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

1031667

# 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	(0/0/0/0) Sec Twp	
OPERATOR: License#					I / S Line of Section
Name:					V Line of Section
Address 1:				Is SECTION: Regular Irregular?	
Address 2:				(Note: Locate well on the Section Plat on I	reverse side)
City:				County:	
Contact Person:				Lease Name:	Well #:
Phone:				Field Name:	
CONTRACTOR: License#_				Is this a Prorated / Spaced Field?	Yes No
Name:				Target Formation(s):	
Well Drilled For:	Well Class		Equipment:	Nearest Lease or unit boundary line (in footage):	
				Ground Surface Elevation:	feet MSL
Oil Enh Re			Mud Rotary	Water well within one-quarter mile:	Yes No
Gas Storag			Air Rotary Cable	Public water supply well within one mile:	Yes No
Seismic ; # of			Cable	Depth to bottom of fresh water:	
Other:				Depth to bottom of usable water:	
				Surface Pipe by Alternate:	
If OWWO: old well i	nformation as fol	llows:		Length of Surface Pipe Planned to be set:	
On another				Length of Conductor Pipe (if any):	
Operator: Well Name:				Projected Total Depth:	
Original Completion Dat				Formation at Total Depth:	
Original Completion Dat	6		Deptil	Water Source for Drilling Operations:	
Directional, Deviated or Hor	zontal wellbore?	?	Yes No	Well Farm Pond Other:	
If Yes, true vertical depth:				DWR Permit #:	
Bottom Hole Location:				(Note: Apply for Permit with DWR	)
KCC DKT #:				Will Cores be taken?	
				If Yes, proposed zone:	
				11 163, 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	<ul> <li>File acreage attribution plat according to field proration orders;</li> <li>Notify appropriate district office 48 hours prior to workover or re-entry;</li> </ul>
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:



1031667

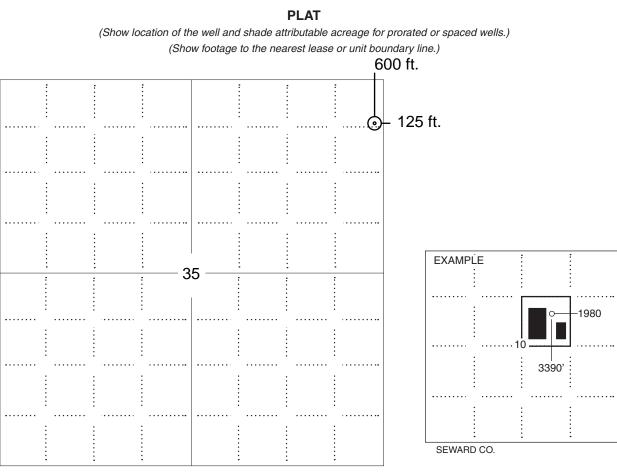
### IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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 wells acreage attribution unit for gas wells acreage attribution unit for gas wells acreage attribution unit for gas wells acreage attrib

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:	Is Section: Regular or Irregular		
	If Section is Irregular, locate well from nearest corner boundary.		
	Section corner used: NE NW SE SW		



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

1031667

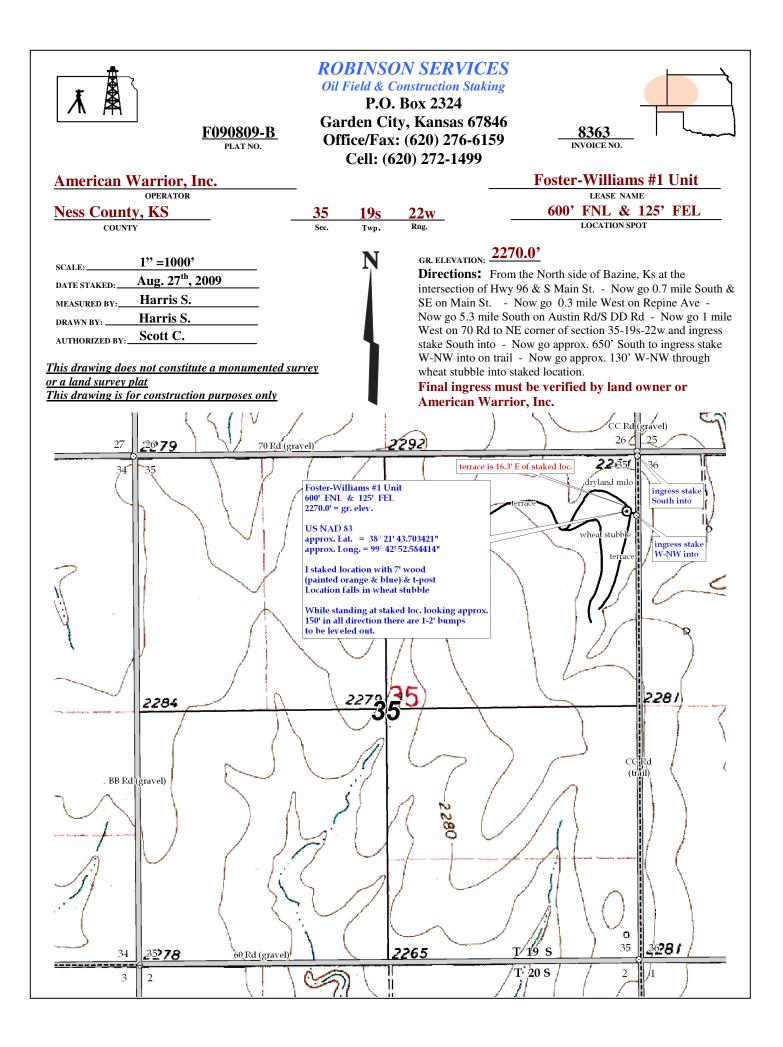
Form CDP-1 April 2004 Form must be Typed

