

For KCC	Use:		
Effective	Date:		
District #			

Kansas Corporation Commission Oil & Gas Conservation Division

Form C-1 October 2007 Form must be Typed

month day year Peta Tore Licenses	Expected Spud Date:	Spot Description:
Section Note: Locate well on the Section Note: Locate	month day year	Sec Twp S. R
anse: driess 2: State: Zip: +	OPERATOR: License#	(0/0/0/0)
Is SECTION: Regular Irregular?		feet from E / W Line of Sectio
State Zip: Zip: State Zip:		In OFOTION: Describer I love surface
State: Zip: + County: Lease Name: Well #: DNTRACTOR: License# Well Orlines Well Orlines Well Drilled For: Well Class: Type Equipment:		
Lease Name: Well #:	ity: State: Zip: +	,
Source for Dilling Operations:	ontact Person:	
Is this a Prorated / Spaced Field? Start	hone:	
Target Formation(s): Well Drilled For: Well Class: Type Equipment: Nearest Lease or unit boundary line (in footage): Gas Storage Pool Ext. Air Rotary Disposal Wildcat Cable Saismic: # of Holes Other Other: Official Solamic: # of Holes Other Other: Official Competition on a follows: Operator: Well Name: Original Completion Date: Original Total Depth: Projected Total Depth: Projected Total Depth: Position Hole Location: Water well within one quarter mile: Ves Public water supply well within one mile: Ves Depth to bottom of usable water: Surface Pipe by Alternate: I I I I Longth of Surface Pipe Palamed to be set: Length of Conductor Pipe (if any): Projected Total Depth: Pormation at Total Depth: Pormation at Total Depth: Pormation at Total Depth: Positional, Deviated or Horizontal wellbore? Well Name: Original Completion Date: Original Completion Date: Original Total Depth: Pormation at Total Depth: Pormatio	ONTRACTOR: License#	
Nearest Lease or unit boundary line (in footage): Ground Surface Elevation: Grou		
Ground Surface Elevation:	W # D # 4 5	
Seismic; # of Holes	Well Drilled For: Well Class: Type Equipment:	· · · · · · · · · · · · · · · · · · ·
Sasimic For Holes Other		
Depth to bottom of fresh water: Depth to bottom of usable water: Surface Pipe Planned to be set: Length of Surface Pipe as Planned Pipe Planned To be set: Length of Surface Pipe as Planned Pipe Planned To be set: Length of Surface Pipe as Planned To be set: Length of Surface Pipe as Planned To be set: Length of Surface Pipe as Planned To be set: Length of Surface Pipe as Planned To be set: Length of Surface Pipe as Planned To be set: Length of Surface Pipe as Planned To be set: Length of Surface Pipe as Set Planned To Pipe (if any): Depth of Surface Pipe as Set Planned To Pipe (if any): Depth of Surface Pipe as Set Planned To Pipe (if any): Depth of Surface Pipe as Set Planned To Pipe (if any): Depth of Surface Pipe as Set Planned To Pipe (if any): Depth of Surface Pipe as Set Planned To Pipe (if any): Depth of Surface Pipe as Set Planned To Pipe (if any): Depth of Surface Pipe as Set Planned To Pipe (if any): Depth of Surface Pipe as Set Planned To Pipe (if any): Depth of Surface Pipe as Set Planned To Pipe (if any): Depth of Surface Pipe as Set Planned To Pipe (if any): Depth of Surface Pipe as Set Planned To Pipe (if any): Depth of Surface Pipe as Set Planned To Pipe (if any): Depth of Surface Pipe as Set Planned To Pipe (if any): Depth of Surface Pipe (if any): Depth of Surface Pipe (if any): Depth of Surface Pipe (if any): Depth of		
Depth to bottom of usable water: Surface Pipe by Alternate: I II II Length of Surface Pipe by Alternate: I II II Length of Surface Pipe by Alternate: I II Length of Surface Pipe Pipe hy Alternate: I II Length of Surface Pipe Pipe Hyper II Length of Surface Pipe Pipe Pipe II Length of Surface Pipe Pipe II Length of Conductor Pipe (if any): Projected Total Depth: Projected Total		
Surface Pipe by Alternate:		·
Length of Surface Pipe Planned to be set: Length of Conductor Pipe (if any): Length of Conductor Pipe (if any): Length of Conductor Pipe (if any): Projected Total Depth: Source for Drilling Operations: Length of Conductor Pipe (if any): Projected Total Depth: Water Source for Drilling Operations: Well Farm Pond Other: DWR Permit #:	Other:	
Length of Conductor Pipe (if any):	If OWWO: old well information as follows:	
Well Name: Original Completion Date: Original Total Depth: Permation at Total Depth: Formation at Total Depth: Formation at Total Depth: Water Source for Drilling Operations: Water Source with Dwar Drilling Operations: Water Source with Dwar Drilling Operations: Water Source for Drilling Operations: Water Source for Drilling Operations: Water Source for Drilling Operations: Water Source with Dwar Drilling Operation or Drilling Operation Operations. Approved by: Water Source Archards I Depth: Water Source Archards During Operations: Water Source Water Sour	_	1 1 10 1 1 E: (II)
Promation at Total Depth: Vestrown Vest	•	During the d Total Doubles
Water Source for Drilling Operations: weetical depth: wittom Hole Location: CD DKT #: Weeting Farm Pond Cher:		
rectional, Deviated or Horizontal wellbore? Yes_No Well Farm Pond Other: DWR Permit #:	Original Completion Date: Original Total Depth:	
Note: Apply for Permit #: Note: Apply for Permit with DWR Note: Apply	irectional Deviated or Horizontal wellbore?	
In 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 with power of 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. Remember to: Remember to: Remember to: Remember to: Remember to: Remember to: For KCC Use ONLY API # 15 - Conductor pipe required feet Minimum surface pipe required feet per ALT. I II Approved by:		ven Tamilond Streit.
AFFIDAVIT ne undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 et. seq. 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. bmitted Electronically For KCC Use ONLY API # 15 - Conductor pipe required		
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bmitted Electronically For KCC Use ONLY API # 15	 is agreed that the following minimum requirements will be met: Notify the appropriate district office <i>prior</i> to spudding of well; A copy of the approved notice of intent to drill <i>shall be</i> posted on a composition of the approved notice of intent to drill <i>shall be</i> posted on a composition of the approved notice of intent to drill <i>shall be</i> posted on a composition of the approved in the appropriate district office will be notified before well is either posted. If an ALTERNATE II COMPLETION, production pipe shall be composition of the appropriate district office will be notified before well is either posted. If an ALTERNATE II COMPLETION, production pipe shall be composited. 	each drilling rig; set by circulating cement to the top; in all cases surface pipe shall be set to the underlying formation. district office on plug length and placement is necessary prior to plugging; lugged or production casing is cemented in; ented from below any usable water to surface within 120 DAYS of spud date. or #133,891-C, which applies to the KCC District 3 area, alternate II cementing
Approved by: Obtain written approval before disposing or injecting salt water.	API # 15feet	 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;
Approved by.		
	Approved by:	- Obtain whiten approval before disposing or injecting salt water.

