



For KCC Use:
 Effective Date: _____
 District # _____
 SGA? Yes No

KANSAS CORPORATION COMMISSION 1034659
 OIL & GAS CONSERVATION DIVISION

Form C-1
 October 2007

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

NOTICE OF INTENT TO DRILL

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

Expected Spud Date: _____
 month day year

OPERATOR: License# _____
 Name: _____
 Address 1: _____
 Address 2: _____
 City: _____ State: _____ Zip: _____ + _____
 Contact Person: _____
 Phone: _____

CONTRACTOR: License# _____
 Name: _____

Well Drilled For:	Well Class:	Type Equipment:
<input type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input type="checkbox"/> Infield
<input type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input type="checkbox"/> Pool Ext.
	<input type="checkbox"/> Disposal	<input type="checkbox"/> Wildcat
<input type="checkbox"/> Seismic ; _____ # of Holes	<input type="checkbox"/> Other	<input type="checkbox"/> Mud Rotary
<input type="checkbox"/> Other: _____		<input type="checkbox"/> Air Rotary
		<input type="checkbox"/> Cable

If OWWO: old well information as follows:
 Operator: _____
 Well Name: _____
 Original Completion Date: _____ Original Total Depth: _____

Directional, Deviated or Horizontal wellbore? Yes No
 If Yes, true vertical depth: _____
 Bottom Hole Location: _____
 KCC DKT #: _____

Spot Description: _____
 _____ - _____ - _____ - _____ Sec. _____ Twp. _____ S. R. _____ E W
 (00/00) _____ feet from N / S Line of Section
 _____ feet from E / W Line of Section

Is SECTION: Regular Irregular?
 (Note: Locate well on the Section Plat on reverse side)

County: _____
 Lease Name: _____ Well #: _____
 Field Name: _____
 Is this a Prorated / Spaced Field? Yes No

Target Formation(s): _____
 Nearest Lease or unit boundary line (in footage): _____
 Ground Surface Elevation: _____ feet MSL
 Water well within one-quarter mile: Yes No
 Public water supply well within one mile: Yes No

Depth to bottom of fresh water: _____
 Depth to bottom of usable water: _____
 Surface Pipe by Alternate: I II
 Length of Surface Pipe Planned to be set: _____
 Length of Conductor Pipe (if any): _____
 Projected Total Depth: _____
 Formation at Total Depth: _____

Water Source for Drilling Operations:
 Well Farm Pond Other: _____
 DWR Permit #: _____
 (Note: Apply for Permit with DWR)

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

For KCC Use ONLY

API # 15 - _____

Conductor pipe required _____ feet

Minimum surface pipe required _____ feet per ALT. I II

Approved by: _____

This authorization expires: _____
 (This authorization void if drilling not started within 12 months of approval date.)

Spud date: _____ Agent: _____

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;
- 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.
- If this permit has expired (See: authorized expiration date) please check the box below and return to the address below.

Well Not Drilled - Permit Expired Date: _____
 Signature of Operator or Agent: _____



