

For KCC	Use:		
Effective [	Date:		
District # .			

## KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

Form C-1 October 2007 Form must be Typed

	ITENT TO DRILL All blanks must be Filled (5) days prior to commencing well
	(c) any a prior to commencing them
Expected Spud Date:	Spot Description:
monin day year	Sec Twp S. R E W
OPERATOR: License#	feet from N / S Line of Section
Name:	feet from E / W Line of Section
Address 1:	Is SECTION: Regular Irregular?
Address 2:	
City: State: Zip: +	(Note: Locate well on the Section Plat on reverse side)
Contact Person:	County:
Phone:	Lease Name: Well #:
	Field Name:
CONTRACTOR: License#	Is this a Prorated / Spaced Field?
Name:	Target Formation(s):
Well Drilled For: Well Class: Type Equipment:	Nearest Lease or unit boundary line (in footage):
	Ground Surface Elevation:feet MSL
Oil Enh Rec Infield Mud Rotary	Water well within one-quarter mile:
Gas Storage Pool Ext. Air Rotary	Public water supply well within one mile:
Disposal Wildcat Cable	Depth to bottom of fresh water:
Seismic ; # of Holes Other	Depth to bottom of usable water:
Other:	Surface Pipe by Alternate:
If OWWO: old well information as follows:	Length of Surface Pipe Planned to be set:
Operator:	Length of Conductor Pipe (if any):
Well Name:	Projected Total Depth:
Original Completion Date: Original Total Depth:	Formation at Total Depth:
5 5	Water Source for Drilling Operations:
Directional, Deviated or Horizontal wellbore?	Well Farm Pond Other:
If Yes, true vertical depth:	DWR Permit #:
Bottom Hole Location:	( <b>Note:</b> Apply for Permit with DWR)
KCC DKT #:	Will Cores be taken? Yes No
	If Yes, proposed zone:
AFF	DAVIT
The undersigned hereby affirms that the drilling, completion and eventual plu	gging of this well will comply with K.S.A. 55 et. seg.
It is agreed that the following minimum requirements will be met:	
<ol> <li>Notify the appropriate district office <i>prior</i> to spudding of well;</li> <li>A copy of the approved notice of intent to drill <i>shall be</i> posted on each</li> </ol>	drilling rig:
3. The minimum amount of surface pipe as specified below <i>shall be set</i> l	
through all unconsolidated materials plus a minimum of 20 feet into the	
4. If the well is dry hole, an agreement between the operator and the distr	, ,
5. The appropriate district office will be notified before well is either plugg	
6. If an ALTERNATE II COMPLETION, production pipe shall be cemented	d from below any usable water to surface within 120 DAYS of spud date.
	33,891-C, which applies to the KCC District 3 area, alternate II cementing
must be completed within 30 days of the spud date or the well shall be	plugged. In all cases, NOTIFY district office prior to any cementing.
Submitted Electronically	
<u> </u>	Remember to:
For KCC Use ONLY	- File Drill Pit Application (form CDP-1) with Intent to Drill;
	- The Diff it Application (total CD1-1) with intent to Diff,

- 1		Remember to:
	For KCC Use ONLY	- File Drill Pit Application (
	API # 15	- File Completion Form AC
	Conductor pipe requiredfeet	<ul> <li>File acreage attribution p</li> <li>Notify appropriate distriction</li> </ul>
	Minimum surface pipe requiredfeet per ALT. I II	- Submit plugging report (
	Approved by:	- Obtain written approval b
	This authorization expires:  (This authorization void if drilling not started within 12 months of approval date.)	- If this permit has expired check the box below and Well Not Drilled - Permit was a second control of the con
	Spud date: Agent:	Signature of Operato

- CO-1 within 120 days of spud date;
- plat according to field proration orders;
- t office 48 hours prior to workover or re-entry;
- CP-4) after plugging is completed (within 60 days);
- before disposing or injecting salt water.
- (See: authorized expiration date) please return to the address below.

Date:



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

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

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

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

#### **PLAT**

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

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

				30 II.			- 1990 ft.
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EXAMPLE	:		
	:		
	10 -		-1980
	:	3390'	
SEWARD CO.			