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

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

_ Agent: _

Spud date: _



IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

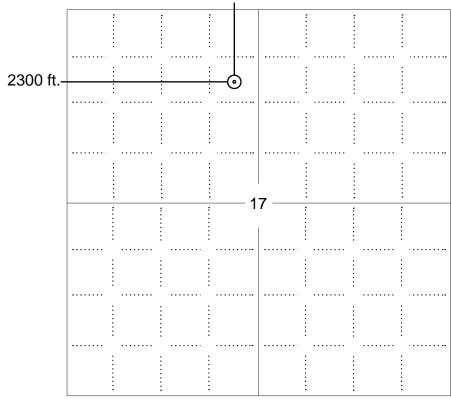
Plat of acreage attributable to a well in a prorated or spaced field

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

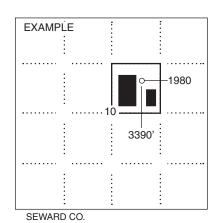
API No. 15 -	
Operator:	Location of Well: County:
Lease:	feet from N / S Line of Section
Well Number:	feet from E / W Line of Section
Field:	Sec Twp S. R
Number of Acres attributable to well:	Is Section: Regular or Irregular
	If Section is Irregular, locate well from nearest corner boundary.
	Section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

PLAT

(Show location of the well and shade attributable acreage for prorated or spaced wells.) (Show footage to the nearest lease or unit boundary line.)



990 ft.