1034659

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: _____

Lease: _____

Well Number: _____

Field: _____

Number of Acres attributable to well: _____

QTR/QTR/QTR/QTR of acreage: _____ - _____ - _____ - _____

Location of Well: County: _____

_____ feet from N / S Line of Section

_____ feet from E / W Line of Section

Sec. _____ Twp. _____ S. R. _____ E W

Is Section: Regular or Irregular

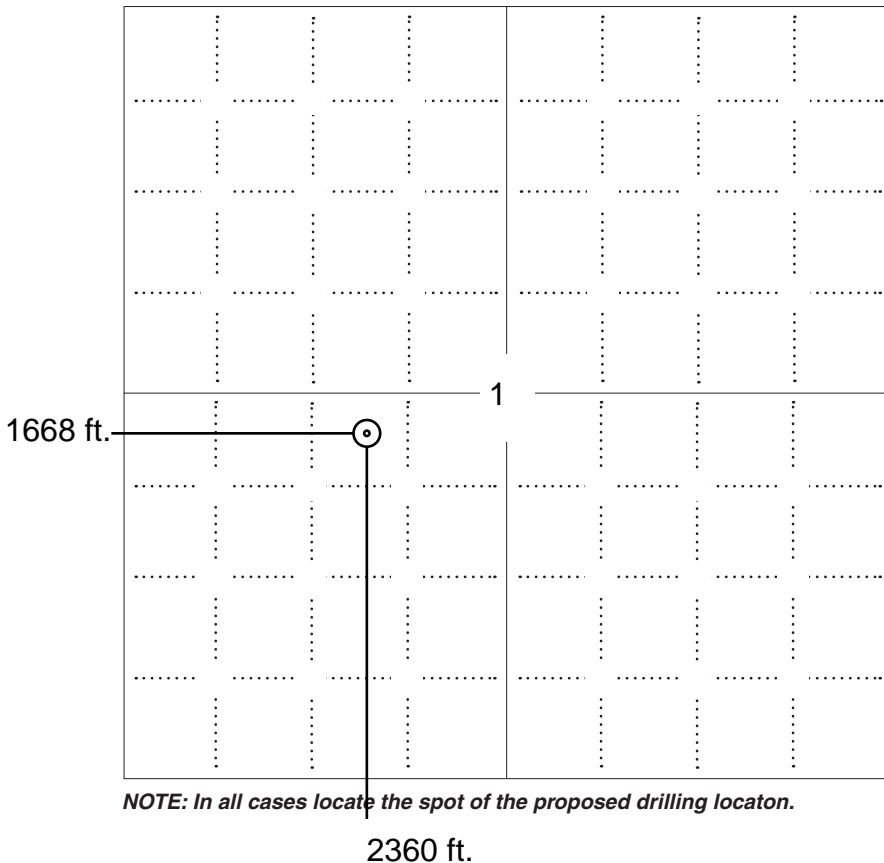
If Section is Irregular, locate well from nearest corner boundary.

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 location.



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 1034659
OIL & GAS CONSERVATION DIVISION

Form CDP-1
April 2004
Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name: _____		License Number: _____	
Operator Address: _____			
Contact Person: _____		Phone Number: _____	
Lease Name & Well No.: _____		Pit Location (QQQQ): _____-_____-_____-_____	
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input type="checkbox"/> Drilling Pit <input type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit <i>(If WP Supply API No. or Year Drilled)</i>		Pit is: <input type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: _____ (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input type="checkbox"/> No		Chloride concentration: _____ mg/l <i>(For Emergency Pits and Settling Pits only)</i>	
Is the bottom below ground level? <input type="checkbox"/> Yes <input type="checkbox"/> No		Artificial Liner? <input type="checkbox"/> Yes <input type="checkbox"/> No	
How is the pit lined if a plastic liner is not used?		_____	
Pit dimensions (all but working pits): _____ Length (feet) _____ Width (feet) _____ N/A: Steel Pits Depth from ground level to deepest point: _____ (feet) _____ No Pit			
If the pit is lined give a brief description of the liner material, thickness and installation procedure.		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring.	
Distance to nearest water well within one-mile of pit _____ feet Depth of water well _____ feet		Depth to shallowest fresh water _____ feet. Source of information: _____ measured _____ well owner _____ electric log _____ KDWR	
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 spilled fluids to flow into the pit? <input type="checkbox"/> Yes <input type="checkbox"/> No		Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: _____ Number of working pits to be utilized: _____ Abandonment procedure: _____ _____ Drill pits must be closed within 365 days of spud date.	
Submitted Electronically			

KCC OFFICE USE ONLY		Steel Pit	RFAC	RFAS
Date Received: _____	Permit Number: _____	Permit Date: _____	Lease Inspection: <input type="checkbox"/> Yes <input type="checkbox"/> No	

