

For KCC	Use:		
Effective	Date:		
District #			
	\Box		

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

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

Expected Spud Date:	Spot Description:
monin day year	SecTwp S. R E
PERATOR: License#	teet from N / S Line of Secti
ame:	feet from L E / W Line of Secti
ddress 1:	Is SECTION: Regular Irregular?
ddress 2:	(Note: Locate well on the Section Plat on reverse side)
ty:	County:
ntact Person:	Lease Name: Well #:
one:	Field Name:
DNTRACTOR: License#	Is this a Prorated / Spaced Field?
me:	- Target Formation(s):
Well Drilled Form Well Closes Two Formingsonts	Nearest Lease or unit boundary line (in footage):
Well Drilled For: Well Class: Type Equipment:	Ground Surface Elevation:feet M
Oil Enh Rec Infield Mud Rotary	Water well within one-guarter mile:
Gas Storage Pool Ext. Air Rotary	Public water supply well within one mile:
Disposal Wildcat Cable	Depth to bottom of fresh water:
Seismic ; # of Holes Other Other:	Depth to bottom of usable water:
Other.	Surface Pipe by Alternate: I III
If OWWO: old well information as follows:	Length of Surface Pipe Planned to be set:
One with the	Longth of Conductor Dina (if any)
Operator: Well Name:	During the d Total Doubles
Original Completion Date: Original Total Depth:	
Original Completion Bate.	Water Source for Drilling Operations:
rectional, Deviated or Horizontal wellbore?	Well Farm Pond Other:
Yes, true vertical depth:	DWR Permit #:
ottom Hole Location:	(Note: Apply for Permit with DWR)
CC DKT #:	Will Cores be taken?
	If Very many and desired
	FFIDAVIT
 undersigned hereby affirms that the drilling, completion and eventual ps agreed that the following minimum requirements will be met: Notify the appropriate district office <i>prior</i> to spudding of well; A copy of the approved notice of intent to drill <i>shall be</i> posted on ea The minimum amount of surface pipe as specified below <i>shall be se</i> through all unconsolidated materials plus a minimum of 20 feet into the first through the surface properties of the well is dry hole, an agreement between the operator and the district office will be notified before well is either plus for an ALTERNATE II COMPLETION, production pipe shall be cement or pursuant to Appendix "B" - Eastern Kansas surface casing order 	ch drilling rig; It by circulating cement to the top; in all cases surface pipe shall be set the underlying formation. Strict office on plug length and placement is necessary prior to plugging;
ne undersigned hereby affirms that the drilling, completion and eventual prise agreed that the following minimum requirements will be met: 1. Notify the appropriate district office <i>prior</i> to spudding of well; 2. A copy of the approved notice of intent to drill <i>shall be</i> posted on ea: 3. The minimum amount of surface pipe as specified below <i>shall be set</i> through all unconsolidated materials plus a minimum of 20 feet into the set of the well is dry hole, an agreement between the operator and the district office will be notified before well is either plus. If an ALTERNATE II COMPLETION, production pipe shall be cement or pursuant to Appendix "B" - Eastern Kansas surface casing order must be completed within 30 days of the spud date or the well shall be being the complete of the well shall be completed.	ch drilling rig; It by circulating cement to the top; in all cases surface pipe shall be set the underlying formation. Strict office on plug length and placement is necessary prior to plugging; goed or production casing is cemented in; ted from below any usable water to surface within 120 DAYS of spud date. #133,891-C, which applies to the KCC District 3 area, alternate II cementing be plugged. In all cases, NOTIFY district office prior to any cementing. Remember to: - File Drill Pit Application (form CDP-1) with Intent to Drill; - File Completion Form ACO-1 within 120 days of spud date; - File acreage attribution plat according to field proration orders;
ne undersigned hereby affirms that the drilling, completion and eventual prise agreed that the following minimum requirements will be met: 1. Notify the appropriate district office <i>prior</i> to spudding of well; 2. A copy of the approved notice of intent to drill <i>shall be</i> posted on ea. 3. The minimum amount of surface pipe as specified below <i>shall be set</i> through all unconsolidated materials plus a minimum of 20 feet into the set through all unconsolidated materials plus a minimum of 20 feet into the set through all unconsolidated materials plus a minimum of 20 feet into the set through all unconsolidated materials plus a minimum of 20 feet into the set through all unconsolidated materials plus a minimum of 20 feet into the set through all unconsolidated materials plus a minimum of 20 feet into the set into t	ch drilling rig; It by circulating cement to the top; in all cases surface pipe shall be set the underlying formation. Strict office on plug length and placement is necessary prior to plugging; aged or production casing is cemented in; aged from below any usable water to surface within 120 DAYS of spud date. #133,891-C, which applies to the KCC District 3 area, alternate II cementing the plugged. In all cases, NOTIFY district office prior to any cementing. Remember to: - File Drill Pit Application (form CDP-1) with Intent to Drill; - File Completion Form ACO-1 within 120 days of spud date;
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(This authorization void if drilling not started within 12 months of approval date.)

