

| For KCC | Use: | | |
|------------|-------|-------------|--|
| Effective | Date: | | |
| District # | | | |
| 0040 | | п. . | |

Spud date: _

_ Agent: _

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

1031489

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

| | | INTENT TO DRILL All blanks must be Filled five (5) days prior to commencing well |
|--|--------------|---|
| Expected Spud Date: | | Spot Description: |
| | ear | Sec. Two S.B. F.W. |
| ODERATOR III | | (a/a/a/a) 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: | | (Note: Locate well on the Section Plat on reverse side) |
| City: State: Zip: + | | County: |
| Contact Person: | | Lease Name: Well #: |
| Phone: | | Field Name: |
| CONTRACTOR: License# | | |
| Name: | | Target Formation(s): |
| Well Drilled For: Well Class: Type Equipm | ont: | Nearest Lease or unit boundary line (in footage): |
| | | Ground Surface Elevation:feet MSL |
| Oil Enh Rec Infield Mud Ro | • | Water well within one-quarter mile: |
| Gas Storage Pool Ext. Air Rota Disposal Wildcat Cable | ry | Public water supply well within one mile: |
| Seismic ; # of Holes Other | | Depth to bottom of fresh water: |
| Other: | | Depth to bottom of usable water: |
| | | Surface Pipe by Alternate: I II |
| 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: |
| | 🗆 | Water Source for Drilling Operations: |
| | Yes No | |
| If Yes, true vertical depth: | | DWA Felliii # |
| KCC DKT #: | | (Note: Apply for Permit with DWR) |
| | | Will Cores be taken? Yes No If Yes, proposed zone: |
| | Δ | AFFIDAVIT |
| The undersigned hereby affirms that the drilling, completion and | | |
| It is agreed that the following minimum requirements will be me | t: | |
| Notify the appropriate district office <i>prior</i> to spudding of values. | well: | |
| 2. A copy of the approved notice of intent to drill shall be po | | each drilling rig; |
| | | set by circulating cement to the top; in all cases surface pipe shall be set |
| through all unconsolidated materials plus a minimum of 2 | | o the underlying formation. district office on plug length and placement is necessary <i>prior to plugging</i> ; |
| 5. The appropriate district office will be notified before well in | | , |
| · · · | | ented from below any usable water to surface within <i>120 DAYS</i> of spud date. |
| | | r #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 | l be plugged. In all cases, NOTIFY district office prior to any cementing. |
| | | |
| N 1 20 1 E1 4 2 11 | | |
| 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 requiredfeet | | - File acreage attribution plat according to field proration orders; |
| Minimum surface pipe requiredfeet per / | AIT I | Notify appropriate district office 48 hours prior to workover or re-entry; Submit plugging report (CP-4) after plugging is completed (within 60 days); |
| | | - Obtain written approval before disposing or injecting salt water. |
| Approved by: | | - If this permit has expired (See: authorized expiration date) please |
| This authorization expires: | royal 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

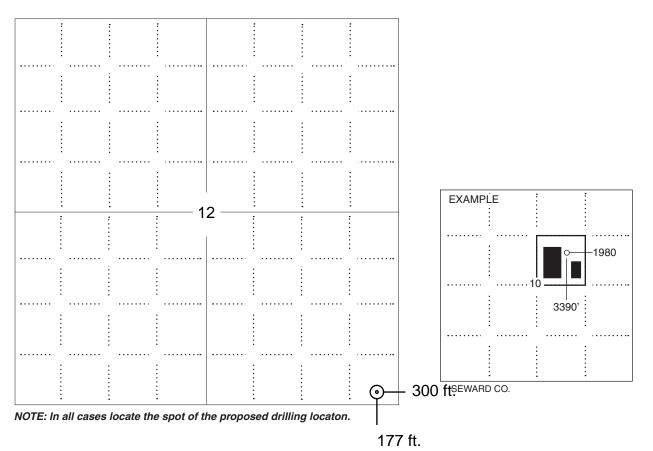
Plat of acreage attributable to a well in a prorated or spaced field

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: | 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.)



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

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



KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

031489

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): Depth from If the pit is lined give a brief description of the material, thickness and installation procedure | Artificial Liner? Yes No Length (feet) Trom ground level to deepest point: | | | |
| material, thickness and installation procedure. | | ccgy, | | |
| Distance to nearest water well within one-mile | of pit | Depth to shallo | west fresh waterfeet. | |
| feet Depth of water well | feet | | redwell owner electric logKDWR | |
| Emergency, Settling and Burn Pits ONLY: Producing Formation: | | Type of material Number of work Abandonment | bover and Haul-Off Pits ONLY: al utilized in drilling/workover: | |
| | | | | |
| | KCC (| OFFICE USE OF | NLY Steel Pit RFAC RFAS | |
| Date Received: Permit Num | ber: | Permi | it Date: Lease Inspection: Yes No | |

