

For KCC Use:	
Effective Date:	
District #	
0040	

Spud date: _

_ Agent: _

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

1025649

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

SGA? Yes No Mus		NTENT TO DRILL All blanks must be Filled to the (5) days prior to commencing well
Expected Spud Date:		Spot Description:
month day	year	· · · Sec Two S.B. F.W.
ODEDATOR II		feet from N / S Line of Section
OPERATOR: License# Name:		feet from E / W Line of Section
Address 1:		Is SECTION: Regular Irregular?
Address 2:		
City: State: Zi		(Note: Locate well on the Section Plat on reverse side)
Contact Person:		County: Well #:
Phone:		Field Name:
CONTRACTOR: License#		
Name:		Target Formation(s):
		Nearest Lease or unit boundary line (in footage):
Well Drilled For: Well Class:	Type Equipment:	Ground Surface Elevation:
Oil Enh Rec Infield	Mud Rotary	Water well within one-quarter mile:
Gas Storage Pool Ext.	Air Rotary	Public water supply well within one mile:
Disposal Wildcat	Cable	Depth to bottom of fresh water:
Seismic ; # of Holes Other		Depth to bottom of usable water:
Other:		Surface Pipe by Alternate: I II
If OWWO: old well information as follows:		Length of Surface Pipe Planned to be set:
		Langeth of Conductor Directification
Operator:		Projected Total Depth:
Well Name: Original Completion Date: Original	Total Donth:	
Original Completion Date Original	iotai Deptii	Water Source for Drilling Operations:
Directional, Deviated or Horizontal wellbore?	Yes No	Well Farm Pond Other:
If Yes, true vertical depth:		
Bottom Hole Location:		(Note: Apply for Permit with DWR)
KCC DKT #:		- Will Cores be taken?
		If Yes, proposed zone:
The undersigned hereby affirms that the drilling, c		FFIDAVIT lugging of this well will comply with K.S.A. 55 et. seq.
It is agreed that the following minimum requirement		
 Notify the appropriate district office <i>prior</i> to A copy of the approved notice of intent to dr The minimum amount of surface pipe as sp through all unconsolidated materials plus a 	rill shall be posted on each ecified below shall be se	t by circulating cement to the top; in all cases surface pipe shall be set
4. If the well is dry hole, an agreement betwee	en the operator and the dis	strict office on plug length and placement is necessary prior to plugging;
5. The appropriate district office will be notified		, ,
		ed from below any usable water to surface within 120 DAYS of spud date. #133,891-C, which applies to the KCC District 3 area, alternate II cementing
		pe plugged. <i>In all cases, NOTIFY district office</i> prior to any cementing.
must be completed main so days of the op		plaggod. In all cases, reprint all all of the prior to any completely
Submitted Electronically		
Jabililited Electronically		Damanharta
For KCC Use ONLY		Remember to:
		- File Drill Pit Application (form CDP-1) with Intent to Drill;
API # 15		- File Completion Form ACO-1 within 120 days of spud date; - File acreage attribution plat according to field proration orders;
Conductor pipe required	feet	Notify appropriate district office 48 hours prior to workover or re-entry;
Minimum surface pipe required	feet per ALT. I	Submit plugging report (CP-4) after plugging is completed (within 60 days);
Approved by:		- Obtain written approval before disposing or injecting salt water.
		- If this permit has expired (See: authorized expiration date) please
This authorization expires:	months of approval data	check the box below and return to the address below.

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



IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

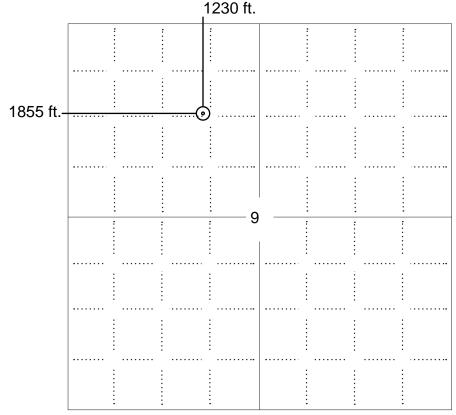
Plat of acreage attributable to a well in a prorated or spaced field

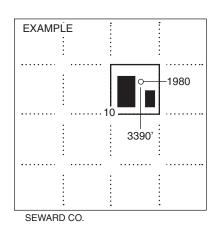
If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please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

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:	SecTwpS. R 🗌 E 🗍 W
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.)





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 OIL & GAS CONSERVATION DIVISION

1025649

Form CDP-1 April 2004 Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name:			License Number:		
Operator Address:					
Contact Person:			Phone Number:		
Lease Name & Well No.:			Pit Location (QQQQ):		
Type of Pit: Emergency Pit Burn Pit Settling Pit Drilling Pit Workover Pit Haul-Off Pit (If WP Supply API No. or Year Drilled) Is the pit located in a Sensitive Ground Water Is the bottom below ground level? Yes No Pit dimensions (all but working pits):	Artificial Liner? Yes No Length (feet) from ground level to deepest point: e liner Describe proce		SecTwpR East West Feet from North / South Line of Section Feet from East / West Line of Section County Chloride concentration: mg/l (For Emergency Pits and Settling Pits only) How is the pit lined if a plastic liner is not used? N/A: Steel Pits		
Distance to nearest water well within one-mile of pit		Depth to shallo	west fresh waterfeet.		
		Source of infor			
feet Depth of water well	feet		redwell owner electric logKDWR		
Emergency, Settling and Burn Pits ONLY:		.	over and Haul-Off Pits ONLY:		
Producing Formation:			al utilized in drilling/workover:		
Number of producing wells on lease:			king pits to be utilized:		
Barrels of fluid produced daily: Does the slope from the tank battery allow all flow into the pit? Yes No			procedure: be closed within 365 days of spud date.		
Submitted Electronically					
	ксс	OFFICE USE OF	NLY Steel Pit RFAC RFAS		
Date Received: Permit Num	ber:	Permi	it Date: Lease Inspection: Yes No		

Attachment
To Application for Permit to Drill
Huslig CPC #3-9 Well
CREDO Petroleum Corporation, Operator
Summary of Leases to be Pooled

LESSOR	LESSEE	DATE	Ĭ	DESCRIPTION	TION		BOOK	PAGE
Janet A & John Peters	Credo Petroleum Corp.	02/17/07	6	19S	11W	NW/4	614	1803
Towns 11 6. Lower D Colytochtermajer	Credo Petroleum Com.	02/17/07	6	19S	11W	N/2NW/4	614	1802
Longia II & Jealife II Schlochteringer	Credo Petroleum Coro.	02/10/07	6	19S	11W	N/2NW/4	614	1801
Janice IVI & Daily E Michbel	Credo Petroleum Com	02/10/07	6	19S	11W	N/2NW/4	614	1798
Nathreen A & Jay D Man	Credo Petroleum Com.	02/10/07	6	198	11W	N/2NW/4	614	1800
KOSE IVI. IMEYELS Dita M. Q. Michael D. Cacaba	Credo Petroleum Corp.	02/10/07	9	19S	11W	N/2NW/4	614	1799
Kita M & Michael R Closcua Roy J. & Elaine E. Schlochtermeier	Credo Petroleum Corp.	02/11/07	6	S61	11W	N/2NW/4	614	1788
Indian M. 9. Donier B. Vlannar	Credo Petroleum Com.	01/09/09	6	19S	11W	S/2NW/4	At County	
James M & Daily E Nacypes	Credo Petroleum Corp.	01/09/09	6	19S	11W	S/2NW/4	At County	
Does M. Meyers	Credo Petroleum Corp.	01/09/09	6	19S	11W	S/2NW/4	At County	
Rita M & Michael R Goscha	Credo Petroleum Corp.	01/09/09	6	19S	11W	S/2NW/4	At County	

P:Xcel Schedule Department/Income Tax Department/GEA Files/Rice Barton/Huslig CPC 3-9 (Sec 9-11S-19W) Lease Schedule for Permit.doc

TITLE OWNERSHIP REPORT

TRACT:

Township 19 South, Range 11 West of the 6th P. M.

Section 9: N1/2NW1/4

Barton County, Kansas

80.00 acres, more or less

I certify that I have:

(x) I personally examined the county records
() been furnished with abstracts record check

In connection with the captioned tract, and interpret this ownership to be as follows:

SURFACE OWNERSHIP:

Rose Meyeres, Janice Klepper, Kathleen Mai & Rita Gosha

Ī	Name & Address of Mineral Owners	Interest	Net Ac.	Leasehold Status
7	Rese Mi Meyeres, a single person 3712 23rd Street Great Bend, Kansas 67530	12:50%	÷ 10:QO	Credo Petroleum Corp. Exp. Date: 2-09-2010 w/1-yr. Ext. @ \$5.00/ac.
	Janice M. Klepper and Daryl E. Klepper, (w&h) 5918 Rosewood Drive, Great Bend Great Bend, Kansas 67530	12.50%	10.00	Credo Petroleum Corp. Exp. Date: 2-09-2010 w/1-yr. Ext. @ \$5.00/ac.
	Kathleen A. Mai and Jay D. Mai, (w&h) 5948 Rosewood Drive Great Bend, Kansas 67530 420/793-8454	12.50%	10.00	Credo Petroleum Corp. Exp. Date: 2-09-2010 w/1-yr. Ext. @ \$5.00/ac.
	Rita M. Goscha and Michael R. Gosha, (w&h) 416 N. Walnut McPherson, Kansas 67460	12.50%	10.00	Credo Petroleum Corp. Exp. Date: 2-09-2010 w/1-yr. Ext. @ \$5.00/ac.
7	Roy J. Schlochtermeier and Elaine E. Schlochtermeir (h&w), 1154 NE 40 Road Ellinwood, Kansas 6752	16.666%	13.33	Credo Petroleum Corp. Exp. Date: 2-16-2010 w/1-yr. Ext. @ \$5.00/ac.
	Donald H. Schlochtermeier & Jeanne R. Schlochtermeir (h&w), 595 NE 120 Avenue Ellinwood, Kansas 6752	16.666%	13.33	Credo Petroleum Corp. Exp. Date: 2-16-2010 w/1-yr. Ext. @ \$5.00/ac.
	Janet A. Peters and John Peters, (w&h) 228 Mount Pleasant Lewistown, Montana 59457	16.666%	13.33	Credo Petroleum Corp. Exp. Date: 2-16-2010 w/1-yr. Ext. @ \$5.00/ac.
	TOTALS:	100.00%	80.00	

NAME OF TITLE COMPANY:

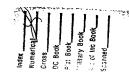
J. R. GENSCH & ASSOCIATES

John R Gensch

Date: February 14, 2007

lash ins

THIS AGREEMENT, made and entered into this ____



KEVIN WONDRA REGISTER OF DEEDS
BARTON COUNTY, KS
COCK = 614 Page = 1788
Receipt #: 84257 Total Fees: \$12.00
Pages Recorded: 2
Date Recorded: 7/31/2007 4:15:38 PM

OIL AND GAS LEASE KANSAS [PAID UP] 3

__ day of _____ Feburary

and between Roy J. Schlochtermeier and Elaine E. Schlochtermeier, husband and wife (25)
1154 NE 40 Road
Ellinwood, Kansas 67526
hereinafter called Lessor, (whether one or more) and whether one or more) and
1801 Broadway, Suite 900, Denver, Colorado 80202
hereinafter called Lessee:
WITNESSETH:
1. That the Lessor, for and in consideration of the sum of ten and more Dollars (\$ 10.00+), and other good and valuable consideration, receipt of which is hereby acknowledged, and the covenants and provisions contained herein to be kept by Lessee, does hereby grant, demise, lease and let unto the said Lessee, the land hereinafter described, with the exclusive right for the purpose of mining, exploring by geophysical and other methods, operating for, producing, and taking care of all oil, gas and all of the products of oil and gas, with rights of way and easements for laying pipelines, telephone and telegraph lines and the exclusive right of injecting water, brine and other fluids into subsurface strata, and the building of structures, tanks, roadways and any and all other rights and privileges necessary, incident to, or convenient for the economical operation alone, or conjointly with neighboring land, for the production, saving and taking care of all said products on that certain tract of land situated in the County of Barton State of Kansas, described as follows, to-wit:
TOWNSHIP 19 SOUTH, RANGE 11 WEST OF THE 6 TH P.M.
Section 9: N1/2NW1/4
Containing 80 acres, more or less.
2. It is agreed that this lease shall remain in full force and effect for a primary term of Three (3) years from this date, and as long thereafter as oil, gas or the products of oil or gas are produced from said leased premises, or drilling operations are continued as hereinafter provided.
3. This is a PAID-UP LEASE. In consideration of the down payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term, or to make any rental payments during the primary term. Lessee may at any time or times during or after the primary term hereof surrender this lease as to all or a portion of the lands covered herein by delivering to Lessor, or by filing for record a release or releases, and thereafter be relieved of all obligations accruing hereunder as to the acreage surrendered. The lease shall continue in force and effect as to all of the acreage not surrendered.
4. All payments required to be made under this lease shall be made or tendered to the Lessor or to the Lessor's credit in the
Pay Directly to I accor. Peak (denocitors book) at
bank with which it may be merged, or consolidated, or which succeeds to its business or assets or any part thereof, by purchase or otherwise, which shall continue as the depository regardless of changes in the ownership of said land.
5. Lessee agrees to pay Lessor a royalty on production covered hereby as follows: 1* Lessee shall deliver to the credit of Lessor as royalty, free of cost, in the pipeline to which Lessee may connect its wells, the equal one-eighth part of all oil produced and saved from the leased premises, or at Lessee's option, may pay to the Lessor for such one-eighth royalty the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipeline, or into storage tanks.
2 nd . Lessee shall pay Lessor as royalty on gas marketed from each well one-eighth of the proceeds if sold at the well, or if marketed by Lessee, off the leased premises, then one-eighth of its market value at the well.
3rd. Lessee shall pay Lessor one-eighth of the proceeds received by the Lessee from the sale of casinghead gas produced from any oil well and one-eighth of the value, at the mouth of the well, computed at the prevailing market price, of the casinghead gas produced from any oil well and used by Lessee off the leased premises for any purpose or used on the leased premises by Lessee for purposes other than the development and operation thereof.
4th. Lessee shall pay to Lessor one-eighth of the proceeds from the sale of all other products of oil and gas not otherwise referred to hereinabove.
6. Where there is a gas well, or wells on the lands covered by this Lease, or acreage pooled therewith, whether it be before or after the primary term hereof, and such well or wells are shut-in, and there is no other production, drilling operations or other operations being conducted capable of keeping this Lease in force under any of its provisions, Lessee shall pay as royalty to Lessor the sum of One Dollar (\$1.00) per year per net royalty acre, such payment to be made on or before the anniversary date of this Lease next ensuing after the expiration of 90 days from the date such well or wells are shut-in, and thereafter on the anniversary date of this Lease during the period such wells are shut-in, and upon such payment it shall be considered that this Lease is maintained in full force and effect.
7. If the Lessor owns a lesser interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the said Lessor only in the proportion which Lessor's interests bear to the whole and undivided fee.

10. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operations thereon, except water from the wells of the Lessor. When requested by Lessor, Lessee shall bury pipelines below plow depth. No well shall be drilled nearer than 200 feet to any house or barn on said premises as of the date of this lease without written consent of the Lessor. Lessee shall pay for damages caused by Lessee's operations to growing crops on said land. Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing, but shall not have the obligation to do so.

lease shall continue in force so long as oil, gas, or the products of oil or gas shall be produced from the leased premises.

8. Notwithstanding anything in this lease contained to the contrary, it is expressly agreed that if Lessee shall commence operations for drilling a well at any time while this lease is in force, this lease shall remain in force and its term shall continue so long as such operations are prosecuted as set out in Paragraph 9 hereof, and if production results therefrom, then so long as production continues.

9. If at the expiration of the primary term of this lease, oil, gas, or the products of oil and gas are not being produced on the leased premises but Lessee has been engaged in drilling or reworking operations thereon, then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises; and operations shall be considered to be continuously prosecuted if not more than ninety (90) days shall elapse between the completion or the abandonment of one well and the beginning of operations for the drilling of a subsequent well. If, after the discovery of oil or gas or the products of oil or gas on said land or acreage pooled therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or reworking operations within ninety (90) days from the date of cessation of production or from date of completion of a dry hole. If oil, gas or the products of oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this

the time to the time of the Language has been	d in whole or in part; howev o change in ownership of Lessor's interest (by burnished with notice, consists. of certified copies of all recorded instruments or consists.
documents and other information necessary to establish a complete chain of rec No other notice of any kind or character, whether actual or constructive, shall b different portions or parcels of said land shall operate to enlarge the obligation conducted without regard to any such division. If all or any part of this lease is	ord title from the Lessor, and then only will respect to payments observed the binding on the Lessee. No present or future division of Lessor's ownership as to 1s, or to diminish the rights of the Lessee, and all of Lessee's operations may be assigned, no leasehold owner shall be liable for any act or omission on the part of
any ones leasoned office.	ten (10) RS. ES starily pool or combine the lands covered by this lease, or any portion thereof, as to
the oil and gas, or either of them, with any other lattle, lease to leasts adjactor. properly develop and operate said premises, such pooling to be into units not ex not exceeding six hundred forty (640) acres for a gas well, plus a tolerance of te or well unit pattern that may be prescribed by governmental authorities having instrument identifying and describing the pooled acreage. The entire acreage so as if it were included in this lease, and drilling or reworking operations thereon in gas well, shall be considered for all purposes, except the payment of royaltie was on the land covered by this lease, whether or not the well or wells be lo specified, including shut-in gas royalties, Lessor shall receive from a unit so for placed in the unit or his royalty interest therein bears to the total acreage so pool	tarily pool or combine the lands covered by this lease, or any portion thereor, as thereto when in Lessee's judgment it is necessary or advisable to do so in order to ceeding with (10%), except that larger units may be created to conform to any spacing jurisdiction. Lessee shall execute in writing and record in the Country Records as pooled into units shall be treated for all purposes, except the payment of royalties, or production of oil or gas therefrom, or the completion thereon of a well as a shuts, as if such operation were on, or such production were from, or such completion cated on the premises covered by this lease. In lieu of royalties elsewhere herein med only such portion of the royalties stipulated herein as the amount of his acreage led. All production units must be square in form, with the
well being formed in the center thereof.	
13. On or before the expiration of the primary term of this lease, the	Lessee, its successors or assigns, shall have the option and right to renew this lease
as to all or any portion of the acreage described herein and extend the primary	term thereto an additional One (1) years commencing on the expiration of the
primary term of this lease, by making payment to Lessor's credit in the deposito and No Hundredths DOLLARS ($\frac{\$5.00}{1}$) per net mineral acre for those portions of the leased premises to which an extension is not sought.	ry bank hereinabove shown on or before such expiration date in the sum of <u>Five</u> each acre to which the term of this lease is extended, and to release this lease as to
to the transport of the second	area by filing in the county records a Notice of Termination of the unit. All express xecuted orders, rules or regulations of governmental bodies having jurisdiction, and in damages for failure to comply therewith, if compliance is prevented by or if such
15. Lessor hereby warrants and agrees to defend the title to the lar redeem for Lessor, by payment, any mortgages, taxes or other ilens on the abov to the rights of the holder thereof, and in addition Lessee may reimburse itself for the contract of th	
16. All the provisions of this Lease shall be binding on the heirs, suc	cessors, assigns, and legal representatives of the Lessor and Lessee.
IN WITNESS WHEREOF this instrument is executed on the day and year first	hereinabove set out.
Roy J. Sullah Lamin Roy J. Schlochtermeier SS# 5/2-58-8222	Elaine E. Schlochtermeier SS# 515-62-6267
33# <u>3/2-38 8 %</u> %	Ser to the first
STATE OF <u>KANSAS</u>) SS COUNTY OF <u>BARTON</u>	(INDIVIDUAL ACKNOWLEDGMENT)
Before me the undersigned, a Notary Public, within an	d for said county and state, on this 20th day of February,
2007, personally appeared Roy J. Schlochtermeier and	Elaine E. Schlochtermeier, husband and wife I the within and foregoing instrument and acknowledged to me that
IN WITNESS WHEREOF, I have hereunto set my har	nd and official seal the day and gear last above written.
My commission expires 10 vember 3, 2008	Notary Public JOHN R. GENSCH
	NOTARY PUBLIC STATE OF KANSAS
STATE OF)	My Appt. Exp/1-03-2000
COUNTY OF) SS	(CORPORATION ACKNOWLEDGMENT)
On this day	before me, the undersigned, a Notary Public in and for the county to me
and state aforesaid, personally appeared	ne of the maker thereof to the within and foregoing instrument as its
and acknowledged to me t and deed, and as the free and voluntary act and deed of said co	hat executed the same as free and voluntary act
Given under my hand and seal the day and year last at	pove written.
Section and the section and section are section and section are se	
My commission expires	Notary Public

hereinabove.

TITE AC	REEMENT, made and entered into this	10 th	day of	Feburary	, <u>2007</u> by
	TZ 11.1 A Mark and Your	D. Mai. wi		pand	(4)
and between	5948 Rosewood Drive	21,1,1001,			
	Great Bend, Kansas 6753	0			
h-mai	alled Lessor, (whether one or more) and whether		and CRE	DO PETROLEUM COI	RPORATION
neremaner c	1801 Broadway, Suite 90	00. Denver.			
hereinafte	r called Lessee:				
WITNES	SETH:			40.00	
consideratio and let unto operating fo telegraph lin all other rig	That the Lessor, for and in consideration of t n, receipt of which is hereby acknowledged, an the said Lessee, the land hereinafter describ r, producing, and taking care of all oil, gas and the sand the exclusive right of injecting water, t has and privileges necessary, incident to, or con- taking care of all said products on that certain	nd the covenants ed, with the exc d all of the produ orine and other for onvenient for the	and provisions clusive right for acts of oil and g luids into subsur e economical op	as, with rights of way and easements rface strata, and the building of struct eration alone, or conjointly with ne	ee, does hereby grant, demise, lease by geophysical and other methods, for laying pipelines, telephone and stures, tanks, roadways and any and
	TOWNSHIP 19 SOUTH, RANG Section 9: N1/2NW1/4	GE 11 WE	ST OF TH	E 6 TH P.M.	
Containing	acres, more or less. 2. It is agreed that this lease shall remain in ful	n e de Ma		or Three (3) years from the	is date and as long thereafter as oil.
gas or the p	roducts of oil or gas are produced from said lea	ased premises, or	r drilling operati	ons are continued as herematici prov	rideu.
herein, to c during or a or releases, acreage not	 This is a PAID-UP LEASE. In consideration mmence or continue any operations during th fler the primary term hereof surrender this leas and thereafter be relieved of all obligations acces surrendered. 	e primary term, one as to all or a per cruing hereunder	or to make any i ortion of the land as to the acreag	ds covered herein by delivering to Le e surrendered. The lease shall continue	issor, or by filing for record a release nue in force and effect as to all of the
	4. All payments required to be made under this	s lease shall be m	nade or tendered	to the Lessor or to the Lessor's credi	t in the
hank with	Pay Directly to Lessor Bank (which it may be merged, or consolidated, or we be used to b	depository bank)	\ nt		or successors, or any
ainhth nart	of all oil produced and saved from the leased the and gravity prevailing on the day such oil is	lit of Lessor as r premises, or at L run into the pipe	essee's option, eline, or into stor	ost, in the pipeline to which Lessee is may pay to the Lessor for such one-eage tanks.	agiiui royalty tile markot price toi es
Lessee, off	2 nd . Lessee shall pay Lessor as ro the leased premises, then one-eighth of its man	yalty on gas market value at the	arketed from eac well.	th well one-eighth of the proceeds i	f sold at the well, or if marketed by
and one-ei	3rd. Lessee shall pay Lessor one-e	anuted at the are	vailing market p	y the Lessee from the sale of casing rice, of the casinghead gas produced uses other than the development and	Hom any on wen and used by crosse

6. Where there is a gas well, or wells on the lands covered by this Lease, or acreage pooled therewith, whether it be before or after the primary term hereof, and such well or wells are shut-in, and there is no other production, drilling operations or other operations being conducted capable of keeping this Lease in force under any of its provisions, Lessee shall pay as royalty to Lessor the sum of One Dollar (\$1.00) per year per net royalty acre, such payment to be made on or before the anniversary date of this Lease next ensuing after the expiration of 90 days from the date such well or wells are shut-in, and thereafter on the anniversary date of this Lease during the period such wells are shut-in, and upon such payment it shall be considered that this Lease is maintained in full force and effect.

4th. Lessee shall pay to Lessor one-eighth of the proceeds from the sale of all other products of oil and gas not otherwise referred to

- 7. If the Lessor owns a lesser interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the said Lessor only in the proportion which Lessor's interests bear to the whole and undivided fee.
- 8. Notwithstanding anything in this lease contained to the contrary, it is expressly agreed that if Lessee shall commence operations for drilling a well at any time while this lease is in force, this lease shall remain in force and its term shall continue so long as such operations are prosecuted as set out in Paragraph 9 hereof, and if production results therefrom, then so long as production continues.
- 9. If at the expiration of the primary term of this lease, oil, gas, or the products of oil and gas are not being produced on the leased premises but Lessee has been engaged in drilling or reworking operations thereon, then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises; and operations shall be considered to be continuously prosecuted if not more than ninety (90) days shall elapse between the completion or the abandonment of one well and the beginning of operations for the drilling of a subsequent well. If, after the discovery of oil or gas or the products of oil or gas on said land or acreage pooled therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or reworking operations within ninety (90) days from the date of cessation of production or from date of completion of a dry hole. If oil, gas or the products of oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil, gas, or the products of oil or gas shall be produced from the leased premises.
- 10. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operations thereon, except water from the wells of the Lessor. When requested by Lessor, Lessee shall bury pipelines below plow depth. No well shall be drilled nearer than 200 feet to any house or barn on said premises as of the date of this lease without written consent of the Lessor. Lessee shall pay for damages caused by Lessee's operations to growing crops on said land. Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing, but shall not have the obligation to do so.

11. The rights of the Lessor and Ler hereunder may be assigned in whole or in part; however o change in ownership of Lessor's interest (by antil the Lessee has been furnished with notice, consists . certified copies of all recorded instruments or assignment or otherwise) shall be binding on Les documents and other information necessary to establish a complete chain of record title from the Lessor, and then only with respect to payments thereafter made. No other notice of any kind or character, whether actual or constructive, shall be binding on the Lessee. No present or future division of Lessor's ownership as to different portions or parcels of said land shall operate to enlarge the obligations, or to diminish the rights of the Lessee, and all of Lessee's operations may be conducted without regard to any such division. If all or any part of this lease is assigned, no leasehold owner shall be liable for any act or omission on the part of any other leasehold owner. -ten (10) 12. Lessee, at its option, is hereby given the right and power to voluntarily pool of combine the lands covered by this less, or either of them, with any other land lesses at least a less of the lands. portion thereof, as to the oil and gas, or either of them, with any other land, lease or leases adjacent thereto when in Lessee's judgment it it necessary or advisable to do so in order to properly develop and operate said premises, such pooling to be into units not exceeding eighty (10%), except that larger units may be created to conform to any spacing n-for an oil well, plus a tolerance of ten percent (10%), and or well unit pattern that may be prescribed by governmental authorities having jurisdiction. Lessee shall execute in writing and record in the County Records as instrument identifying and describing the pooled acreage. The entire acreage so pooled into units shall be treated for all purposes, except the payment of royalties, as if it were included in this lease, and drilling or reworking operations thereon or production of oil or gas therefrom, or the completion thereon of a well as a shutin gas well, shall be considered for all purposes, except the payment of royalties, as if such operation were on, or such production were from, or such completion was on the land covered by this lease, whether or not the well or wells be located on the premises covered by this lease. In lieu of royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive from a unit so formed only such portion of the royalties stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein bears to the total acreage so pooled. All production units must be square in form, with the well being formed in the center thereof. 13. On or before the expiration of the primary term of this lease, the Lessee, its successors or assigns, shall have the option and right to renew this lease as to all or any portion of the acreage described herein and extend the primary term thereto an additional One (1) years commencing on the expiration of the primary term of this lease, by making payment to Lessor's credit in the depository bank hereinabove shown on or before such expiration date in the sum of Five and No Hundredths DOLLARS (\$ 5.00) per net mineral acre for each acre to which the term of this lease is extended, and to release this lease as to those portions of the leased premises to which an extension is not sought. 14. In the absence of production, Lessee may terminate any unitized area by filing in the county records a Notice of Termination of the unit. All express or implied covenants of this lease shall be subject to all federal and state laws, executed orders, rules or regulations of governmental bodies having jurisdiction, and this lease shall not terminate in whole or in part, nor shall Lessee be 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 land in the event of failure of payment by the Lessor, and be subrogated to the rights of the holder thereof, and in addition Lessee may reimburse itself for such payments out of any royalties or rentals payable to Lessor. 16. All the provisions of this Lease shall be binding on the heirs, successors, assigns, and legal representatives of the Lessor and Lessee WHEREOF this instrument is executed on the day and year first hereinaboye set out. STATE OF KANSAS SS (INDIVIDUAL ACKNOWLEDGMENT) COUNTY OF BARTON Before me the undersigned, a Notary Public, within and for said county and state, on this 12th day of February, _and to me personally to be personally appeared Kathleen A. Mai and Jay D. Mai, wife and husband the identical person s 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 fear last above written. JOHN R. GENSCH NOTARY PUBLIC STATE OF KANSA My Appt. Exp*.//<u>-3-700</u>8* STATE OF (CORPORATION ACKNOWLEDGMENT) 388 COUNTY OF before me, the undersigned, a Notary Public in and for the county On this day and state aforesaid, personally appeared personally known to be the identical person who signed the name of the maker thereof to the within and foregoing instrument as its and acknowledged to me that ____executed the same as ____ 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 Notary Public



KEVIN WONDRA REGISTER OF DEEDS

BARTON COUNTY, KS

OOK: 614 Page: 1799

Receipt #: 84257 Total Fees: \$12.80

Pages Recorded: 2

Date Recorded: 7/31/2007 4:15:49 PM

2007 .

