



1037301

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

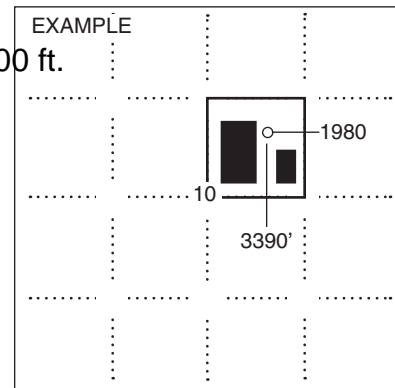
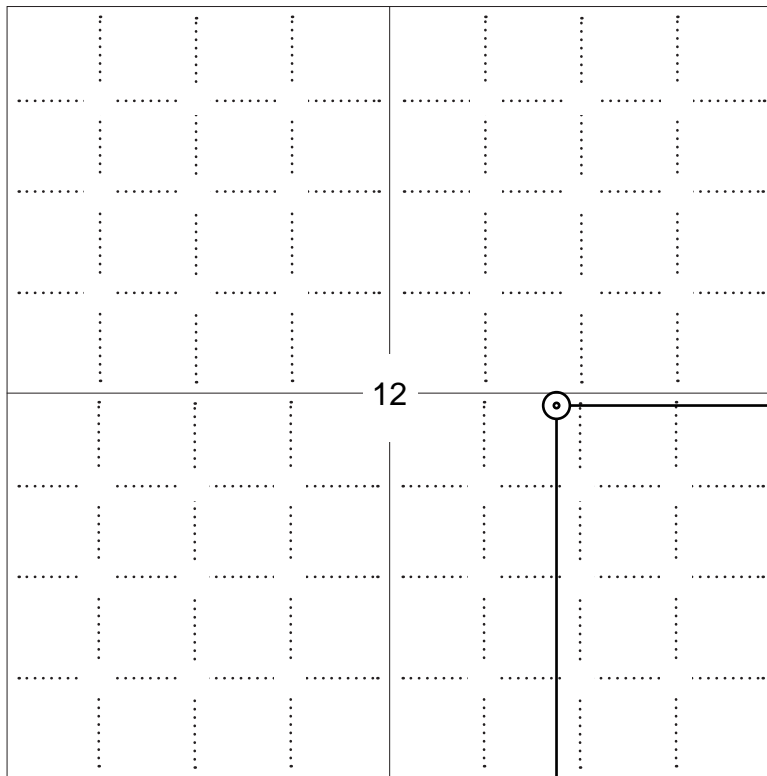
If Section is Irregular, locate well from nearest corner boundary.

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 locaton.

2550 ft.

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 1037301
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	

OIL AND GAS LEASE



Kansas Blue Print
700 S Broadway, PO Box 793
Wichita, KS 67201-0793
316-264-9344 -- 264-
5185 Fax
www.kbp.com -kbp@kbp.com

AGREEMENT, Made and entered into the 13th day of March 2009
by and between _____

Henry Forrest York, as Trustee of the Henry Forrest York Trust, dated September 7, 1999

whose mailing address is 5001 West Highway 4, Healy, Kansas 67850 hereinafter called Lessor (whether one or more),

and J. Fred Hambright, Inc., 125 North Market, Suite 1415, Wichita, KS 67202 hereinafter called Lessee.
Lessor, in consideration of Ten and more 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:

See DESCRIPTION RIDER attached hereto and made a part hereof.

In Section XXX Township XXX Range XXX and containing 320 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 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 operation 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 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, Regulation, or actions of the elements.

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 of tracts contiguous to one another and to be into a unit or units not exceeding 160 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 this acreage placed in the unit or this royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.

See EXHIBIT "A" attached hereto and made a part hereof.

See RIDER attached hereto and made a part hereof.

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

The Henry Forrest York Trust, dated September 7, 1999

X Henry Forrest York
(Henry Forrest York, Trustee)

STATE OF Kansas ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)
COUNTY OF Lanc
The foregoing instrument was acknowledged before me this 18th day of March, 2009
by Henry Forrest York, as Trustee of the Henry Forrest York Trust, dated September 7, 1999



Lois D. Fenster
Notary Public

Lois D. Fenster

My commission expires _____

STATE OF _____ ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)
COUNTY OF _____
The foregoing instrument was acknowledged before me this _____ day of _____
by _____

My commission expires _____
Notary Public

STATE OF _____ ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)
COUNTY OF _____
The foregoing instrument was acknowledged before me this _____ day of _____
by _____