1 -61

OIL AND GAS LEASE

| <i>0.5x06</i> | | | · | |
|--|---|---|--|--|
| THIS AGREEMENT, Entered into this the | 13th | day of | October | . 20 06 |
| between Frederick J. Nuss and Ca | andace A | . Nuss, Husbar | nd and Wife. | |
| Barbara J. Nuss, Single | and Joan | ne R. Nuss, Sin | gle | |
| P.O. Box 2080 | • • | | | |
| Great Bend, kansas 675 | 530 | | | hereinafter called |
| and Thomas Energy INC., 209 E witness: | | | PREBOY O | of Kinsas UNIII |
| That lessor, for and in consideration of the covenants | e sum of | i en (10) and M | ore Bollar | s in hand paid and of the |
| and agreements, hereinafter contained to be r | performed by | the lessee, has this | day granted, leased, and left and by t | hese presents does hereby grant, |
| lease, and let exclusively unto the lessee the any part thereof with other oil and gas leases geological, geophysical and other exploratory the oil, gas, gas condensate, gas distillate, exclusive right of injecting water, brine, and oth tanks, storing oil, building power stations, elect alone or conjointly with neighboring lands, to p | as to all or a work thereon casinghead of her fluids and trical lines an produce, save | iny part of the lands , including core drilling gasoline and their re I substances into the d other structures the take care of, and m | covered thereby as hereinafter provid g and the drilling, mining, and operati spective constituent vapors, and all subsurface strata, and for construction are on necessary or convenient for the anufacture all of such substances; an | led, for the purpose of carrying on ng for, producing and saving all of other gases, found thereon, the ig roads, laying pipe lines, building economical operation of said land id the injection of water, brine, and |
| other substances into subsurface strata, said to described as follows: | ract of land b | eing situated in the C | county ofPawnee | State ofKS, and |
| Township 21 South, Range 15 We | est | • | | |
| Section 18: E/2 NW/4 and Lots Or | | Two (2) | | |
| Less and except the following des | | | | |
| | | | | |
| A tract of land in that part of the N Section 18; thence on an assum section, a distance of 895.00 fee bearing of East, along the north lir on a bearing of South a distance | ned bearing to the ne of the l | ng of East, alo point of beginn Northwest Quar | ng the north line of the No ning of the land described; ter of said section, a distan | orthwest Quarter of said thence continuing on a ce of 357.00 feet; thence |

containing 143,15 acres, more or less.

including county road right-of-way, contains 4.0 acres more or less.

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

a bearing of North a distance of 488.00 feet to the point of beginning. The above described tract of real estate,

- 3. The lessee shall deliver to lessor as royalty, free of cost, on the lease, or into the pipe line to which lessee may connect its wells the equal one-eighth (1/8th) part of all dil preduced and saved from the leased premises, or at the lessee's option may pay to the lessor for such one-eighth (1/8th) royalty the market price at the wellhead for oil of like grade and gravity prevailing on the day such oil is run into the pipe line or into storage tanks.
- 4. The lessee shall pay to the lessor, as a royalty, one-eighth (1/8th) of the proceeds received by the lessee from the sale of gas, gas condensate, gas distillate, casinghead gas, gas used for the manufacture of gasoline or any other product, and all other gases, including their constituent parts, produced from the land herein leased. If such gas is not sold by the lessee, lessee may pay or tender annually at or before the end of each yearly period during which such gas is not sold, as a shut-in royalty, whether one or more wells, an amount equal to one dollar per net mineral acre, and while said shut in royalty is so paid or tendered, it will be considered under all provisions of this lease that gas is being produced in paying quantities. The first yearly period during which such gas is not sold shall begin on the date the first well is completed for production of gas.
 - 5. This lease is a paid-up lease and may be maintained during the primary term without further payments or drilling operations.
- 6. In the event said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein then the royalties herein provided for shall be paid to said lessor only in the proportion which his interest bears to the whole and undivided fee; however, in the event the title to any interest in said land should revert to lessor, or his heirs, or his or their grantee, this lease shall cover such reversion.
- 7. The lessee shall have the right to use free of cost, gas, oil and water found on said land for its operations thereon, except water from existing wells of the lessor. When required by lessor, the lessee shall bury its pipe lines below plow depth and shall pay for damage caused by its operations to growing crops on said land. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of the lessor. Lessee shall have the right at any time during, or after the expiration of this lease to remove all machinery, fixtures, houses, buildings and other structures placed on said premises, including the right to draw and remove all casing.
- 8. If the estate of either party hereto is assigned (and the privilege of assigning in whole or in part is expressly allowed), the covenants hereof shall extend to the heirs, devisees, executors, administrators, successors, and assigns, but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of lessee, and no change of ownership in the land or in the royalties or any sum due under this lease shall be binding on the lessee until it has been furnished with either the original recorded instrument of conveyance or a duly certified copy thereof, or a certified copy of the will of any deceased owner and of the probate thereof, or certified copy of the proceedings showing the appointment of an administrator for the estate of any deceased owner, whichever is appropriate, together with all original recorded instruments of conveyance or duly certified copies thereof necessary in showing a complete chain of title back to lessor of the full interest claimed, and all advance payments of rentals made hereunder before receipt of said documents shall be binding on any direct or indirect assignee, grantee, devisee, or administrator, executor, or heir of lessor.
- 9. If the leased premises are now or shall hereafter be owned in severalty or in separate tracts, the premises may nonetheless be developed and operated as one lease, and all royalties accruing hereunder shall be divided among and paid to such separate owners in the proportion that the acreage; owned by each separate owner bears to the entire leased acreage. There shall be no obligation on the part of the lessee to offset wells on separate tracts into which the land covered by this lease may now or hereafter be divided by sale, devisee, descent or otherwise, or to furnish separate measuring or receiving tanks.
- 10. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the lessee, at its option, may pay and discharge in whole or in part any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands and, in the event it exercises such options it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying to the discharge of any such mortgage, tax or other lien, any royalty accruing hereunder.

