For KCC Use:

Effective D	Date:
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District	#	
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SGA?	Yes	No

## KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

Form C-1 October 2007 Form must be Typed Form must be Signed All blanks must be Filled

1035706

# NOTICE OF INTENT TO DRILL

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

Expected Spud Date:	Spot Description:
OPERATOR: License#	Sec Twp S. R E □ W
Name:	feet from E / W Line of Section
	Is SECTION: Regular Irregular?
Address 1:	
Address 2:	(Note: Locate well on the Section Plat on reverse side)
Contact Person: Citate: 2ip: +	County:
Phone:	Lease Name: Well #:
- Hone	Field Name:
CONTRACTOR: License#	Is this a Prorated / Spaced Field?
Name:	Target Formation(s):
Well Drilled For: Well Class: Type Equipment:	Nearest Lease or unit boundary line (in footage):
	Ground Surface Elevation:feet MSL
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:
	Depth to bottom of fresh water:
Seismic ; # of Holes Other	Depth to bottom of usable water:
Other:	Surface Pipe by Alternate:
If OWWO: old well information as follows:	
	Length of Surface Pipe Planned to be set:
Operator:	Length of Conductor Pipe (if any):
Well Name:	Projected Total Depth:
Original Completion Date: Original Total Depth:	Formation at Total Depth:
	Water Source for Drilling Operations:
Directional, Deviated or Horizontal wellbore?	Well Farm Pond Other:
If Yes, true vertical depth:	DWR Permit #:
Bottom Hole Location:	( <b>Note:</b> 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;

- A copy of the approved notice of intent to drill *shall be* posted on each drilling rig;
- The minimum amount of surface pipe as specified below shall be set by circulating cement to the top; in all cases surface pipe shall be set through all unconsolidated materials plus a minimum of 20 feet into the underlying formation.
- 4. If the well is dry hole, an agreement between the operator and the district office on plug length and placement is necessary prior to plugging;
- 5. The appropriate district office will be notified before well is either plugged or production casing is cemented in;
- 6. If an ALTERNATE II COMPLETION, production pipe shall be cemented from below any usable water to surface within 120 DAYS of spud date. Or pursuant to Appendix "B" - Eastern Kansas surface casing order #133,891-C, which applies to the KCC District 3 area, alternate II cementing must be completed within 30 days of the spud date or the well shall be plugged. In all cases, NOTIFY district office prior to any cementing.

### Submitted Electronically

	Remember to:
For KCC Use ONLY	- File Drill Pit Application (form CDP-1) with Intent to Drill;
API # 15	- File Completion Form ACO-1 within 120 days of spud date;
Conductor pipe required feet	<ul> <li>File acreage attribution plat according to field proration orders;</li> <li>Notify appropriate district office 48 hours prior to workover or re-entry;</li> </ul>
Minimum surface pipe requiredfeet per ALT. I II	- Submit plugging report (CP-4) after plugging is completed (within 60 days);
Approved by:	- Obtain written approval before disposing or injecting salt water.
This authorization expires:	- If this permit has expired (See: authorized expiration date) please check the box below and return to the address below.
(This authorization void if drilling not started within 12 months of approval date.)	Well Not Drilled - Permit Expired Date:
Spud date: Agent:	Signature of Operator or Agent:



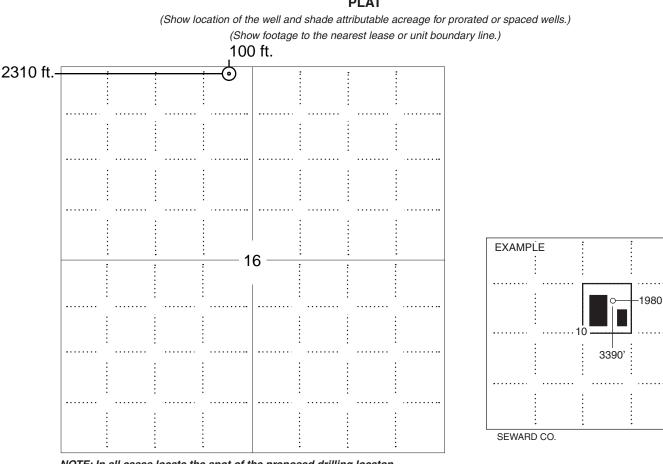
### IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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				
	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