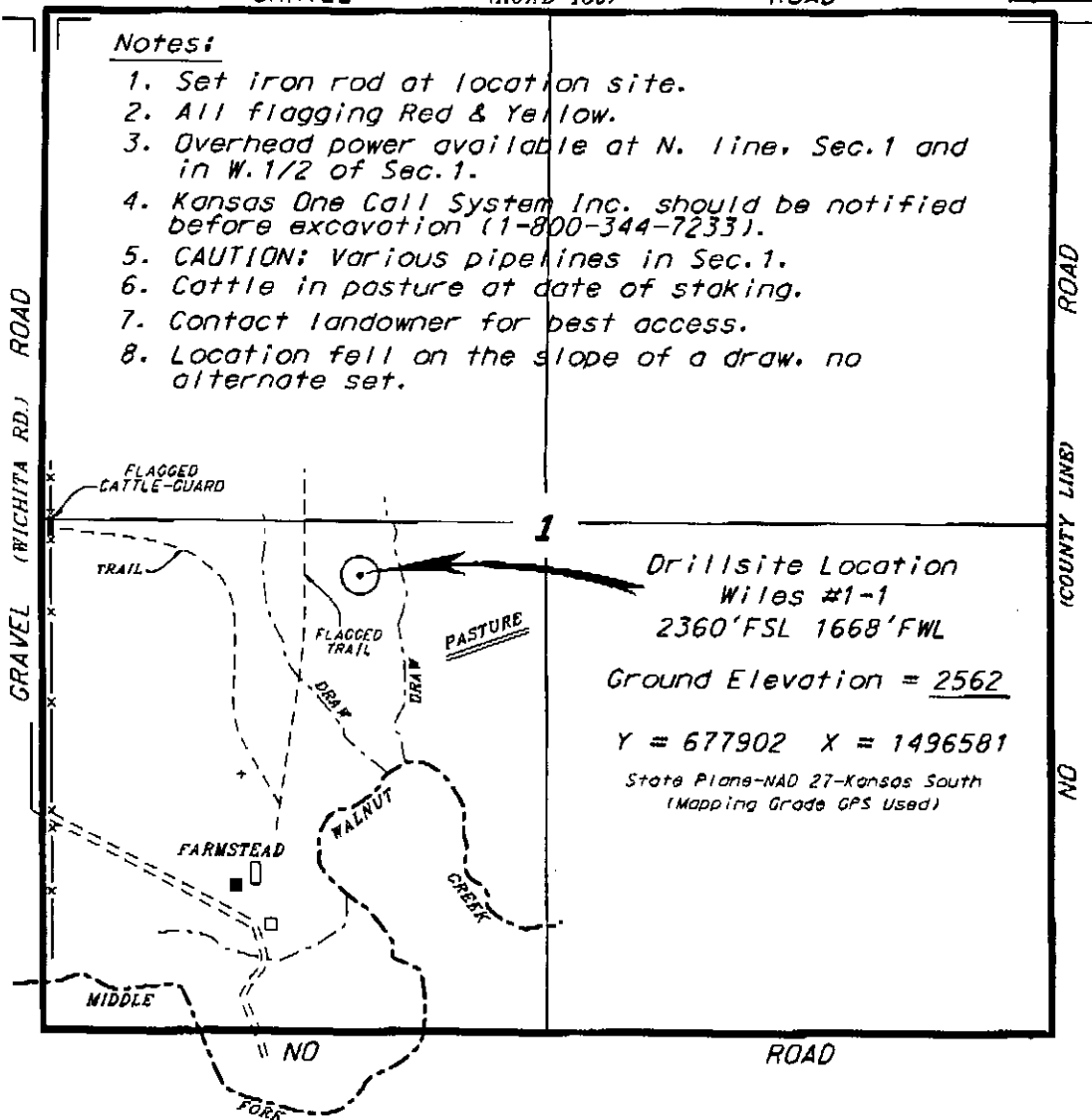
LARSON ENGINEERING, INC.
WILES LEASE
SW.1/4, SECTION 1, T18S, R27W
LANE COUNTY, KANSAS