OIL AND GAS LEASE KANSAS [PAID UP] 3

THIS AGREEMENT, made and entered into this 10 th day of February, 2007 by
nd between Rita M. Goscha and Michael R. Goscha a/ka Mike Goscha, wife and husband
416 N. Walnut
McPherson, Kansas 67460
ereinafter called Lessor, (whether one or more) and whether one or more) and CREDO PETROLEUM CORPORATION
1801 Broadway, Suite 900, Denver, Colorado 80202
ereinafter called Lessee:
WITNESSETH:
1. That the Lessor, for and in consideration of the sum of ten and more Dollars (\$ 10.00+), and other good and valuable consideration, receipt of which is hereby acknowledged, and the covenants and provisions contained herein to be kept by Lessee, does hereby grant, demise, lease and let unto the said Lessee, the land hereinafter described, with the exclusive right for the purpose of mining, exploring by geophysical and other methods, operating for, producing, and taking care of all oil, gas and all of the products of oil and gas, with rights of way and easements for laying pipelines, telephone and elegraph lines and the exclusive right of injecting water, brine and other fluids into subsurface strata, and the building of structures, tanks, roadways and any and all other rights and privileges necessary, incident to, or convenient for the economical operation alone, or conjointly with neighboring land, for the production, taving and taking care of all said products on that certain tract of land situated in the County of Barton State of Kansas, described as follows, to-wit:
TOWNSHIP 19 SOUTH, RANGE 11 WEST OF THE 6TH P.M.
Section 9: N1/2NW1/4
Section 9. N1/2N w 1/4
Containing 80 acres, more or less.
2. It is agreed that this lease shall remain in full force and effect for a primary term of Three (3) years from this date, and as long thereafter as oil, gas or the products of oil or gas are produced from said leased premises, or drilling operations are continued as hereinafter provided. 3. This is a PAID-UP LEASE. In consideration of the down payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term, or to make any rental payments during the primary term. Lessee may at any time or times during or after the primary term hereof surrender this lease as to all or a portion of the lands covered herein by delivering to Lessor, or by filing for record a release or releases, and thereafter be relieved of all obligations accruing hereunder as to the acreage surrendered. The lease shall continue in force and effect as to all of the
acreage not surrendered.
4. All payments required to be made under this lease shall be made or tendered to the Lessor or to the Lessor's credit in the
Pay Directly to Lessor Bank (depository bank) at or successors, or any
bank with which it may be merged, or consolidated, or which succeeds to its business or assets or any part thereof, by purchase or otherwise, which shall continue as the depository regardless of changes in the ownership of said land.
5. Lessee agrees to pay Lessor a royalty on production covered hereby as follows: 1st. Lessee shall deliver to the credit of Lessor as royalty, free of cost, in the pipeline to which Lessee may connect its wells, the equal one-eighth part of all oil produced and saved from the leased premises, or at Lessee's option, may pay to the Lessor for such one-eighth royalty the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipeline, or into storage tanks.
2 nd . Lessee shall pay Lessor as royalty on gas marketed from each well one-eighth of the proceeds if sold at the well, or if marketed by Lessee, off the leased premises, then one-eighth of its market value at the well.
3 rd . Lessee shall pay Lessor one-eighth of the proceeds received by the Lessee from the sale of casinghead gas produced from any oil well and one-eighth of the value, at the mouth of the well, computed at the prevailing market price, of the casinghead gas produced from any oil well and used by Lessee off the leased premises for any purpose or used on the leased premises by Lessee for purposes other than the development and operation thereof.
4th. Lessee shall pay to Lessor one-eighth of the proceeds from the sale of all other products of oil and gas not otherwise referred to hereinabove.
6. Where there is a gas well, or wells on the lands covered by this Lease, or acreage pooled therewith, whether it be before or after the primary term hereof, and such well or wells are shut-in, and there is no other production, drilling operations or other operations being conducted capable of keeping this Lease in force under any of its provisions, Lessee shall pay as royalty to Lessor the sum of One Dollar (\$1.00) per year per net royalty acre, such payment to be made on or before the anniversary date of this Lease next ensuing after the expiration of 90 days from the date such well or wells are shut-in, and thereafter on the anniversary date of this Lease during the period such wells are shut-in, and upon such payment it shall be considered that this Lease is maintained in full force and effect.
7. If the Lessor owns a lesser interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the said Lessor only in the proportion which Lessor's interests bear to the whole and undivided fee.
8. Notwithstanding anything in this lease contained to the contrary, it is expressly agreed that if Lessee shall commence operations for drilling a well at

9. If at the expiration of the primary term of this lease, oil, gas, or the products of oil and gas are not being produced on the leased premises but Lessee has been engaged in drilling or reworking operations thereon, then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises; and operations shall be considered to be continuously prosecuted if not more than ninety (90) days shall elapse between the completion or the abandonment of one well and the beginning of operations for the drilling of a subsequent well. If, after the discovery of oil or gas or the products of oil or gas on the products of oil or gas on the products of oil or gas or the products of oil or gas or the products of oil or gas on the products of oil or gas or the products of oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil, gas, or the products of oil or gas shall be produced from the leased premises.

any time while this lease is in force, this lease shall remain in force and its term shall continue so long as such operations are prosecuted as set out in Paragraph 9

hereof, and if production results therefrom, then so long as production continues.

10. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operations thereon, except water from the wells of the Lessor. When requested by Lessor, Lessee shall bury pipelines below plow depth. No well shall be drilled nearer than 200 feet to any house or barn on said premises as of the date of this lease without written consent of the Lessor. Lessee shall pay for damages caused by Lessee's operations to growing crops on said land. Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing, but shall not have the obligation to do so.

11. The rights of the Lessor and Le: hereunder may be assigned in whole or in part; howev ochange in ownership of Lessor's interest (by
assignment or otherwise) shall be binding on Les. until the Lessee has been furnished with notice, consistin. If certified copies of all recorded instruments or documents and other information necessary to establish a complete chain of record title from the Lessor, and then only with respect to payments thereafter made. No other notice of any kind or character, whether actual or constructive, shall be binding on the Lessee. No present or future division of Lessor's ownership as to different portions or parcels of said land shall operate to enlarge the obligations, or to diminish the rights of the Lessee, and all of Lessee's operations may be conducted without regard to any such division. If all or any part of this lease is assigned, no leasehold owner shall be liable for any act or omission on the part of any other leasehold owner.
ten (10) 12. Lessee, at its option, is hereby given the right and power to voluntarily pool or combine the lands covered by this lease, or any portion thereof, as to
the oil and gas, or either of them, with any other land, lease or leases adjacent thereto when in Lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said premises, such pooling to be into units not exceeding eighty (80) acres for an oil well, plus a tolerance of ten percent (10%), and not exceeding six hundred forty (640) acres for a gas well, plus a tolerance of ten percent (10%), except that larger units may be created to conform to any spacing or well unit pattern that may be prescribed by governmental authorities having jurisdiction. Lessee shall execute in writing and record in the County Records as instrument identifying and describing the pooled acreage. The entire acreage so pooled into units shall be treated for all purposes, except the payment of royalties, as if it were included in this lease, and drilling or reworking operations thereon or production of oil or gas therefrom, or the completion thereon of a well as a shutin gas well, shall be considered for all purposes, except the payment of royalties, as if such operation were on, or such production were from, or such completion was on the land covered by this lease, whether or not the well or wells be located on the premises covered by this lease. In lieu of royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive from a unit so formed only such portion of the royalties stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein bears to the total acreage so pooled. All production units must be square in form, with the well being formed in the center thereof.
-
13. On or before the expiration of the primary term of this lease, the Lessee, its successors or assigns, shall have the option and right to renew this lease as to all or any portion of the acreage described herein and extend the primary term thereto an additional One (1) years commencing on the expiration of the primary term of this lease, by making payment to Lessor's credit in the depository bank hereinabove shown on or before such expiration date in the sum of Five and No Hundredths DOLLARS (\$5.00) per net mineral acre for each acre to which the term of this lease is extended, and to release this lease as to those portions of the leased premises to which an extension is not sought.
14. In the absence of production, Lessee may terminate any unitized area by filing in the county records a Notice of Termination of the unit. All express or implied covenants of this lease shall be subject to all federal and state laws, executed orders, rules or regulations of governmental bodies having jurisdiction, and this lease shall not terminate in whole or in part, nor shall Lessee be 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 land in the event of failure of payment by the Lessor, and be subrogated to the rights of the holder thereof, and in addition Lessee may reimburse itself for such payments out of any royalties or rentals payable to Lessor.
16. All the provisions of this Lease shall be binding on the heirs, successors, assigns, and legal representatives of the Lessor and Lessee.
IN WITNESS WHEREOF this instrument is executed on the day and year first hereinabove set out.
Rita M. Goscha Michael R. Goscha Michael R. Goscha
700
SS# <u>5//-52.540</u> 4 SS# <u>3/3.46.23</u> 76
STATE OF KANSAS) SS (INDIVIDUAL ACKNOWLEDGMENT) COUNTY OF McPHERSON)
Before me the undersigned, a Notary Public, within and for said county and state, on this
2007 , personally appeared Rita M. Goscha and Michael R.Goscha, a/k/a Mike Goscha wife and husband and to me personally to be the identical person_s_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 5-27-2010 Kang Duran Notary Public
NOTARY PUBLIC STATE OF KANBAS NANCY TRANS
STATE OF
OUNTY OF
On this day hefore me the undersigned a Notary Public in and for the county
On this day before me, the undersigned, a Notary Public in and for the county and state aforesaid, personally appeared 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 and acknowledged to me that executed the same as 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 Notary Public



KEVIN WONDRA REGISTER OF DEEDS

BARTON COUNTY, KS

OOK 2 614 Page: 1800

Receapt #: 04257 Total Fees: \$12.00

Pages Recorded: 2

Date Recorded: 7/31/2007 4:15:50 PM

OIL AND GAS LEASE KANSAS [PAID UP] 3

THIS AGRE	EMENT, made and entered into this	10 th	day of	Feburary	, <u>2007</u> by
and between	Rose M. Meyeres, a single	person			(2)
	3712 23 rd Street				
	Great Bend, Kansas 67530				
hereinafter called	Lessor, (whether one or more) and whether o	ne or more) a	and CRE	DO PETROLEUM CORI	ORATION
	1801 Broadway, Suite 900,			30202	
hereinafter ca	lled Lessee:				
WITNESSET	l'H: at the Lessor, for and in consideration of the s		en and mar	e Dollars (\$ 10.00+)	and other good and valuable
consideration, re- and let unto the operating for, pro- telegraph lines at all other rights a	at the Lessor, for and in Consideration of the ceipt of which is hereby acknowledged, and it said Lessee, the land hereinafter described, oducing, and taking care of all oil, gas and all nid the exclusive right of injecting water, brine nd privileges necessary, incident to, or converge care of all said products on that certain trace	he covenants with the exc of the produ and other fle cnient for the	and provisions of clusive right for acts of oil and gat luids into subsur e economical op-	contained herein to be kept by Lessee, the purpose of mining, exploring by s, with rights of way and easements fo face strata, and the building of structure eration alone, or conjointly with neigh	does hereby grant, demise, lease geophysical and other methods, r laying pipelines, telephone and res, tanks, roadways and any and
TO	WNSHIP 19 SOUTH, RANGE	11 3375	CT OF TUE	6 TH D M	
10	<u>wNSHIP 19 SOUTH, RANGE</u> tion 9: N1/2NW1/4	11 WE	21 OF THE	2 O F.IVI.	
Sec	uon 9: 1\1/2\\ \w 1/4				
Containing	80 acres, more or less.				
				TN (0)	
2. It i	s agreed that this lease shall remain in full for cts of oil or gas are produced from said leased	ce and effect premises, or	for a primary te drilling operation	om of $\underline{\text{Three }(3)}$ years from this of one are continued as hereinafter provide	late, and as long thereafter as oil, d.
herein, to comme	is is a PAID-UP LEASE. In consideration of ence or continue any operations during the pri te primary term hereof surrender this lease as thereafter be relieved of all obligations accruin endered.	imary term, o	or to make any re ortion of the land	ntal payments during the primary term. s covered herein by delivering to Lesso	Lessee may at any time or times r, or by filing for record a release
4. All	payments required to be made under this leas	se shall be m	ade or tendered t	o the Lessor or to the Lessor's credit in	the
bank with which	y <u>Directly to Lessor</u> Bank (depo n it may be merged, or consolidated, or which regardless of changes in the ownership of sai	succeeds to	atits business or as	sets or any part thereof, by purchase o	or successors, or any rotherwise, which shall continue
eighth part of all	ssee agrees to pay Lessor a royalty on product i** Lessee shall deliver to the credit of oil produced and saved from the leased prem I gravity prevailing on the day such oil is run i	Lessor as ro nises, or at Le	oyalty, free of cos essee's option, m	st, in the pipeline to which Lessee may ay pay to the Lessor for such one-eigh	connect its wells, the equal one- th royalty the market price for oil
Lessee, off the le	2 nd . Lessee shall pay Lessor as royalty cased premises, then one-eighth of its market v	on gas mar	rketed from each vell.	well one-eighth of the proceeds if so	ld at the well, or if marketed by
and one-eighth o	3 rd . Lessee shall pay Lessor one-eighth of the value, at the mouth of the well, compute emises for any purpose or used on the leased p	d at the prev	ailing market pri	ce, of the casinghead gas produced fror	n any oil well and used by Lessee
hereinabove.	4th . Lessee shall pay to Lessor one-ei	ighth of the	proceeds from t	he sale of all other products of oil a	nd gas not otherwise referred to
hereof, and such force under any before the anniv	/here there is a gas well, or wells on the land well or wells are shut-in, and there is no othe of its provisions, Lessee shall pay as royalty tersary date of this Lease next ensuing after the during the period such wells are shut-in, and	r production, to Lessor the e expiration (, drilling operation sum of One Dol of 90 days from	ons or other operations being conducted lar (\$1.00) per year per net royalty acre the date such well or wells are shut-in,	I capable of keeping this Lease in e, such payment to be made on or and thereafter on the anniversary
	the Lessor owns a lesser interest in the above royalty) herein provided for shall be paid the s				
any time while t	otwithstanding anything in this lease containe his lease is in force, this lease shall remain in oduction results therefrom, then so long as pro	force and it	s term shall cont		
has been engage leased premises; abandonment of said land or ac- commences add oil, gas or the pr	at the expiration of the primary term of this led in drilling or reworking operations thereon, and operations shall be considered to be co one well and the beginning of operations for reage pooled therewith, the production theretional drilling or reworking operations within oducts of oil or gas shall be discovered and pure in force so long as oil, gas, or the products	then this lea ntinuously p the drilling eof should of ninety (90) produced as a	use shall continue prosecuted if not of a subsequent cease from any days from the da a result of such of	in force so long as operations are bein more than ninety (90) days shall elap well. If, after the discovery of oil or grause after the primary term, this leate te of cessation of production or from d perations at or after the expiration of t	g continuously prosecuted on the se between the completion or the is or the products of oil or gas on use shall not terminate if Lessee ate of completion of a dry hole. If

10. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operations thereon, except water from the wells of the Lessor. When requested by Lessor, Lessee shall bury pipelines below plow depth. No well shall be drilled nearer than 200 feet to any house or barn on said premises as of the date of this lease without written consent of the Lessor. Lessee shall pay for damages caused by Lessee's operations to growing crops on said land. Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing, but shall not have the obligation to do so.

hereunder may be assigned in whole or in part; howe o change in ownership of Lessor's interest (by 11. The rights of the Lessor and Le until the Lessee has been furnished with notice, consist. of certified copies of all recorded instruments or assignment or otherwise) shall be binding on Le. assignment or outcrwise) snail be binding on Le. Until the Lessee has peen jurnished with notice, consist. On certified copies of an recorded institutions of documents and other information necessary to establish a complete chain of record title from the Lessor, and then only with respect to payments thereafter made. No other notice of any kind or character, whether actual or constructive, shall be binding on the Lessee. No present or future division of Lessor's ownership as to different portions or parcels of said land shall operate to enlarge the obligations, or to diminish the rights of the Lessee, and all of Lessee's operations may be conducted without regard to any such division. If all or any part of this lease is assigned, no leasehold owner shall be liable for any act or omission on the part of 12. Lessee, at its option, is hereby given the right and power to voluntarily pool or combine the lands covered by this lease, or any portion thereof, as to the oil and gas, or either of them, with any other land, lease or leases adjacent thereto when in Lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said premises, such pooling to be into units not exceeding sightly (80) acres for an oil well, plus a tolerance of ten percent (10%), accept that larger units may be created to conform to any spacing or well unit pattern that may be prescribed by governmental authorities having jurisdiction. Lessee shall execute in writing and record in the Country Records as instrument identifying and describing the pooled acrease. The entire acreage so model into units shall be treated for all purposes, except the payment of royalties. instrument identifying and describing the pooled acreage. The entire acreage so pooled into units shall be treated for all purposes, except the payment of royalties, as if it were included in this lease, and drilling or reworking operations thereon or production of oil or gas therefrom, or the completion thereon of a well as a shutas it is were included in this tease, and drining of reworking operations incleared by production were on, or such production were from, or such completion may well, shall be considered for all purposes, except the payment of royalties, as if such operation were on, or such production were from, or such completion was on the land covered by this lease, whether or not the well or wells be located on the premises covered by this lease. In lieu of royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive from a unit so formed only such portion of the royalties stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein bears to the total acreage so pooled. All production units must be square in form, with the well being formed in the center thereof. 13. On or before the expiration of the primary term of this lease, the Lessee, its successors or assigns, shall have the option and right to renew this lease as to all or any portion of the acreage described herein and extend the primary term thereto an additional One (1) years commencing on the expiration of the primary term of this lease, by making payment to Lessor's credit in the depository bank hereinabove shown on or before such expiration date in the sum of Five and No Hundredths DOLLARS (\$5.00) per net mineral acre for each acre to which the term of this lease is extended, and to release this lease as to those portions of the leased premises to which an extension is not sought. 14. In the absence of production, Lessee may terminate any unitized area by filing in the county records a Notice of Termination of the unit. All express or implied covenants of this lease shall be subject to all federal and state laws, executed orders, rules or regulations of governmental bodies having jurisdiction, and this lease shall not terminate in whole or in part, nor shall Lessee be 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 land in the event of failure of payment by the Lessor, and be subrogated to the rights of the holder thereof, and in addition Lessee may reimburse itself for such payments out of any royalties or rentals payable to Lessor. 16. All the provisions of this Lease shall be binding on the heirs, successors, assigns, and legal representatives of the Lessor and Lessee. IN WITNESS WHEREOF this instrument is executed on the day and year first hereinabove set out. SS#_ 511423441 STATE OF KANSAS (INDIVIDUAL ACKNOWLEDGMENT) COUNTY OF BARTON Before me the undersigned, a Notary Public, within and for said county and state, on this 12th day of February. ____and to me personally to be the , personally appeared Rose M. Meyeres, a single person identical person_who executed the within and foregoing instrument and acknowledged to me that she executed the same as her 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 real the day and year last above written. My commission expires/10vember 3, 2068 NOTARY PUBLIC STATE OF KANSAS My Appl. Exp//03-202 STATE OF (CORPORATION ACKNOWLEDGMENT) COUNTY OF day before me, the undersigned, a Notary Public in and for the county On this and state aforesaid, personally appeared personally known to be the identical person who signed the name of the maker thereof to the within and foregoing instrument as its

My commission expires ______ Notary Public

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.

and acknowledged to me that executed the same as

free and voluntary act

OIL AND GAS LEASE KANSAS [PAID UP] 3

THIS AGREE	EMENT, made and entered into this	10^{th}	day of	Feburary	, <u>2007</u> by
and between	Janice M. Klepper and Da	ryl E. Kle	pper, wife and	d husband	(3)
	5918 Rosewood Drive				
	Great Bend, Kansas 67530)			
hereinafter called	Lessor, (whether one or more) and whether			O PETROLEUM CO	RPORATION
	1801 Broadway, Suite 900), Denver,	Colorado 80	202	
hereinafter cal	led Lessee:				
WITNESSET	·u.				
1 The	at the Lector for and in consideration of the	esum of to	en and more	Dollars (\$ 10.00+), and other good and valuable
consideration, rec and let unto the operating for, pro telegraph lines an all other rights ar	eipt of which is hereby acknowledged, and said Lessee, the land hereinafter described ducing, and taking care of all oil, gas and it dithe exclusive right of injecting water, brid privileges necessary, incident to, or core, care of all said products on that certain tri	I the covenants d, with the exe all of the produ ine and other for avenient for the	and provisions con clusive right for the acts of oil and gas, valuids into subsurface e economical operat	tained herein to be kept by Less purpose of mining, exploring with rights of way and easement e strata, and the building of stru tion alone, or conjointly with no	ee, does hereby grant, demise, lease by geophysical and other methods, s for laying pipelines, telephone and ctures, tanks, roadways and any and
	WNSHIP 19 SOUTH, RANG ion 9: N1/2NW1/4	E 11 WE	ST OF THE 6	^{тн} Р.М.	
Containing _	acres, more or less.				
gas or the produc	agreed that this lease shall remain in full f ts of oil or gas are produced from said lease	ed premises, or	drilling operations	are continued as hereinafter prov	vided.
herein, to comme	is is a PAID-UP LEASE. In consideration ince or continue any operations during the e primary term hereof surrender this lease a hereafter be relieved of all obligations account indered.	primary term, o	or to make any renta	l payments during the primary to overed herein by delivering to Le	erm. Lessee may at any time or times essor, or by filing for record a release
4. All	payments required to be made under this le	ease shall be m	ade or tendered to th	ne Lessor or to the Lessor's credi	
bank with which	y Directly to Lessor Bank (de it may be merged, or consolidated, or white regardless of changes in the ownership of s	ch succeeds to	atits business or asset	s or any part thereof, by purchas	or successors, or any se or otherwise, which shall continue
eighth part of all	see agrees to pay Lessor a royalty on produ 1 st . Lessee shall deliver to the credit oil produced and saved from the leased pro gravity prevailing on the day such oil is ru	of Lessor as ro emises, or at L	oyalty, free of cost, i essee's option, may	pay to the Lessor for such one-e	may connect its wells, the equal one- ighth royalty the market price for oil
Lessee, off the le	2 nd . Lessee shall pay Lessor as roya ased premises, then one-eighth of its marke	ilty on gas ma et value at the v	rketed from each w well.	ell one-eighth of the proceeds i	f sold at the well, or if marketed by
and one-eighth o	3 rd . Lessee shall pay Lessor one-eighthe value, at the mouth of the well, computations for any purpose or used on the lease	ited at the prev	ailing market price.	of the casinghead gas produced	from any oil well and used by Lessee
hereinabove.	4th . Lessee shall pay to Lessor one	eighth of the	proceeds from the	sale of all other products of o	il and gas not otherwise referred to
hereof, and such force under any	there there is a gas well, or wells on the la well or wells are shut-in, and there is no ot of its provisions, Lessee shall pay as royalt ersary date of this Lease next ensuing after e during the period such wells are shut-in, a	her production y to Lessor the the expiration	, drilling operations sum of One Dollar of 90 days from the	or other operations being condu (\$1.00) per year per net royalty date such well or wells are shut	cted capable of keeping this Lease in acre, such payment to be made on or -in, and thereafter on the anniversary
7. If t any shut-in gas r	the Lessor owns a lesser interest in the abo oyalty) herein provided for shall be paid the	ove described le e said Lessor o	and than the entire and in the proportion	and undivided fee simple estate which Lessor's interests bear to	therein, then the royalties (including to the whole and undivided fee.
e No	twithetending anything in this leave contain	ned to the cont	tranu it is everessly	screed that if I essee shall comm	nence operations for drilling a well at

- any time while this lease is in force, this lease shall remain in force and its term shall continue so long as such operations are prosecuted as set out in Paragraph 9 hereof, and if production results therefrom, then so long as production continues
- 9. If at the expiration of the primary term of this lease, oil, gas, or the products of oil and gas are not being produced on the leased premises but Lessee has been engaged in drilling or reworking operations thereon, then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises; and operations shall be considered to be continuously prosecuted if not more than ninety (90) days shall elapse between the completion or the abandonment of one well and the beginning of operations for the drilling of a subsequent well. If, after the discovery of oil or gas or the products of oil or gas on the products of oil or gas on the products of oil or gas or the products of oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil, gas, or the products of oil or gas shall be produced from the leased premises.
- 10. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operations thereon, except water from the wells of the Lessor. When requested by Lessor, Lessee shall bury pipelines below plow depth. No well shall be drilled nearer than 200 feet to any house or barn on said premises as of the date of this lease without written consent of the Lessor. Lessee shall pay for damages caused by Lessee's operations to growing crops on said land. Lessée 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, but shall not have the obligation to do so.

11. The rights of the Lessor and Le hereunder may be assigned in whole or in part; hower assignment or otherwise) shall be binding on Le until the Lessee has been furnished with notice, consist of certified copies of all recorded instruments of documents and other information necessary to establish a complete chain of record title from the Lessor, and then only with respect to payments thereafter made No other notice of any kind or character, whether actual or constructive, shall be binding on the Lessee. No present or future division of Lessor's ownership as to different portions or parcels of said land shall operate to enlarge the obligations, or to diminish the rights of the Lessee, and all of Lessee's operations may be conducted without regard to any such division. If all or any part of this lease is assigned, no leasehold owner shall be liable for any act or omission on the part of any other leasehold owner. 12. Lessee, at its option, is hereby given the right and power to voluntarily pool or combine the lands covered by this lease, or any portion thereof, as to the conducted without regard to any other leases, or any portion thereof, as to the lands covered by this lease, or any portion thereof, as to the lands covered by this lease, or any portion thereof, as to the lands covered by this lease.	r o e
12. Lessee, at its option, is hereby given the right and power to voluntarily pool or combine the lands covered by this lease, or any portion thereof, as to the oil and gas, or either of them, with any other land, lease or leases adjacent thereto when in lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said premises, such pooling to be into units not exceeding the property develop and operate said premises. Such pooling to be into units not exceeding six hundred forty (640) acres for a gas well, plus a tolerance of ten percent (10%), except that larger units may be created to conform to any spacing or well unit pattern that may be prescribed by governmental authorities having jurisdiction. Lessee shall execute in writing and record in the County Records a instrument identifying and describing the pooled acreage. The entire acreage so pooled into units shall be treated for all purposes, except the payment of royalties as if it were included in this lease, and drilling or reworking operations thereon or production of oil or gas therefrom, or the completion thereon of a well as a shut in gas well, shall be considered for all purposes, except the payment of royalties, as if such operation were on, or such production were from, or such completion was on the land covered by this lease, whether or not the well or wells be located on the premises covered by this lease. In lieu of royalties elsewhere herei specified, including shut-in gas royalties, Lessor shall receive from a unit so formed only such portion of the royalties stipulated herein as the amount of his acreag placed in the unit or his royalty interest therein bears to the total acreage so pooled. All production units must be square in form, with the well being formed in the center thereof.	odi g s
13. On or before the expiration of the primary term of this lease, the Lessee, its successors or assigns, shall have the option and right to renew this leas	3
as to all or any portion of the acreage described herein and extend the primary term thereto an additional One (1) years commencing on the expiration of the primary term of this lease, by making payment to Lessor's credit in the depository bank hereinabove shown on or before such expiration date in the sum of Five and No Hundredths DOLLARS (\$ 5.00) per net mineral acre for each acre to which the term of this lease is extended, and to release this lease as to	2
those portions of the leased premises to which an extension is not sought.	
14. In the absence of production, Lessee may terminate any unitized area by filing in the county records a Notice of Termination of the unit. All expres or implied covenants of this lease shall be subject to all federal and state laws, executed orders, rules or regulations of governmental bodies having jurisdiction, and this lease shall not terminate in whole or in part, nor shall Lessee be held liable in damages for failure to comply therewith, if compliance is prevented by or if sucfailure is the result of any such law, order, rule, or regulation.	ď
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 tredeem for Lessor, by payment, any mortgages, taxes or other liens on the above described land in the event of failure of payment by the Lessor, and be subrogate to the rights of the holder thereof, and in addition Lessee may reimburse itself for such payments out of any royalties or rentals payable to Lessor.	ì
16. All the provisions of this Lease shall be binding on the heirs, successors, assigns, and legal representatives of the Lessor and Lessee.	
IN WITNESS WHEREOF this instrument is executed on the day and year first hereinabove set out.	
Janice M. Klepper Daryl E. Klepper	
SS# 515-60-0212	
STATE OF <u>KANSAS</u>) SS (INDIVIDUAL ACKNOWLEDGMENT) COUNTY OF <u>BARTON</u> Before me the undersigned, a Notary Public, within and for said county and state, on this <u>12th</u> day of <u>February</u> , 2007, personally appeared <u>Janice M. Klepper and Daryl E. Klepper wife and husband</u> and to me personally to be the identical person <u>s</u> who executed the within and foregoing instrument and acknowledged to me that <u>they</u> executed the same as <u>their</u> 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 real the day and year last above written. My commission expires Adwards 3, 2008	•
Notary Public JOHN R. GENSCH NOTARY PUBLIC STATE OF KANSAS	
STATE OF	
COUNTY OF	
On this day before me, the undersigned, a Notary Public in and for the county and state aforesaid, personally appeared 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	
and acknowledged to me that executed the same as 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.	
No. commission and in-	
My commission expires Notary Public	