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

1025981

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)  Tom ground level to deepest point:  Eliner Describe proces		SecTwpR East West West Feet from North / South Line of Section Feet from East / West Line of Section Coun Coun Chloride concentration: mg/ (For Emergency Pits and Settling Pits only)  How is the pit lined if a plastic liner is not used? Width (feet) N/A: Steel Pits		
Distance to nearest water well within one-mile	of pit	Depth to shallo	owest fresh waterfeet.		
fort Double fourterwall		Source of infor			
feet Depth of water wellfeet			uredwell owner electric logKDWR		
Emergency, Settling and Burn Pits ONLY:		•	cover and Haul-Off Pits ONLY:		
Producing Formation:			al utilized in drilling/workover:		
Number of producing wells on lease:			rking pits to be utilized:		
Barrels of fluid produced daily:  Does the slope from the tank battery allow all flow into the pit?  Yes  No			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	nit Date: Lease Inspection:		

Apr. 30, 2004 Kecorded ULS 8139 BK MIZI Pg 361

PRODUCERS 88-PAID UP
Kahsas CBM Form

1830.0.700-14.500HOIL AND GAS LEASE

Land on Asia Lateration		
This Agreement, made and entered into this 22nd day of	March	, 2004, by and between
Lena M. Vogel, a single woman		
whose address is 1740 155th St. Fort Scott, KS 6670 hereinafter called Lessor (whether one or more) and	Mers	
whose address is P.O. Box 627, Dickinson, Nor	sta 58602	reinaster called Lessee:
WITNESSETH, That the Lessor, for and in consideration and sufficiency are hereby acknowledged, and the commants at these presents does grant, demise, lease and let exclusively untpurpose of exploring by geophysical and other methods, and other minerals or substances, whether similar or dissimilar, incall substances produced in association therewith from coal beat the terms of this lease, with rights of way and easements for la and erection of structures thereon to produce, save and take calinto strata below those providing fresh water from wells locat together with any reversionary, remaindermen and executory	to the said Lessee, the land operating for and producing thiding, but not limited to, caring formations or elsewhaying pipe lines and servicing of said products, included on the herein leased land	mereinafter described, with the exclusive right for the ng therefrom oil, gas, and other hydrocarbons and all coalbed methane, helium, nitrogen, carbon dioxide, and ere, that may be produced from any well drilled undering or drilling other wells in the vicinity of said lands, ing the right to inject salt water and production fluids ads or on adjacent lands, all that certain tract of land.
State of Kansas described as follows, to-w		

Township 24 South, Range 23 East, 6th P.M. Section 36: SE4

Township 25 South, Range 23 East, 6th P.M. Section 1: All NE4 North of Creek

and containing 180.00 acres, more or less, together with all strips or parcels of land (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor.

1. It is agreed that this lease shall remain in force for a term of Two (2) years from this date and as long thereafter as oil or gas of whatsoever nature or kind is produced from said leased premises or on acreage pooled therewith, or drilling operations are continued as hereinafter provided. If, at the expiration of the primary term of this lease, oil or gas is not being produced on the leased premises or on acreage pooled therewith but If, at the expiration of the primary term of this lease, oil or gas is not being produced on the leased premises or on acreage pooled therewith but Lessee is then engaged in drilling or re-working operations thereon, then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises or on acreage pooled therewith; and operations shall be considered to be continuously prosecuted if not more than ninety (90) days shall elapse between the completion or abandonment of one well and the beginning of operations for the drilling of a subsequent well. If after discovery of oil or gas on said land or on acreage pooled therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or re-working operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

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

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

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

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

2<sup>nd</sup>. To pay Lessor one-eighth (1/8) of the net proceeds at the well from the proceeds received for gas sold from each well where gas only is found, or the market value at the well of such gas used off the premises.

3<sup>nd</sup>. To pay Lessor one-eighth (1/8) of the market value at the well for gas produced from any oil well and used off the premises, or for the

manufacture of casing-head gasoline or dry commercial gas.

and nativacture of casing-head gasoline or dry commercial gas.

4th. To pay Lessor one-eighth (1/8) of the proceeds received from the sale of any substance covered by this lease, other than oil and gas and the products thereof, which Lessee may elect to produce, save, and market from the leased premises.