My commission expires _____
Notary Public

STATE OF _____ ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)
COUNTY OF _____
The foregoing instrument was acknowledged before me this _____ day of _____
by _____

My commission expires _____
Notary Public

OIL AND GAS LEASE

No. _____ FROM _____ TO _____
Date _____
Section _____ Twp. _____ Rfc. _____
No. of Acres _____ Term _____
County _____
STATE OF Kansas County Lanc
This instrument was filed for record on the 10 day of April, 2009 at 2:00 o'clock P. M. and duly recorded in Book 126 Page 35 of the records of this office.
By Lois D. Fenster Register of Deeds
When recorded, return to _____
NUMERICAL _____
DIRECT _____
INDIRECT _____
COMP. ORIG. _____
COMPUTER _____

STATE OF _____ ACKNOWLEDGMENT FOR CORPORATION (KsOkCoNe)
COUNTY OF _____
The foregoing instrument was acknowledged before me this _____ day of _____
by _____ of _____
corporation, on behalf of the corporation.
My commission expires _____
Notary Public

DESCRIPTION RIDER

Notwithstanding any provisions of this lease, or any wording contained in this lease (such as “the lands”, “this lease”, or any similar terms) each of the separately designated tracts (“Tracts”) to this lease shall be treated for all purposes as a separate and distinct lease. All provisions contained in this lease form shall be applicable to each separate tract and construed as if a separate lease agreement had been made and executed covering each separate tract.

All the following described real estate situated in the county of Lane, state of Kansas, to-wit:

Township 17-South, Range 30-West
Tract I: Section 12: SE/4
Tract II: Section 12: NE/4, less a tract described as follows:

Beginning at the Northwest corner of the Northeast Quarter (NE/4) of Section 12, Township 17 South, Range 30 West, thence in an Easterly direction 340.00 feet, thence South 213.00 feet, thence West 340.00 feet, thence North 213.00 feet to the place of beginning.

Tract contains in all 1.66 acres less right of way for public road.

Attached to and made a part of that certain oil & gas lease dated March 13th, 2009 by and between:

Henry Forrest York, as Trustee of the Henry Forrest York Trust, dated September 7, 1999
5001 West Highway 4
Healy, Kansas 67850, Lessor

and

J. Fred Hambright, Inc.
125 North Market, Suite 1415
Wichita, KS 67202, Lessee

EXHIBIT "A"

If at the end of the primary term, this lease is not otherwise continued in force under the provisions hereof, this lease shall expire, unless Lessee on or before the end of the primary term shall pay or tender to Lessor, the sum of \$10.00-----multiplied by the number of net mineral acres owned by Lessor in the land above described and then subject to this lease; and subject to the other provisions of this lease, the primary term shall be extended for an additional term of Two(2) years from the end of the primary term hereof.

CRP Provisions: The Lessee acknowledges that all or part of the land covered by the Addendum may be enrolled in the Conservation Reserve Program (CRP) of the Commodity Credit Corporation (CCC), United States Department of Agriculture. In such event the Lessee shall be responsible for obtaining prior written approval from the local FSA Office before entering the premise for the purpose of drilling a well. As long as any land is enrolled in the CRP, the lessee shall be obligated, at Lessee's expense, to reseed and establish native grass cover on the well site and the adjoining land used in the drilling operations, and to take all necessary precautions to prevent soil erosion resulting from drilling operations. Such work shall be performed in a good and workmanlike manner and in such manner as may be required by the FSA under the terms of the CRP Contract. If drilling a well causes Lessor to lose any benefits of the CRP contract, including repayment of past CRP payment, or loss of future CRP payment, Lessee shall reimburse Lessor for such damages. Lessee agrees to hold Lessor harmless from penalties or liquidated damages assessed by the Conservation Reserve Program as a result of Lessee's operations. The Lessee will be liable and will either pay the FSA or repay the Lessor for any refund of cost sharing payments, annual rental payments, other payments or liquidated damages to the Farm Services Agency (FSA), and the Lessee will re-establish any disturbed cover as required by the FSA on the affected acres after the Lessee completes operations to the extent necessary to enable the Lessor to sign up the land in a subsequent sign up. The determination by the FSA shall be determinative on all parties as to amounts to be paid or repaid and the restoration of the affected acres.

Notwithstanding any provisions of this lease, or any wording contained in this lease (such as "the lands", "this lease", or any similar terms) each of the separately designated tracts ("Tracts") to this lease shall be treated for all purposes as a separate and distinct lease. All provisions contained in this lease form shall be applicable to each separate tract and construed as if a separate lease agreement had been made and executed covering each separate tract.

