





1037006

**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

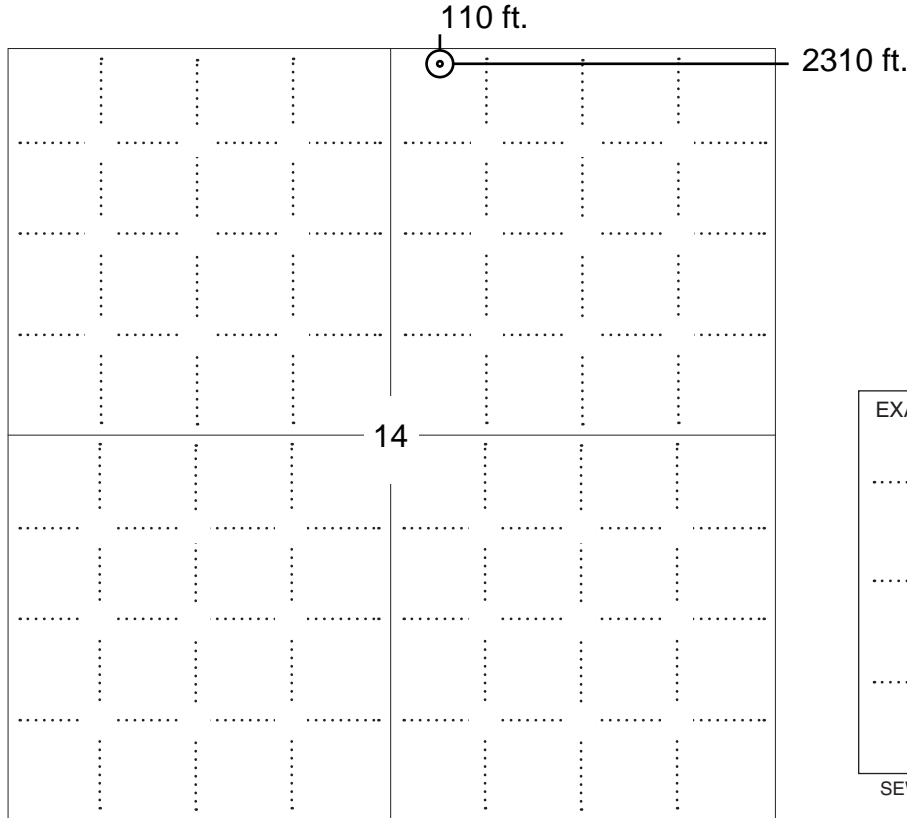
**If Section is Irregular, locate well from nearest corner boundary.**

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 1037006  
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	
<b>Emergency, Settling and Burn Pits ONLY:</b> 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		<b>Drilling, Workover and Haul-Off Pits ONLY:</b> 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			

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







## OIL AND GAS LEASE

Agreement, Made and entered into the 8th day January of, 2007, by and between, Lee Norton and Delphine Norton, his wife whose mailing address is 704 W. Chestnut, Ness City, Kansas 67560 hereinafter called Lessor (whether one or more), and Palomino Petroleum, Inc. - 4924 SE 84th St. - Newton, KS 67114-8827, hereinafter called Lessee:

Lessor, in consideration of Ten and more Dollars (\$10.00 & more) in hand paid, receipt of which is here by acknowledged and 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, 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, the following described land, together with any reversionary rights and after-acquired interest, therein situated in the County of NESS, State of KANSAS, described as follows, to-wit:

Township 17 South, Range 26 West  
Section 11: S/2SE/4

containing 80 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 this date (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 pipe line 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 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 he 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.

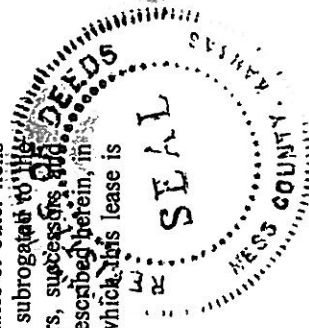
All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, in whole or in part, nor lessee held liable in damages, for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.

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 mortgage, taxes or other liens on the above described lands, in the event of default of payment by the lessor, and be subrogated to the rights of the holder thereof, and the undersigned lessor, for themselves and their heirs, successors, 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.

