For KCC Use:

Effective D	Date:
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District	#	
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SGA?	Yes	No

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

Form C-1 October 2007 Form must be Typed Form must be Signed All blanks must be Filled

1025986

NOTICE OF INTENT TO DRILL

Must be approved by KCC five (5) days prior to commencing well

Expected Spud Date:	Spot Description:
month day year OPERATOR: License#	
Name:	
Address 1:	Is SECTION: Regular Irregular?
Address 2:	(Note: Locate well on the Section Plat on reverse side)
City: State: Zip: +	County:
Contact Person:	Lease Name: Well #:
Phone:	Field Name:
CONTRACTOR: License#	Is this a Prorated / Spaced Field?
Name:	Target Formation(s):
Well Drilled For: Well Class: Type Equipment:	Nearest Lease or unit boundary line (in footage):
	Ground Surface Elevation:feet MSL
Oil Enh Rec Infield Mud Rotary	Water well within one-guarter 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:
	Surface Pipe by Alternate:
If OWWO: old well information as follows:	Length of Surface Pipe Planned to be set:
	Length of Conductor Pipe (if any):
Operator:	Projected Total Depth:
Well Name:	Formation at Total Depth:
	Water Source for Drilling Operations:
Directional, Deviated or Horizontal wellbore?	
If Yes, true vertical depth:	Well Farm Pond Other:
Bottom Hole Location:	DWR Permit #:
KCC DKT #:	Will Cores be taken?
	If Yes, proposed zone:

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 et. seq. It is agreed that the following minimum requirements will be met:

1. Notify the appropriate district office *prior* to spudding of well;

- 2. A copy of the approved notice of intent to drill shall be posted on each drilling rig;
- 3. The minimum amount of surface pipe as specified below shall be set by circulating cement to the top; in all cases surface pipe shall be set through all unconsolidated materials plus a minimum of 20 feet into the underlying formation.
- 4. If the well is dry hole, an agreement between the operator and the district office on plug length and placement is necessary prior to plugging;
- 5. The appropriate district office will be notified before well is either plugged or production casing is cemented in;
- 6. If an ALTERNATE II COMPLETION, production pipe shall be cemented from below any usable water to surface within 120 DAYS of spud date. Or pursuant to Appendix "B" - Eastern Kansas surface casing order #133,891-C, which applies to the KCC District 3 area, alternate II cementing must be completed within 30 days of the spud date or the well shall be plugged. In all cases, NOTIFY district office prior to any cementing.

Submitted Electronically

	Remember to:
For KCC Use ONLY	- File Drill Pit Application (form CDP-1) with Intent to Drill;
API # 15	- File Completion Form ACO-1 within 120 days of spud date;
Conductor pipe required feet	 File acreage attribution plat according to field proration orders; Notify appropriate district office 48 hours prior to workover or re-entry;
Minimum surface pipe requiredfeet per ALT. I II	- Submit plugging report (CP-4) after plugging is completed (within 60 days);
Approved by:	- Obtain written approval before disposing or injecting salt water.
This authorization expires:	- If this permit has expired (See: authorized expiration date) please check the box below and return to the address below.
(This authorization void if drilling not started within 12 months of approval date.)	Well Not Drilled - Permit Expired Date:
Spud date: Agent:	Signature of Operator or Agent:



1025986

. . .

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

Side Two

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 gas wells and within 1/2 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 gas wells and within 1/2 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 gas wells and within 1/2 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 gas wells and within 1/2 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 gas wells and within 1/2 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 gas wells and within 1/2 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 gas wells and within 1/2 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 gas wells and within 1/2 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 gas wells and within 1/2 mile of the boundaries of the pro

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 E 📃 W
Number of Acres attributable to well: QTR/QTR/QTR/QTR of acreage:	Is Section: Regular or Irregular
	If Section is Irregular, locate well from nearest corner boundary.
	Section corner used: NE NW SE SW

						PLAT				
		(Show lo						prorated or spaced wells.)		
			(Sho		to the nea 65 ft.	rest lease	or unit bou	Indary line.)		
	•	:	:	0		:		- 2165 ft.		
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		•	•					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 1025986 **OIL & GAS CONSERVATION DIVISION**

Form CDP-1 April 2004 Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name:			License Number:	
Operator Address:				
Contact Person:			Phone Number:	
Lease Name & Well No.:			Pit Location (QQQQ):	
Type of Pit:	Pit is:			
Emergency Pit Burn Pit	Proposed	Existing	SecTwpR East West	
Settling Pit Drilling Pit	If Existing, date c	constructed:	Feet from	North / South Line of Section
Workover Pit Haul-Off Pit (If WP Supply API No. or Year Drilled)	Pit capacity:	(bbls)	Feet from East / West Line of Section	
Is the pit located in a Sensitive Ground Water	Area? Yes	(2233)	Chloride concentration:	County
is the piclocated in a Sensitive Ground water				its and Settling Pits only)
Is the bottom below ground level?	Artificial Liner?	No	How is the pit lined if a plastic	liner is not used?
Pit dimensions (all but working pits):	Length (f	eet)	Width (feet)	N/A: Steel Pits
Depth fr	om ground level to d	eepest point:	(feet)	No Pit
Distance to nearest water well within one-mile		Source of infor	west fresh water mation: redwell owner	
Emergency, Settling and Burn Pits ONLY:			over and Haul-Off Pits ONLY:	
Producing Formation:		Type of material utilized in drilling/workover:		
Number of producing wells on lease:		Number of working pits to be utilized:		
Barrels of fluid produced daily:	Abandonment	procedure:		
Does the slope from the tank battery allow all flow into the pit? Yes No	Drill pits must be closed within 365 days of spud date.			
Submitted Electronically				
	ксс	OFFICE USE OI	NLY Steel Pit	RFAC RFAS
Date Received: Permit Num	ber:	Perm	t Date: Lease	e Inspection: Yes No

