



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

KANSAS CORPORATION COMMISSION 1037857
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
 (AAA) _____ 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: _____



1037857

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

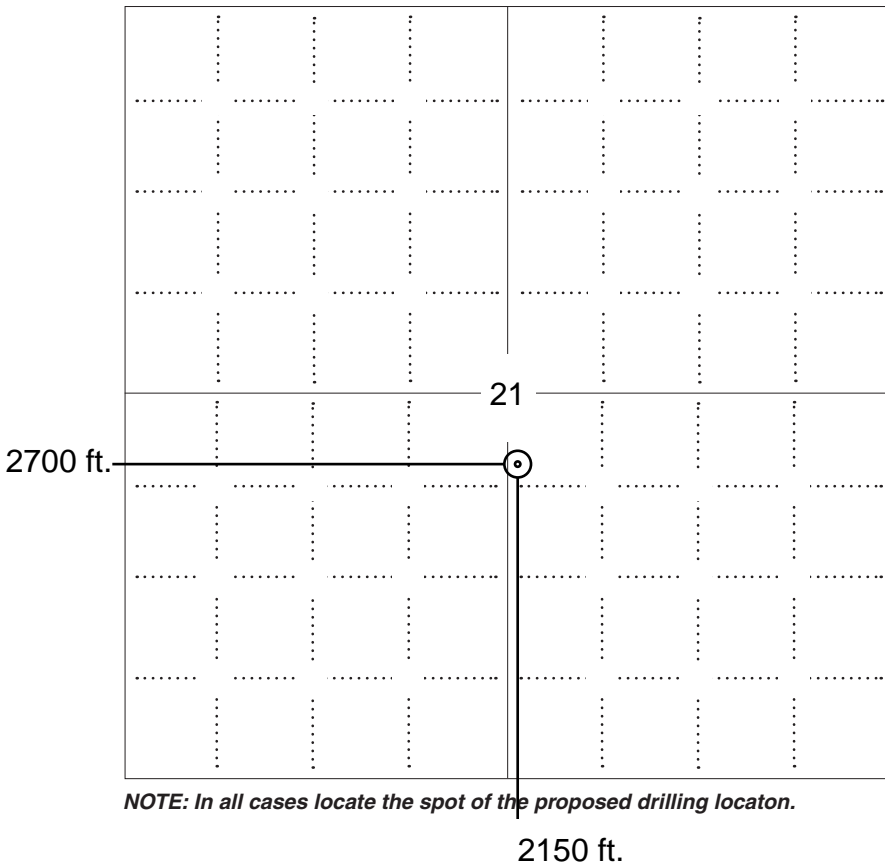
If Section is Irregular, locate well from nearest corner boundary.

Section corner used: NE NW SE SW

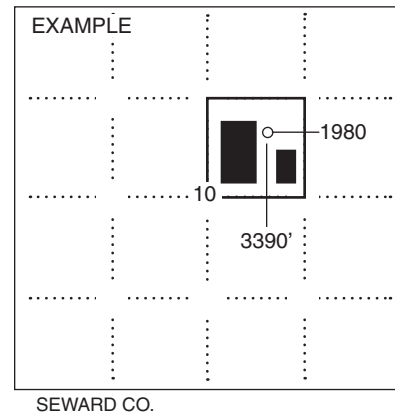
PLAT

(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.



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 1037857
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

Reorder No. 09-115



Kansas Blue Print 700 S. Broadway PO Box 703 Wichita, KS 67201-0703 316-264-9344 264-5165 fax www.kbp.com kbp@kbp.com

AGREEMENT, Made and entered into the 8th day of June 2007 by and between Juanita Janssen, Trustee of the Juanita Janssen Revocable Trust dated February 19, 1990

whose mailing address is 701 College, Scott City, KS 67871 hereinafter called Lessor (whether one or more), and Meridian Energy, Inc. - 1475 N. Ward Circle, Franktown, CO 80116 hereinafter called Lessee:

Lessor, in consideration of One or More Dollars (\$ 1.00 or More) 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 Scott State of Kansas described as follows to-wit:

Township 17-South, Range 31-West Sec. 21: SE/4

In Section Township Range 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 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 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 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 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.

