For KCC Use:

Effective D	Date:
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District	#	
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Yes	1	١
	Yes	Yes

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

1033072

NOTICE OF INTENT TO DRILL

October 2007 Form must be Typed Form must be Signed All blanks must be Filled

Form C-1

Must b	e annroveo	hv KCC fiv	<i>(</i> 6 (5)	davs	nrior to	commencing	well
iviusi bo	- appioveu	1 Dy 1100 III		uays		commentary	WC II

Expected Spud Date:				Spot Description:	
	month	day	year		E W
OPERATOR: License#					W Line of Section
Name:					
Address 1:				Is SECTION: Regular Irregular?	
Address 2:				(Note: Locate well on the Section Plat on reverse	side)
City:	_			County:	
Contact Person:				Lease Name: W	/ell #:
Phone:				Field Name:	
CONTRACTOR: License#_				Is this a Prorated / Spaced Field?	Yes No
Name:				Target Formation(s):	
Well Drilled For:	Well Clas	s: Tvp	e Equipment:	Nearest Lease or unit boundary line (in footage):	
Oil Enh R Gas Storag Dispos Seismic ;# o Other: If OWWO: old well i Operator: Well Name:	rformation as fo	Ext.		Ground Surface Elevation: Water well within one-quarter mile: Public water supply well within one mile: Depth to bottom of fresh water: Depth to bottom of usable water: Surface Pipe by Alternate:III Length of Surface Pipe Planned to be set: Length of Conductor Pipe (if any): Projected Total Depth:	Yes No Yes No
Original Completion Da				Formation at Total Depth:	
Directional, Deviated or Hor If Yes, true vertical depth:	izontal wellbore?)	Yes No	Water Source for Drilling Operations:	
Bottom Hole Location:				(Note: Apply for Permit with DWR)	
KCC DKT #:				Will Cores be taken?	Yes No
				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:



1980

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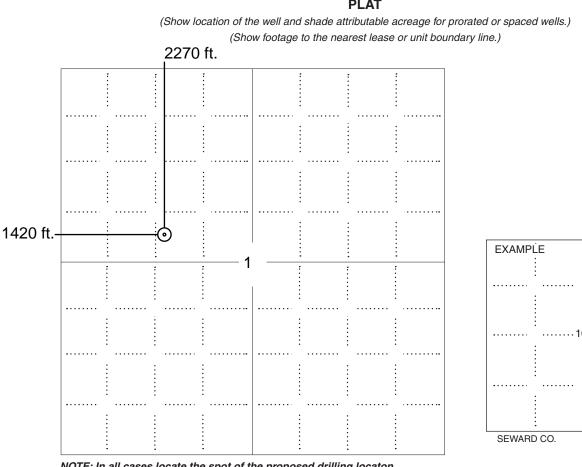
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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



PLAT

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

1033072

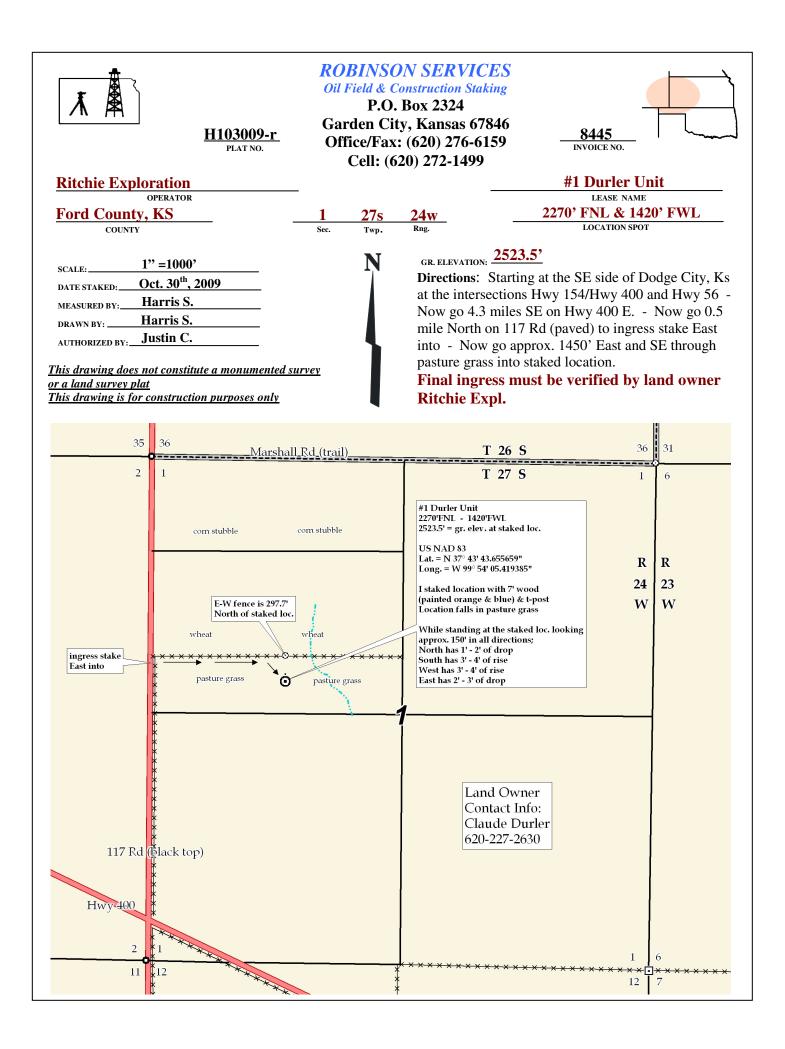
Form CDP-1 April 2004 Form must be Typed