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,
- 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

1024717

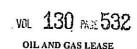
Form CDP-1 April 2004 Form must be Typed

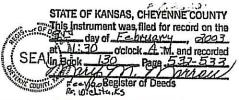
APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name:			License Number:		
Operator Address:		·			
Contact Person:			Phone Number:		
Lease Name & Well No.:			Pit Location (QQQQ):		
pe of Pit: Emergency Pit		No No et) Describe proce			
		ccgy,			
Distance to nearest water well within one-mile	of pit	Depth to shallo	owest fresh waterfeet.		
feet Depth of water 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		Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: Number of working pits to be utilized: Abandonment procedure: Drill pits must be closed within 365 days of spud date.			
	KCC (OFFICE USE OF	NLY Steel Pit RFAC RFAS		
Date Received: Permit Num	ber:	Permi	it Date: Lease Inspection: Yes No		

Ks/Neb/Culo Producers Form RR





This Oil and Gas Lease (the "Lease") is dated September 30, 2002 (the "Effective Date"). The parties to this Leaso are ALBERT KELLER FARMS, INC., as Lesser (whether one or more), whose address is Route 1, Box 271, St. Francis, Kansas 67756, and ENERGY SUPPLY EXPLORATION AND DEVELOPMENT LLC, as Lessee, whose address is 212 N. Market, Suite 312, Wichita, Kansas 67202.

1. For the consideration of the Lands and agreements in this Lease, Lessor grants, leases, and lets exclusively to Lessee, the lands described below (the "Lands"), with the right to unlitze, pool, or combine all or part of this Lease with other lands or leases for the purpose of carrying on geological, geophysical, or other exploration work, core drilling and the drilling, mining, and operating for, producing, and saving oil, gas, and other hydrocarbours, and for constructing roads, laying pipelines, building tanks, storing oil, building power stations, telephone lines, and other structures necessary or convenient for the economical operation of the Lands alone, or with adjacent lands, and to produce, save, and take care of the oil and gas produced. The Lands are

**Each tract is treated as a separate Oil and Gas Lease as set forth below ** TOWNSHIP 2 SOUTH, RANGE 38 WEST √Section 6: Tract #1: NW [160 acres] √ Section 7: Tract #3: Tract #2: SW [160 acres] √ Section 7: Tract #3: NENV lying South and West
of public highway, and in
Tract #6 (continued); NWNW [Tract #6 =
205 acres] Tract #5: TOWNSHIP 2 SOUTH, RANGE 39 WEST Section 12: Tract #11: NE [160 acres]

Tract #12: SE & E/25W [240 acres] 19 Section 1: Tract #10: EZEZ & SWNE

Notwithstanding any provisions of this Lease, or any wording contained in this Lease (such as "the Lands", "this Lease," "the Lease," "leasehold," or any similar terms), each of the separately designated tracts ("Tracts") to this Lease shall be treated for all purposes as a separate and distinct lease. All of the provisions contained in this lease form shall be applicable to each separate Tract and be construed as if a separate lease agreement had been made and executed covering each

The Lands are deemed to contain the amount of acres for EACH TRACT AS SET FORTH HEREIN, whether they contain more or less.

[240 acres]