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RECORDED Nov 30, 2006 10:20 AM Fees \$12.00

Pawnee County, State of Kansas

Takana Schulza Danietan M Banda

11. If after the expiration of the primary term, production of oil or gas should cease from cause, this lease shall not terminate if lessee commences additional drilling or reworking operations within one hundred-twenty (120) days thereat of the expiration of the primary term, oil or gas is not being produced on said land, but lessee is then engaged in drilling or reworking operation nkin either event, this lease shall remain in force so long as operations are prosecuted either on the same well or any other well thereaft with no cessation of more than one hundredtwenty (120) consecutive days, and if they result in production of oil or gas, this lease sha sin in effect so long thereafter as there is production of oil or gas under any provision of this lease. 12. Lessee may at any time surrender or cancel this lease in whole or in part by delivering or malling such release to the lessor, or by placing same of record in the proper county. In case said lease is surrandered and canceled as to only a portion of the acreage covered thereby, then all payments and liabilities thereafter accruing under the terms of said lease as to the portion canceled shall cease and determine, but as to the portion of the acreage not released the terms and provisions of this lease shall continue and remain in full force and effect for all purposes. 13. All provisions hereof, express or implied, shall be subject to all federal and state laws and the orders, rules, or regulations (and interpretations thereof) of all governmental agencies administering the same, and this lease shall not be in any way terminated wholly or partially nor shall the lessee be liable in damages for failure to comply with any of the express or implied provisions hereof if such failure accords with any such laws, orders, rules or regulations (or interpretations thereof). If lessee should be prevented during the last six months of the primary term hereof from drilling a well hereunder by the order of any constituted authority having jurisdiction thereover, the primary term of this lease shall continue until six months after said order is suspended. The first war and the second was the second of the first المراجعين فالتليث بشتيا الكيكاب 14. Lessee, at its option, is hereby given the right and power to pool or combine into one or more units the land covered by this lease, or any portion thereof, with other land covered by another lease, or leases when, in lessee's judgment, it is necessary of advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of such minerals in and under said lease premises so as to promote the conservation of such minerals in and under said lease premises so as to promote the conservation of such minerals in and under said lease premises so as to promote the conservation of such minerals in and under said lease premises so as to promote the conservation of such minerals in and under said lease premises so as to promote the conservation of such minerals in and under said lease premises so as to promote the conservation of such minerals in and under said lease premises so as to promote the conservation of such minerals in and under said lease premises so as to promote the conservation of such minerals in and under said lease premises so as to promote the conservation of such minerals in and under said lease premises so as to promote the conservation of such minerals in and under said lease premises are the said lease premises and the said lease premises as to promote the conservation of such minerals in and under said lease premises are the said lease premises and the said lease premises are the said lease premises and the said lease premises are the said lease premises and the said lease premises are the said lease premises and the said lease premises are the said lease premises and the said lease premises are the said lease premises and the said lease premises are the said lease premises and the said lease premises are the said lease premises and the said lease premises are the said lease premises and the said lease premises are the said lease premises are the said lease premises and the said lease premises are the said lease premises are the said lease premises are the said lease premises and the said lease premises are the said

units not exceeding 80 acres each in the event of an oil well, or into a unit or units not exceeding 640 acres each in the event of a gas and/or condensate or distillate well, plus a tolerance of ten percent (10%) to conform to Governmental Survey quarter sections. Lessee shall execute in writing and file for record in the county in which the land is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a unit or units shall be treated for all purposes, except the payment of royalities on production from the pooled unit, as if it were included in this lease. If production is found on any part of the pooled acreage it shall be treated as if production is found to the pooled acreage it shall be treated as if production is had from this lease whether any well is located on the land covered by this lease or not. Any well drilled on any such unit shall be and constitute a well hereunder. In lieu of the royalties elsewhere herein specified lessor shall receive on production from the unit so pooled only such portion of the royalty stipulated herein as the amount of his net royalty interest therein on an acreage basis bears to the total mineral acreage so pooled in the particular unit involved.

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

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

Frederick J. Nus

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| Candace A. Nuss | | Voanne R. Nuss |
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| in the state of the | | |
| STATE OF Kansas |) | |
| COUNTY OF Bourses |)ss. | ACKNOWLEDGMENT FOR INDIVIDUAL |
| COUNTY OF Pawnee |) | |
| This instrument was acknowledge | d to me o | on this 3\ day of Service October. |
| by Frederick J. Nuss, Candace A, Nuss, | Barbara | on this 3\ day of October , 20 06 J. Nuss and Joanne R. Nuss |
| | | Control of the contro |
| | | |
| My commission expires: 16/15/68 | | fly s |
| | | Notary Public |
| | • | MOTARY PUBLIC: Base of Honors |
| | | PREDOY QUAN |
| | | |
| STATE OF |))ss. | ACKNOWLEDGMENT FOR INDIVIDUAL |
| COUNTY OF |) | A CONTROL OF THE CONT |
| | TOTALIS (SANS) Yadanah Labili (| n og kritisk fra 1900. Magning havert grænt skalet i norsk fra 1901. |
| This instrument was acknowledge | d to me o | in this day of |
| by | | |
| The second section of the second seco | . 14 4 1014 F | a w |
| My commission expires: | | |
| | | |

L£88-1 Form 88 (producers) Rev. 1-83 (Paid-up) Kans. – Okla. – Colo.