KEVIN WONDRA REGISTER OF DEEDS
BARTON COUNTY, KS

GOOK: 614 Page: 1803
Rt..pt #: 64257 Total Fees: \$12.88
Pages Recorded: 2
Date Recorded: 7/31/2007 4:15:53 PM

OIL AND GAS LEASE KANSAS [PAID UP] 3

THIS AGREEMENT, made and entered into this17 th day of February2007 by
and between Janet A. Peters, formerly Janet A. Rogers and John Peters, wife and husband
228 Mount Pleasant
Lewistown, Montana 59457 hereinafter called Lessor, (whether one or more) and whether one or more) and CREDO PETROLEUM CORPORATION
hereinafter called Lessor, (whether one or more) and whether one or more) and CREDO PETROLEUM CORPORATION 1801 Broadway, Suite 900, Denver, Colorado 80202
hereinafter called Lessee:
WITNESSETH: 1. That the Lessor, for and in consideration of the sum of ten and more Dollars (\$ 10.00+), and other good and valuable
consideration, receipt of which is lineaby acknowledged, and the covenants and provisions contained herein to be kept by Lessee, does hereby grant, demise, lease and let unto the said Lessee, the land hereinafter described, with the exclusive right for the purpose of mining, exploring by geophysical and other methods, operating for, producing, and taking care of all oil, gas and all of the products of oil and gas, with rights of way and easements for laying pipelines, telephone and telegraph lines and the exclusive right of injecting water, brine and other fluids into subsurface strata, and the building of structures, tanks, roadways and any and all other rights and privileges necessary, incident to, or convenient for the economical operation alone, or conjointly with neighboring land, for the production, saving and taking care of all said products on that certain tract of land situated in the County of Barton State of Kansas, described as follows, to-wit:
TOWNSHIP 19 SOUTH, RANGE 11 WEST OF THE 6 TH P.M. Section 9: NW1/4
Containing 160 acres, more or less.
2. It is agreed that this lease shall remain in full force and effect for a primary term of Three (3) years from this date, and as long thereafter as oil, gas or the products of oil or gas are produced from said leased premises, or drilling operations are continued as hereinafter provided.
3. This is a PAID-UP LEASE. In consideration of the down payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term, or to make any rental payments during the primary term. Lessee may at any time or times during or after the primary term hereof surrender this lease as to all or a portion of the lands covered herein by delivering to Lessor, or by filing for record a release or releases, and thereafter be relieved of all obligations accruing hereunder as to the acreage surrendered. The lease shall continue in force and effect as to all of the acreage not surrendered.
4. All payments required to be made under this lease shall be made or tendered to the Lessor or to the Lessor's credit in the
5. Lessee agrees to pay Lessor a royalty on production covered hereby as follows: 1 ⁿ . Lessee shall deliver to the credit of Lessor as royalty, free of cost, in the pipeline to which Lessee may connect its wells, the equal one-eighth part of all oil produced and saved from the leased premises, or at Lessee's option, may pay to the Lessor for such one-eighth royalty the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipeline, or into storage tanks.
2 nd . Lessee shall pay Lessor as royalty on gas marketed from each well one-eighth of the proceeds if sold at the well, or if marketed by Lessee, off the leased premises, then one-eighth of its market value at the well.
3rd. Lessee shall pay Lessor one-eighth of the proceeds received by the Lessee from the sale of casinghead gas produced from any oil well and one-eighth of the value, at the mouth of the well, computed at the prevailing market price, of the casinghead gas produced from any oil well and used by Lessee off the leased premises for any purpose or used on the leased premises by Lessee for purposes other than the development and operation thereof.
4th . Lessee shall pay to Lessor one-eighth of the proceeds from the sale of all other products of oil and gas not otherwise referred to hereinahove.
6. Where there is a gas well, or wells on the lands covered by this Lease, or acreage pooled therewith, whether it be before or after the primary term hereof, and such well or wells are shut-in, and there is no other production, drilling operations or other operations being conducted capable of keeping this Lease in force under any of its provisions, Lesses shall pay as royalty to Lessor the sum of One Dollar (\$1.00) per year per net royalty acre, such payment to be made on or before the anniversary date of this Lease next ensuing after the expiration of 90 days from the date such well or wells are shut-in, and thereafter on the anniversary date of this Lease is maintained in full force and effect.
7. If the Lessor owns a lesser interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the said Lessor only in the proportion which Lessor's interests bear to the whole and undivided fee.
8. Notwithstanding anything in this lease contained to the contrary, it is expressly agreed that if Lessee shall commence operations for drilling a well at any time while this lease is in force, this lease shall remain in force and its term shall continue so long as such operations are prosecuted as set out in Paragraph 9 hereof, and if production results therefrom, then so long as production continues.
9. If at the expiration of the primary term of this lease, oil, gas, or the products of oil and gas are not being produced on the leased premises but Lessee has been engaged in drilling or reworking operations thereon, then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises; and operations shall be considered to be continuously prosecuted in more than ninety (90) days shall elapse between the completion or the abandonment of one well and the beginning of operations for the drilling of a subsequent well. If, after the discovery of oil or gas or the products of oil or gas on said land or acreage pooled therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or reworking operations within ninety (90) days from the act of cessation of production or from date of completion of a dry hole. If oil, gas or the products of oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil, gas, or the products of oil or gas shall be produced from the leased premises.

10. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operations thereon, except water from the wells of the Lessor. When requested by Lessor, Lessee shall bury pipelines below plow depth. No well shall be drilled nearer than 200 feet to any house or barn on said premises as of the date of this lease without written consent of the Lessor. Lessee shall pay for damages caused by Lessee's operations to growing crops on said land. Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing, but shall not have the obligation to do so.

•	
assignment or otherwise) shall be binding on Less antil the Lessee I documents and other information necessary to so wish a complete che No other notice of any kind or character, whether Latual or constructive different portions or parcels of said land shall operate to enlarge the conducted without regard to any such division. If all or any part of this any other leasehold owner.	the assigned in whole or in part; howeve change in ownership of Lessor's interest (by pas been furnished with notice, consisting certified copies of all recorded instruments or ain of record title from the Lessor, and then only with respect to payments thereafter made, re, shall be binding on the Lessee. No present or future division of Lessor's ownership as to obligations, or to diminish the rights of the Lessee, and all of Lessee's operations may be a lease is assigned, no leasehold owner shall be liable for any act or omission on the part of
properly develop and operate said premises, such pooling to be into un not exceeding six hundred forty (640) acres for a gas well, plus a tolers or well unit pattern that may be prescribed by governmental authoritic instrument identifying and describing the pooled acreage. The entire are if it were included in this lease, and drilling or reworking operations in gas well, shall be considered for all purposes, except the payment o was on the land covered by this lease, whether or not the well or we specified, including shut-in gas royalties, Lessor shall receive from a un	ten (10) reto voluntarily pool or combine the lands covered by this lease, or any portion thereof, as to adjacent thereto when in Lessee's judgment it is necessary or advisable to do so in order to its not exceeding signal (10%), except that larger units may be created to conform to any spacing so having jurisdiction. Lessee shall execute in writing and record in the County Records as creage so pooled into units shall be treated for all purposes, except the payment of royalties, thereon or production of oil or gas therefrom, or the completion thereon of a well as a shutfroyalties, as if such operation were on, or such production were from, or such completion thereon of a well as a shutfroyalties, as if such operation were on, or such production were from, or such completion thereon of a well as a shutfroyalties, as if such operation were on, or such production were from, or such completion in the premises covered by this lease. In lieu of royalties elsewhere herein it so formed only such portion of the royalties stipulated herein as the amount of his acreage as pooled. All production units must be square in form, with the
well being formed in the center thereof.	e so pooled. All production drifts must be square in form, with the
13. On or before the expiration of the primary term of this leaves at the service of the services described beginning and extend the	ease, the Lessee, its successors or assigns, shall have the option and right to renew this lease primary term thereto an additional One (1) years commencing on the expiration of the
primary term of this lease, by making payment to Lessor's credit in the	depository bank hereinabove shown on or before such expiration date in the sum of \underline{Five} l acre for each acre to which the term of this lease is extended, and to release this lease as to
or implied covenants of this lease shall be subject to all federal and state	unitized area by filing in the county records a Notice of Termination of the unit. All express te laws, executed orders, rules or regulations of governmental bodies having jurisdiction, and lid liable in damages for failure to comply therewith, if compliance is prevented by or if such
redeem for Lessor, by payment, any mortgages, taxes or other liens on to the rights of the holder thereof, and in addition Lessee may reimburs	to the lands herein described and agrees that the Lessee shall have the right at any time to the above described land in the event of failure of payment by the Lessor, and be subrogated to tisself for such payments out of any royalties or rentals payable to Lessor.
	neirs, successors, assigns, and legal representatives of the Lessor and Lessee.
IN WITNESS WHEREOF this instrument is executed on the day and y	$\Lambda \cap \cap L$
Janet A. Peters	John Seters
Janet A. Peters SS# $\sqrt{5/3}$ - 5 4-7869	John Peters 8S# 5/6-36-22//
STATE OF Montana) SS	(INDIVIDUAL ACKNOWLEDGMENT)
COUNTY OF Fergus	•
2007, personally appeared Janet A. Peters, former	thin and for said county and state, on this 12th day of March ly Janet A. Rogers and John Peters, wife and husband and to it the within and foregoing instrument and acknowledged to me that ct 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 5-/-2008	Notary Public Joe Eckhardt
STATE OF	(CORPORATION ACKNOWLEDGMENT)
COUNTY OF)	
On this day and state aforesaid, personally appeared	before me, the undersigned, a Notary Public in and for the county to me the name of the maker thereof to the within and foregoing instrument as its
and acknowledged t	o me thatexecuted the same as free and voluntary act
and deed, and as the free and voluntary act and deed of s	aid corporation, for the uses and purposes therein set forth.
Given under my hand and seal the day and year	last above written.
M	
My commission expires	

Notary Public



KEVIN NONDRA REGISTER OF DEEDS

BARTON COUNTY, KS

OOK: 614 Page: 1802

Receipt #: 84257 Total Fees: \$12.00

Pages Recorded: 2

Date Recorded: 7/31/2007 4:15:52 PM

OIL AND GAS LEASE KANSAS [PAID UP] 3

THIS AGRI	EEMENT, made and entered into this _	17 th	day of		urary	, 2007 by
and between	Donald H. Schlochterme	eier and Jear	nne R. Sc	hlochtermeier	r, husband and wit	fe (8)
	595 NE 120 Avenue					
	Ellinwood, Kansas 6752	6	-		······································	
hereinafter calle	d Lessor, (whether one or more) and whet				DLEUM CORPOR	RATION
	1801 Broadway, Suite 9	00, Denver.	, Colorado	80202		
hereinafter ca	alled Lessee:					
WITNESSE	TU.					
	hat the Lessor, for and in consideration of	the sum of t	en and mo	ore Dollar	s (\$ 10.00±), and	other good and valuable
consideration, n and let unto the operating for, p telegraph lines a all other rights	eccipt of which is hereby acknowledged, a e said Lessee, the land hereinafter descri roducing, and taking care of all oil, gas ar and the exclusive right of injecting water, and privileges necessary, incident to, or ang care of all said products on that certain	and the covenants bed, with the ex- nd all of the produ brine and other f convenient for th	s and provision clusive right f ucts of oil and luids into subs e economical	ns contained herein for the purpose of r gas, with rights of surface strata, and the operation alone, or	to be kept by Lessee, does nining, exploring by geop way and easements for laying the building of structures, to conjointly with neighboria	hereby grant, demise, lease hysical and other methods, ng pipelines, telephone and anks, roadways and any and
	WNSHIP 19 SOUTH, RAN ction 9: N1/2NW1/4	IGE 11 WE	ST OF TH	IE 6 TH P.M.		
Containing _	80 acres, more or less.					
2. It gas or the produ	is agreed that this lease shall remain in fu acts of oil or gas are produced from said le	ill force and effect ased premises, or	t for a primary drilling opera	term of <u>Three (</u> tions are continued	3) years from this date, as hereinafter provided.	and as long thereafter as oil,
herein, to comm	his is a PAID-UP LEASE. In consideration according to the primary term hereof surrender this leas thereafter be relieved of all obligations accorded.	ne primary term, one as to all or a po	or to make any ortion of the la	rental payments du nds covered herein l	ring the primary term. Less by delivering to Lessor, or l	ee may at any time or times by filing for record a release
4. A	II payments required to be made under this	s lease shall be m	ade or tendere	d to the Lessor or to	the Lessor's credit in the	
Pa	ny Directly to Lessor Bank (h it may be merged, or consolidated, or w	depository bank)	at			or successors, or any
bank with whice as the depositor	h it may be merged, or consolidated, or w y regardless of changes in the ownership o	hich succeeds to of said land.	its business or	assets or any part t	hereof, by purchase or othe	rwise, which shall continue
eighth part of a	essee agrees to pay Lessor a royalty on pro l* . Lessee shall deliver to the cred li oil produced and saved from the leased d gravity prevailing on the day such oil is	lit of Lessor as ro premises, or at Le	yalty, free of essee's option,	cost, in the pipeline may pay to the Les		
Lessee, off the I	2 nd . Lessee shall pay Lessor as roleased premises, then one-eighth of its man	yalty on gas mar rket value at the v	rketed from ea well.	ch well one-eighth	of the proceeds if sold at	the well, or if marketed by
	3 rd . Lessee shall pay Lessor one-e: of the value, at the mouth of the well, com remises for any purpose or used on the lea	puted at the prev	ailing market	orice, of the casingh	ead gas produced from any	oil well and used by Lessee
hereinabove.	4th . Lessee shall pay to Lessor o	ne-eighth of the	proceeds from	n the sale of all of	ner products of oil and ga	s not otherwise referred to
hereof, and such force under any	Where there is a gas well, or wells on the h well or wells are shut-in, and there is no of its provisions, Lesse shall pay as roy versary date of this Lesse next ensuing after the state of the state o	other production, alty to Lessor the	, drilling opera sum of One D	tions or other opera ollar (\$1.00) per ye	tions being conducted caps ar per net royalty acre, suc	ible of keeping this Lease in h payment to be made on or

- date of this Lease during the period such wells are shut-in, and upon such payment it shall be considered that this Lease is maintained in full force and effect.