- 2. This Lease shall remain in force for a primary term of five (5) years (the "Primary Term") from the Effective Date and as long thereafter as oil, gas, or other hydrocarbons are, or can be produced from the Lands. On or before five (5) years from the Effective Date, if this Lease is not otherwise continued in force, Leasee, at its option may automatically renew this lease and extend the Primary Term for an additional five (5) year term if, on or before five (5) years from the Effective Date, Lessee tenders consideration to Lessor, in the amount of
- 3. The royalities to be paid by Lessee are: (a) on oil and other liquid hydrocarbons, of that produced and saved from said land, the same to be delivered at the wells, or to the credit of Lessor into the pipeline to which the wells may be connected; Lessee may from time to (time purchase any royalty oil in its possession, paying the market price therefore prevailing for the field where produced on the dato of purchases; (b) on gas and the constituents thereof produced from said land and sold or used off the premises or in the manufacture of products therefrom, the market value at the well offer a product sold at the well, the royalty shall be the price of the products realized from stall be the product sold or used off the premises or in the manufacture of products therefrom will be paid unter countring from such royalty Lessor's proportionate amount of all post-production costs, including but not limited to gross production and severance taxes, gathering and transportation costs from the wellhead to the point of sale, treating, compression, and processing. On product sold at the well, the royalty shall be the product of the net proceeds realized from such sale, after deciding from such royalty classor's proportionate amount of all of the above post-production costs and expenses, if ony. Where there is a gas well or wells on the Lands subject to this Lesse or lands pooled with the Lands, whether before or offer the Primary Term, and the well or wells are shut-in and there is no other production, drilling operations or other operations being conducted on the Lands capable of keeping this Lesse in force under ony of its terms or provisions, Lessee may pay as royalty to Lessor (and if willing the Primary Term such payment shall be in lieu of delay rentals) the sum of the such as a conduction of the production, drilling operations or other operations being conducted on the Lands capable of delay rentals) the sum of th
- 4. If operations for the drilling of a well for oil or gas are not commenced on the Lands on or before September 30, 2003 (the "Rental Payment Date"), this Lease shall terminate unless Lessee, before that date, pays or tenders to Lessor DIRECTLY AT THE ABOVE ADDRESS, the sum of ONE DOLLAR PER ACRE AS SHOWN ON EXHIBIT [TRACT] ("Rentals") which shall operate as a rental and cover the privilege of deferring the commencement of operations for drilling for a period of one year. In this manure and upon like payments or tenders the commencement of operations for drilling may be further deferred for like successive periods until the end of the Primary Term. All payments or tenders may be made by check or draft of Lessee or Lessee's assigna, mailed or delivered on or before the Rental Paying Date, either directly to Lessor, or to the Depository. Lessor grees the consideration provided in paragraph 1. covers not only the privileges granted by this Leaso from the Effective Date to the first Rental Payment Date but also Lessee's only in the payment of tender of Rentals shall be finding on the heirs, devisees, executors, and administrators of Lessor.
- 5. If at any time prior to the discovery of oil or gas or other hydrocarbons on the Lands, and during the Primary Term, Lessee drills a dry hole or holes on the Lands, this Lease shall not terminate, provided operations for the drilling of a well shall be commenced by the next ensuing Rental Paying Date, or Lessee begins or resumes the payment of Rentals.
- 6. If Lessor owns a lesser interest in the Lands than the entire and undivided fee simple estate in the minerals, any royalty and Rentals which may be due or payable shall be paid to Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee. Lessors failure to proportionately reduce Rentals shall have no effect on the right to reduce royalties to correspond with Lessor's actual interest in the mineral estate in the Lands
- 7. Lessee is granted the right to use, free of cost, gas, oil, and water found on or under the Lands, for all of Lessee's operations, except water from Lessee's wells. When required by Lessor, Lessee will bury its pipelines crossing those portions of the Lands that are under cultivation below ordinary plow depth, and pay for damages caused by its operations to growing crops on the Lands. No well shall be drilled nearer than 200 feet to only house or barn located on the Lands on the Effective Date without the written consent of Lessor. Lessee last the right at any time during or after the expiration of this Lease, but is under no obligation, to remove all machinery, fixtures, buildings, and other structures placed on the Lands, including the right to draw and remove all easing. Lessee has no obligation to restore the surface of the Lands to its original condition where any offernions or changes were due to operations reasonably necessary under this Lease.
- B. If the estate of either party is assigned, the privilege of assigning in whole or in part being expressly allowed, the terms of this Lease shall extend to the party's heirs, devisces, executors, administrators, successors, and assigns. No change of owner-ship in the Lands, Rentals or royalties, or any sum due, or the depository address of Lesser, under this Lease shall be binding on the Lessee until 60 days after it has been furnished with written notice of the change accompanied by the original recorded instrument or certified copy of the conveyance, a certified copy of the Will and probate proceedings of any deceased owner, or a certified copy of the proceedings showing the appointment of an administrator of the estate of any deceased owner, whichever is opporpriate, together with all recorded instruments of conveyance or certified copies accessary to show a complete chain of title to the interest claimed. All advanced payment of Rentals made before the end of the 60-day period following Lessee's receipt of documents shall be binding on any direct or indirect assignce, grantee, devisee, administrator, executor, or heir of Lessor.
- 9. No change or division in the ownership of the Lands, Rentals, or royalties, however accomplished, shall enlarge the obligation or diminish the rights of the Lessee. In the event of an assignment in whole or in part by Lessee, the liability for breach of any obligation of this Lease shall rest exclusively on the owner of the portion of the Lease committing the breach. Lessee has no obligation to offset wells on separate tracts into which the Lands may be divided by sale, device, descent or otherwise, or to furnish separate measuring devices or tanks. If this Lease is a satigned as to a segregated part or parts of the Lands and the holders or owners of any part is in default in the payment of the proportionate part of the Rentals due, the default shall not operate to affect this Lease insofar as it covers a part of the Lands on which Lessee or any other assignee makes timely payment of Rentals. If six or more parties become entitled to royalty payments, Lessee may withhold payment until furnished with a recordable instrument executed by all the parties designating an agent to receive payment of royalties for all the parties.
- 10. Lessor warrants and agrees to defend title to the Lands and agrees 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 Lands. If Lessee exercises this option it shall be subrogated to the rights of any holder or holders of the liens or