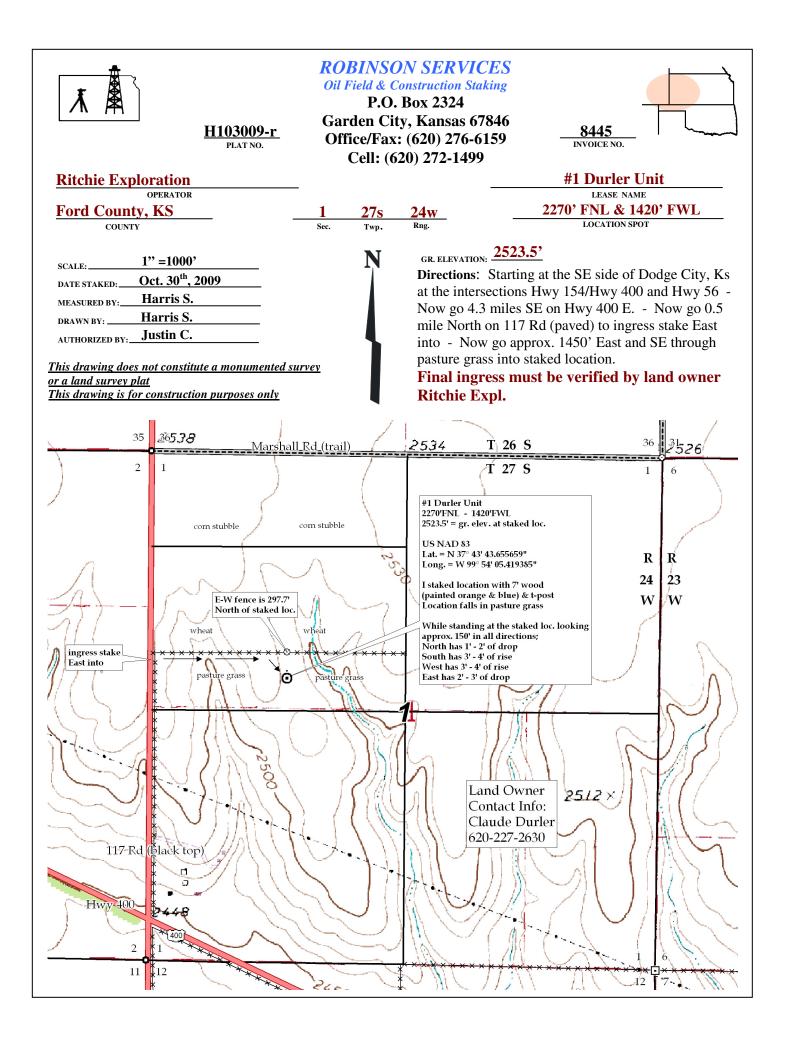
APPLICATION FOR SURFACE PIT

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:		SecTwpR F East West		
Settling Pit Drilling Pit	If Existing, date c	onstructed:	Feet from North / South Line of Section		
Workover Pit Haul-Off Pit (<i>If WP Supply API No. or Year Drilled</i>)	Pit capacity: (bbls)		Feet from East / West Line of Section		
Is the pit located in a Sensitive Ground Water	Area? Yes	No		mg/l	
			·	ts 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 (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 of pit Depth to shallowest fresh waterfeet. Source of information: Source of information:					
feet Depth of water wellfeetmeas		measu	suredwell owner electric logKDWR		
Emergency, Settling and Burn Pits ONLY:			over and Haul-Off Pits ONLY:		
Producing Formation:			aterial utilized in drilling/workover:		
Number of producing wells on lease:		Number of working pits to be utilized: Abandonment procedure:			
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 t	be closed within 365 days of spu	ud date.	
Submitted Electronically					
	КСС	OFFICE USE OI	NLY Steel Pit	RFAC RFAS	
Date Received: Permit Num	ber:	Perm	t Date: Lease	Inspection: Yes No	

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







November 23, 2009

Justin Clegg Ritchie Exploration, Inc. 8100 E 22ND ST N # 700 BOX 783188 WICHITA, KS 67278-3188

Re: Drilling Pit Application Durler Unit 1 NW/4 Sec.01-27S-24W Ford County, Kansas

Dear Justin Clegg:

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

District staff has recommended that the reserve pit be lined with bentonite or native clay, constructed <u>without slots</u>, the bottom shall be flat and reasonably level and the free fluids must be removed. The fluids are to be removed from the reserve pit as soon as the Hutchinson Salt section has been drilled through and displacement of the fluids into the reserve pit has occurred. The fluids should be removed again after drilling operations have ceased.

If production casing is set all completion fluids shall be removed from the working pits daily. <u>NO</u> completion fluids or non-exempt wastes shall be placed in the reserve pit.

The fluids should be taken to an authorized disposal well. Please call the District Office at (620) 225-8888 when the fluids have been removed. Please file form CDP-5 (August 2008), Exploration and Production Waste Transfer, through SOLAR within 30 days of fluid removal.

A copy of this letter should be posted in the doghouse along with the approved Intent to Drill. If you have any questions or concerns please feel free to contact the District Office at (620) 225-8888.

(dn (Paid-t Rev. 1-83 LLB8-1 Form 88 (producers) R Kans. – Okla. – Colo.