1035706

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:		-			
Emergency Pit Burn Pit	Proposed	Existing	SecTwpR East West	t		
Settling Pit Drilling Pit	If Existing, date c	onstructed:	Feet from North / South Line of Section			
U Workover Pit Haul-Off Pit ( <i>If WP Supply API No. or Year Drilled</i> )	Pit capacity:					
		(bbls)	C	ounty		
Is the pit located in a Sensitive Ground Water	Area? Yes	No	Chloride concentration:	mg/l		
Is the bottom below ground level?	Artificial Liner?	No	(For Emergency Pits and Settling Pits only) How is the pit lined if a plastic liner is not used?			
Pit dimensions (all but working pits):	Length (fo	eet)	Width (feet) N/A: Steel Pits			
	rom ground level to d					
Distance to nearest water well within one-mile	e of pit	Depth to shallo	west fresh waterfeet.			
Source of i		Source of infor	formation: asuredwell owner electric logKDWR			
Emergency, Settling and Burn Pits ONLY:			over and Haul-Off Pits ONLY:	ĸ		
Producing Formation:		Type of material utilized in drilling/workover:				
Number of producing wells on lease:		Number of working pits to be utilized:				
Barrels of fluid produced daily:		Abandonment procedure:				
Does the slope from the tank battery allow all spilled fluids to flow into the pit?		Drill pits must be closed within 365 days of spud date.				
Submitted Electronically						
	ксс	OFFICE USE OI	NLY Steel Pit RFAC RFAS			
Date Received: Permit Num	ber:	Permi	it Date: Lease Inspection:	No		

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

S Ó 1 No.

 $(\gamma)$ ----- 199 23, Sept. David L. Hendricks Revocable Trust dated

the Mary Ruth Hendricks Revocable Trust dated

Phone No. 785-743-2644 67672, Kansas hercinafter called "Lessor:" whether one or more), and WEVCO PRODUCTION, INC., an Ohio corporation, whose mailing address is <u>1933 E. Dublin</u> <u>Granville Rd., PMB 107, Columbus, Ohio 43229</u> (hereinafter called Lessee'). Notwithstanding the above date, this Lease shall be in full force and effect this 30 day of March, 2006, (the "Effective Date"), in accordance with the provisions contained in that Geophysical Permit and Option to Lease Agreement filed ) day of March, 2006. (the "Effective Date"), in accordance with the provisions contained in that Geophysical Permit and Option to Lease Agreement fil Volume 23 and Page 25 of the Official/Deed Records in the Office of the County Recorder in the County and State set forth herein. WITNESSETH: Ξ.

1. Lessor, for and in consideration of One Dollar (\$1.00) and other valuable consideration in hand paid, the receipt of which is hereby acknowledged, and of the covenants and agreements hereinafter contained, does hereby grant, let and lease exclusively unto Lessec all of the oil, gas and the constituents of either in and under the lands hereinafter described ("Leasehold"), together with the exclusive right and privilege on and from the Leasehold, to: (a) explore by geophysical and other methods; (b) drill, mine, operate for, produce, store, remove, and market oil and gas and their constituents; (c) use oil, gas and non-domestic water, free of cost, in operations thereon; (d) conduct surveys, lay pipelines, set meters or compressors and the transport by pipelines on or otherwise across and through the Leasehold oil and/or gas and/or their constituents from said land and other lands, regardless of the source of said products or the location of said wells; (e) build, maintain, repair, and remove access roads in connection with any of the foregoing operations; (f) install and remove tanks, equipment, telephone and electric poles, and ancillary structures to carry on any of the aforesaid operations; and (g) enter thereon at all times for any of the aforesaid purposes and to occupy, possess and use so much of the Leasehold as is necessary and convenient for all purposes described herein.