GRAVEL ROAD (ROAD 180) ROAD

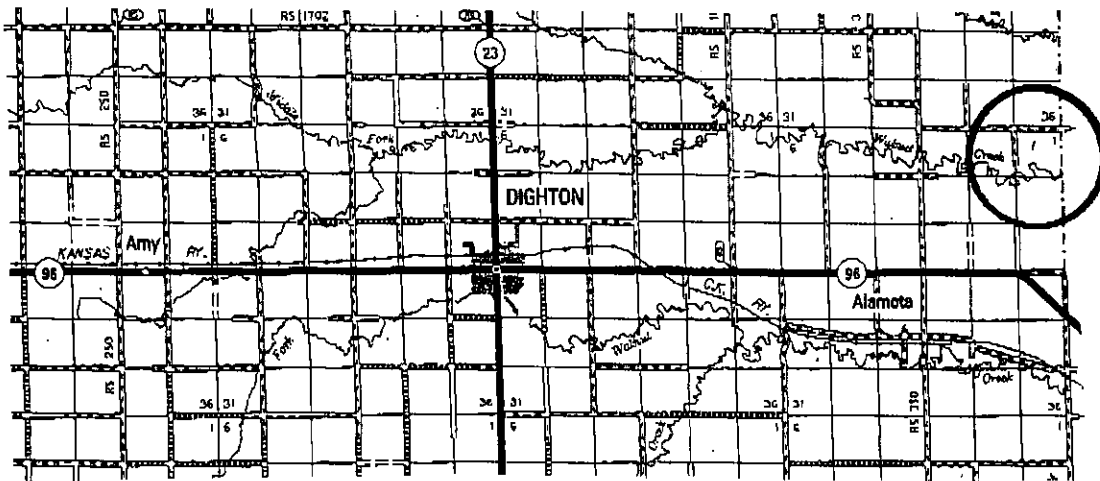
Notes:

1. Set iron rod at location site.
2. All flagging Red & Yellow.
3. Overhead power available at N. line, Sec.1 and in W.1/2 of Sec.1.
4. Kansas One Call System Inc. should be notified before excavation (1-800-344-7233).
5. CAUTION: Various pipelines in Sec.1.
6. Cattle in pasture at date of staking.
7. Contact landowner for best access.
8. Location fell on the slope of a draw, no alternate set.

*Ingress and egress to location as shown on this plat is for usage only and may not be legally opened for public use. Contact landowner, tenant and county road department for access.



Drillsite Location
Wiles #1-1
2360'FSL 1668'FWL
Ground Elevation = 2562
Y = 677902 X = 1496581
State Plane-NAD 27-Kansas South
(Mapping Grade GPS Used)



- Controlling data is based upon the best maps and photographs available to us and upon a regular section of land containing 640 acres.
- Approximate section lines were determined using the normal standard of care of oilfield surveyors practicing in the state of Kansas. The section corners, which establish the precise section lines, were not necessarily located, and the exact location of the drillsite location in the section is not guaranteed. Therefore, the operator securing this service and accepting this plat and all other parties relying thereon agree to hold Central Kansas Drilling Services, Inc., its officers and employees harmless from all losses, costs and expenses and hold harmless released from any liability from incidents or consequential damages.
- Elevations derived from National Geodetic Vertical Datum.

Date January 4, 2010

63U (Rev 1993)

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 12th day of May, 2009, by and between

Leonard L. Herl Trust dated July 27th, 1984 and Irma L. Herl Trust dated December 1st, 1988

Leonard L. Herl and Irma L. Herl, Trustees

whose mailing address is 3255 Millstone Road, Hays, Kansas 67601, hereinafter called Lessor (whether one or more),

and Scout Exploration Corp. P.O. Box 1410 Edmond, Oklahoma 73083-1410, hereinafter called Lessee.