ASE Ш GAS **OIL AND**

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THIS AGREEMENT.

Co-Trustees March F. Durler and Evelyn A. Durler, Co-Trustees of the Revocable Trust of Leonard F. Durler dated February 17, 2004; Evelyn A. Durler and Leonard F. Durler, Co-Trustees of the Revocable Trust of Evelyn A. Durler dated February 17, 2004
 2301 Robin Road, Dodge City, Kansas 67801
 Thomas Energy, Inc., 209 E. William, Suite 908, Wichita, KS 67202, International constituences does with the rest of th

lessor, and Ford

ъ Cour in the ita, said tract of land being : and described as follows: Kansas ater, bri 5 State

4 West N Range 27 Township

27 South, R S/2S/2N/2 ÷ Section

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or less.

gas p b gas, ii. as after Buol as term") and any "prim years (called produced. This lease shall remain in force for a term of Three (3) ighead gasoline or any of the products covered by this lease is or can be pro-N casir

of B o d Heighth (1/8th) part at the wellhead for one the equal of market pri wells t r connect its v (1/8th) royalt lessee may o one-eighth (pipe line to which le the lessor for such o ge tanks. age tot of cost, on the lease, or into the lessee's option may pay in into the pipe line or into stor The lessee shall deliver to lessor as royalty, free of oil produced and saved from the leased premises, or at th like grade and gravity prevailing on the day such oil is run

ate, gas distillate, d herein leased. If s a shut-in royalty, nder all provisions ill is completed for 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 condensat isinghead gas, gas used for the manufacture of gasoline or any other product, and all other gases, including their constituent parts, produced from the land ich gas is not soid by the lessee, lessee may pay or tender annually at or before the end of each yeary period during which such gas is not soid, as in the root or an annum vertice are and in the root or and the manufacture of gasoline or any other product, and all other gases, including their constituent parts, produced from the land ich gas is not soid by the lessee, lessee may pay or tender annually at or before the end of each yeary period during which such gas is not soid, as in this lesse that are are as a solar or an dollar per net mineral acre, and while said shut in royalty is so paid or tenderad, it will be considered until which such gas is being produced in paying quantities. The first yearly period during which such gas is not soid shall begin on the date the first well oduction of gas. casir 35

during t and may be ease 5. This lease is a paid-up

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 royalities 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.