covers the following described land located in Trego County, Kansas, containing 800 acres, more or less, to-wit This Lease ci

of Section 16-12S-24W, and SW/4 of Section 10-12S-24W S/2 of Section 9-12S-24W; IN/2 UL JULY Of the 6<sup>th</sup> P.M., Trego County, Kansas.

erroneously legal description in Book 137 page 520 which of Section 12-12S-24W, Trego County, Kansas. correct the legal being located in the N/2 9 correction is as this the lease of The purpose described

3. This Lease shall remain in force and effect and the rights granted hereunder be quietly enjoyed by Lessee for a primary term of five (5) years from the Effective Date set forth above and so much longer thereafter as operations described herein are being conducted on the Leasehold or oil, gas and/or their constituents are being produced, or are capable of being produced in paying quantities in the judgment of Lessee or pursuant to any provision incorporated

4. If operations for a well are not commenced on the Leasehold within twelve (12) months from the Effective Date set forth above, this Lease shall terminate as to both parties unless Lessee on or before said date shall pay and tender unto Lessor a delay rental of One Dollar (\$1.00) per acre, which shall operate as a rental and cover the privilege of deferring the commencement of operations for a well for twelve months from said date. Such rentals may be paid quarterly, semi-annually. In like manner and upon like payments the commencement of operations for a well for twelve months for a well may be further deferred for the same period during the term hercof. A well shall be deemed commenced when preparations for driling has been commenced on the Leaschold or lands unitized therewith.

5. The royalties to be paid by Lessee to Lessor are: (a) on oil or any of its constituents, one-eighth (1/8) of all oil or any constituent produced and saved from the Leasehold, the same to be delivered to Lessor into the tanks or pipelines to which the wells may be connected or at Lessec's option to pay Lessor the market price for such one-eighth (1/8) royalty on oil or any of its constituents at the published rate for such product of like grade and gravity prevailing on the date such product is sold; (b) on gas of whatever nature or kind produced and sold, one eighth (1/8) of the proceeds realized by Lessee from the sale thereof. Lessee shall deduct from said royalty payments due hereunder, Lessor's pro-rata share of any charges paid by Lessee from the sale thereof. Lessee shall deduct from said royalty payments due hereunder, Lessor's pro-rata share of any charges paid by Lessee from the sale thereof. Lessee shall deduct from said royalty payments due hereunder, Lessor's pro-rata share of any charges paid by Lessee for transportation, dehydration, or compression to deliver said products to the point of sale and any applicable tax imposed on said products by any governmental body. Lessee shall pay all royalty payments within sixty (60) days after Lessee receives payment of the sale proceeds therefrom. In case Lessor owns a lesser interest in the oil and gas or the Lessehold than the entire and undivided fee simple therein, then the royalties and rentals herein provided for shall be paid to Lessor only in the proportion, which such interest bears to the whole and undivided fee.

6. In the event a well drilled hereunder is a producing well or capable of production and Lessee is unable to market the production therefrom, or should production cease from a producting well drilled on said lands, or unitized therewith, or should Lessee shut in producting wells for any reason, for a continuous period greater then six (6) months (provided that there are no other producting wells on the Lessehold or unitized therewith), then in that event Lessee agrees to pay or tender to Lessor, commencing on the date one year from the completion of such producing well or the cessation of production, or the shutting in of producing wells, an advance royalty of \$1.00 per acre per year until production is marketed and sold or such well(s) is plugged and abandoned according to law. If such payment or tender of advance royalty is made, it shall be construed under all provisions of this Lease that gas is being produced from the Leaschold in paying quantities for one (1) year from the date such payment is made, and in like manner subsequent advance annual royalty payment is paid or tendered. Lessee may credit such advance royalty payment against any royalty accruing to the owners thereof from any future production from the Leaschold in paying quantities for one (1) year from the such payment is made, and in like manner subsequent advance annual royalty payment is paid or tendered. Lessee may credit such advance royalty payment against any royalty accruing to the owners thereof from any future production from the Leaschold.