claims and may reimburse itself by applying to the amounts paid to discharge any mortgage, tax or other lien, any royalty, shut-in royalty, or Rentals accruing to the account of Lesson.

- 11. If Lessee commences operations for drilling at any time while this Lease is in force, this Lease shall remain in force and its terms shall continue so long as those operations are prosecuted. If production results from the operations, the Lease shall remain in effect as long as production continues.
- 12. If, during the Primary Term, production on the Lands ceases from any cause, this Lease shall not terminate provided operations for the drilling of a above. If after the expiration of the primary Term, production on the Lands ceases from any cause, this Lease shall not terminate provided permitted in paragraph 5 above. If after the expiration of the Primary Term, production on the Lands ceases from any cause, this Lease shall not terminate provided Lesses resumes operations no a well within one hundred and eighty (180) as from the date of cessation of production. This Lease shall remain in force during the prosecution of the operations and, if production results or resumes, as long as production continues.
- 13. At any time Lessee may surrender this Lease in whole or in part by delivering or mailing a release to the Lessor, or by placing the release of record in shall contain the Lands are located. If the Lease is surrendered on only a portion of the Lands, all payments and liabilities that accrue as to the released portion of the Lands shall cease and any subsequent Rentals that may be paid may be apportioned on an acreage basis. As to the portion of the Lands not released, the terms and provisions of this Lease shall continue and remain in full force and effect for all purposes.
- 14. All provisions of this Lense, express or implied, shall be subject to all federal and state laws and the orders, rules, or regulations of all governmental agencies administering them. This Lense shall not in any way be terminated in whole or in part, nor shall Lessee be liable in damages for failure to comply with any of the express or implied provisions of this Lease if the failure results from any such laws, orders, rules or regulations. If Lessee is prevented from drilling a well during the last six months of the Primary Term by the order of any constituted authority baving jurisdiction, or if Lesse is unable during that period to drill a well due to the maxiliability of necessary equipment, the Primary Term of this Lease shall cominue for six months ofter the order is suspended and/or the equipment is available. Lessee shall pay Rentals during this extended time.
- 15. Lessee, at its option, is granted the right and power to voluntarily pool, unitize, or combine all or any portion of the Londs 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 the Lease, or to obtain the maximum production allowable for any well. Unless larger units are permitted, pooling may be in units and exceeding forty (40) acres for an oil well plus a tolerance of 19%, and 640 acres for a gas well plus a tolerance of units. Larger units may be created to conform to any species or well unit pattern that may be prescribed by governmental authorities. Lessee or Lessee's agent, shall record in the county where the 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 or reworking operations, production of oil, gas, or other hydrocarbons, or the completion of a well as a shat-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 Lands, whether or not the well or wells are located on the Lands settually covered by this Lease. In lieu of the royalty provided in this Lease, including shat-in gas royalties, Lessor shall receive from a unit only that portion of the royalty provided for in this Lease, as that portion of the Lands placed in the unit, or bears to the total amount of acreage included in a Unit.

This Lease and all its terms, covenants, and conditions shall extend to and be binding on all successors grantees and assigns of Leasor and Leasor.

This Lease is executed by Lessor as of the date of the acknowledgment of Lessor's signature, but shall be deemed effective for all purposes as of the Effective Date stated above.