the lesso to well shi or after th I casing. of th 7. The lesses 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 When required by lessor, the lesses shall bury its pipe lines below plow depth and shall pay for damage caused by its operations to growing crops on said land. No be drilled nearer than 200 feet to the house or barm now on said premises without written consent of the lesses shall have the right at any time during, carried premises without written consent of the lesses. Lesses shall have the right at any time during, exciption 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

B. 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 diministrators, successors, and assigns, but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diministrators, successors, and assigns, but no change of ownership in the land or in the royalties or any sum due under this lease shall be binding on the essee until it has been furmished with either the orginal recorded instrument of conveyance or a duy certified copy thereot, or a certified copy of the proceeding showing the appointment of an adminetartor for the estate of any deceased owner, whichever is appropriate, together with all orginal recorded instruments of conveyance or a duy certified copy thereot, or a certified copy of the pack to lease the recorded instruments of conveyance or advice copy certified copy and the pack to lease the advice or certified copy of the appointment of an administrator for the estate of any deceased owner, whichever is appropriate, together with all orginal recorded instruments of conveyance or duy certified copies thereofs, or a certified copy of the pack to lease of the full interest claimed, and all advance payments of conveyance or duy certified copies thereofs or any advector pack and an advance payments of conveyance or duy certified copies thereofs or an administrator, executor, or nearestored instruments of conveyance or duy certified copies thereofs or any advectore payments of conveyance or duy certified copies thereofs or advice tasioned.

I operated as one lease, arate owner bears to the se may now or hereafter 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 or all investigates are counted premender and an end or set of the proportion that the acreage owned by each separate tractast acreage. There shall be no obligation on the part of the leases to affect wells on separate tracts into which the land covered by each separate tractast acreage. There shall be no obligation on the properties to search separate tracts into which the land covered by each separate divided by sale, devisee, descent or otherwise, or to furnish separate measuring or receiving tanks.

part d to hole or in p subrogated 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 c 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 subro 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 in the event and agrees thereof and may reimburse itself by applying to the discharge of any such mortgage, tax or other lien, any royalty accruing hereunder 10.

5.5 5 If after the expiration of the primary term, production of oil or gas should cease from any cause, this lease shall not term inate if leasee commences additional drilling or 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 leasee in 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 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 not in force so long as operations are prosecuted either on the same well or 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 sha nail in effect so long thereafter as there is production of oil or gas under any provisions of this lease.

record in the proper r accruing under the s of this lease shall g same of r thereafter a provisions η_0 or mailing such release to the lessor, or by placing e covered thereby, then all payments and liabilities the portion of the acreage not released the terms and ρ 12. Lessee may at any time surrander or cancel this lease in whole or in part by delivering or punty. In case said lease is surrandered and canceled as to only a portion of the acreage cov rms of said lease as to the portion canceled shall cease and determine, but as to the portio primue 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 lease be liable in damages for failure to comply with any of the sorress or implied provisions hereof. If such failure accords with any such laws, orders, rules or regulations (or interpretations thereof). If lease should be prevented during the last eximants of the primary fam hereof from diling a well hereunder by the order of any constituted authority having jurisdiction thereofs. If lease should be prevented during the last eximants of the primary fam hereof from diling 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. Lesses, at its option, is hereby given the right and power to pool or combine into one or more units the land covered by this lesse, or any portion thereof, with other nd covered by another lesse, or lesses when, in lessee's judgment, it is necessary or advisable to do so in order to properly develop and operate said lesses premises so as 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 units not exceeding 80 acress each in the event of a anotil well, or into a unit units not exceeding 80 acress each in the event of a anotil well, or into a unit and excessing the possible to a subjection. The interest of an oil well, or into a unit is not exceeding 80 acress each in the event of a age and for advised to in which the land, is units not exceeding 80 acress each in the event of a anotil well, or into a unit and under said leaves whether and exceeding 80 acress each in the event of a anotil well, or into a unit are exceeding 80 acress each in the event of a anotil well, or into a unit are advised to a unit are units shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if it were included in it is lease. If production is had from the lease whether any well is cleated on it wills there are advised as a reduction from the lease whether any well is acreated acreated for this lease or out. Any well drilled on any such provide an excertance. In lieu of the royalties easewhether her any well is acreated brain the event acreated for all purposes, except the payment of royalties on production from the pooled acreated for all purposes, except the payment of royalties on production from the pooled acreated on the index of the nortice acreated acreated for the royalty stouladed acreated acreated acreated for all purposes acreated acreated for the nortice acreated acreated acreated acreated acreated acreated acreated acreated acreated acreated

and said lessor ions shall extend to and be binding on all successors of and stip This lease and all its 5