7. All payments due under this Lease may be paid by cash or check delivered or tendered to Lessor or any one of them at the address above and the named party shall continue as Lessor's agent to receive any and all sums payable under this lease regardless of any changes in ownership in the Leasehold, oil and gas minerals, rentals or royalties accruing hereunder, until delivery to Lessee of written notice of said change of ownorship, which shall be duly signed by the parties of the instrument of conveyance or assignment, including a duly certified copy thereof. It is stipulated that this lease shall not terminate for failure to pay any payments due hereunder unless Lessor gives Lessee or his assigns written notice of said failure and said payment due is not paid within sixty (60) days of receipt of said notice. The considerations, including without limitation, rentals, advanced royalty or royalites paid and to be paid, as herein provided, are due will be accepted by Lessor as adequate and full consideration for all the rights herein granted to Lessee, and the further right of drilling or not drilling on the Leasehold, whether to offset producing wells on otherwise, as Lessee may elect.

due 8. If the interest in the oil and gas or said lands is owned by two or more parties or the ownership of any such interest should hereafter be transferred by sale, devise, or operation of the law, said lands and the oil and gas, nevertheless, maybe held, developed and operated as an entirety and the rentals or royalties due hereunder, shall be divided among and paid to such several owners in the proportion that the acreage owned by each owner bears to the entire leased acreage.

at its r said 9. Lessor hereby warrants and agrees to defend the title to the oil, gas and the constituents of either, in and under said lands and agrees that Lessee, a option, may pay and discharge any taxes, mortgages, or other liens existing, lovied, or assessed on or against the oil, gas and the constituents of either or lands or the production therefrom, and in the event Lessee exercises such option, it shall be subrogated to the rights of any holder or holders thereof and reimburse itself from any payments due hereunder to Lessor.

10. Lessec shall bury all pipelines below normal plow depth in cultivated areas and pay for damages caused by its operations to growing crops, field tiles and fences. Lessee agrees to restore any area disturbed by its operations on said lands in accordance with state law. No well shall be drilled nearer then 200 feet to the dwelling house on said lands, without Lessor's written consent. Lessor hereby agrees not to erect or move any structure within 100 feet of any well or tank battery or within 25 feet of any pipeline. Lessee shall have free use of oil, gas and water, except water from wells of Lessor, for all operations permitted herein.