65776

OIL AND GAS LEASE

| <u> </u> | F31 00 E91 | · · · · · · · · · · · · · · · · · · · |
|---|--|---|
| THIS AGREEMENT, Entered into this the 13th day of between Frederick J. Nuss and Candace A. Nuss, Husbai Barbara J. Nuss, Single and Joanne R. Nuss, Single P.O. Box 2080 | nd and Wile min | |
| P.O. Box 2080 | in the state of th | 2.4 |
| Great Bend, kansas 67530 | | hereinafter called |
| lessor, and Thomas Energy INC., 209 E. William, Suite 908, Widwitness: | chita, KS 67202 | hereinafter called lessee, does |
| 1. That lessor, for and in consideration of the sum of Ten (10) and No covenants and agreements, hereinafter contained to be performed by the lessee, has this lease, and let exclusively unto the lessee the hereinafter described land, with any part thereof with other oil and gas leases as to all or any part of the lands geological, geophysical and other exploratory work thereon, including core drill the oil, gas, gas condensate, gas distillate, casinghead gasoline and their rexclusive right of injecting water, brine, and other fluids and substances into the tanks, storing oil, building power stations, electrical lines and other structures the alone or conjointly with neighboring lands, to produce, save, take care other substances into subsurface strata, said tract of land being situated in the described as follows: | s day granted, leased, and let and any reversionary rights therein, and scovered thereby as hereinafter proling and the drilling, mining, and operespective constituent vapors, and es subsurface strata, and for construent on necessary or convenient for construents and scoverient for contractions and scoverient for construents and scoverient for contractions are substantially as a convenient for contractions are substantially as a convenient for contractions are substantially as a convenient for contractions. | by these presents does hereby grant, d with the right to unitize this lease or ovided, for the purpose of carrying on erating for, producing and saving all of all other gases, found thereon, the cting roads, laying pipe lines, building the economical operation of said land , and the injection of water, brine, and |
| Township 21 South, Range 15 West | | |
| Section 7: E/2 SW/4 and Lots Three (3) and Four (4) | | |
| | er en | |
| | | ì |
| containing 146.5 acres, more or less. | The state of the s | |

- 2. This lease shall remain in force for a term of Three (3) years (called "primary term") and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of the products covered by this lease is or can be produced.
- 3. The lessee shall deliver to lessor as royalty, free of cost, on the lease, or into the pipe line to which lessee may connect its wells the equal one-eighth (1/8th) part of all oil produced and saved from the leased premises, or at the lessee's option may pay to the lessor for such one-eighth (1/8th) royalty the market price at the wellhead for oil of like grade and gravity prevailing on the day such oil is run into the pipe line or into storage tanks.
- 4. The lessee shall pay to the lessor, as a royalty, one-eighth (1/8th) of the proceeds received by the lessee from the sale of gas, gas condensate, gas distillate, casinghead gas, gas used for the manufacture of gasoline or any other product, and all other gases, including their constituent parts, produced from the land herein leased. If such gas is not sold by the lessee, lessee may pay or tender annually at or before the end of each yearly period during which such gas is not sold, as a shut-in royalty, whether one or more wells, an amount equal to one dollar per net mineral acre, and while said shut in royalty is so paid or tendered, it will be considered under all provisions of this lease that gas is being produced in paying quantities. The first yearly period during which such gas is not sold shall begin on the date the first well is completed for production of gas.
 - 5. This lease is a paid-up lease and may be maintained during the primary term without further payments or drilling operations.
- 6. In the event said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein then the royalties herein provided for shall be paid to said lessor only in the proportion which his interest bears to the whole and undivided fee; however, in the event the title to any interest in said land should revert to lessor, or his heirs, or his or their grantee, this lease shall cover such reversion.
- 7. The lessee shall have the right to use free of cost, gas, oil and water found on said land for its operations thereon, except water from existing wells of the lessor. When required by lessor, the lessee shall bury its pipe lines below plow depth and shall pay for damage caused by its operations to growing crops on said land. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of the lessor. Lessee shall have the right at any time during, or after the expiration of this lease to remove all machinery, fixtures, houses, buildings and other structures placed on said premises, including the right to draw and remove all casing.
- 8. If the estate of either party hereto is assigned (and the privilege of assigning in whole or in part is expressly allowed), the covenants hereof shall extend to the heirs, devisees, executors, administrators, successors, and assigns, but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of lessee, and no change of ownership in the land or in the royalties or any sum due under this lease shall be binding on the lessee until it has been furnished with either the original recorded instrument of conveyance or a duly certified copy thereof, or a certified copy of the will of any deceased owner and of the probate thereof, or certified copy of the proceedings showing the appointment of an administrator for the estate of any deceased owner, whichever is appropriate, together with all original recorded instruments of conveyance or duly certified copies thereof necessary in showing a complete chain of title back to lessor of the full interest claimed, and all advance payments of rentals made hereunder before receipt of said documents shall be binding on any direct or indirect assignee, grantee, devisee, or administrator, executor, or heir of lessor.
- 9. If the leased premises are now or shall hereafter be owned in severalty or in separate tracts, the premises may nonetheless be developed and operated as one lease, and all royalties accruing hereunder shall be divided among and paid to such separate owners in the proportion that the acreage owned by each separate owner bears to the entire leased acreage. There shall be no obligation on the part of the lessee to offset wells on separate tracts into which the land covered by this lease may now or hereafter be divided by sale, devisee, descent or otherwise, or to furnish separate measuring or receiving tanks.
- 10. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the lessee, at its option, may pay and discharge in whole or in part any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands and, in the event it exercises such options it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying to the discharge of any such mortgage, tax or other lien, any royalty accruing hereunder.
- 11. If after the expiration of the primary term, production of oil or gas should cease from any cause, this lease shall not terminate if lessee commences additional drilling or reworking operations within one hundred-twenty (120) days thereafter, or if at the expiration of the primary term, oil or gas is not being produced on said land, but lessee is then engaged in drilling or reworking operations thereon, then in either event, this lease shall remain in force so long as operations are prosecuted either on the same well or any other well thereafter commenced, with no cessation of more than one hundred-twenty (120) consecutive days, and if they result in production of oil or gas, this lease shall remain in effect so long thereafter as there is production of oil or gas under any provision of this lease.
- 12. Lessee may at any time surrender or cancel this lease in whole or in part by delivering or mailing such release to the lessor, or by placing same of record in the proper county. In case said lease is surrendered and canceled as to only a portion of the acreage covered thereby, then all payments and liabilities thereafter accruing under the terms of said lease as to the portion canceled shall cease and determine, but as to the portion of the acreage not released the terms and provisions of this lease shall continue and remain in full force and effect for all purposes.