OTHER PROVISIONS:

- In the event of drilling operations on the Lands:
 - Lesses shall install fencing around any open plus sufficient to keep cattle from entering the enclosed, pit area. Such fencing shall be maintained in good order and remain in place and until such time as said pits are permanently closed.
 - Lessee shall not intentionally dispose of any produced brine or salt water on the surface of the lands.
 - Lessee shall consult with Lessor as to the placement and location of roads prior to the drilling of any wells.
- Payment to Lessor by Lessoe for damages to growing crops as set forth in above paragraph #7, shall also include payment for pasture grass.
- No well or well bore may be utilized by Lessee for the disposal of salt water from wells located off of the Lands or leased premises without the prior written consent of Lessor.
- The Lands are now or may hereafter be equipped for irrigation. If Lessee completes an oil or gas well on the lease premises, all operating and storage equipment, machinery, and fixtures will be low in profile and height, and located in such a manner to permit Lessor's use of center pivot irrigation systems or other common types of overhead irrigation systems that may be in place at the time of such well completion.
- Within 90 days following the expiration of this Lease, Lessee shall file a Release of Oil and Gas Lease in the records of the Register of Deeds of Cheyenne County, Kansas
- Prior to the commencement of drilling operations and/or the installation of production facilities and pipelines on the Lands, Lessee agrees to make a good faith effort to negotiate for payment of surface damages. Lessee shall be responsible to Lesser for all damages caused by Lessee's operations, including but not limited to, damage or injury to the surface of the lease premises, timber, crops, pastures, domestic animals, reads, canals, ditches, artificial or natural drains, fences, buildings, water wells, and improvements located on the lease premises. Lessee shall protect and hold Lessor harmless from any claim or claims by any person, firm, or corporation resulting from Lessee's operations, regardless of the merit of any claim.

Stanley J Keller StanlyD, Keller, President Tax ID #

Acknowledgment For Corporation

STATE OF KANSAS COUNTY OF CHEYENNE

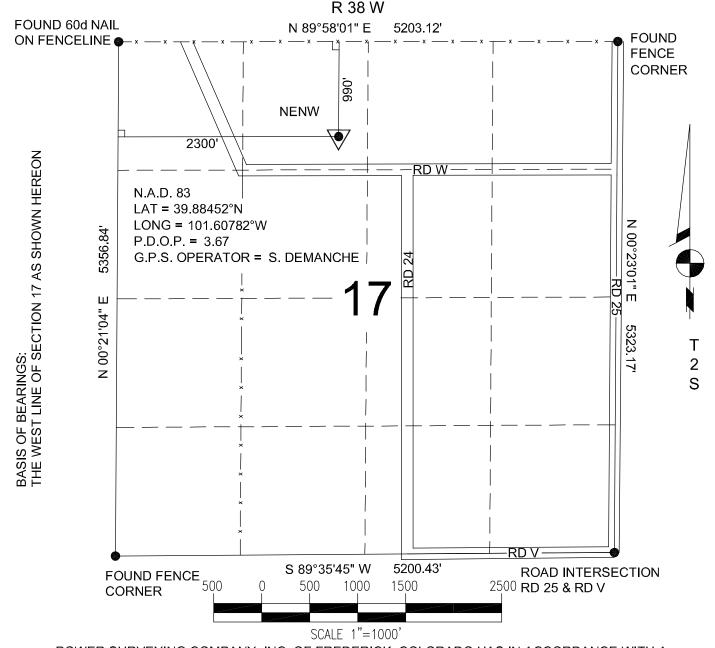
Be it remembered that on this ______ day of ________, 2002, before me, the undersigned, a Notary Public, duly commissioned, in and for the county of Cheyenne and State of Kansas, came Stanly D. Keller, president of Albert Keller Farms, Inc., a corporation of the State of Kansas, personally known to me to be such officer, and to be the same person who executed as such officer the foregoing instrument of writing in behalf of said corporation, and he duly acknowledged the execution of the same for himself and for said corporation 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

NATALIE ROGERS
State of Kansas
MyAppt-Exp-Oct. 21, 2005

Notary Public



POWER SURVEYING COMPANY, INC. OF FREDERICK, COLORADO HAS IN ACCORDANCE WITH A REQUEST FROM **DAN CASPER NOBLE ENERGY** NELSON 21-17 DETERMINED THE LOCATION OF TO BE 990' FNL & 2300' FWL OF SECTION 17 2 SOUTH , RANGE 38 WEST OF THE 6th PRINCIPAL MERIDIAN, TOWNSHIP , STATE OF COUNTY OF CHEYENNE **KANSAS**

LOCATION NOTES:

LOCATION FALLS IN: NATURAL GROUND

IMPROVEMENTS: NONE WITHIN 200' OF LOCATION

ELEVATION DETERMINED FROM NAVD 1988 DATUM. GROUND ELEVATION = 3424'