(1) \$ Upon completion of drilling operations, Lessee agrees to backfill the pits when dry, restore as practicable, and pay for all damages surface to its original condition as near

Revocable Trust of Leonard F. Durler day EREOF. ≶ WITNESS Z

Durler, Co-Trustee 0 W Leonard F. cond By:

A. NU ANA LLAN Durler, Co-Trustee Evelyn A. I RC

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Durler, Co-Trustee Evelyn A. Durler, Co-Trustee Leonard F.

when

Evelyn A. Durler

Revocable Trust of

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By:

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20 05	er and Carolyn Durler.		hereinafter called lessor,	2 hereinafter called lessee does witness:
March	a Claude E. Durler a/k/a Claude Eugene Durler and Carolyn Durler.			uite 908. Wichita, KS 6720
15th day of	Claude E. Durler		67801	209 E. William. Su
THIS AGREEMENT, Entered into this the 15th	etween Claude Durler a/k/a Claude E. Durler a/k/a Claude Eugene Durler and Carolyn Durler, his wife	11282 117 Road	Dodge City, Kansas 67801	Thomas Energy Inc. 209 E. William: Suite 908. Wichita, KS 67202 hardinativar railed lasses does winness

1. That lessor, for and in consideration of the sum of <u>one and More</u> Dollars, in hand paid and of the covenants and agreements, hereinafter contained to be performed by the lesse, has this day granted, lessed, and let and by these presents does hereby grant, lesse, and let actually unto the lessee the hereinafter contained to be performed by the lesses, has this day granted, lessed, and let and by these presents does hereby grant, lesse, and let actually unto the lessee the hereinafter contained to be performed by the lesses, has this day granted, lessed, and let and by these presents does hereby grant, lesse, and let actual be been bereinafter provided, for the purpose of carrying on geological, geophysical and other exploratory work thereon, including core offining and the dilling, and all other gases, found thereon, the exclusive right of injecting water, thine, and other fluids and substances into the subsurface strata, and for constituent vapors, and all other gases, found thereon, the exclusive right of injecting water, thine, and other fluids and substances into the subsurface strata, and for constituent vapors, and all other gases, found thereon, the exclusive right of injecting water, thine, and other fluids and substances into the subsurface strata, and for constructing or easily legit ands, isying pipe lines, building tarks, storing oil, building power stations, electrical lines and other structures thereon not ecessary or convenient for the economical operation of said land alone or conjointy with neighboring lands, to produce, save, take care of, and manufacture all of substances, and the injection of the economical operation of said land alone or conjointy with neighboring lands, to produce, save, take care of, and manufacture all of such substances. L

County ed in the strata, said tract of land being follows: as bed des and Inface sdus the into Kansas ces other and water, brine, State of

ord

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24 West N/2S/2NW/4 Range 2 and the I 3, 4 27 Sc Lots 27 . . ownship -Township Section

less Ъ more acres, 120.30 containing

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

of all 50 the equal one-eighth (1/8th) part market price at the wellhead for lessee may connect its wells t one-eighth (1/8th) royalty the 3. The lesses shall deliver to lessor as royaity, free of cost, on the lease, or into the pipe line to which loil produced and saved from the leased premises, or at the lessee's option may pay to the lessor for such 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 yearly period gais is not sold yearly period parts, produced from the land herein leased. If yearly period gais is not sold yearly period gais is not sold yearly period parts, produced from the land herein leased. If yearly period gais is not sold yearly period gais is not sold yearly period gais is not sold yearly period gais is not whether one or more wells, an amount equal to one dollar per net mineral acre, and while said shut in royalty is so peld 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 gais is not sold yearly produced in paying quantities. The first yearly period during which such gais is not sold such as considered under all provisions of this lease that gas is being produced in paying quantities. The first yearly period during which such gais is not sold shall begin on the date the first well is completed for production of gas.