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

14. Lessee, at its option, is hereby given the right and power to pool or combine into one or more units the land covered by this lease, or any portion thereof, with other land covered by another lease, or leases when, in lessee's judgment, it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of such minerals in and under said land, such pooling to be in a unit or units not exceeding 80 acres each in the event of an oil well, or into a unit or units not exceeding 640 acres each in the event of a gas and/or condensate or distillate well, plus a tolerance of ten percent (10%) to conform to Governmental Survey quarter sections. Lessee shall execute in writing and file for record in the county in which the land is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a unit or units shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on any part of the pooled acreage it shall be treated as if production is had from this lease whether any well is located on the land covered by this lease or not. Any well drilled on any such unit shall be and constitute a well hereunder. In lieu of the royalties elsewhere herein specified lessor shall receive on production from the unit so pooled only such portion of the royalty stipulated herein as the amount of his net royalty interest therein on an acreage basis bears to the total mineral acreage so pooled in the particular unit involved.

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

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

Vor.

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| This instrument was acknown Frederick J. Nuss, Candace A. Commission expires: /º (15 | Nuss, Barbara J. Nuss, a | and Joanne R. Nuss. | October | , 20 .06 |
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RECORDED

Jacque Sthulze, Register of Deeds

Nov 30, 2006 10:20 AM Fees \$12.00

Ver. J Ladezed

OIL AND GAS LEASE

| UIL AND GAS LEASE | |
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| 65906 | |
| THIS AGREEMENT, Entered into this the 13th day of Octobe between Frederick J. Nuss and Candace A. Nuss, Husband and Wife, Barbara J. Nuss, Single and Joanne R. Nuss, Single | |
| P.O. Box 2080 | |
| Great Bend, kansas 67530 | hereinalter called |
| and Thomas Energy INC., 209 E. William, Suite 908, Wichita KS, 67202 witness: | DDA STIMI |
| 1. That lessor, for and in consideration of the sum of <u>Ten (10) and More</u> | · |
| and agreements, hereinafter contained to be performed by the lessee, has this day granted, leased, and lease, and let exclusively unto the lessee the hereinafter described land, with any reversionary rights there any part thereof with other oil and gas leases as to all or any part of the lands covered thereby as herein geological, geophysical and other exploratory work thereon, including core drilling and the drilling, mining, the oil, gas, gas condensate, gas distillate, casinghead gasoline and their respective constituent vapo exclusive right of injecting water, brine, and other fluids and substances into the subsurface strata, and for tanks, storing oil, building power stations, electrical lines and other structures thereon necessary or conven alone or conjointly with neighboring lands, to produce, save, take care of, and manufacture all of such substances into subsurface strata, said tract of land being situated in the County of Pawnee described as follows: | ein; and with the right to unitize this lease or after provided, for the purpose of carrying on and operating for, producing and saving all of pix, and all-other gases, found thereon, the constructing roads, laying pipe lines, building lient for the economical operation of said land stances, and the injection of water, brine, and |
| Township 21 South, Range 16 West Section 12: SE/4 | |
| Less and except the following described tract of land: | |
| A tract of land in the Southeast Quarter of Section 12 beginning at a point on the Northeast corner of said Quarter Section, the East line of said Quarter Section South 00 degrees 08 minutes West; thence South 00 degrees 08 minutes Northerly right of way line of existing U.S. 56 highway; thence South 44 degreight of way line to the South line of said South line to a point 410.7 feet East Quarter Section; thence North 44 degrees 44 minutes East; 1364.2 feet; there East; thence North 44 degrees 44 minutes East to the place of beginning. The or less. | ction having an assumed bearing West along said East line to the rees 44 minutes West along said t of the Southwest corner of said nce North 43 degrees 47 minutes |
| containing 158.02 acres, more or less. | |
| Three (3) years (called "primary te casinghead gas, casin | rm") and as long thereafter as oil, gas, |
| 3. The lessee shall deliver to lessor as royalty, free of cost, on the lease, or into the pipe line to which eighth (1/8th) part of all oil produced and saved from the leased premises, or at the lessee's option may royalty the market price at the wellhead for oil of like grade and gravity prevailing on the day such oil is run | pay to the lessor for such one-eighth (1/8th) |
| 4. The lessee shall pay to the lessor, as a royalty, one-eighth (1/8th) of the proceeds received by the I gas distillate, casinghead gas, gas used for the manufacture of gasoline or any other product, and all of produced from the land herein leased. If such gas is not sold by the lessee, lessee may pay or tender period during which such gas is not sold, as a shut-in royalty, whether one or more wells, an amount equal said shut in royalty is so paid or tendered, it will be considered under all provisions of this lease that gas first yearly period during which such gas is not sold shall begin on the date the first well is completed for product. | other gases, including their constituent parts, annually at or before the end of each yearly at to one dollar per net mineral acre, and while is being produced in paying quantities. The |
| 5. This lease is a paid-up lease and may be maintained during the primary term without further payment | s or drilling operations. |
| 6. In the event said lessor owns a less interest in the above described land than the entire and undivide herein provided for shall be paid to said lessor only in the proportion which his interest bears to the whole title to any interest in said land should revert to lessor, or his heirs, or his or their grantee, this lease shall c | and undivided fee; however, in the event the |