 7. If the Lessor owns a lesser interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the said Lessor only in the proportion which Lessor's interests bear to the whole and undivided fee.
- 8. Notwithstanding anything in this lease contained to the contrary, it is expressly agreed that if Lessee shall commence operations for drilling a well at any time while this lease is in force, this lease shall remain in force and its term shall continue so long as such operations are prosecuted as set out in Paragraph 9 hereof, and if production results therefrom, then so long as production continues.
- 9. If at the expiration of the primary term of this lease, oil, gas, or the products of oil and gas are not being produced on the leased premises but Lessee has been engaged in drilling or reworking operations thereon, then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises; and operations shall be considered to be continuously prosecuted if not more than ninety (90) days shall elapse between the completion or the abandonment of one well and the beginning of operations for the drilling of a subsequent well. If, after the discovery of oil or gas or the products of oil or gas on the product of the product of the product of oil or gas on the product of oil or gas of the
- 10. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operations thereon, except water from the wells of the Lessor. When requested by Lessor, Lessee shall bury pipelines below plow depth. No well shall be drilled nearer than 200 feet to any house or barn on said premises as of the date of this lease without written consent of the Lessor. Lessee shall pay for damages caused by Lessee's operations to growing crops on said land. Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing, but shall not have the obligation to do so.

11. The rights of the Lessor and Le: assignment or otherwise) shall be binding on Les. artii the Lessee has been furnished with notice, consisting of certified copies of all recorded instruments or documents and other information necessary to establish a complete chain of record title from the Lessee, and then only with respect to payments thereafter made. No other notice of any kind or character, whether actual or constructive, shall be binding on the Lessee. No present or future division of Lessor's ownership as to different portions or parcels of said land shall operate to enlarge the obligations, or to diminish the rights of the Lessee, and all of Lessee's operations may be conducted without regard to any such division. If all or any part of this lease is assigned, no leasehold owner shall be liable for any act or omission on the part of any other leasehold owner.
12. Lessee, at its option, is hereby given the right and power to voluntarily pool or combine the lands covered by this lease, or any portion thereof, as to the oil and gas, or either of them, with any other land, lease or leases adjacent thereto when in Lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said premises, such pooling to be into units not exceeding sight (88) acres for an oil well, plus a tolerance of ten percent (10%), and not exceeding six hundred forty (640) acres for a gas well, plus a tolerance of ten percent (10%), except that larger units may be created to conform to any spacing or well unit pattern that may be prescribed by governmental authorities having jurisdiction. Lessee shall execute in writing and record in the County Records as instrument identifying and describing the pooled acreage. The entire acreage so pooled into units shall be treated for all purposes, except the payment of royalties, as if it were included in this lease, and drilling or reworking operations thereon or production of oil or gas therefrom, or the completion thereon of a well as a shuting gas well, shall be considered for all purposes, except the payment of royalties, as if such operation were on, or such production were from, or such completion was on the land covered by this lease, whether or not the well or wells be located on the premises covered by this lease. In lieu of royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive from a unit so formed only such portion of the royalties stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein bears to the total acreage so pooled. All production units must be square in form, with the
well being formed in the center thereof.
13. On or before the expiration of the primary term of this lease, the Lessee, its successors or assigns, shall have the option and right to renew this lease as to all or any portion of the acreage described herein and extend the primary term thereto an additional One (1) years commencing on the expiration of the primary term of this lease, by making payment to Lessor's credit in the depository bank hereinabove shown on or before such expiration date in the sum of Five and No Hundredths DOLLARS (\$5.00) per net mineral acre for each acre to which the term of this lease is extended, and to release this lease as to those portions of the leased premises to which an extension is not sought.
or implied covenants of this lease shall be subject to all federal and state laws, executed orders, rules or regulations of governmental bodies having fundamental this lease shall not terminate in whole or in part, nor shall Lessee be 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 land in the event of failure of payment by the Lessor, and be subrogated to the rights of the holder thereof, and in addition Lessee may reimburse itself for such payments out of any royalties or rentals payable to Lessor.
16. All the provisions of this Lease shall be binding on the heirs, successors, assigns, and legal representatives of the Lessor and Lessee.
IN WITNESS WHEREOF this instrument is executed on the day and year first hereinabove set out.
Donald H. Schlochtermeier SS# 515 46 5392 Donald H. Schlochtermeier SS# 515 50-5723
STATE OF KANSAS)
) SS (INDIVIDUAL ACKNOWLEDGMENT) COUNTY OF BARTON
Before me the undersigned, a Notary Public, within and for said county and state, on this <u>19th</u> day of <u>February</u> , <u>2007</u> , personally appeared <u>Donald H. Schlochtermeier and Jeanne R. Schlochtermeier</u> , <u>husband and wife</u> and to me personally to be the identical person <u>s</u> who executed the within and foregoing instrument and acknowledged to me that <u>they</u> executed the same as <u>their</u> 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 Novembrw 3, 2008 My commission expires Novembrw 3, 2008 JOHN R. GENSCH NOTARY PUBLIC

OIL AND GAS LEASE KANSAS [PAID UP]

2009 by

THIS AGREEMENT, made and entered into this	9 th day of	January	, <u>2009</u> by
	Darvi E. Klepper.	wife and husband	
and between Jamice M. Klepper and 5918 Rosewood Drive	<u> </u>		
Great Bend, Kansas 675	330		
hereinafter called Lessor, (whether one or more) and	CREDO	PETROLEUM CORPORAT	ION
1801 Broadway, Suite 9	000 Denver, Colo	rado 80202	
hereinafter called Lessee:	33, =		
WITNESSETH:		- J	, and other good and valuable
1. That the Lessor, for and in consideration consideration, receipt of which is hereby acknowledged and let unto the said Lessee, the land hereinafter desoperating for, producing, and taking care of all oil, gas telegraph lines and the exclusive right of injecting wat all other rights and privileges necessary, incident to, of saving and taking care of all said products on that certain the consideration of the consideration.	d, and the covenants and p cribed, with the exclusive and all of the products of er, brine and other fluids in or convenient for the ecor	rovisions contained herein to be kept by Le right for the purpose of mining, explorin oil and gas, with rights of way and easement into subsurface strata, and the building of st comical operation alone, or conjointly with	ssee, does hereby grant, demise, lease g by geophysical and other methods, nts for laying pipelines, telephone and nuchures, tanks, roadways and any and
TOWNSHIP 19 SOUTH, RA Section 9: S1/2NW1/4	NGE 11 WEST (OF THE 6 TH P.M.	
	•		•
Containing 80 acres, more or less.			
It is agreed that this lease shall remain in or the products of oil or gas are produced from said lease.	ised premises, or drilling of	perations are continues as necessarias provides	
3. This is a PAID-UP LEASE. In consider therein, to commence or continue any operations during or after the primary term hereof surrender this or releases, and thereafter be relieved of all obligations.	ration of the down payme g the primary term, or to r	nt, Lessor agrees that Lessee shall not be on the any rental payments during the primary	bligated, except as otherwise provided term. Lessee may at any time or times

- acreage not surrendered.
- 4. Lessee agrees to pay Lessor a royalty on production covered hereby as follows:

 1st . Lessee shall deliver to the credit of Lessor as royalty, free of cost, in the pipeline to which Lessee may connect its wells, the equal one-eighth part of all oil produced and saved from the leased premises, or at Lessee's option, may pay to the Lessor for such one-eighth royalty the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipeline, or into storage tanks.
- 2nd . Lessee shall pay Lessor as royalty on gas marketed from each well one-eighth of the proceeds if sold at the well, or if marketed by Lessee, off the leased premises, then one-eighth of its market value at the well.
- 3rd. Lessee shall pay Lessor one-eighth of the proceeds received by the Lessee from the sale of casinghead gas produced from any oil well and one eighth of the value, at the mouth of the well, computed at the prevailing market price, of the casinghead gas produced from any oil well and used by Lessee off the leased premises for any purpose or used on the leased premises by Lessee for purposes other than the development and operation thereof.
- 4th . Lessee shall pay to Lessor one-eighth of the proceeds from the sale of all other products of oil and gas not otherwise referred to hereinabove
- 5. Where there is a gas well, or wells on the lands covered by this Lease, or acreage pooled therewith, whether it be before or after the primary term 5. Where there is a gas well, or wells on the lands covered by this Lease, or acreage pooled therewith, whether it be before or after the primary term hereof, and such well or wells are shut-in, and there is no other production, drilling operations or other operations being conducted capable of keeping this Lease in force under any of its provisions, Lessee shall pay as royalty to Lessor the sum of One Dollar (\$1.00) per year per net royalty acre, such payment to be made on or before the anniversary date of this Lease next ensuing after the expiration of 90 days from the date such well or wells are shut-in, and thereafter on the anniversary date of this Lease during the period such wells are shut-in, and upon such payment it shall be considered that this Lease is maintained in full force and effect.
- 6. If the Lessor owns a lesser interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the said Lessor only in the proportion, which Lessor's interests bear to the whole and undivided fee.
- 7. Notwithstanding anything in this lease contained to the contrary, it is expressly agreed that if Lessee shall commence operations for drilling a well at any time while this lease is in force, this lease shall remain in force and its term shall continue so long as such operations are prosecuted as set out in Paragraph 8 hereof, and if production results therefrom, then so long as production continues.
- 8. If at the expiration of the primary term of this lease, oil, gas, or the products of oil and gas are not being produced on the leased premises but Lessee has been engaged in drilling or reworking operations thereon, then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises; and operations shall be considered to be continuously prosecuted if not more than ninety (90) days shall elapse between the completion or the abandonment of one well and the beginning of operations for the drilling of a subsequent well. If, after the discovery of oil or gas or the products of oil or gas on a careage pooled therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or reworking operations within ninety (90) days from the date of cessation of production or from date of completion of a dry hole. If oil, gas or the products of oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil, gas, or the products of oil or gas shall be produced from the leased premises.
- 9. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operations thereon, except water from the wells of the Lessor. When requested by Lessor, Lessee shall bury pipelines below plow depth. No well shall be drilled nearer than 200 feet to any house or barn on said premises as of the date of this lease without written consent of the Lessor. Lessee shall pay for damages caused by Lessee's operations to growing crops on said land. Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing, but shall not have the obligation to do so.