# **APPLICATION FOR SURFACE PIT**

Submit in Duplicate

Operator Name:			License Number:	
Operator Address:		I		
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	onstructed:	Feet from	North / South Line of Section
Workover Pit Haul-Off Pit (If WP Supply API No. or Year Drilled)	Pit capacity:		Feet from	East / West Line of Section
		(bbls)		County
Is the pit located in a Sensitive Ground Water	Area? Yes	No	Chloride concentration:	mg/l
Is the bottom below ground level?	Artificial Liner?		<i>(For Emergency Pit</i> How is the pit lined if a plastic	ts and Settling Pits only)
Yes No		No		
Pit dimensions (all but working pits):	Length (fe	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	e of pit	Depth to shallo Source of infor	west fresh water	feet.
feet Depth of water well	feet		redwell owner	_ electric logKDWR
Emergency, Settling and Burn Pits ONLY:		Drilling, Worke	over and Haul-Off Pits ONLY:	
Producing Formation:		Type of materia	al utilized in drilling/workover:	
Number of producing wells on lease:	Number of wor	king pits to be utilized:		
Barrels of fluid produced daily:		Abandonment	procedure:	
Does the slope from the tank battery allow all spilled fluids to 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:	Permi	t Date: Lease	e Inspection: Yes No

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202



### AMENDMENT TO OIL GAS LEASE

### KNOW ALL MEN BY THESE PRESENTS:

THAT the Oil and Gas Lease recorded in Book 59 at Page 319 of the records of the Register of Deeds of Ness County, Kansas, covering the W/2 of Section 36, Township 19 South, Range 22 West, and the W/2 of the NW/4 of Section 1, Township 20 South, Range 22 West, Ness County, Kansas, is amended by adding thereto the following:

Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, 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 oil, gas or other minerals in and under and that may be produced from said premises, such pooling to be into a unit or units not exceeding 10 acres each, centered on the wellbore, in the event of an oil well, or into a unit or units not exceeding 640 acres each in the event of a gas well. Lessee shall execute in writing and record in the conveyance records of the county in which the land herein leased is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit 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 the pooled acreage, it shall be treated as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere herein specified, Lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.

Dated this <u>8</u> day of May, 2009.



State of Kansas - Ness County Book: 322 Page: 513 Receipt \*: 5428 Pages Recorded: 2 Cashier Initials: MH American Warrior, Inc.

Cecil O'Brate, President

O'Brate Royalty, Inc.

Cecil O'Brate, President

Date Recorded: 5/12/2009 11:45:00 AM

O blate Royalty, Inc.

Notary Public OF MARY L. WATTS MARY L. WATTS MARY EN 8-7-2010

#### OIL AND GAS LEASE

THIS AGREEMENT, Entered into this the <u>31st</u> the day of <u>July</u>, 20 <u>08</u> between <u>Jeff W. Foster and Dayna S. Foster, Trustees of the Jeff W. Foster and Dayna S. Foster Family Trust Date</u>

and American Warrior, Inc.

, hereinafter called Lessee:

hereinafter called Lessor (whether one or more

Lessor, in consideration of Dollars in hand paid, receipt of which is here acknowledged and of the royalties herein provided and of the agreements of the Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring by geophysical and other means, prospecting drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases, and their respective constituent products, injecting gas, water, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, power stations, telephone lines, and other structures and things thereon to produce, save, take care of, treat, manufacture, process, store and transport said oil, liquid hydrocarbons, gases and their respective constituent products manufactured therefrom, and housing and otherwise caring for its employees, the following described land, together with any reversionary rights and after-acquired interest, therein situated in the County of <u>Ness</u> State of Kansas and described as follows to-wit: The Northeast Quarter (NE/4)

In Section <u>35</u>, Township <u>19 South</u>, Range <u>22 West</u>, and containing <u>160</u> acres, more or less, and all accretions thereto.