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

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

and undivided fee

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

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

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

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

10. Lessee shall have the right at any time (unless, in the event the Lesse terminates then Lessee has no longer than 180 days to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

10. Lessee shall have the right at any time (unless, in the event the Lease terminates then Lessee has no longer than 180 days to remove all above ground equipment) to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

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

12. Lessee, at its option, is hereby given the right and power at any time and from time to time as a recurring right, either before or after production, as to all or any part of the land described herein and as to any one or more of the formations hereunder, to pool or unitize the leasehold estate and the mineral estate covered by this lease with other land, lease or leases in the immediate vicinity for the production of oil and gas, or separately for the production of either, when in Lessee's judgment it is necessary or advisable to do so, and irrespective of whether authority similar to this exists with respect to such other land, lease or leases. Likewise, units previously formed to include formations not producing oil or has may be reformed to exclude such populations. The forming or reformed to include formations not producing oil or gas, may be reformed to exclude such non-producing formations. The forming or reforming of any unit shall be accomplished by Lessee executing and filing of record a declaration of such unitization or reformation, which declaration shall describe the unit. Any unit may include land upon which a well has theretofore been completed or upon which operations for drilling have theretofore been commenced. Production, drilling or re-working operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling, or re-working operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total number of surface acres covered by this lease and included in the unit bears to the total number of surface acres in such unit. In addition to the foregoing, Lessee shall have the right to unitize, pool, or combine all or any part of the above described lands as to one or more of the formations thereunder with other lands in the same general area by entering into a cooperative or unit plan of development or operation approved by any governmental authority and, from time to time, with like approval, to modify, change or terminate any such plan or agreement and, in such event, the terms, conditions and provisions of this lease shall be deemed modified to conform to the terms, conditions, and provisions of such approved cooperative or unit plan of development or operation and, particularly, all drilling and development requirements of this lease, express or implied, shall be satisfied by compliance with the drilling and development requirements of such plan or agreement, and this lease shall not terminate or expire during the life of such plan or agreement. In the event that said above described lands or any part thereof, shall hereafter be operated under any such cooperative or unit plan of development or operation whereby the roduction therefrom is allocated to different portions of the land covered by said plan, then the production allocated to any particular tract of land shall, for the purpose of computing the royalties to of the land covered by said plan, then the production allocated to any particular tract of land shall, for the purpose of computing the royalties to be paid hereunder to Lessor, be regarded as having been produced from the particular tract of land to which it is allocated and not to any other tract of land; and the royalty payments to be made hereunder to Lessor shall be based upon production only as so allocated. Lessor shall formally express Lessor's consent to any cooperative or unit plan of development or operation adopted by Lessee and approved by any

formally express Lessor's consent to any cooperative or unit plan of development or operation adopted by Lessee and approved by any governmental agency by executing the same upon request of Lessee.

13. For purposes of promoting the development of shallow gas and associated hydrocarbons produced in conjunction therewith, Lessee is granted the power to pool and unitize this lease into a development pooled unit of up to 3,000 acres. This grant shall only be effective if Lessee drills or has drilled no later than one (1) year from declaration of pooling and in no event later than one (1) year after the expiration of the primary term hereof, at least two wells within the pooled unit. This special pooling grant is only effective as to formations hereby defined as geologic formations located from the surface of the earth to one hundred feet (100') below the top of the St. Genevieve formation. The pooled unit must consist of all contiguous acreage with at least one common corner. To utilize this pooling grant Lessee shall file with the Recorders Office of the relevant county or counties a declaration of the exact description of the unit formed pursuant to this clause. Subject to fulfilling the above described drilling requirements, such declaration is all that is required to establish the pooled unit. If such gas well or wells as above described drilling requirements, such declaration is all that is required to establish the pooled unit. If such gas well or wells as contemplated by this clause shall not be drilled on the premises herein leased it shall nevertheless be deemed to be upon the leased premises within the meaning of all covenants, expressed or implied, in this lease. Lessor shall receive on hydrocarbon production thus pooled such proportion of the royalty stipulation herein reserved as the amount of Lessor's acreage placed in the unit bears to the total acreage so pooled in the particular declared unit, regardless of which wells the production actually comes from. After one such unit has been declared, Lessee may

add other lands to such unit up to the limit of 3,000 acres.

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

by, or if such failure is the result of, any such Law, Order, Rule or Regulation.

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

and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, insofar as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

16. Should any one or more of the parties hereinabove named as Lessor fail to execute this Lease, it shall nevertheless be binding upon all such parties who do execute it as Lessor. The word "Lessor", as used in this lease, shall mean any one or more or all of the parties who execute this lease as Lessor. All the provisions of this lease shall be binding on the heirs, successors and assigns of Lessor and Lessee.