Lessee shall consult with Lessor in regard to the route of ingress and egress on said premises for the purpose of seismograph, drilling and production.

In event of drilling operations on the above described land, Lessee or assigns further agree to return the surface to its original contour as nearly as is practicable.

Signed for identification:


(Henry Forrest York, Trustee)

Attached to and made a part of that certain oil & gas lease dated March 13th, 2009 by and between:

Henry Forrest York, as Trustee of the Henry Forrest York Trust, dated September 7, 1999
5001 West Highway 4
Healy, Kansas 67850, Lessor

and

J. Fred Hambright, Inc.
125 North Market, Suite 1415
Wichita, KS 67202, Lessee

RIDER

If the lands covered hereby are irrigated by the use of a self-propelled overhead sprinkler system, presently in operation or installed hereafter, the Lessee, prior to conducting operations hereon, shall consult with the Lessor in regard to said drilling operations. Said operations shall be conducted in such a manner as will least disturb or interfere with Lessor's irrigation system or the surface contours of the leased premises. Should any alterations to the surface contours be caused by its operations, Lessee, or its assigns shall restore said surface contours to their former condition as nearly as practicable. In the event of production and continued use of the surface, Lessee, or its assigns, will restore or prepare the surface and situate and install all equipment needed in connection therewith, so that Lessee's use thereof will not interfere with the passage of said overhead sprinkler irrigation system. Lessee shall consult with Lessor in regard to the route of ingress and egress on said leased premises for the purpose of drilling and production.

Lessor shall have the right to take, in kind, in lieu of money royalty, gas produced from any gas well drilled on the land herein described or on any land with which it is unitized, solely for use as fuel to pump water for irrigation of crops grown on the land herein described or on other lands farmed by Lessor, which right shall be subject to the following terms and conditions:

- (1) The quantity of gas taken shall not exceed the fraction of gas produced each month which Lessor is entitled to receive as royalty from the gas produced from such well, and a corresponding reduction shall be made in gas royalty payments under the terms of this lease. The value of said gas being based on well head price.
- (2) Any gas so purchased by Lessor shall be purchased at a point to be designated by Lessee at or near the mouth of the well.
- (3) The Lessee shall install, operate and maintain at or near said designated point all connections, regulators and meters necessary to control and measure such gas, at the sole cost of Lessor.
- (4) All such meters and appurtenant equipment shall remain the property of Lessee. Lessor, at his own risk and expense and at locations that will not interfere with Lessee's lease operations, shall install, operate and maintain the line necessary to service the engine operating the pumping equipment.
- (5) The equipment and facilities used in the purchase measurement and transportation of such gas and utilization and operation thereof shall at all times be in compliance with all reasonable current requirements of Lessee. Lessor will at all times hold Lessee harmless from all claims and liabilities arising from the taking, transportation and use of such gas.
- (6) Nothing herein contained shall operate by implication to enlarge or increase the obligations which Lessee would have in the absence of this section as to the operation of said well or impair any right it would otherwise have to determine the quantity of gas it shall produce at any particular time; and the purchase, transportation and use of such gas shall be without interference with or danger to Lessee's property or its rights and operations under the lease.
- (7) Should a breach of Lessor's obligation occur under this paragraph, Lessee shall notify Lessor in writing of such breach and Lessor shall remedy same within thirty (30) days, or Lessor's privilege, hereunder, to purchase such gas shall be revoked.
- (8) The well head price hereunder shall be the price per Mmbtu, including all escalations, adjustments and allowances, received by the Lessee for the sale of its gas produced from the leased premises.
- (9) It is understood that the gas supplied to the Lessor is raw gas as produced at the well, and Lessee shall have no obligation to odorize the same; that the gas may contain water, natural gasoline or other liquids; that the pressure at the delivery point may fluctuate, and Lessor assumes the risk thereof.

The leased premise is now under ~~the~~ ^{SPRINKLER} irrigation. At such time as Lessee desires to commence drilling operations thereon, Lessee shall consult with Lessor in regard to and shall conduct its operations in such a manner as will least disturb, interfere with, or damage Lessor's irrigation system or the surface contours of the leased premises. Lessee shall promptly restore any damage caused by it to said irrigation system and/or surface contours to their former condition as nearly as possible. In the event of production and continued use of the surface, Lessee will restore or prepare the surface so that the Lessee's use thereof will not prohibit use of remaining ground. Lessee shall consult with Lessor in regard to the route of ingress and egress on said premises for the purpose of drilling and production as to use of the surface for such ingress and egress.