10. The rights of the Lessor and Lessee hereunder may be assigned in whole or in part; however, no change in ownership of Lessor's interest (by assignment or otherwise) shall be binding on Lessee until the Lessee has been furnished with notice, consisting of certified copies of all recorded instruments or assignment or otherwise) shall be binding on Lessee until the Lessee has been furnished with notice, consisting of certified copies of all recorded instruments or assignment or otherwise) shall be binding on the Lessor, and then only with respect to payments thereafter made. No other notice of any kind or character, whether actual or constructive, shall be binding on the Lessee. No present or future division of Lessor's ownership as to No other notice of any kind or character, whether actual or constructive, shall be binding on the Lessee, and all of Lessee's operations may be different portions or parcels of said land shall operate to enlarge the obligations, or to diminish the rights of the Lessee, and all of Lessee's operations may be different portions or parcels of said land shall operate to enlarge the obligations, or to diminish the rights of the Lessee, and all of Lessee's operations may be different portions or parcels of said land shall operate to enlarge the obligations, or to diminish the rights of the Lessee, and all of Lessee's operations may be conducted without regard to any such division. If all or any part of this lease is assigned, no leasehold owner shall be liable for any act or omission on the part of 11. Lessee, at its option, is hereby given the right and power to voluntarily pool or combine the lands covered by this lease, or any portion thereof, as to the oil and gas, or either of them, with any other land, lease or leases adjacent thereto when in Lessee's judgment it is necessary or advisable to do so in order to the oil and gas, or either of them, with any other land, lease or leases adjacent thereto when in Lessee's judgment it is necessary or advisable to do so in order to the oil and gas, or either of them, with any other land, lease or leases adjacent thereto when in Lessee's judgment it is necessary or advisable to do so in order to the oil and gas, or either of them, with any other land, lease or leases adjacent thereto when in Lessee's judgment it is necessary or advisable to do so in order to the oil and gas, or either of any oil well, plus a tolerance of ten percent (10%), except that larger units may be created to conform to any spacing not exceeding six hundred forty (640) acres for a gas well, plus a tolerance of ten percent (10%), except that larger units may be created to conform to any spacing not exceeding six hundred forty (640) acres for a gas well, plus a tolerance of ten percent (10%), except that larger units may be created to conform to any spacing not exceeding six hundred forty (640) acres for a gas well, plus a tolerance of ten percent (10%), except that larger units may be created to conform to any spacing not exceed the parker to any spacing or except the payment of royalties, as if such operation were shall execute in writing and record in the County Records and or well as a shut-institution of the production were on, or such production were from, or such completion in gas well, shall be considered for all purposes, except the payment of royalties, as if such operation were on, or such production were from, or such completion in gas well, shall be considered for all purposes, except the payment of royalties, as if such operation were on, or such production were from, or such placed in the unit or his royalty interest therein bears to the total acreage so pooled. All production units must be square in form, with the well being located in the center thereof. 12. In the absence of production, Lessee may terminate any unitized area by filing in the county records a Notice of Termination of the unit. All express or implied covenants of this lease shall be subject to all federal and state laws, executed orders, rules or regulations of governmental bodies having jurisdiction, and or implied covenants of this lease shall not terminate in whole or in part, nor shall Lessee be 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. 13. 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 land in the event of failure of payment by the Lessor, and be subrogated to the rights of the holder thereof, and in addition Lessee may reimburse itself for such payments out of any royalties or rentals payable to Lessor. 14. All the provisions of this Lease shall be binding on the heirs, successors, assigns, and legal representatives of the Lessor and Lessee. IN WITNESS WHEREOF this instrument is executed on the day and year first hereinabove set out. (INDIVIDUAL ACKNOWLEDGMENT) STATE OF KANSAS COUNTY OF BARTON Before me the undersigned, a Notary Public, within and for said county and state, on this 4th day of January. 2009, personally appeared arminoe: M. Klepper and Daryl E. Klepper, wife and husband and to me personally to be the identical persons 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//oremble 16,2012 NOTARY PUBLIC STATE OF KANSAS My Appl. Exp./-16-2012 (CORPORATION ACKNOWLEDGMENT) STATE OF _ COUNTY OF _ ___, before me, the undersigned, a Notary day of Public in and for the county and state aforesaid, personally appeared_ to me personally known to be the identical person who signed the name of the maker thereof to the within and foregoing President and acknowledged to me that free and voluntary act and deed, and as the free and voluntary act and deed of said instrument as its executed the same as _

corporation, for the uses and purposes therein set forth.

My commission expires ___

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

Notary Public

THIS ACREEMENT made and entered into this

OIL AND GAS LEASE KANSAS [PAID UP]

January_

2009 ьу

Kathleen A. Mai and Jay D. Mai, wife and husband
Sand between Kathleen A. Mar and Jay D. Mar, whe and husband 5948 Rosewood Drive
Great Bend, Kansas 67530
hereinafter called Lessor, (whether one or more) and CREDO PETROLEUM CORPORATION
1801 Broadway, Suite 900, Denver, Colorado 80202
heremafter called Lessee:
1. That the Lessor, for and in consideration of the sum of ten and more Dollars (\$10.00+), and other good and valuable consideration, receipt of which is hereby acknowledged, and the covenants and provisions contained herein to be kept by Lessee, does hereby grant, demise, lease and let unto the said Lessee, the land hereinafter described, with the exclusive right for the purpose of mining, exploring by geophysical and other methods, operating for, producing, and taking care of all oil, gas and all of the products of oil and gas, with rights of way and easements for laying pipelines, telephone and telegraph lines and the exclusive right of injecting water, brine and other fluids into subsurface strata, and the building of structures, tanks, roadways and all other rights and privileges necessary, incident to, or convenient for the economical operation alone, or conjointly with neighboring land, for the production, saving and taking care of all said products on that certain tract of land situated in the County of Barton State of Kansas, described as follows, to-wit:
341 / NB WILL WALLEY CO. 10 10 10 10 10 10 10 10 10 10 10 10 10
TOWNSHIP 19 SOUTH, RANGE 11 WEST OF THE 6 TH P.M. Section 9: S1/2NW1/4
Containing 80 acres, more or less.
2. It is agreed that this lease shall remain in full force and effect for a primary term of \underline{Two} (2) years from this date, and as long thereafter as oil, gas or the products of oil or gas are produced from said leased premises, or drilling operations are continued as hereinafter provided.
3. This is a PAID-UP LEASE. In consideration of the down payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term, or to make any rental payments during the primary term. Lessee may at any time or times during or after the primary term hereof surrender this lease as to all or a portion of the lands covered herein by delivering to Lessor, or by filing for record a release or releases, and thereafter be relieved of all obligations accruing hereunder as to the acreage surrendered. The lease shall continue in force and effect as to all of the acreage not surrendered.
4. Lessee agrees to pay Lessor a royalty on production covered hereby as follows: 1 ⁿ Lessee shall deliver to the credit of Lessor as royalty, free of cost, in the pipeline to which Lessee may connect its wells, the equal one-eighth part of all oil produced and saved from the leased premises, or at Lessee's option, may pay to the Lessor for such one-eighth royalty the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipeline, or into storage tanks.
2 nd . Lessee shall pay Lessor as royalty on gas marketed from each well one-eighth of the proceeds if sold at the well, or if marketed by Lessee, off the leased premises, then one-eighth of its market value at the well.
3rd. Lessee shall pay Lessor one-eighth of the proceeds received by the Lessee from the sale of casinghead gas produced from any oil well

and one eighth of the value, at the mouth of the well, computed at the proceeds from the sale of the casinghead gas produced from any oil well and used by Lessee off the leased premises for any purpose or used on the leased premises by Lessee for purposes other than the development and operation thereof.

4th . Lessee shall pay to Lessor one-eighth of the proceeds from the sale of all other products of oil and gas not otherwise referred to

hereinabove.

- 5. Where there is a gas well, or wells on the lands covered by this Lease, or acreage pooled therewith, whether it be before or after the primary term hereof, and such well or wells are shut-in, and there is no other production, drilling operations or other operations being conducted capable of keeping this Lease in force under any of its provisions, Lessee shall pay as royalty to Lessor the sum of One Dollar (\$1.00) per year per net royalty acre, such payment to be made on or before the anniversary date of this Lease next ensuing after the expiration of 90 days from the date such well or wells are shut-in, and thereafter on the anniversary date of this Lease during the period such wells are shut-in, and upon such payment it shall be considered that this Lease is maintained in full force and effect.
- 6. If the Lessor owns a lesser interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the said Lessor only in the proportion, which Lessor's interests bear to the whole and undivided fee.
- 7. Notwithstanding anything in this lease contained to the contrary, it is expressly agreed that if Lessee shall commence operations for drilling a well at any time while this lease is in force, this lease shall remain in force and its term shall continue so long as such operations are prosecuted as set out in Paragraph 8 hereof, and if production results therefrom, then so long as production continues.
- 8. If at the expiration of the primary term of this lease, oil, gas, or the products of oil and gas are not being produced on the leased premises but Lessee has been engaged in drilling or reworking operations thereon, then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises; and operations shall be considered to be continuously prosecuted if not more than ninety (90) days shall elapse between the completion or the abandonment of one well and the beginning of operations for the drilling of a subsequent well. If, after the discovery of oil or gas or the products of oil or gas on said land or acreage pooled therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or reworking operations within ninety (90) days from the date of cessation of production or from date of completion of a dry hole. If oil, gas or the products of oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil, gas, or the products of oil or gas shall be produced from the leased premises.
- 9. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operations thereon, except water from the wells of the Lessor. When requested by Lessor, Lessee shall bury pipelines below plow depth. No well shall be drilled nearer than 200 feet to any house or barn on said premises as of the date of this lease without written consent of the Lessor. Lessee shall pay for damages caused by Lessee's operations to growing crops on said land. Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing, but shall not have the obligation to do so.

documents and other information necessary to establish a complete chain of record title from the Lessor, and then only with respect to payments thereafter made.

No other notice of any kind or character, whether actual or constructive, shall be binding on the Lessee. No present or future division of Lessor's ownership as to offerent portions or parcels of said land shall operate to enlarge the obligations, or to diminish the rights of the Lessee, and all of Lessee's operations may be conducted without regard to any such division. If all or any part of this lease is assigned, no leasehold owner shall be liable for any act or omission on the part of any other leasehold owner. ten (10)

The Lessee, at its option, is hereby given the right and power to voluntarily pool or combine the lands covered by this lease, or any portion thereof, as to the oil and gas, or either of them, with any other land, lease or leases adjacent thereto when in Lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said premises, such pooling to be into units not exceeding sightly (80) acres for an oil well, plus a tolerance of ten percent (10%), and not exceeding six hundred forty (640) acres for a gas well, plus a tolerance of ten percent (10%), except that larger units may be created to conform to any specifical power of the country leaves t or well unit pattern that may be prescribed by governmental authorities having jurisdiction. Lessee shall execute in writing and record in the County Records an instrument identifying and describing the pooled acreage. The entire acreage so pooled into units shall be treated for all purposes, except the payment of royalties, as if it were included in this lease, and drilling or reworking operations thereon or production of oil or gas therefrom, or the completion thereon of a well as a shutas it is were included in this cases, and diffully or reworking operations detected to production of oil or gas intertron, of the completion thereoff of all purposes, except the payment of royalties, as if such operation were on, or such production or, or such completion was on the land covered by this lease, whether or not the well or wells be located on the premises covered by this lease. In lieu of royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive from a unit so formed only such portion of the royalties stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein bears to the total acreage so pooled. All production units must be square in form, with the well being located in the center thereof. 12. In the absence of production, Lessee may terminate any unitized area by filing in the county records a Notice of Termination of the unit. All express or implied covenants of this lease shall be subject to all federal and state laws, executed orders, rules or regulations of governmental bodies having jurisdiction, and or implied covenants of this lease shall be subject to all federal and state laws, executed orders, rules or regulations of governmental bodies having jurisdiction, and this lease shall not terminate in whole or in part, nor shall Lessee be 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. 13. 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 land in the event of failure of payment by the Lessor, and be subrogated to the rights of the holder thereof, and in addition Lessee may reimburse itself for such payments out of any royalties or rentals payable to Lessor. 14. All the provisions of this Lease shall be binding on the heirs, successors, assigns, and legal representatives of the Lessor and Lessee IN WITNESS WHEREOF this instrument is executed on the day and year first hereinabove set out. (INDIVIDUAL ACKNOWLEDGMENT) STATE OF KANSAS COUNTY OF BARTON Before me the undersigned, a Notary Public, within and for said county and state, on this 9th day of January. 2009, personally appeared _____Kathleen A. Mai and Jay D. Mai, wife and husband and to me personally to be the identical person s 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 //ovander 16 (CORPORATION ACKNOWLEDGMENT) STATE OF COUNTY OF _, before me, the undersigned, a Notary day of On this Public in and for the county and state aforesaid, personally appeared to me personally known to be the identical person who signed the name of the maker thereof to the within and foregoing President and acknowledged to me that_ instrument as its free and voluntary act and deed, and as the free and voluntary act and deed of said executed the same as _ 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 _ Notary Public

10. The rights of the Lessor and Lessee hereunder may be assigned in whole or in part; however, no change in ownership of Lessor's interest (by assignment or otherwise) shall be binding on Lessee until the Lessee has been furnished with notice, consisting of certified copies of all recorded instruments or

OIL AND GAS LEASE KANSAS [PAID UP]

THIS AG	REEMENT, made and e	ntered into this _	9 th	day of		January	,by
and between	D 1616		e per	son			
	3712 23 rd Stre	eet					
	Great Bend, I	Cansas 6753	0				
hereinafter ca	alled Lessor, (whether one o	r more) and	:			JM CORPORA	ATION
	1801 Broadw	ay, Suite 90	0, De	nver, Co	lorado 80202		
hereinafter	r called Lessee:						
WITNES	SEIM: . That the Lessor, for and it			of ten	and more	Dollers (\$10.00	1+), and other good and valuable
consideration and let unto operating for telegraph lin all other righ	the said Lessee, the land r, producing, and taking car	acknowledged, a hereinafter describ e of all oil, gas and f injecting water, i, incident to, or o	nd the co bed, with d all of the brine an convenie	covenants and the exclus the products of other fluid on the exclusion of t	d provisions contained ive right for the purp of oil and gas, with re is into subsurface strate conomical operation a	d herein to be kept by cose of mining, explo- ights of way and ease ta, and the building of alone, or conjointly w	Lessee, does hereby grant, demise, lease ring by geophysical and other methods, ments for laying pipelines, telephone and i structures, tanks, roadways and any and ith neighboring land, for the production, e of Kansas, described as follows, to-wit:
	COWNSHIP 19 SC Section 9: S1/2NW		<u>GE 1</u>	1 WEST	OF THE 6 TH	P.M.	
Containing	80 acres, more or					(D)	
or the produ	cts of oil or gas are produce	d from said leased	premise	es, or drilling	g operations are contin	med as hereinafter pro	
herein, to co during or aff or releases,	mmence or continue any of	erations during th	e primar	ry term, or to	make any rental payr	ments during the prima	e obligated, except as otherwise provided ary term. Lessee may at any time or times to Lessor, or by filing for record a release continue in force and effect as to all of the
eighth nart (I. Lessee agrees to pay Less 1 st . Lessee shall of all oil produced and save e and gravity prevailing on t	deliver to the cred i from the leased i	it of Les premises	ssor as royal s, or at Lesse	ty, free of cost, in the e's option, may pay to	o the Lessor for such (see may connect its wells, the equal one- one-eighth royalty the market price for oil
Lessee, off	2 nd . Lessee shall the leased premises, then on	pay Lessor as ro e-eighth of its mar	yalty on ket valu	gas market to at the well.	ed from each well on	ne-eighth of the proce	eds if sold at the well, or if marketed by
and one eigl	hth of the value, at the mout d premises for any purpose	h of the well, com or used on the leas	puted at sed prem	the prevailing thises by Less	ng market price, of the see for purposes other	casinghead gas produ than the development	
hereinabove		pay to Lessor of	ne-eight	h of the pro	oceeds from the sale	of all other products	of oil and gas not otherwise referred to
hereof, and force under	such well or wells are shut- any of its provisions, Lesse	in, and there is no e shall pay as roys	other pr alty to L	oduction, dr essor the sur entration of 9	illing operations or oll n of One Dollar (\$1.0 00 days from the date:	her operations being c 0) per year per net roy such well or wells are	ther it be before or after the primary term onducted capable of keeping this Lease in alty acre, such payment to be made on or shut-in, and thereafter on the anniversary maintained in full force and effect.
any shut-in	gas royalty) herein provided	for shall be paid t	the said	Lessor only	in the proportion, which	ch Lessor's interests b	state therein, then the royalties (including ear to the whole and undivided fee.
any time wh	 Notwithstanding anything file this lease is in force, this if production results therefree 	s lease shall rema	in in for	rce and its te	rm shall continue so i	d that if Lessee shall c ong as such operation	ommence operations for drilling a well at s are prosecuted as set out in Paragraph 8

- 8. If at the expiration of the primary term of this lease, oil, gas, or the products of oil and gas are not being produced on the leased premises but Lessee has been engaged in drilling or reworking operations thereon, then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises; and operations shall be considered to be continuously prosecuted if not more than ninety (90) days shall elapse between the completion or the abandonment of one well and the beginning of operations for the drilling of a subsequent well. If, after the discovery of oil or gas or the products of oil or gas on said land or accreage pooled therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or reworking operations within ninety (90) days from the date of cessation of production or from date of completion of a dry hole. If oil, gas or the products of oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil, gas, or the products of oil or gas shall be produced from the leased premises.
- 9. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operations thereon, except water from the wells of the Lessor. When requested by Lessor, Lessee shall bury pipelines below plow depth. No well shall be drilled nearer than 200 feet to any house or barn on said premises as of the date of this lease without written consent of the Lessor. Lessee shall pay for damages caused by Lessee's operations to growing crops on said land. Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing, but shall not have the obligation to do so.