17. Lessor and Lessee hereby made, as express provisions of this lease, the following: It is agreed that this lease shall remain in force for a term of Two (2) year(s) from the date, and as long thereafter as oil or gas, or either of them, is produced from said land by the Lessee, its successors and assigns. Lessee has the option to extend this lease for an additional term of Two (2) year(s) from the expiration of the primary term of this lease, and as long thereafter as oil or gas, or either of them, is produced from said land by the Lessee. its successors and assigns, said reneval to lease, and as long thereafter as oil or gas, or either of them, is produced from said land by the Lessee, its successors and assigns, said renewal to 

Ten and 00/100<sup>th</sup> \_\_\_\_\_\_(\$10.00) dollars per net mineral acre.

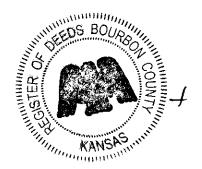
18. Bonuses may be paid by check or draft and may be remitted by mail. Mailing of bonuses on or before the bonus paying date shall be deemed

a timely tender thereof and shall preclude termination of this lease.

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

La m Vogel	ne date first above written.
Lena M. Vogel	e company of the comp
State of KANSAS X	ACVNOWI EDOEMENT DEPUNDANCE
County of BOURBON X	ACKNOWLEDGEMENT-INDIVIDUAL
BEFORE ME, the undersigned, a Notary Public, in and for sa personally appeared Lena M. Vogel, a single woman	aid County and State, on this 232 day of March, 2004
to me known to be the person(s) described in and that executed same in his (her, their) free act and deed.	the foregoing instrument and acknowledged to me that such each executed the
IN WITNESS WHEREOF, I have hereunto set my hand	and affixed my notarial seal the day first year hast above written.
MY COMMISSION EXPIRES:	David ( )
1-09-2008	Notary Public: Address:
	Notary Public - STATE OF KANSAS

David P. Gould My Appt. Exp. 1-09-2008



State of Kansas, Bourbon County SS
This instrument was filed for Record on:
06/27/2007 at 02:18 BM and recorded in
Book 333 of CR Page 241 Last Pg 242
Fees: \$12.00 2007 02068

Sharon Elder, Register of Deeds
By:\_\_\_\_\_\_\_ Deputy

## PARTIAL ASSIGNMENT OF OIL AND GAS LEASE

This Partial Assignment of Oil and Gas Lease ("Assignment") is made and entered this day of <u>June</u>, 2007, by and between <u>Running Foxes Petroleum Inc.</u> of <u>7060B So. Tucson Way, Centennial, CO 80112</u> (hereinafter "Assignor") and <u>Admiral Bay Resources Inc.</u> of <u>7060B So. Tucson Way, Centennial, CO 80112</u> (hereinafter "Assignee").

Assignor is the owner of that certain oil and gas lease dated <u>March 22, 2004</u>, between <u>Lena M. Vogel</u> as Lessor and <u>Contex Energy Company</u> as Lessee, and recorded in the office of the Register of Deeds for said county and state in Book <u>M121</u>, Page <u>361-362</u>, covering lands in <u>Bourbon</u> County, KS, as more particularly described therein.

In consideration of ten and more dollars, the receipt and sufficiency of which is hereby acknowledged, Assignor hereby assigns, transfers and conveys unto Assignee all of Assignor's right, title and interest in and to said oil and gas lease *insofar and only insofar* as it covers the following described land in <u>Bourbon</u> County, Kansas:

Township 25 South, Range 23 East, 6<sup>th</sup> P.M. Section 1: All NE/4 North of Creek

This Assignment is made without warranty of title, and is made subject to the terms and provisions of the subject oil and gas lease.

Witness the execution whereof as of the date first above written.

Assignor:

Steven A Tedesco

# **ACKNOWLEDGEMENT**

STATE OF Colorado}	
} ss.	
COUNTY OF	
The foregoing instrument was acknowledged before me this Steven A. Tedesco, the President, of	Running Foxes Petroleum, Inc.
who executed the same under the authority of the board of dire	ctors of said corporation for the purposes
CAROL A. SEARS NOTARY PUBLIC STATE OF COLORADO	Carol a Sears
My Commission Expires February 5, 2011	
My Commission Expires 1 Lebruary 5, 2011	