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including but not limited to repressuring, pressure maintenance, secondary and tertiary recovery operations as. the royalty shall be computed after deducting any oil or gas thus used. Lessee shall have the right, but not the obligation, at any time during or after the expiration of this Lease to remove all pipe, well casing, machinery, tanks, equipment or fixtures placed thereon. 11. Lessor hereby grants to Lessee the right at any time to unitize the Leasehold or any portion thereof as to any or all strata or stratum, with other lands for the	production of oil and/or gas and/or their constituents. No such unit shall embrace more then 640 acres, provided that if any governmental rules or regulations shall prescribe a spacing pattern for the development of the field, then any such unit may embrace as much additional acreage as may be so prescribed. Operations upon and production from said unit shall be treated as if such operations and production were from the Leaschold whether or not the well or wells are located thereon, provided, however, that Lessee shall pay Lessor in lieu of other royalties therein on an acreage basis, bears to the toyalties stipulated herein as to the amount of the Leasehold acreage placed in the unit or Lessor's royalty interest therein on an acreage basis, bears to the total acreage in the unit, and provided further that Lessor may take free gas as provided herein from a unit well only if said well is located on the lands owned by Lessor. In no event shall Lessee be required to drill more than one well on such unit. Lessee shall have the right to amend, alter or correct any such production unit at any time. 12. This Lease shall be subject to governmental rules and regulations, and this Lease shall not terminate, in whole or part, nor shall Lessee be held liable in damages, for failure to comply herewith, if compliance is prevented by, or such failure is the result of such law, rule or regulation, or if prevented by an act of God, labor disputes, riots, or any other cause beyond the control of Lessee grants Lessee the authority to compromise or settle any disputes with governmental agencies relating to the Lease or to production thereform.	<ol> <li>The rights of either party hereto may be assigned in whole or part. Lessor waives notice of any such assignment and acknowledges that Lessee shall have no further obligations hereunder as to said interest assigned. Lessee may surrender all or part of this Lease by delivering or mailing a release to Lessor, or by filing a release of record in the Recorders Office in the aforesaid County and State. Failure of payment of rental or royalty on any part of this Lessee shall not void this Lease as to any other part.</li> <li>Lessor further agrees to sign such additional documents as may be reasonably requested by Lessee to perfect Lessee's title to the oil and gas granted herein and such other documents relating to the sale of production or operations as may be required by Lessee to perfect Lessee's title to the oil and gas granted herein and such other documents relating to the sale of productions as may before or after the expiration date of the Lesse. (51 on) per acre. The aforesaid option may he received by Lessee to perfect Lessee's fifth to extend there are and such other documents relating to the sale of productions as may before or after the expiration date of the Lesse. (60) days before or after the expiration date of the Lesse. (51 on) per acre. The aforesaid option may he exercised by One Dollar (51 00) per acre. The aforesaid option may he exercised by One Dollar Lesse in and under the same terms and conditions contained herein, except the delay rental set forth herein shall be increased by One Dollar (51 00) per acre. The aforesaid option may he exercised by Unseed to Lesser in writing that Lesser in the durine said beford by notifyine Lesser in the durine said beford by notifyine Lesser in the durine said beford by notifyine Lesser and such or the exercised by One Dollar (51 00) per acre. The aforesaid option may here to be acreased by One Dollar (51 00) per acreased option the acreased option the durine said beford by notifyine Lesser in writing that Lesser in the furthere at any inter</li></ol>	contemporaneous with said notice Lessee shall pay or tender unto Lessor the delay rental set forth herein, including the aforesaid increase. 15. This Lease and all its terms, conditions and stipulations shall extend to and be binding on all heirs, successors and assigns of Lessor and Lessee. This Lease contains all agreements and understandings of Lessor and Lessee respecting the subject matter hereof and no implied covenants or obligations, verbal representations or promises, have been made or relied upon by Lessor or Lesser supplementing or modifying this Lease or as inducement thereto. IN WITNESS WHEREOF, the undersigned has executed this instrument on the date set forth above.	David L. Hendricks, Transfee of the David L. Hendricks Revocable Trust dated September 23, 1993	STATE OF KANSAS	) SS:	Ine foregoing instrument was acknowledged before me tils $1.1$ day of June . 2000, by David L. Instanticks, Irustee of the Wary Ruth Hendricks Revocable Trust dated September 23, 1993, and Mary Ruth Hendricks, Trustee of the Mary Ruth Hendricks Revocable Trust dated September 23, 1993. My Appointment Expires: $M_{Dav} \downarrow_{\mu} DD IS$ $F[a: me ReeVer] = Reicher Revocable Trust dated September 23, 1993.$		STATE OF KANSAS COUNTY OF TREGO SS THIS INSTRUMENT WAS FILED FOR RECORD THIS 157th DAY OF June , 2006 AT 2:30 PM AND RECORDED IN BOOK 139 OF AND RECORDED IN BOOK 139 OF RECORDS AT PAGE 485 FEE \$ 12.00 MURC THROW 139 OF RECORDS AT PAGE 485 FEE \$ 12.00 EVER M. Rumpel, REGISTER OF DEEDS	139 <sup>-</sup> 486	This instrument prepared by: WEVCO PRODUCTION, INC., 1933 E. Dublin Granville Road, PMB 107, Columbus, OH 43229
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