10. The rights of the Lessor and Lessee hereunder may be assigned in whole or in part; however, no change in ownership of Lessor's interest (by assignment or otherwise) shall be binding on Lessee until the Lessee has been furnished with notice, consisting of certified copies of all recorded instruments or assignment or otherwise) shall be binding on Lessee until the Lessee has been turnished with notice, consisting of certified copies of an recorded instruments of documents and other information necessary to establish a complete chain of record title from the Lessor, and then only with respect to payments thereafter made. No other notice of any kind or character, whether actual or constructive, shall be binding on the Lessee. No present or future division of Lessor's ownership as to different portions or parcels of said land shall operate to enlarge the obligations, or to diminish the rights of the Lessee, and all of Lessee's operations may be conducted without regard to any such division. If all or any part of this lease is assigned, no leasehold owner shall be liable for any act or omission on the part of 11. Lessee, at its option, is hereby given the right and power to voluntarily pool or formbine the lands covered by this lease, or any portion thereof, as to the oil and gas, or either of them, with any other land, lease or leases adjacent thereto when in Lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said premises, such pooling to be into units not exceeding sight (80) acres for an oil well, plus a tolerance of ten percent (10%), and not exceeding six hundred forty (640) acres for a gas well, plus a tolerance of ten percent (10%), except that larger units may be created to conform to any spacing or well unit pattern that may be prescribed by governmental authorities having jurisdiction. Lessee shall execute in writing and record in the County Records an instrument identifying and describing the pooled acreage. The entire acreage so pooled into units shall be treated for all purposes, except the payment of royalties, as if it were included in this lease, and drilling or reworking operations thereon or production of oil or gas therefrom, or the completion thereon of a well as a shuting as well, shall be considered for all purposes, except the payment of royalties, as if such operation were on, or such production were from, or such completion was on the land covered by this lease, whether or not the well or wells be located on the premises covered by this lease. In lieu of royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive from a unit so formed only such portion of the royalties stipulated herein as the amount of his acreage specified, including shut-in gas royalties, Lessor shall receive from a unit so formed only such portion of the royalties stipulated herein as the amount of his acreage specified, including shut-in gas royalties, therein heave to the total excesse specified. any other leasehold owner. placed in the unit or his royalty interest therein bears to the total acreage so pooled. All production units must be square in form, with the well being located in the center thereof. 12. In the absence of production, Lessee may terminate any unitized area by filling in the county records a Notice of Termination of the unit. All express or implied covenants of this lease shall be subject to all federal and state laws, executed orders, rules or regulations of governmental bodies having jurisdiction, and this lease shall not terminate in whole or in part, nor shall Lessee be 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. 13. 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 land in the event of failure of payment by the Lessor, and be subrogated to the rights of the holder thereof, and in addition Lessee may reimburse itself for such payments out of any royalties or rentals payable to Lessor. 14. All the provisions of this Lease shall be binding on the heirs, successors, assigns, and legal representatives of the Lessor and Lessee. IN WITNESS WHEREOF this instrument is executed on the day and year first hereinabove set out. Rose M. Meyeres (INDIVIDUAL ACKNOWLEDGMENT) STATE OF KANSAS) SS COUNTY OF BARTON Before me the undersigned, a Notary Public, within and for said county and state, on this 9th day of January. and to me personally to be the 2009, personally appeared Rose M. Meyeres, a single person identical person_ who executed the within and foregoing instrument and acknowledged to me that she executed the same as her 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 Hovember 16, 2012 JOHN R. GENSCH Notary Public State of Kansas My Appl. Exp. 1600 (CORPORATION ACKNOWLEDGMENT) STATE OF _ COUNTY OF _, before me, the undersigned, a Notary day of Public in and for the county and state aforesaid, personally appeared to me personally known to be the identical person who signed the name of the maker thereof to the within and foregoing President and acknowledged to me that instrument as its free and voluntary act and deed, and as the free and voluntary act and deed of said executed the same as

corporation, for the uses and purposes therein set forth.

My commission expires

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

Notary Public

OIL AND GAS LEASE KANSAS [PAID UP]

THIS AGREEMENT, made and entered into this 9th day of January, 2009 by
nd between Rita M. Goscha and Michael R. Goscha a/ka Mike Goscha, wife and husband
1416 N. Walnut
McPherson Kansas 67460
receinafter called Lessor, (whether one or more) and CREDO PETROLEUM CORPORATION
1801 Broadway, Suite 900, Denver, Colorado 80202
nereinafter called Lessee:
I. That the Lessor, for and in consideration of the sum of ten and more Dollars (\$10.00+), and other good and valuable consideration, receipt of which is hereby acknowledged, and the covenants and provisions contained herein to be kept by Lessee, does hereby grant, demise, lease and let unto the said Lessee, the land hereinafter described, with the exclusive right for the purpose of mining, exploring by geophysical and other methods, operating for, producing, and taking care of all oil, gas and all of the products of oil and gas, with rights of way and easements for laying pipelines, telephone and telegraph lines and the exclusive right of injecting water, brine and other fluids into subsurface strata, and the building of structures, tanks, roadways and any and telegraph lines and privileges necessary, incident to, or convenient for the economical operation alone, or conjointly with neighboring land, for the production, saving and taking care of all said products on that certain tract of land situated in the County of Barton State of Kansas, described as follows, to-wit:
TOWNSHIP 19 SOUTH, RANGE 11 WEST OF THE 6 TH P.M. Section 9: S1/2NW1/4
Containing80acres, more or less.
2. It is agreed that this lease shall remain in full force and effect for a primary term of <u>Two (2)</u> years from this date, and as long thereafter as oil, gas or the products of oil or gas are produced from said leased premises, or drilling operations are continued as hereinafter provided.
3. This is a PAID-UP LEASE. In consideration of the down payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term, or to make any rental payments during the primary term. Lessee may at any time or times during or after the primary term hereof surrender this lease as to all or a portion of the lands covered herein by delivering to Lessor, or by filing for record a release or releases, and thereafter be relieved of all obligations accruing hereunder as to the acreage surrendered. The lease shall continue in force and effect as to all of the acreage not surrendered.
4. Lessee agrees to pay Lessor a royalty on production covered hereby as follows: 1" Lessee shall deliver to the credit of Lessor as royalty, free of cost, in the pipeline to which Lessee may connect its wells, the equal one- eighth part of all oil produced and saved from the leased premises, or at Lessee's option, may pay to the Lessor for such one-eighth royalty the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipeline, or into storage tanks.
2 nd . Lessee shall pay Lessor as royalty on gas marketed from each well one-eighth of the proceeds if sold at the well, or if marketed by Lessee, off the leased premises, then one-eighth of its market value at the well.

- 3rd. Lessee shall pay Lessor one-eighth of the proceeds received by the Lessee from the sale of casinghead gas produced from any oil well
- and one eighth of the value, at the mouth of the well, computed at the prevailing market price, of the casinghead gas produced from any oil well and one eighth of the value, at the mouth of the well, computed at the prevailing market price, of the casinghead gas produced from any oil well and used by Lessee off the leased premises for any purpose or used on the leased premises by Lessee for purposes other than the development and operation thereof.
- 4th . Lessee shall pay to Lessor one-eighth of the proceeds from the sale of all other products of oil and gas not otherwise referred to hereinabove.
- 5. Where there is a gas well, or wells on the lands covered by this Lease, or acreage pooled therewith, whether it be before or after the primary term hereof, and such well or wells are shut-in, and there is no other production, drilling operations or other operations being conducted capable of keeping this Lease in hereof, and such well or wells are shut-in, and there is no other production, drilling operations or other operations being conducted capable of keeping this Lease in hereof, and such well or wells are shut-in, and thereafter on the anniversary date of this Lease next ensuing after the expiration of 90 days from the date such well or wells are shut-in, and thereafter on the anniversary date of this Lease hext ensuing after the expiration of 90 days from the date such well or wells are shut-in, and thereafter on the anniversary date of this Lease hext ensuing after the expiration of 90 days from the date such well or wells are shut-in, and thereafter on the anniversary date of the period such wells are shut-in and upon such payment it shall be considered that this Lease is resistational in full force and effect. date of this Lease during the period such wells are shut-in, and upon such payment it shall be considered that this Lease is maintained in full force and effect.
- 6. If the Lessor owns a lesser interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the said Lessor only in the proportion, which Lessor's interests bear to the whole and undivided fee.
- 7. Notwithstanding anything in this lease contained to the contrary, it is expressly agreed that if Lessee shall commence operations for drilling a well at any time while this lease is in force, this lease shall remain in force and its term shall continue so long as such operations are prosecuted as set out in Paragraph 8 hereof, and if production results therefrom, then so long as production continues.
- 8. If at the expiration of the primary term of this lease, oil, gas, or the products of oil and gas are not being produced on the leased premises but Lessee has been engaged in drilling or reworking operations thereon, then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises; and operations shall be considered to be continuously prosecuted if not more than ninety (90) days shall elapse between the completion or the abandonment of one well and the beginning of operations for the drilling of a subsequent well. If, after the discovery of oil or gas or the products of oil or gas on abandonment of one well and the beginning of operations for the drilling of a subsequent well. If, after the discovery of oil or gas or the products of oil or gas on the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lesses commences additional drilling or reworking operations within ninety (90) days from the date of cessation of production or from date of completion of a dry hole. If oil, gas or the products of oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil, gas, or the products of oil or gas shall be produced from the leased premises.
- 9. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operations thereon, except water from the wells of the Lessor. When requested by Lessor, Lessee shall bury pipelines below plow depth. No well shall be drilled nearer than 200 feet to any house or barn on said premises as of the date of this lease without written consent of the Lessor. Lessee shall pay for damages caused by Lessee's operations to growing crops on said land. Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing, but shall have the right to draw and remove casing. not have the obligation to do so.

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

11. Lessee, at its option, is hereby given the right and power to voluntarily pool or fcombine the lands covered by this lease, or any portion thereof, as to the oil and gas, or either of them, with any other land, lease or leases adjacent thereto when in Lessee's judgment it is necessary or advisable to do so in order to the oil and gas, or either of them, with any other land, lease or leases adjacent thereto when in Lessee's judgment it is necessary or advisable to do so in order to the oil and gas, or either of them, with any other land, lease or leases adjacent thereto when in Lessee's judgment it is necessary or advisable to do so in order to the oil and properly develop and operate said premises, such pooling to be into units not exceeding eighty (83) acres for an oil well, plus a tolerance of ten percent (10%), except that larger units may be created to conform to any spacing or well unit pattern that may be prescribed by governmental authorities having jurisdiction. Lessee shall execute in writing and record in the County Records an instrument identifying and describing the pooled acreage. The entire acreage so pooled into units shall be treated for all purposes, except the payment of royalties, is fit were included in this lease, and drilling or reworking operations thereon or production of oil or gas therefrom, or the completion thereon of a well as a shuting swell, shall be considered for all purposes, except the payment of royalties, as if such operation were on, or such production were from, or such completion was on the land covered by this lease, whether or not the well or wells be located on the premises covered by this lease. In lieu of royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive from a unit so formed only such portion of the royalties stipulated herein as the amount of his acreage so pooled. All production units must be square in form, with the placed in the unit or his royalty interest therein bears to the total acreage so pooled. All production units must be square in form, with the well being located in the center thereof. 12. In the absence of production, Lessee may terminate any unitized area by filing in the county records a Notice of Termination of the unit. All express or implied covenants of this lease shall be subject to all federal and state laws, executed orders, rules or regulations of governmental bodies having jurisdiction, and this lease shall not terminate in whole or in part, nor shall Lessee be 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. 13. 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 land in the event of failure of payment by the Lessor, and be subrogated to the rights of the holder thereof, and in addition Lessee may reimburse itself for such payments out of any royalties or rentals payable to Lessor. 14. All the provisions of this Lease shall be binding on the heirs, successors, assigns, and legal representatives of the Lessor and Lessee. IN WITNESS WHEREOF this instrument is executed on the day and year first hereinabove set out. istal R Huschal Rita M. Goscha (INDIVIDUAL ACKNOWLEDGMENT) STATE OF KANSAS COUNTY OF McPHERSON Before me the undersigned, a Notary Public, within and for said county and state, on this 10th day of January, 2009, personally appeared Rita M. Goscha and Michael R. Goscha, a/k/a Mike Goscha wife and husband and to me personally to be the identical person s 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 above written. My commission expires JOHN R. GENSCH Notary Public State of Kansas My Appl. Exp (CORPORATION ACKNOWLEDGMENT) STATE OF COUNTY OF ___, before me, the undersigned, a Notary , A.D., <u>20</u> day of_ On this Public in and for the county and state aforesaid, personally appeared_ to me personally known to be the identical person who signed the name of the maker thereof to the within and foregoing President and acknowledged to me that instrument as its free and voluntary act and deed, and as the free and voluntary act and deed of said executed the same as _ corporation, for the uses and purposes therein set forth. Given under my hand and seal the day and year last above written.

Notary Public

My commission expires _