SEE ADDENDUM ATTACHED HERETO AND MADE A PART HEREOF:



STATE OF KANSAS, SCOTT COUNTY, SS This instrument was filed for record on the 1 day of November A.D. 2007 10 o'clock A.M., and duly recorded in book 215 page 113 Debbin Murphy \$ 20.00 Register of Deeds

COMPUTER NUMERICAL

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

Juanita Janssen, Trustee

ADDENDUM

Notwithstanding any provisions to the contrary in the printed portion of the oil and gas lease stated above, the parties hereto agree that the following provisions of this addendum hereafter set forth shall apply:

1. It is agreed by the Lessor and Lessee that where all the references to "one-eighth (1/8)" royalty on oil and gas produced shall be changed to "fifteen percent (15%)".
2. No right is granted to the Lessee to erect on any part of said premises any plant or facility for gasoline extraction or for the processing of gas or petroleum substances, except the normal and necessary heater treater and separator customarily used. Lessee specifically agrees to build any meter houses, separators, heater treaters and storage tanks for the purpose of producing and saving any oil and gas upon the above described premises. No storage tanks shall be built farther than one hundred (100) feet from such county road or roadway adjoining such property without Lessor's consent.
3. In the event there is no production in paying quantities found by any operations undertaken by Lessee and there is an abandonment of said lease, Lessee shall fill all pits, ponds and remove all structures and reasonably restore the premises to the condition existing at the time the lease was executed.
4. Lessee agrees to pay Lessor the sum of \$2,500 for each well drilled on the premises. Lessee agrees that this payment covers only those damages usually incurred in the preparation, drilling, completion and producing or plugging and abandonment of an oil and gas well. Lessee agrees to compensate Lessor for any extraordinary damages incurred in such activities. If Lessor and Lessee disagree on such damage, Lessee and Lessor agree to appoint an appraiser to review the damages and determine whether they are extraordinary and whether additional compensation is due.
5. Subject to all applicable rules and regulations of the appropriate governmental authorities, this lease contemplates the full prospecting and development of oil and gas of the land hereby leased, including the obligation to offset producing wells on the leased premises commensurate with practices of the oil and gas industry. After the primary term, Lessee agrees to drill as many offset wells as may be necessary and prudent and commensurate with practices in the oil and gas industry, to prevent any undue drainage of oil or gas from the land included herein which are being subject to drainage, upon written demand.
6. The Installation of any salt water disposal equipment by Lessee in the operation of the lease shall be subject to the approval of Lessor's tenant. Lessee shall not be permitted to use any well drilled on the leased premises as a salt water disposal well without the written consent of Lessor's tenant and without compensating the tenant for the use thereof. The compensation rate will be \$100 per month per well. The terms of this paragraph do not apply to the disposal of salt water produced from wells located on lands covered by this lease. Lessor agrees to allow Lessee the right to dispose of salt water from other leased tracts described as follows: NE/4, SE/4 & SW/4 of 17s-31w, NE/4 of 28-17s-31w and NW/4 and SE/4 of 22-17s-31w.
7. Lessee agrees to consult with Lessor concerning the route of all access roads located on the property and agrees to comply with all reasonable requests of Lessor concerning their location. There shall be no oil road surfaces of hard surfacing of any access roads without the written consent of Lessor.
8. All utility lines shall be buried to a depth of forth-eight inches ("48") upon written request by Lessor.
9. In the event of oil or gas production under this lease, if the annual royalty due under the lease terms is not equal to the sum of \$5.00 per acre per year, Lessee agrees to pay the additional sum due to equal said sum of \$5.00 per acre per year. Such sum shall be paid within thirty (30) days following the anniversary date of said lease. If not paid this lease shall terminate with respect to all parties, and in such event, Lessee agrees to file a written release of said lease of record.
10. Lessor and his representatives, at his own risk, shall have access to any and all wells drilled upon the land, and shall, at written request, be furnished with information pertaining to the drilling, testing and operation of such wells. In the event gas is encountered in paying quantities, Lessor, upon written request, shall be furnished with the results of periodic G.P.M. tests taken from any gas wells located thereon.
11. It is expressly agreed, notwithstanding anything to the contrary herein, if this lease is in force and effect at the time of expiration of the primary term, the lease shall thereupon terminate as to all depths 100 feet below the deepest depth penetrated by the drilling of a well or wells on the described land or lands pooled therewith, except if drilling is in progress at the end of the primary term. It is expressly agreed that if Lessee shall commence drilling operations at any time while this lease is in force, the lease shall remain in force and its terms shall continue so long as such operations are prosecuted. It is the intent for Lessee to earn all rights to 100' below the total depth drilled on the lease premises or lands pooled therewith.
12. Lessee shall not commence any drilling operations upon the leased premises without first consulting with Lessor as to the location of the proposed drilling site, and if at that time there is a growing crop on the premises and if the crop is ready for harvest, Lessee agrees to delay the commencement of drilling operations until after such crop has been harvested, and if the lease is within 60 days of expiration at such time then the lease will be extended by the amount of time equal to the number of days Lessee is delayed in commencing drilling operations as result of harvesting any such crop. If Lessee can compensate tenant and Lessor to their satisfaction for growing crop then drilling may proceed.