| 7. The lessee shall have the right to use free of cost, gas, oil and water found on said land for its operat of the lessor. When required by lessor, the lessee shall bury its pipe lines below plow depth and shall growing crops on said land. No well shall be drilled nearer than 200 feet to the house or barn now on lessor. Lessee shall have the right at any time during, or after the expiration of this lease to remove all mastructures placed on said premises, including the right to draw and remove all casing. | pay for damage caused by its operations to said premises without written consent of the |
| 8. If the estate of either party hereto is assigned (and the privilege of assigning in whole or in part is e extend to the heirs, devisees, executors, administrators, successors, and assigns, but no change or discovery accomplished, shall operate to enlarge the obligations or diminish the rights of lessee, and no royalties or any sum due under this lease shall be binding on the lessee until it has been furnished we conveyance or a duly certified copy thereof, or a certified copy of the will of any deceased owner and or proceedings showing the appointment of an administrator for the estate of any deceased owner, which recorded instruments of conveyance or duly certified copies thereof necessary in showing a complete or claimed, and all advance payments of rentals made hereunder before receipt of said documents shall be grantee, devisee, or administrator, executor, or heir of lessor. | ivision in ownership of the land, or royalties, to change of ownership in the land or in the with either the original recorded instrument of the probate thereof, or certified copy of the never is appropriate, together with all original chain of title back to lessor of the full interest |
| 9. If the leased premises are now or shall hereafter be owned in severalty or in separate tracts, the properated as one lease, and all royalties accruing hereunder shall be divided among and paid to such separate owner bears to the entire leased acreage. There shall be no obligation on the tracts into which the land covered by this lease may now or hereafter be divided by sale, devisee, measuring or receiving tanks. | part of the lessee to offset wells on separate descent or otherwise, or to furnish separate |
| 10. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the in whole or in part any taxes, mortgages, or other liens existing, levied, or assessed on or against the exercises such options it shall be subrogated to the rights of any holder or holders thereof and may reimbound mortgage, tax or other lien, any royalty accruing hereunder. | ourse itself by applying to the discharge of any No. 20061574 Book M108 Page 5 |
| dexed Seal | Pawnee County, State of Kans. RECORDED Nov 30, 2006 10:20 AM Fees \$12.00 |
| The state of the s | , |
| COUNTY | Jacone Whulze. Remister of Deed |

- 11. If after the expiration of the primary term, production of oil or gas should cease from any dauge, this lease shall not terminate if lessee commences additional drilling or reworking operations within one hundred-twenty (120) days thereafter the title expiration of the primary term, oil or gas is not being produced on said land, but lessee is then engaged in drilling or reworking operations thereon, then in either event, this lease shall remain in force so long as operations are prosecuted either on the same well or any other well thereafter confinenced, with no cessation of more than one hundred-twenty (120) consecutive days, and if they result in production of oil or gas, this lease shall remain in effect so long thereafter as there is production of oil or gas under any provision of this lease.
- 12. Lessee may at any time surrender or cancel this lease in whole or in part by delivering or mailing such release to the lessor, or by placing same of record in the proper county. In case said lease is surrendered and canceled as to only a portion of the acreage covered thereby, then all payments and liabilities thereafter accruing under the terms of said lease as to the portion canceled shall cease and determine, but as to the portion of the acreage not released the terms and provisions of this lease shall continue and remain in full force and effect for all purposes.
- 13. All provisions hereof, express or implied, shall be subject to all federal and state laws and the orders, rules, or regulations (and interpretations thereof) of all governmental agencies administering the same, and this lease shall not be in any way terminated wholly or partially nor shall the lessee be liable in damages for failure to comply with any of the express or implied provisions hereof if such failure accords with any such laws, orders, rules or regulations (or interpretations frieds). If lessee should be prevented during the last six months of the primary term hereof from drilling a well hereunder by the order of any constituted authority having jurisdiction thereover, the primary term of this lease shall continue until six months after said order is suspended.
- 14. Lessee, at its option, is hereby given the right and power to pool or combine into one, or more units the land covered by this lease, or any portion thereof, with other land covered by another lease, or leases when, in lessee's judgment, it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of such minerals in and under said land, such pooling to be in a unit or units not exceeding 80 acres each in the event of a gas and/or condensate or distillate well, plus a tolerance of ten percent (10%) to conform to Governmental Survey quarter sections. Lessee shall execute in writing and file for record in the county in which the land is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a unit or units shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on any part of the pooled acreage it shall be treated as if production is had from this lease whether any well is located on the land covered by this lease or not. Any well drilled on any such unit shall be and constitute a well hereunder. In lieu of the royalties elsewhere herein specified lessor shall receive on production from the unit so pooled only such portion of the royalty stipulated herein as the amount of his net royalty interest therein on an acreage basis bears to the total mineral acreage so pooled in the particular unit involved.
- 15. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors of said lessor and lessee.