Lessor, in consideration of Ten and other Dollars (\$10.00) 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 and other 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 County of Lane State of Kansas described as follows to-wit:

The Southwest Quarter (SW 1/4)

In Section 1, Township 18 South, Range 27 West, and containing 160 acres, more or less, and all accretions thereto.

Subject to the provisions herein contained, this lease shall remain in force for a term of Two (2) years from this date November 6th, 2009 (called "primary term"), and as long thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, or any of them, is produced from said land or land with which said land is pooled.

In consideration of the premises the said lessee covenants and agrees:

1st. 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.

2nd. 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. Where gas from a well producing gas only is not sold or used, lessee may pay or tender as royalty One Dollar (\$1.00) per year per net mineral acre retained hereunder, and if such payment or tender is made it will be considered that gas is being produced within the meaning of the preceding paragraph.

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.

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.

Lessee shall have the right to use, free of cost, gas, oil and water produced on 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 depth.

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

Lessee shall pay for damages caused by lessee's operations to growing crops on said land.

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

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 true 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.

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.

All express or implied covenants of the 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.

Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the lessee shall have the right at any time to 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.

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 tracts contiguous to one another and to be into a unit or units not exceeding 40 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 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.

Lessee agrees upon the completion of any test as a dry hole or upon abandonment of any producing well, to restore the premises to their original condition as nearly as practicable and to remove all equipment within a reasonable time.

Scout Exploration Corp. has your permission to conduct a seismic survey across your lands as listed herein for the purpose of Oil & Gas Exploration. Our operations will be conducted in accordance with good standard practices and careful manner; we agree to hold you free and harmless from any and all claims and damages that may result from our work by virtue of your permission herein granted.

Lessee shall contact Lessor's tenant, if any, as to the rights of ingress and egress.

The intent by and between the parties hereto that this lease is in effect a separate lease for each separate 40 acre spacing unit

IN WITNESS WHEREOF, the undersigned execute this instrument as of the day and year first above written.

Witnesses:

Leonard L. Herl Trust dated July 27th, 1984

Irma L. Herl Trust dated December 1st, 1988

Leonard L. Herl

Irma L. Herl

By: Leonard L. Herl, Trustee

By: Irma L. Herl, Trustee

SSN/Tax ID#

SSN/Tax ID#

STATE OF KANSAS

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)

COUNTY OF Ellis

The foregoing instrument was acknowledged before me this 29th day of May, 2009, by

Leonard L. Herl Trust dated July 27th, 1984, Trustee

and

Ima L. Herl Trust dated December 1st, 1988, Trustee

My Commission Expires 11-1-2011

Amy Casper
Notary Public

STATE OF _____

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)

COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 2009, by

and

My Commission Expires _____

Notary Public



STATE OF _____

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)

COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 2009, by

and

My Commission Expires _____

Notary Public

STATE OF _____

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)

COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 2009, by

and

My Commission Expires _____

Notary Public

No.	OIL AND GAS LEASE	FROM	TO	Date	Section	Twp.	Rge.	No. of Acres	Term	County	STATE OF <u>Kansas</u>	This instrument was filed for record on the records of this office.	In Book <u>126</u> Page <u>141</u> of _____	At <u>2:30</u> o'clock <u>PM</u> , and duly recorded	By <u>Jolo Baegbawaki</u> Register of Deeds.	When recorded, return to _____	<input type="checkbox"/> NUMERICAL <input type="checkbox"/> DIRECT <input type="checkbox"/> INDIRECT <input checked="" type="checkbox"/> COMP. ORIG. <input type="checkbox"/> COMPUTER
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STATE OF _____

ACKNOWLEDGMENT FOR CORPORATION (KsOkCoNe)

COUNTY OF _____

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and

My Commission Expires _____

Notary Public

63U (Rev 1993)

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AGREEMENT, Made and entered into the 12th day of May, 2009, by and between

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Leonard L. Herl and Irma L. Herl, Trustees

whose mailing address is 3255 Millstone Road, Hays, Kansas 67601, hereinafter called Lessor (whether one or more),

and Scout Exploration Corp. P.O. Box 1410 Edmond, Oklahoma 73083-1410, hereinafter called Lessee.