_ Agent: _

Spud date: __

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

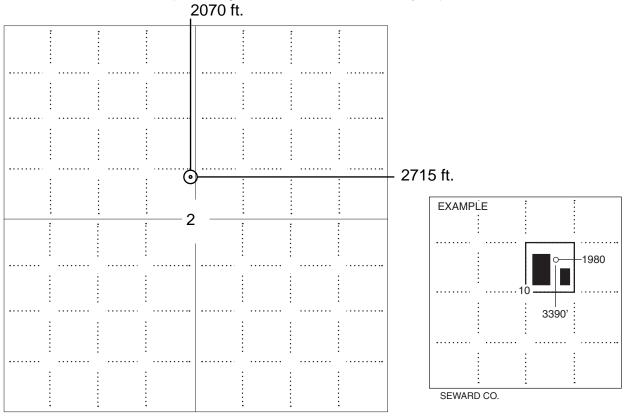
Plat of acreage attributable to a well in a prorated or spaced field

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.)



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

34569

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 1 Length (feom ground level to de	No No et) Describe proce		
		ccgy,		
Distance to nearest water well within one-mile of pit		Depth to shallo	owest fresh waterfeet.	
feet Depth of water wellfeet			redwell owner electric logKDWR	
Emergency, Settling and Burn Pits ONLY: Producing Formation: Number of producing wells on lease: Barrels of fluid produced daily: Does the slope from the tank battery allow all flow into the pit? Yes No Submitted Electronically		Type of material Number of work Abandonment	over and Haul-Off Pits ONLY: al utilized in drilling/workover: king pits to be utilized: procedure: be closed within 365 days of spud date.	
KCC OFFICE USE ONLY Steel Pit RFAC RFAS				
Date Received: Permit Num	ber:	Permi	it Date: Lease Inspection: Yes No	