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

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| | ······································ | day of Octo | · |
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| This instrument was acknow Frederick J. Nuss, Candace A. | vledged to me on this Nuss, Barbara J. Nuss, ar | day of Octo | · |
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OIL AND GAS

| 13th | 20 06 |
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| THIS AGREEMENT, Entered into this the 13th day of Scrober | , 20 <u>06</u> |
| between Frederick J. Nuss and Candace A. Nuss, Husband and Wife. | |
| Barbara J. Nuss, Single and Joanne R. Nuss, Single | |
| P.O. Box 2080 | |
| Great Bend, kansas 67530 | hereinafter called |
| lessor, | |
| and Thomas Energy INC., 209 E. William, Suite 908, Wichita, KS 67202 witness: | hereinafter called lessee, does |
| 1. That lessor, for and in consideration of the sum of Ten (10) and More | and by these presents does hereby grant, and with the right to unitize this lease or provided, for the purpose of carrying or operating for, producing and saving all or and all other gases, found thereon, the structing roads, laying pipe lines, building that he economical operation of said land ces, and the injection of water, brine, and |
| Township 21 South, Range 16 West | |
| Section 13: NE/4 | |

Less and except the following described tract of land:

All of the West Half of the Northeast Quarter (W/2 NE/4) lying North and West of the centerline of U.S. Highway 56, said tract being a triangular tract of 21/2 acres, more or less, situated in the Northwest corner of said Northeast Quarter (NE/4).

containing 157.5 acres, more or less.

- 2. This lease shall remain in force for a term of Three (3) years (called "primary term") and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of the products covered by this lease is or can be produced.
- 3. The lessee shall deliver to lessor as royalty, free of cost, on the lease, or into the pipe line to which lessee may connect its wells the equal one-eighth (1/8th) part of all oil produced and saved from the leased premises, or at the lessee's option may pay to the lessor for such one-eighth (1/8th) royalty the market price at the wellhead for oil of like grade and gravity prevailing on the day such oil is run into the pipe line or into storage tanks.
- 4. The lessee shall pay to the lessor, as a royalty, one-eighth (1/8th) of the proceeds received by the lessee from the sale of gas, gas condensate, gas distillate, casinghead gas, gas used for the manufacture of gasoline or any other product, and all other gases, including their constituent parts, produced from the land herein leased. If such gas is not sold by the lessee may pay or tender annually at or before the end of each yearly period during which such gas is not sold, as a shut-in royalty, whether one or more wells, an amount equal to one dollar per net mineral acre, and while said shut in royalty is so paid or tendered, it will be considered under all provisions of this lease that gas is being produced in paying quantities. The first yearly period during which such gas is not sold shall begin on the date the first well is completed for production of gas.
 - 5. This lease is a paid-up lease and may be maintained during the primary term without further payments or drilling operations.
- 6. In the event said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein then the royalties herein provided for shall be paid to said lessor only in the proportion which his interest bears to the whole and undivided fee; however, in the event the title to any interest in said land should revert to lessor, or his heirs, or his or their grantee, this lease shall cover such reversion.
- 7. The lessee shall have the right to use free of cost, gas, oil and water found on said land for its operations thereon, except water from existing wells of the lessor. When required by lessor, the lessee shall bury its pipe lines below plow depth and shall pay for damage caused by its operations to growing crops on said land. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of the lessor. Lessee shall have the right at any time during, or after the expiration of this lease to remove all machinery, fixtures, houses, buildings and other structures placed on said premises, including the right to draw and remove all casing.
- 8: If the estate of either party hereto is assigned (and the privilege of assigning in whole or in part is expressly allowed), the covenants hereof shall extend to the heirs, devisees, executors, administrators, successors, and assigns, but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of lessee, and no change of ownership in the land or in the royalties or any sum due under this lease shall be binding on the lessee until it has been furnished with either the original recorded instrument of conveyance or a duly certified copy thereof, or a certified copy of the will of any deceased owner and of the probate thereof, or certified copy of the proceedings showing the appointment of an administrator for the estate of any deceased owner, whichever is appropriate, together with all original recorded instruments of conveyance or duly certified copies thereof necessary in showing a complete chain of title back to lessor of the full interest claimed, and all advance payments of rentals made hereunder before receipt of said documents shall be binding on any direct or indirect assignee, grantee, devisee, or administrator, executor, or heir of lessor.
- 9. If the leased premises are now or shall hereafter be owned in severalty or in separate tracts, the premises may nonetheless be developed and operated as one lease, and all royalties accruing hereunder shall be divided among and paid to such separate owners in the proportion that the acreage owned by each separate owner bears to the entire leased acreage. There shall be no obligation on the part of the lessee to offset wells on separate tracts into which the land covered by this lease may now or hereafter be divided by sale, devisee, descent or otherwise, or to furnish separate measuring or receiving tanks.
- 10. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the lessee, at its option, may pay and discharge in whole or in part any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands and, in the event it exercises such options it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying to the discharge of any such mortgage, tax or other lien, any royalty accruing hereunder.
- 11. If after the expiration of the primary term, production of oil or gas should cease from any cause, this lease shall not terminate if lessee commences additional drilling or reworking operations within one hundred-twenty (120) days thereafter, or if at the expiration of the primary term, oil or gas is not being produced on said land, but lessee is then engaged in drilling or reworking operations thereon, then in either event, this lease shall remain in force so long as operations are prosecuted either on the same well or any other well thereafter commenced, with no cessation of more than one hundredtwenty (120) consecutive days, and if they result in production of oil or gas, this lease shall remain in effect so long thereafter as there is production of oil or gas under any provision of this lease.