Lessor, in consideration of Ten and other Dollars (\$10.00) 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 and other 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 County of Lane State of Kansas described as follows to-wit:

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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.

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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.

All express or implied covenants of the 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.

Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the lessee shall have the right at any time to 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.

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 tracts contiguous to one another and to be into a unit or units not exceeding 40 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 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.

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Lessee shall contact Lessor's tenant, if any, as to the rights of ingress and egress.

The intent by and between the parties hereto that this lease is in effect a separate lease for each separate 40 acre spacing unit

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Witnesses:

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Irma L. Herl Trust dated December 1st, 1988

Leonard L. Herl

Irma L. Herl

By: Leonard L. Herl, Trustee

By: Irma L. Herl, Trustee

SSN/Tax ID#

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My Commission Expires 11-1-2011

Amy Casper
Notary Public

STATE OF _____

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)

COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 2009, by

and

My Commission Expires _____

Notary Public



STATE OF _____

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)

COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 2009, by

and

My Commission Expires _____

Notary Public

STATE OF _____

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)

COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 2009, by

and

My Commission Expires _____

Notary Public

No.	OIL AND GAS LEASE	FROM	TO	Date _____	Section _____ Twp. _____ Rge. _____	No. of Acres _____ Term _____	County _____	STATE OF <u>Kansas</u> County <u>Lawrence</u>	This instrument was filed for record on the Day of <u>June</u> , 20 <u>09</u> . At <u>2:30</u> o'clock <u>PM</u> , and duly recorded In Book <u>126</u> Page <u>141</u> of the records of this office. <u>Jolo Baegbawaki</u> Register of Deeds. By <u>Betty Fishburne</u> When recorded, return to _____	<input type="checkbox"/> NUMERICAL <input type="checkbox"/> DIRECT <input type="checkbox"/> INDIRECT <input checked="" type="checkbox"/> COMP. ORIG. <input type="checkbox"/> COMPUTER
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STATE OF _____

ACKNOWLEDGMENT FOR CORPORATION (KsOkCoNe)

COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 2009, by

and

My Commission Expires _____

Notary Public

63U (Rev 1993)

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 6th day of November, 2006, by and between

Revocable Inter Vivos Trust of Robert E. Wiles dated October 23, 2003 and Revocable Inter Vivos Trust of Rita Ann Wiles dated

October 23, 2003, Robert E. Wiles and Rita Ann Wiles, Trustees

whose mailing address is RT 1 BOX 98, Marienthal, KS 67863 hereinafter called Lessor (whether one or

more), and Scout Exploration Corp., P.O. Box 1348, Edmond, Oklahoma 73083-1348 hereinafter called Lessee.

Lessor, in consideration of **** ten and other ***** Dollars (\$ **10.00**) 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 and other 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 County of Lane State of Kansas described as follows to-wit:

The Northeast Quarter of the Southwest Quarter (NE 1/4 of the SW 1/4)

In Section 01 Township 18 South Range 27 West and containing 40 acres, more or less, and all accretions thereto.

Subject to the provisions herein contained, this lease shall remain in force for a term of three (3) years from February 25, 2007, and as long thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, or any of them, is produced from said land or land with which said land is pooled.

In consideration of the premises the said lessee covenants and agrees:

1st 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.

2nd 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. Where gas from a well producing gas only is not sold or used, lessee may pay or tender as royalty One Dollar (\$1.00) per year per net mineral acre retained hereunder, and if such payment or tender is made it will be considered that gas is being produced within the meaning of the preceding paragraph.