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 # 501-08-866A

FIELD DATE: 12-12-08

DATE OF COMPLETION: 12-12-08

OIL AND GAS LEASE

(AND RIGHT OF WAY AGREEMENT)

		de and entered into the		December	, 2 <u>005</u> , by and betwe	en
	Dale V. Lutz	and Jacquelyn D	. Lutz, husband	and wife		_ whose post office address i
	513 6th Avenu	ue West, Benkelr	man, NE 69021		. hereinafter called Le	ssor (whether one or more) and
	Bill Barrett C	Corporation, whose	address is 1099 18t	St., Ste. 2300, Denve	er, CO 80202	, hereinafter called Lessee
	the receipt of which demise, lease and le methods, and opera-	I exclusively unto the said time for and producing th	and the covenants and ag I Lessee, the land berein terefrom oil and all cas o	iffer described, with the exclusive I whatsoever nature or kind, with	as granted, demised, leased and let, a right for the purpose of mining, exp h rights of way and easements for la the County of <u>Cheyenne</u> . St	nd by these presents does gran foring by geophysical and othe ying pipe lines, and erection o
	TOWNSHIP	2 SOLITIE RAN	IGE 38 WEST	THP M.		
,	Section 8: Section 17:	2 SOUTH, RAN NE/4, NE/4NW, N/2SE/4, SW/4S W/2SW/4 lying and west bounds NW/4NE/4	SE/4 and that par north and east o	rt of the f the south	STATE OF KANSAS, C This justiument yes fi day of April 1 1 2 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	led for record on the A.M. and recorded Page 435-436
	Section 17.	14 WITHING		100	Denverdo	
	contiguous or a part		ribed above, whether suc	h additional lands be owned or cla	ding all lands now or hereafter owned aimed by deed, limitation or otherwis	
	leased premises or or being produced on it force so long as ope, prosecuted if our mo of a subsequent well- lease shall not termin date of completion o shall continue in for 2. This is a PAH commence or contin said land and as to ar surrendered.	n acreage pooled therewish the leased permises or on a rations are being continue re than one hundred and ei I fafter discovery faith that if I lease commences I dry hole. I fail or gas shi ce so long as oil or gas is JOUP LEASE. In considi uc any operations during the system of the statum by deli-	h, or drilling operations as creage pooled therewith busly prasecuted on the k- ighty (180) days shall eta; r gas on said land or on as additional drilling or re- all be discovered and pro- produced from the lease creation of the down east the primary term. Lesses ivering to Lessur or by file	re continued as hereinafter provide out Lessee is then engaged in drill eased premises or on acreage poo pase between the completion or also reage pooled therewith, the produ ratking operations within one hum luced as a result of such operation I premises or on acreage pooled if payment, Lessor agrees that Les may at any time or times during o ing for record a release or releases	after as oil or gas of whatsoever natured. If, at the expiration of the primary ing or re-working operations thereon, sled therewith; and operations shall be undomment of one well and the beginnierion thereof should cease from any exdred and eighty (180) days from date or start of the primary tention there where the primary tention there were the primary tention there were the primary tention there were the primary tention of the primary tention there were the primary tention that the primary tention the pri	term of this lease, oil or gas is no then this lease shall continue in considered to be continued in go operations for the drilling ance after the primary term, this feessalian of production or from any term of this lease, this lease to the training of production or from any term of this lease, this lease is to otherwise provided herein, to stease as to all or any portion of these are to all or any portion of
	1st. To deliver to		of cost, in the pipe line to	grees: which Lessee may connect wells	on said land, the equal description	part of all oil produced and
	cighth of the cost of 31d. To pay Less proceeds, at the mon	or on gas and casinghead p or in the manufacture of ga e, to bear one-eighth of the gathering and transporting or for gas produced from a oth of the well, payable mu	ie cost of compressing, at ig such gas and easinghed any oil well and used off onthly at the prevailing n	myuraung and omerwise treating : id gas from the mouth of the well the premises or in the manufactur tarket rate.	righth of the net proceeds derived from the well, of such gas to render i such gas or ensinghead gas to render i to the point of sale or use e of gasoline or any other product a re alty to the myalty owners.	r marketable or usable and one- yalty of one-eighth (1/8) of the
	acre retained hereunt	ler, such navment or tende	er to be made on or before	the anniversary date of this lease	next ensuing after the expiration of nir shut in. If such payment or tender is t	nery (90) days from the date such
	gas is being produce	d within the meaning of t	his lease.			
	6.Lessee shall have	thall be paid the Lessor on	nly in the proportion white cost, gas, oil and water pr	di Lessot's interest bears to the wi aduced on said land for Lessee's o	le estate therein, then the royalties (in hole and undivided fee. speration thereon, except water from t	
	8 No well shall b	or drilled nearer than 200 by for damages caused by	feet to the house or barn	now on sald premises without wr	itten consent of Lessor.	
	10. Lessee shall h 11. The rights of I on I essee until Lesse complete chain of rec Lessee. No present i I essee, and all Lesse or omission of any of	ave the right at any time t Lessor and Lessee hereund se has been furnished with ord title from Lessor, and or future division of Lessor's of operations may be con- ther leasehold owner.	to remove all machinery der may be assigned in wi h notice, constiting of ce then only with respect to or's ownership as to diffe ducted without regard to a	and fixtures placed on said premi note or part. No change in owners ritified copies of all recorded instr payments thereafter made. No oil sent portions or parcels of said la my such division. If all or any part	ises, including the right to draw and to hip of Lessor's Interest (by sasignmen untents or documents and other infon her kind of notice, whether actual or a and shall operate to enlarge the obliga t of this lease is assigned, no leasehold	t or otherwise) shall be binding mation necessary to establish a onstructive, shall be binding on tions or diminish the rights of owner shall be liable for any act
	uner autacent lands.	or leases, when in Lessee	s tudement it is necesso	ry of advisable in on so in order to	ny portion of the lands described here o properly develop and operate this le ding forth (40) acres for an oil well pl form to any spacing or well unit rati	ace or to obtain the maximum