WLS 8139 PRODUCERS 88-PAID UP Kabisas CBM Form 1830.0. 1911 H. Scott OIL AND GAS LEASE	Recorded Apr. 30, 2004 BKM121 Pg 361 F
[830.0.9] [4.5.04] [111.0] <th>, <u>2004,</u> by and between</th>	, <u>2004,</u> by and between
whose address is <u>1740 155th St. Fort Scott, KS 6670</u> hereinafter called Lessor (whether one or more) and <u>18679</u> whose address is <u>P.O. Box 627, Dickinson, Nor</u> t <u>186802</u>	reinafter called Lessee:
WITNESSETH, That the Lessor, for and in consideration <u>TEHAND MORI</u> and sufficiency are hereby acknowledged, and the commants and agreements hereinan these presents does grant, demise, lease and let exclusively unto the said Lessee, the land purpose of exploring by geophysical and other methods, and operating for and producin other minerals or substances, whether similar or dissimilar, including, but not limited to, c all substances produced in association therewith from coal bearing formations or elsewhe	neceinafter described, with the exclusive right for the ig therefrom oil, gas, and other hydrocarbons and all oalbed methane, helium, nitrogen, carbon dioxide, and

the terms of this lease, with rights of way and easements for laying pipe lines and servicing or drilling other wells in the vicinity of said lands, and erection of structures thereon to produce, save and take care of said products, including the right to inject salt water and production fluids into strata below those providing fresh water from wells located on the herein leased lands or on adjacent lands, all that certain tract of land.

Bourbon

County,

together with any reversionary, remaindermen and executory rights therein, situated in

State of

Kansas

Section 36: SE4

Township 24 South, Range 23 East, 6th P.M.

Township 25 South, Range 23 East, 6th P.M.

Section 1: All NE4 North of Creek

described as follows, to-wit:

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.

It is agreed that this lease shall remain in force for a term of $\underline{Two}(2)$ 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, off or gas is not being produced on the leased premises or on acreage pooled merewind out 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 fand 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 pinety (90) days from date of eccention of moducion or from date of completion of day help. If all or gas chall he discovery of and 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 as a result of such operations at of after the expiration of the primary term of this lease, this lease shall continue in twee so long as on 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: 1st. To deliver to the credit of lessor, free of cost, in the ning line to the

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^{nd} . 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^{nd} . 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.

 4^{th} . 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 alter 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.

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 b. Lessee shall have the right to use, nee or cost, gas, on and much produced on out a table to the table of the requested by Lessor, Lessee shall bury Lessee's pipe line below plow depth.
When requested by Lessor, Lessee shall bury Lessee's pipe line below plow depth.
No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of Lessor.
Lessee shall pay for damages caused by Lessee's operations to growing crops on said land.
Lessee shall have the right at any time (unless, in the event the Lease terminates then Lessee has no longer than 180 days to remove all fixtures placed on said premises, including the right to draw and remove casing.

10. Cessee shart have the right at any time (tinless, 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 producting of areas may be reformed to exclude such non-producing formations. The forming or reforming of a formit to the exclude such non-producing formations. 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, least a chall have the right to unitize nool, or combine all or num part of the above described leasts in such unit. 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 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 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 unon production only as so allocated. Lessor shall

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 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.

add other lands to such unit up to the limit of 5,000 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 tessor hereby warrants and agrees to defend the fifter to the fands 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 purposer for which this lesse is made as resided herein.

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

La m Vogel Lena M. Vogel

State of KANSAS Х

<u>BOURBON</u> County of _

ACKNOWLEDGEMENT-INDIVIDUAL

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 23d day of March, 2004 personally appeared Lena M. Vogel, a single woman ___

to me known to be the person(s) described in and that executed the foregoing instrument and acknowledged to me that such each executed the same in his (her, their) free act and deed.

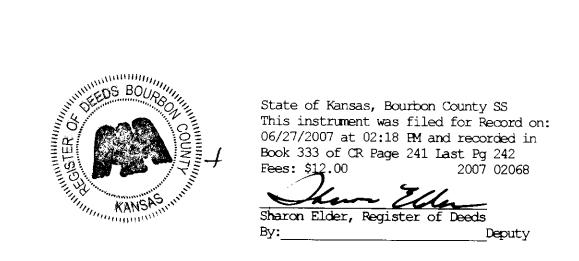
IN WITNESS WHEREOF, I have bereunto set my hand and affixed my notarial seal the day and year had above written

MY COMMISSION EXPIRES:

1-09-2008

Notary Public: Address:

Notary Public - STATE OF KANSAS David P. Gould My Appt. Exp. 1-09-2008



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, 6th 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:

President Steven A. Tedesco

ACKNOWLEDGEMENT

STATE OF	Colorado	}
	1	SS.
COUNTY OF _	Arapahoe	}

· · · ·

The foregoing instrument was acknowledged before me this <u>/st</u> day of <u>June</u>, 2007, by <u>Steven A. Tedesco</u>, the <u>President</u>, of <u>Running Foxes Petroleum, Inc.</u>, who executed the same under the authority of the board of directors of said corporation for the purposes therein set forth.

CAROL A. SEARS NOTARY PUBLIC STATE OF COLORADO Commission Expires February 5, 2011 My

Carol a Sears

My Commission Expires Vebruary 5, 2011