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.

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.

Lessee shall have the right to use, free of cost, gas, oil and water produced on 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 depth.

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

Lessee shall pay for damages caused by lessee's operations to growing crops on said land.

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

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 true 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.

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.

All express or implied covenants of the 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.

Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the lessee shall have the right at any time to 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.

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 property 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 tracts contiguous to one another and to be into a unit or units not exceeding 40 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 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.

Lessee agrees upon the completion of any test as a dry hole or upon abandonment of any producing well, to restore the premises to their original condition as nearly as 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) years under the same bonus consideration paid hereunder. REW 11.09.06

Scout Exploration Corp. has your permission to conduct a seismic survey across your lands as listed herein for the purpose of Oil & Gas Exploration. Our operations will be conducted in accordance with good standard practices and careful manner; we agree to hold you free and harmless from any and all claims and damages that may result from our work by virtue of your permission herein granted.

IN WITNESS WHEREOF, the undersigned execute this instrument as of the day and year first above written.

Witnesses: The Revocable Inter Vivos Trust of Robert E. Wiles

Robert E. Wiles

By: Robert E. Wiles, Trustee

The Revocable Inter Vivos Trust of Rita Ann Wiles

Rita Ann Wiles

By: Rita Ann Wiles, Trustee

By: Rita Ann Wiles, Trustee

By: Robert E. Wiles, Trustee

STATE OF Kansas

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)

COUNTY OF Lane
The foregoing instrument was acknowledged before me this 11th day of November, 2006, by

Robert E. Wiles and Rita Ann Wiles

Trustees of the Revocable Inter Vivos Trust of Robert E. Wiles and the Revocable Inter Vivos Trust of Rita Ann Wiles

My Commission Expires 12-25-2008



Rebecca L. Torson
Notary Public

STATE OF _____

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)

COUNTY OF _____
The foregoing instrument was acknowledged before me this _____ day of _____, 2006, by

_____ and _____

My Commission Expires _____

Notary Public

STATE OF _____

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)

COUNTY OF _____
The foregoing instrument was acknowledged before me this _____ day of _____, 2006, by

_____ and _____

My Commission Expires _____

Notary Public

STATE OF _____

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)

COUNTY OF _____
The foregoing instrument was acknowledged before me this _____ day of _____, 2006, by

_____ and _____

My Commission Expires _____

Notary Public

No.	OIL AND GAS LEASE	FROM				TO	Date	Section	Twp.	Rge.	No. of Acres	Term	County	STATE OF <u>Kansas</u>	This instrument was filed for record on the	At <u>2:30</u> o'clock <u>P.M.</u> , and duly recorded	In Book <u>117</u> , Page <u>130</u> of	the records of this office.	By <u>Betty Lehman</u>	Register of Deeds.	By _____	When recorded, return to _____	NUMERICAL	DIRECT	INDIRECT	COMP ORIG.	COMPUTER
														County <u>Lane</u>													

STATE OF _____

ACKNOWLEDGMENT FOR CORPORATION (KsOkCoNe)

COUNTY OF _____
The foregoing instrument was acknowledged before me this _____ day of _____, 2006, by

of _____ a _____ corporation, on behalf of the corporation.

My Commission Expires _____

Notary Public

63U (Rev 1993)

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 6th day of November, 2006, by and between

Revocable Inter Vivos Trust of Robert E. Wiles dated October 23, 2003 and Revocable Inter Vivos Trust of Rita Ann Wiles dated

October 23, 2003, Robert E. Wiles and Rita Ann Wiles, Trustees

whose mailing address is RT 1 BOX 98, Marienthal, KS 67863 hereinafter called Lessor (whether one or

more), and Scout Exploration Corp., P.O. Box 1348, Edmond, Oklahoma 73083-1348 hereinafter called Lessee.