hundred forty (6-01) acres for n 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 we Lessee's agent, shall record in the county where the above described lands are located an instrument identifying the unit and describing the poled 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 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 fease. In this 162, including shut-in royalties, the royalty provided in this lease, including shut-in royalties, the royalty provided for in this lease, including shut-in royalties, the same consideration recited in the first paragraph above, the Lessor herety 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, maintenance, together with the rights-of-way for ingress, egress, and prossage over and across said lands for the purpose of conducting oil and gas exploration, production, operations

14. All express or implied envenants 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 may in any way affect the purposes for which this lease is made, as recited herein.

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16. In the event I evor considers that Lessee has not complied with all its obligations hereunder, either expuess or implied, Lessor shall notify Lessee in writing, setting out specifically in what respects Lessee has breached this lease. Lessee shall then have afixly (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 Lesser on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of said notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee nined to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has falled 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 is lessor. The word "Lessor," as used in this lease, shall mean any one or more or 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 I essor may hereafter acquire by way of reversion or otherwise.

IN WITNESS WHEREOF, this instrument is executed as of the date first above written.

		sucquery 113. Ediz	J
STATE OF NEBRASKA	•	oklahoma, Kansas, New Mexico, Wyoming, Mo	ntana, Colorado, Utalı,
COUNTY OF DUNDY	} ss.	Nebruska, North Dakota, South Dal	cota
	ACK	NOWLEDGMENT-INDIVIDUAL	
personally appeared <u>Dale V. Lut</u> to be the identical persons described in a	z and Jacquelyn ind who executed ti	said County and State, on this <u>19</u> day of D. Lutz, husband and wife the within and foregoing instrument of writing as antary act and deed for the uses and purposes the	, to me known
IN WITNESS WHEREOF, I have hereu	nto set my hand and	d affixed my notarial seal the day and year last :	iboye written.
My Commission Expires Aug a		- Jone & S. A.	audunck Notary Public
IAL B	MARY-State of Rebraska ET L. HARDWICK DOT Esp. ALZ 28, 2608	Address: 2195.2 40	
	APPROVED BUTTE	_Parks 716	E 10904/
STATE OF)	5	ACKNOWLEDGMENT (For use by Corporation)	
COUNTY OF	i e	(1 th use by Corporation)	
On this	day of		2 . before me personally
appeared	, to me	personally known, who, being hy me duly swo	orn did sny thathe is the
scal affixed to said instrument is the corp corporation by authority of its Board of E to be free act and deed of said corporatio	porate seal of said o	orporation and that said instrument was signed ac	and that the and scaled in behalf of said knowledged said instrument
Witness my hand and seal this		,2	
My Commission Expires			
			Notary Public.
		Address:	
		4.5	

After Recording Return To: Bill Barrett Corporation 1099 18th St., Ste. 2300 Denver, CO 80202 Attn: C. Edelen

Lutz-J-D.2S-JBW B NE & other 1219051se 1