State of Kansas Ness County

Receipt #: 21888  
Pages Recorded: 2  
Cashier Initials: MH  
Book: 307 Page: 521  
Recording Fee: \$12.00

Date Recorded: 2/22/2007 10:25:00 AM



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 of 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 of 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, or his assigns, agrees to consult with Lessor regarding routes of ingress and egress prior to commencing operations.*

*Lessee, or his assigns, further agrees in the event of drilling operations to restore the surface of the land to its original contour as nearly as is practicable.*

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

Lee Norton  
(Lee Norton)

Delphine Norton  
(Delphine Norton)

**ACKNOWLEDGMENT FOR INDIVIDUAL**

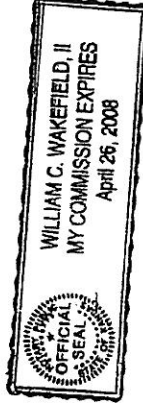
STATE OF Kansas )  
 ) ss.  
COUNTY OF Ness )

Before me, the undersigned, a Notary Public, within and for said County and State on this the 8<sup>th</sup> day of January, 2007, personally appeared Lee Norton and Delphine Norton, his wife, personally known to be the identical person(S) who executed the within and foregoing instrument and acknowledged to me that they executed the same as their free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

My Commission Expires: \_\_\_\_\_

William C Wakefield II  
Notary Public  
William C. Wakefield, II



EXTENSION OF OIL AND GAS LEASE

PALOMINO PETROLEUM INC.

WHEREAS, \_\_\_\_\_ is the owner and holder of an oil and gas lease on the following described land in \_\_\_\_\_ County, State of \_\_\_\_\_

of Section \_\_\_\_\_, Township \_\_\_\_\_, Range \_\_\_\_\_ and recorded in book \_\_\_\_\_ Page \_\_\_\_\_

of the Records of said County, and \_\_\_\_\_

WHEREAS, said lease expires in the absence of drilling operations on \_\_\_\_\_

and the said owner and holder desires to have the term of said lease extended; \_\_\_\_\_

NOW, THEREFORE, the undersigned, for themselves, their heirs, executors, administrators and assigns, for and in consideration of \_\_\_\_\_ Dollars, in hand paid, the receipt whereof is hereby acknowledged, does hereby agree: that the said term of said lease shall be and is hereby extended, with the same tenor and effect as if such extended term had been \_\_\_\_\_

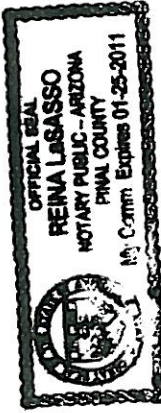
originally expressed in such lease, for a period of \_\_\_\_\_ years from the date of the said expiration thereof and as long thereafter as oil or gas (including casinghead gas) is produced from any well on the land covered by said lease, subject however, in all other respects, to the provisions and conditions of said lease or said lease as modified, if any modification thereof may have been heretofore executed; that no delay rental is due and payable on \_\_\_\_\_

under the terms of this extension; and that all previous rentals due under the terms of said lease have been timely and properly paid. \_\_\_\_\_

IN WITNESS WHEREOF, this instrument is signed on this the \_\_\_\_\_ 6th day of \_\_\_\_\_, 2010 \_\_\_\_\_

704 West Chestnut \_\_\_\_\_

Ness City, Kansas 67560 \_\_\_\_\_



Lee Norton \_\_\_\_\_

SS# \_\_\_\_\_

Delphine Norton \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

STATE OF \_\_\_\_\_ Arizona \_\_\_\_\_

COUNTY OF \_\_\_\_\_ Pinal \_\_\_\_\_ ss. ACKNOWLEDGEMENT FOR INDIVIDUAL (Kans. Okla. and Colo.)

Before me, the undersigned, a Notary Public, within and for said County and State, on this \_\_\_\_\_ 6 day of \_\_\_\_\_, 2010 \_\_\_\_\_, personally appeared \_\_\_\_\_ Lee Norton

and \_\_\_\_\_ Delphine Norton, his wife \_\_\_\_\_

to me personally known to be the identical person \_\_\_\_\_ S \_\_\_\_\_ who executed the within and foregoing instrument and acknowledged to me that \_\_\_\_\_ they \_\_\_\_\_ executed the same as \_\_\_\_\_ their \_\_\_\_\_ free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written. \_\_\_\_\_

My commission expires \_\_\_\_\_ Jan. 25, 2010 \_\_\_\_\_

STATE OF \_\_\_\_\_ ss. ACKNOWLEDGEMENT FOR CORPORATION \_\_\_\_\_

COUNTY OF \_\_\_\_\_ ss. ACKNOWLEDGEMENT FOR CORPORATION \_\_\_\_\_

Be it remembered that on this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_, \$20 \_\_\_\_\_ before me, the undersigned, a Notary Public, duly commissioned, in and for the county and state aforesaid, came \_\_\_\_\_

\_\_\_\_\_ president of \_\_\_\_\_

\_\_\_\_\_ a corporation of the State of \_\_\_\_\_, personally known to me to be such officer, and to be the same person who executed as such officer the foregoing instrument of writing in behalf of said corporation, and he duly acknowledged the execution of the same for himself and for said corporation for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day and year last above written. \_\_\_\_\_

My commission expires \_\_\_\_\_ NOTARY PUBLIC \_\_\_\_\_