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

14. Lessee, at its option, is hereby given the right and power to pool or combine into one or more units the land covered by this lease, or any portion thereof, with other land covered by another lease, or leases when, in lessee's judgment, it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of such minerals in and under said land, such pooling to be in a unit or units not exceeding 80 acres each in the event of an oil well, or into a unit or units not exceeding 640 acres each in the event of a gas and/or condensate or distillate well, plus a tolerance of ten percent (10%) to conform to Governmental Survey quarter sections. Lessee shall execute in writing and file for record in the county in which the land is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a unit or units shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on any part of the pooled acreage is shall be freated as if production is had from this lease whether any well is located on specified lessor shall receive on production from the unit so pooled only such portion of the royalty stipulated herein as the amount of his net royalty interest therein on an acreage basis bears to the total mineral acreage so pooled in the particular unit involved.

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

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

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| STATE OF Kansas) | |
|)ss. ACKNOWI | LEDGMENT FOR INDIVIDUAL |
| COUNTY OF Pawnee) | |
| This instrument was acknowledged to me on this y Frederick J. Nuss, Candace A. Nuss, Barbara J. Nuss, and | 3 day of October 20 06 Joanne R. Nuss |
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| Ver. | Nov 30, 2006 10:20 AM Fees \$12.00 |

Jacque Schulze, Register of Deeds



Mark Parkinson, Governor Thomas E. Wright, Chairman Michael C. Moffet, Commissioner Joseph F. Harkins, Commissioner

HAUL-OFF PIT APPLICATION FILING REQUIREMENTS

82-3-607. DISPOSAL OF DIKE AND PIT CONTENTS.

- (a) Each operator shall perform one of the following when disposing of dike or pit contents:
 - (1) Remove the liquid contents to a disposal well or other oil and gas operation approved by the commission or to road maintenance or construction locations approved by the department;
 - (2) dispose of reserve pit waste down the annular space of a well completed according to the alternate I requirements of K.A.R. 82-3-106, if the waste to be disposed of was generated during the drilling and completion of the well; or
 - (3) dispose of the remaining solid contents in any manner required by the commission. The requirements may include any of the following:
 - (A) Burial in place, in accordance with the grading and restoration requirements in K.A.R. 82-3-602 (f);
 - (B) removal and placement of the contents in an on-site disposal area approved by the commission;
 - (C) removal and placement of the contents in an off-site disposal area on acreage owned by the same landowner or to another producing lease or unit operated by the same operator, if prior written permission from the landowner has been obtained; or
 - (D) removal of the contents to a permitted off-site disposal area approved by the department.
- (b) Each violation of this regulation shall be punishable by the following:
 - (1) A \$1,000 penalty for the first violation;

- (2) a \$2,500 penalty for the second violation; and
- (3) a \$5,000 penalty and an operator license review for the third violation.

<u>File Haul-Off Pit Application in SOLAR. Review the information below and attach all</u> required documents to the pit application when submitting through SOLAR. This form will automatically generate and fill in from questions asked in SOLAR.

| Haul-off pit will be located in an on-site disposal area:YesNo | |
|---|---|
| Haul-off pit is located in an off-site disposal area on acreage owned by the same landownerYesNo If yes, written permission from the land owner must be obtained. Attach wripermission to haul-off pit application. | |
| Haul-off pit is located in an off-site disposal area on another producing lease or unit operat the same operator:YesNo If yes, written permission from the land owner must be obtained. Attach permission and a copy of the lease assignment that covers the acreage where the haul-off pit is to be located, to the haul-off pit application. | · |



Mark Parkinson, Governor Thomas E. Wright, Chairman Michael C. Moffet, Commissioner Joseph F. Harkins, Commissioner

September 30, 2009

Franklin R. Greenbaum Holl, F.G., Company L.L.C. 9431 E CENTRAL STE 100 WICHITA, KS67206-2563

Re: Drilling Pit Application NUSS UNIT 1-12 SE/4 Sec.12-21S-16W Pawnee County, Kansas

Dear Franklin R. Greenbaum:

District staff has inspected the location and has determined that an unsealed condition will present a pollution threat to water resources.

District staff has instructed that no earthen pits are to be used at this location. Steel pits are to be used. Please inform the Commission in writing as to which disposal well you utilized to dispose of the contents in the steel pits and the amount of fluid that was disposed. Please file form CDP-5 (August 2008), Exploration and Production Waste Transfer, within 30 days of fluid removal.

Should a haul-off pit be necessary please file form CDP-1 (April 2004), Application for Surface Pit, through SOLAR. This location will have to be inspected prior to approval of the haul-off pit application.