Lessor, in consideration of **** ten and other **** Dollars (\$ **10.00**) 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 and other 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 County of Lane State of Kansas described as follows to-wit:

The Southeast Quarter of the Northwest Quarter (SE 1/4 of the NW 1/4)

In Section 01, Township 18 South, Range 27 West, and containing 40 acres, more or less, and all accretions thereto.

Subject to the provisions herein contained, this lease shall remain in force for a term of three (3) years from February 25, 2007, and as long thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, or any of them, is produced from said land or land with which said land is pooled.

In consideration of the premises the said lessee covenants and agrees:

1st. 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.

2nd. 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. Where gas from a well producing gas only is not sold or used, lessee may pay or tender as royalty One Dollar (\$1.00) per year per net mineral acre retained hereunder, and if such payment or tender is made it will be considered that gas is being produced within the meaning of the preceding paragraph.

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.

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.

Lessee shall have the right to use, free of cost, gas, oil and water produced on 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 depth.

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

Lessee shall pay for damages caused by lessee's operations to growing crops on said land.

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

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 true 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.

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.

All express or implied covenants of the 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.

Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the lessee shall have the right at any time to 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.

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 tracts contiguous to one another and to be into a unit or units not exceeding 40 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 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.

Lessee agrees upon the completion of any test as a dry hole or upon abandonment of any producing well, to restore the premises to their original condition as nearly as 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) years under the same bonus consideration paid hereunder REW 11-09.

Scout Exploration Corp. has your permission to conduct a seismic survey across your lands as listed herein for the purpose of Oil & Gas Exploration. Our operations will be conducted in accordance with good standard practices and careful manner; we agree to hold you free and harmless from any and all claims and damages that may result from our work by virtue of your permission herein granted.

IN WITNESS WHEREOF, the undersigned execute this instrument as of the day and year first above written.

Witnesses:

The Revocable Inter Vivos Trust of Robert E. Wiles

Robert E. Wiles

By: Robert E. Wiles, Trustee

By: Rita Ann Wiles, Trustee

The Revocable Inter Vivos Trust of Rita Ann Wiles

Rita Ann Wiles

By: Rita Ann Wiles, Trustee

By: Robert E. Wiles, Trustee

STATE OF Kansas

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)

COUNTY OF Leone

The foregoing instrument was acknowledged before me this 11th day of November, 2006, by

Robert E. Wiles and Rita Ann Wiles

Trustees of the Revocable Inter Vivos Trust of Robert E. Wiles and the Revocable Inter Vivos Trust of Rita Ann Wiles

My Commission Expires 12.05.2009



REBECCA L. TORSON
State of Kansas
My Appt. Exp. 12.05.09

Rebecca L. Torson
Notary Public

STATE OF _____

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)

COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 2006, by

and _____

My Commission Expires _____

Notary Public

STATE OF _____

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)

COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 2006, by

and _____

My Commission Expires _____

Notary Public

STATE OF _____

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)

COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 2006, by

and _____

My Commission Expires _____

Notary Public

No.	OIL AND GAS LEASE	FROM	TO	Date	Section	Twp.	Rge.	No. of Acres	Term	County	STATE OF <u>Kansas</u>	This instrument was filed for record on the <u>4</u> Day of <u>Dec.</u> 20 <u>06</u> At <u>2:30</u> o'clock <u>P.</u> M., and duly recorded In Book <u>117</u> Page <u>129</u> of the records of this office.	By <u>Betty Leebauer</u> Register of Deeds.	When recorded, return to _____	<input type="checkbox"/> ALTIMERICAL	<input type="checkbox"/> DIRECT	<input checked="" type="checkbox"/> INDIRECT	<input type="checkbox"/> COMP ORIG.	<input type="checkbox"/> COMPUTER

STATE OF _____

ACKNOWLEDGMENT FOR CORPORATION (KsOkCoNe)

COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 2006, by

of _____ a _____

corporation, on behalf of the corporation.

My Commission Expires _____

Notary Public