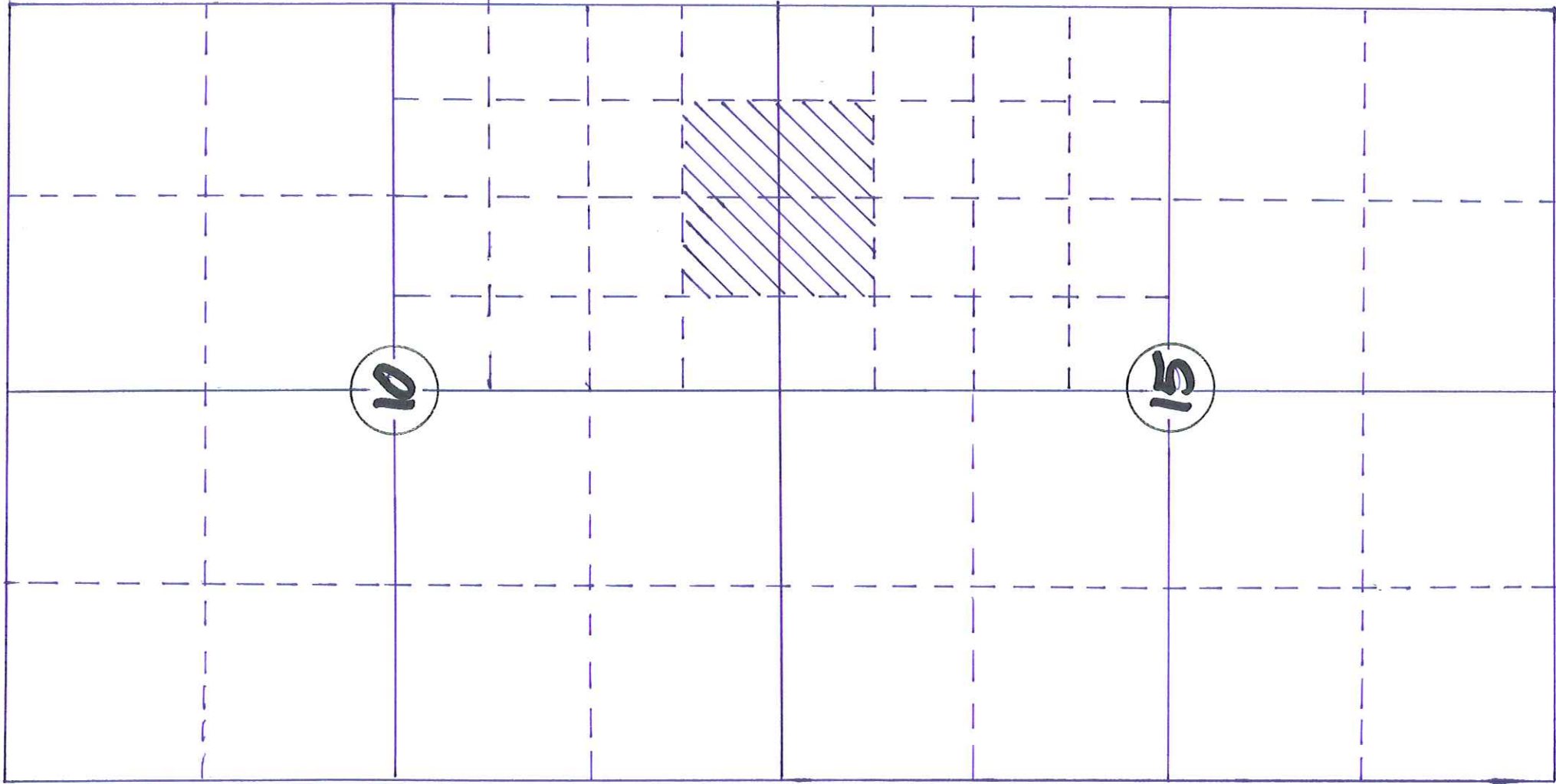


Exhibit "A": Description of Oil and Gas Leases

Lease Date: December 19, 2005
Lessor: Denton Ranch, Inc., a Kansas corporation; Betty Jo Denton, Trustee of the Betty Jo Denton Trust of 1991; and Winfield Denton, Trustee of the Winfield Denton Trust of 1991
Lessee: J. Fred Hambright, Inc.
Recorded: Book 132, Page 117
Lands: Township 31 South, Range 24 West
Section 13: All
Section 14: All
Section 15: E½

Lease Date: October 23, 2008
Lessor: Rick E. Marshall and Peggy Marshall, husband and wife
Lessee: BEREXCO INC.
Recorded: Book 137, Page 270
Lands: Township 31 South, Range 24 West
Section 10: SE¼

CLARK COUNTY, KS
 SECTIONS 10 & 15, TOWNSHIP 31S, RANGE 24W.



40 ACRE UNIT:
 SW SE SE SEC. 10
 SE SW SE SEC. 10
 NW NE NE SEC. 15
 NE NW NE SEC. 15
 40 ACRES



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

December 12, 2008

Evan Mayhew
Berexco, Inc.
PO BOX 20380
WICHITA, KS67208-1380

Re: Drilling Pit Application
Denton Lease Well No. 1-15
NE/4 Sec.15-31S-24W
Clark County, Kansas

Dear Evan Mayhew:

District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed **without slots**, the bottom shall be flat and reasonably level and the free fluids must be removed. The fluids are to be removed from the reserve pit as soon as the Hutchinson Salt section has been drilled through and displacement of the fluids into the reserve pit has occurred. The fluids should be removed again within 96 hours after drilling operations have ceased.

If production casing is set all completion fluids shall be removed from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve pit.

The fluids should be taken to an authorized disposal well. Please call the District Office at (620) 225-8888 when the fluids have been removed. Form CDP-5 (August 2004), Exploration and Production Waste Transfer, must be filed within 30 days of fluid removal. Conservation division forms are available through our office and on the KCC web site: kcc.ks.gov/conservation/forms/

A copy of this letter should be posted in the doghouse along with the approved Intent to Drill. If you have any questions or concerns please feel free to contact the District Office at (620) 225-8888.