63U (Rev 1993) OIL AND GAS LEASE

AGREEMENT, Made and entered into the 27 th day of	April 2006, by and between
	Dated January 01, 2003, a Kansas Corporation
Henry Forrest York and D	wight A. York, General Partners
whose mailing address is6008 W. Illinois, Healy, KS 6785	hereinafter called Lessor (whether one or more), and
Scout Exploration Corp., P.O. Box 1348, Edmond, Okla	homa 73083-1348 , bereinafter called Lessee.
ncrein provided and of the agreements of the lessee herein contained, hereby grants, other means, prospecting drilling, mining and operating for and producing oil furnity and the state of	Dollars (\$ **10.00**) in hand paid, receipt of which is here acknowledged and of the royalties leases and lets exclusively unto lessee for the purpose of investigating, exploring by geophysical and d hydrocarbons, all gases, and their respective constituent products, injecting gas, water, other fluids, stations, telephone lines, and other structures and things thereon to produce, save, take care of, treat, their respective constituent products and other products manufactured therefrom, and housing and eversionary rights and after-acquired interest,
therem situated in County of <u>Scott</u> State of <u>Kansas</u>	described as follows to-wit:
The Nor	rtheast Quarter (NE 1/4)
In Section 2 Township 16 South Range 31 We	est and containing 160 acres, more or less, and all accretions
thereto.	
oil liquid hydrocarbons, gas or other respective constituent products, or any of them	rce for a term of three (3) years from this date (called "primary term"), and as long thereafter as a, is produced from said land or land with which said land is pooled.
to the state of th	line to which lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced
(1/8) at the market price at the well, (but, as to gas sold by lessee, in no event more premises, or in the manufacture of products therefrom, said payments to be made royalty One Dollar (\$1.00) per year per net mineral acre retained hereunder, and if	ted and sold, or used off the premises, or used in the manufacture of any products therefrom, one-eighth than one-eighth (1/8) of the proceeds received by lessee from such sales), for the gas sold, used off the monthly. Where gas from a well producing gas only is not sold or used, lessee may pay or tender as such payment or tender is made it will be considered that gas is being produced within the meaning of
lease or any extension thereof, the lessee shall have the right to drill such well to continue and be in force with like effect as if such well he if said lessor owns a less interest in the above described land than the	e entire and undivided fee simple estate therein, then the royalties herein provided for shall be paid the livided fee.
Lessee shall have the right to use, free of cost, gas, oil and water produ	need on said land for Lessee's operations thereon, except water from the wens of lessor.
When requested by lessor, lessee shall bury lessee's pipe lines below properties to the house or barn now.	
Lessee shall pay for damages caused by lessee's operations to growing	g crops on said land.
If the estate of either party hereto is assigned, and the privilege of executors, administrators, successors or assigns, but no change in the ownership been furnished with a written transfer or assignment or a true copy thereof. In case	xtures placed on said premises, including the right to draw and remove casing. I assigning in whole or in part is expressly allowed, the covenants bereof shall extend to their heirs of the land or assignment of rentals or royalties shall be binding on the lessee until after the lessee has lessee assigns this lease, in whole or in part, lessee shall be relieved of all obligations with respect to the
surrender this lease as to such portion or portions and be relieved of all obligations	ederal and State Laws. Executive Orders, Rules or Regulations, and this lease shall not be terminated, it
whole or in part, nor lessee held liable in damages, for failure to comply there	with, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule of ein described, and agrees that the lessee shall have the right at any time to redeem for lessor, by paymen
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 and release all right of dower and homestead in the premises described herein, in so far as said right o
Lessee, at its option, is hereby given the right and power to pool or immediate vicinity thereof, when in lessee's judgment it is necessary or advisable of oil, gas or other minerals in and under and that may be produced from said pre acres each in the event of an oil well, or into a unit or units not exceeding 640 acres the county in which the land herein leased is situated an instrument identifying a purposes except the payment of royalties on production from the pooled unit, as production is had from this lease, whether the well or wells be located on the pre	combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the to do so in order to property develop and operate said lease premises so as to promote the conservation mises, such pooling to be tracts contiguous to one another and to be into a unit or units not exceeding 4 es each in the event of a gas well. Lessee shall execute in writing and record in the conveyance records on describing the pooled acreage. The entire acreage so pooled into a tract or unit shall be treated, for all if it were included in this lease. If production is found on the pooled acreage, it shall be treated as it is to were included in this lease or not. In lieu of the royalties elsewhere herein specified, lessor shall receive therein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basing
Lessee agrees upon the completion of any test as a dry hole or up- practicable and to remove all equipment within a reasonable time. Lessee shall have the option of renewing this lease for a period of two	on abandonment of any producing well, to restore the premises to their original condition as nearly at 0 (2) years under the same bonus consideration paid hereunder.
Scout Exploration Corp. has your permission to conduct a seismic si conducted in accordance with good standard practices and careful manner; we ag virtue of your permission herein granted.	urvey across your lands as listed herein for the purpose of Oil & Gas Exploration. Our operations will be tree to hold you free and harmless from any and all claims and damages that may result from our work b
IN WITNESS WHEREOF, the undersigned execute this instrument:	as of the day and year first above written.
By: Henry Forrest York	By: Dwight A. York
SS/Tax ID#	SS/Tax ID#

BOOK 205 PAGE 57

(PAGE

FORM 88 - (Producer's Special) (Paid-Up)

63U (Rev 1993)