Subject to the provisions herein contained, this lease shall remain in force for a term of  $T_{WO}(2)$  years from this date (called "primary term"), and as long thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, or any of them, is or can be produced from said land or land with which said land is pooled. If, due to circumstances beyond Lessee's control, Lessee is unable to obtain a rotary drilling rig prior to the expiration of the primary term, Lessor agrees that Lessee shall have a reasonable time, not to exceed ninety (90) days, within which to obtain such rotary drilling rig and commence operations for the drilling of a well. In consideration of the premises the said Lessee covenants and agrees:

1. To deliver to the credit of Lessor, free of cost, in the pipeline 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. To pay Lessor for gas of whatsoever nature or kind produced and sold, or used off the premises, or used in the manufacture of any products therefrom, one-eighth (1/8), at the market price at the well, (but, as to gas sold by Lessee, in no event more than one-eighth (1/8) of the proceeds received by Lessee from such sales), for the gas sold, used off the premises, or in the manufacture of products therefrom, said payments to be made monthly. At any time, either before or after the expiration of the primary term of this lease, if there is a gas well or wells on the above land (and, for he purposes of this clause, the term "gas well" shall include wells capable of producing natural gas, condensate, distillate or any gaseous substance, whether completed or not completed, due to the lack of a pipeline connection, and wells classified as gas wells by any governmental authority) and such well or wells are shut-in, before or after the end of each yearly period during which such gas well or gas wells are shut-in, as substitute gas royalty. One Dollar (\$1.00) per net mineral acre retained hereunder, for the acreage then held under this lease, by the party making such payments or tenders, and, if such payments or tenders are made, it shall be considered under all provisions of this lease that gas is being produced from the leased premises in paying quantities.

3. This lease may be maintained during the primary term hereof without further payment or drilling operations. If the Lessee shall commence to drill a well within the term of this lease or any extension thereof, the Lessee shall have the right to drill such well to completion with reasonable diligence and dispatch, and if oil or gas, or either of them, be found in paying quantities, this lease shall continue and be in force with like effect as if such well had been completed within the term of years first mentioned.

4. If 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 the said Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

5. 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.

6. Lessee shall bury Lessee's pipelines below plow depth.

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

8. Lessee shall pay for damages caused by Lessee's operations to said land.

 Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

10. 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 their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment of rentals or royalties shall be binding on the Lessee until after the Lessee has been furnished with a written transfer or assignment or a rule copy thereof. In case Lessee assigns this lease, in whole or in part, Lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment.

11. Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

12. 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.

1 State of Kansas - Ness County Book: 318 Page: 205 Receipt #: 4497 Pages Recorded: 2 Cashier Initials: MH Date Recorded: 8/19/2008 3:30:00 PM 13. Lessor herby warrants and agrees to defend the title to the lands herein described, and agrees that the Lessee shall have the right at any time to redeem for Lessor, by payment any mortgages, taxes or other liens on the above described lands, in the event of default of payment by Lessor, and be subrogated to the rights of the holder thereof, and the undersigned Lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, in so far as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

14. Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, 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 oil, gas or other minerals in and under and that may be produced from said premises, such pooling to be into a unit or units not exceeding fortv (40) acres each, centered on the wellbore, in the event of an oil well, or into a unit or units not exceeding 640 acres each in the event of a gas well. Lessee shall execute in writing and record in the conveyance records of the county in which the land herein leased is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit 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 the pooled acreage, it shall be treated as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere herein specified, Lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.

				 <u> </u>	
ITNESS WHEREOF	we sign the day and ye	ar first above writte	n	1.10.1100	

SS or Tax#: /. Foster. Trustee Dayna S. Ester, Trustee SS# or Tax #: SS# or Tax #: SS# or Tax #: STATE OF Kansas COUNTY OF McPherson The foregoing instrument was acknowledged before me this 5th \_\_\_\_\_day of <u>August</u>\_\_\_\_ <u>, 20 08</u> ,by Jeff W. Foster and Dayna S. Foster, Trustees of the Jeff W. Foster and Dayna S. Foster Family Trust Dated September 20, 2004 My commission expires <u>1-8-</u>2011 0 nencô STATE OF CATHY LAWRENCE COUNTY OF The foregoing instrument was acknowledged before me this\_ day of MOTARY , BUBLIC STATE OF KANSAS My Commission Expires: My commission expires\_ **Notary Public** STATE OF \_ COUNTY OF\_ The foregoing instrument was acknowledged before me this \_day of 20 My commission expires

Notary Public