oper Bui drill 5 ents paym may be maintained during the primary term without further 5. This lease is a paid-up lease and

for herein provided for in said land should royalties l any any 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 all 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 vert to lessor, or his or their grantee, this lease shall cover such reversion. a o sha Tev

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 buy 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 barm 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 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 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 at any time during, or after the expirated or efficient of the leasor. Lessee shall have the right at any time during, or after the expirate and machinery fixtures, houses, and remove all casing.
B. If the estate of either party hereto is assigns, but no change or division in ownership of the land, or royalites, however accomplished, shall persor to enaling the holiging in whole or in part is expressed and the movie all existent to enaling the notified copy of the notified copy of the will or of any dimensions or any sum due under this lease shall built of any decreased ormer and of the problem thereof. or cartified copy of the proceedings showing the redo from existence of any decreased ormer and of the problem and all advance payments of conveyance or a duy cartified copy thereof, or a cartified copy of the will or any decreased ormer and of the problem and all advance payments of conveyance or duy cartified copy thereof, or a cartified copy of the will or any decreased ormer and of the problem and all a

lease, to the s one le bears t owner b ay now c ate a and ol separa lease ss be developed a owned by each s d covered by this I shall hereafter be owned in severalty or in separate tracts, the premises may nonetheles be divided among and paid to such separate owners in the proportion that the acreage to obligation on the part of the lesses to offset wells on separate tracts into which the land herwise, or to furnish separate measuring or receiving tanks. e leased premises are now or shi alties accruing hereunder shall be ed acreage. There shall be no ot by sale, devisee, descent or othe If the lea and all royalties entire leased a be divided by s

 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 taxes, morgages, or other liens existing, levied, or assessed on or against the above described lands and, in the event it exarcises such options it shall be subrogated to rights of any holder or holders thereof and may reimburse itself by applying to the discharge of any such morgage, tax or other lien, any royalty accuring hereunder. 0 any

all or onal drilling o but lessee i same well o nis lease sha d land, on the gas, thi nences a on said l either oi f oil or gi 1. 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 commrevoking operations within one hundred-weak ty (120) dest thereafter, or if at the expiration of the primary term, oil or gas is not being produced can apply of the methan expiration of the primary term, oil or gas is not being produced can other event, this lease shall remain in force so long as operations are prosecuted any other well thereafter commenced, with no cessation of more than one hundred twenty (120) consecutive days, and if they result in production of emain in effect so long thereafter as there is production of oil or gas under any provisions of this lease.

12.

record in the proper r accruing under the s of this lease shall Lessee may at any time surrander or cancel this lease in whole or in part by delivering or mailing such release to the lessor, or by placing same of n /. In case said lease is surrandered and canceled as to only a portion of the acreage covered thereby, then all payments and liabilities thereafter of said lease as to the portion canceled shall cease and determine, but as to the portion of the acreage not release in the terms and provisions ue and remain in full force and effect for all purposes. county. Ir terms of s continue a

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

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 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 condet 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 in the exceeding 940 acres each in the event of a such momental survey the reconservation 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 noil well, or into a unit in the exceeding 940 acres each in the event of a sudfor contensate or failtate well, plus a tolerance of the prevent (10%) to corritorm to Governmental Survey entitie acreage as pooled in the event of a and/or contensate or failtate well, plus a tolerance of the prevent (10%) to corritor more conservation from the pooled acreage. If production is had from this shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if it were included in lease. If production is had from this lease or not. More well of any such mut is thall be and constitute a well hereunder. In lieu of the royalties elsewhere here in specified leaser shall receive on its lease or pooled on any such unit shall be and constitute a well hereunder. In lieu of the royalties elsewhere here in specified leaser shall receive an acceage so pooled on any such portion of the royalties and constitute a well hereunder. In lieu of the royalties elsewhere here in specified leaser shall receive on are are acceased on the land of the pooled acreage is the annount of fis net royalties elsewhere here in specified leaser shall receive on a lease the production of the pooled on any such on or such on any such unit shall be each or an such constitute a well hereunder. promo units i arter s this I ducti 14. nd o by bro

and said ď OLS Te 5 6 **P**eq and 2 D shall stipu and ons, its and all This 5

C ÷ dry, restore Ś to backfill the pits when and pay for all damages Lessee agrees to as practicable, an s near a operations, ŝ etion of drilling oper original condition a Upon completion to its surface

first and year day sign the N WITNESS WHEREOF,

Revert Have Claude Durler

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