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 27 th day of	April, 2006, by and between
York Joint Venture, Dated	d January 01, 2003, a Kansas Corporation
Henry Forrest York and Dwigh	t A. York, General Partners
those mailing address is 6008 W. Illinois, Healy, KS 67850	bereinafter called Lessor (whether one or more), and
Scout Exploration Corp., P.O. Box 1348, Edmond, Oklahoma	a 73083-1348 , hereinafter called Lessee.
erem provided and of the agreements of the lessee herein contained, hereby grants, leases ther means, prospecting drilling, mining and operating for and producing oil, liquid hydrond air into subsurface strata, laying pipe lines, storing oil, building tanks, power station manufacture, process, store and transport said oil, liquid hydrocarbons, gases and their otherwise caring for its employees, the following described land, together with any reversions.	in hand paid, receipt of which is here acknowledged and of the royalties and lets exclusively unto lessee for the purpose of investigating, exploring by geophysical and rocarbons, all gases, and their respective constituent products, injecting gas, water, other fluids, s, telephone lines, and other structures and things thereon to produce, save, take care of, treat, respective constituent products and other products manufactured therefrom, and housing and onary rights and after-acquired interest, described as follows to-wit:
The Northwes	st Quarter (NW ¼)
In Section2Township16 South, Range31 West	, and containing160 acres, more or less, and all accretion
Subject to the provisions herein contained, this lease shall remain in force for oil hould hydrocarbons, gas or other respective constituent products, or any of them, is pro-	a term of <u>three (3)</u> years from this date (called "primary term"), and as long thereafter a oduced from said land or land with which said land is pooled.
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 and saved from the leased premises.	which lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produce
2 nd . To pay lessor for gas of whatsoever nature or kind produced and (1/8) at the market price at the well, (but, as to gas sold by lessee, in no event more than or	isold, or used off the premises, or used in the manufacture of any products therefrom, one-eight one-eighth (1/8) of the proceeds received by lessee from such sales), for the gas sold, used off the color with the gas from a well producing gas only is not sold or used, lessee may pay or tender a payment or tender is made it will be considered that gas is being produced within the meaning of
lease or any extension thereof, the lessee shall have the right to drill such well to complete quantities, this lease shall continue and be in force with like effect as if such well had been life and lessor owns a less interest in the above described land than the entire	e and undivided fee simple estate therein, then the royalties herein provided for shall be paid th
said lessor only in the proportion which lessor's interest bears to the whole and undivided Lessee shall have the right to use, free of cost, gas, oil and water produced of When requested by lessor, lessee shall bury lessee's pipe lines below plow do	a said land for Lessee's operations thereon, except water from the wells of lessor.
When requested by lessor, lessee shall bury lessee's pipe lines below plow in No well shall be drilled nearer than 200 feet to the house or barn now on said	
Lessee shall pay for damages caused by lessee's operations to growing crops	
Lessee shall have the right at any time to remove all machinery and fixtures	
executors, administrators, successors or assigns, but no change in the ownership of the been furnished with a written transfer or assignment or a true copy thereof. In case lessee assigned portion or portions arising subsequent to the date of assignment.	ning in whole or in part is expressly allowed, the covenants hereof shall extend to their heir land or assignment of rentals or royalties shall be binding on the lessee until after the lessee he assigns this lease, in whole or in part, lessee shall be relieved of all obligations with respect to the same of the lessee in whole or in part, lessee shall be relieved of all obligations with respect to the same of the lessee in the lessee shall be relieved of all obligations with respect to the lessee in th
surrender this lease as to such portion or portions and be relieved of all obligations as to t All express or implied covenants of the lease shall be subject to all Federal	release or releases covering any portion or portions of the above described premises and therel he acreage surrendered. and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, f compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule
Lessor hereby warrants and agrees to defend the title to the lands herein des any mortgages, taxes or other liens on the above described lands, in the event of default lessors, for themselves and their heirs, successors and assigns, hereby surrender and religiouser and homestead may in any way affect the numbers for which this lesse is made, as	cribed, and agrees that the lessee shall have the right at any time to redeem for lessor, by payme to f payment by lessor, and be subrogated to the rights of the holder thereof, and the undersign lease all right of dower and homestead in the premises described herein, in so far as said right secited herein.
immediate vicinity thereof, when in lessee's judgment it is necessary or advisable to do of oil, gas or other minerals in and under and that may be produced from said premises, acres each in the event of an oil well, or into a unit or units not exceeding 640 acres each the county in which the land herein leased is situated an instrument identifying and dese purposes except the payment of royalties on production from the pooled unit, as if it production is had from this lease, whether the well or wells be located on the premises of the production is had from this lease.	ne the acreage covered by this lease or any portion thereof with other land; lease or leases in the solin order to property develop and operate said lease premises so as to promote the conservation such pooling to be tracts contiguous to one another and to be into a unit or units not exceeding a finit the event of a gas well. Lessee shall execute in writing and record in the conveyance records tribing the pooled acreage. The entire acreage so pooled into a tract or unit shall be treated, for evere included in this lease. If production is found on the pooled acreage, it shall be treated as covered by this lease or not. In lieu of the royalties elsewhere herein specified, lessor shall receive as the amount of his acreage placed in the unit or his royalty interest therein on an acreage based.
Lessee agrees upon the completion of any test as a dry hole or upon abar practicable and to remove all equipment within a reasonable time. Lessee shall have the option of renewing this lease for a period of two (2) yes Scout Exploration Corp. has your permission to conduct a seismic survey as	ndonment of any producing well, to restore the premises to their original condition as nearly ears under the same bonus consideration paid hereunder. across your lands as listed herein for the purpose of Oil & Gas Exploration. Our operations will gold you free and harmless from any and all claims and damages that may result from our work
IN WITNESS WHEREOF, the undersigned execute this instrument as of the Witness of	
By: Henry Forrest York	By: Dwight A. York
SS/Tax ID#	SS/Tax ID#

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