13. Lessee agrees that it will use its best efforts to obtain the best possible price for production under this lease. In no event shall the price received by Lessor be less than the price paid to the Lessee in a third-party transaction.

14. Lessee agrees to use and appropriate only so much ground water from the leased premises as is required for drilling operations on the leased premises.

15. In the event Lessee shall fail to perform any of the terms, covenants, or conditions contained in this lease, and should such default continue for ninety (90) days after Lessor has given written notice to Lessee at the address stated in the lease by certified mail, return receipt requested, of such default, then Lessor may declare this lease null and void and of no further force and effect. In the event of a default resulting in termination of this lease, Lessee shall retain all interest in any wells Lessee has developed which are then producing, however, Lessee shall lose its right to continue prospecting and developing the leased premises for oil and gas, and Lessor shall have the right to release the premises for oil and gas development and exploration as Lessor sees fit.

16. If this lease is assigned any assignment of any interest in said lease then any interest in said lease shall be placed on record, and the Lessee shall notify Lessor in writing of said assignment.

17. If gas is found lessor shall have free use of gas for Irrigation purposes

18. This lease and all its terms conditions and stipulations shall extend to and be binding on all heirs, grantees, administrators or assigns, of said Lessor or Lessee.

IN WITNESS WHEREOF, I sign the day and year first above written.

SIGNED FOR IDENTIFICATION:


Juanita Janssen, Trustee

OIL AND GAS LEASE



AGREEMENT, Made and entered into the 8th day of June 2007

by and between Juanita Janssen, Trustee of the Juanita Janssen Revocable Trust dated February 19, 1990

whose mailing address is 701 College, Scott City, KS 67871 hereinafter called Lessor (whether one or more), and Meridian Energy, Inc. - 1475 N. Ward Circle, Franktown, CO 80116

Lessor, in consideration of One or More Dollars (\$ 1.00 or More) 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 Scott State of Kansas described as follows to-wit:

Township 17-South, Range 31-West Sec. 21: SW/4

In Section Township Range 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 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 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 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 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.

SEE ADDENDUM ATTACHED HERETO AND MADE A PART HEREOF:

STATE OF KANSAS, SCOTT COUNTY, SS

This instrument was filed for record on the

1 day of November A.D. 2007

10 o'clock A.M., and duly recorded in book

215 page 114

Debbie Murphy

\$ 20.00 Registrar of Deeds

COMPUTER NUMERICAL



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

Juanita Janssen, Trustee

ADDENDUM

Notwithstanding any provisions to the contrary in the printed portion of the oil and gas lease stated above, the parties hereto agree that the following provisions of this addendum hereafter set forth shall apply:

1. It is agreed by the Lessor and Lessee that where all the references to "one-eighth (1/8)" royalty on oil and gas produced shall be changed to "fifteen percent (15%)".
2. No right is granted to the Lessee to erect on any part of said premises any plant or facility for gasoline extraction or for the processing of gas or petroleum substances, except the normal and necessary heater treater and separator customarily used. Lessee specifically agrees to build any meter houses, separators, heater treaters and storage tanks for the purpose of producing and saving any oil and gas upon the above described premises. No storage tanks shall be built farther than one hundred (100) feet from such county road or roadway adjoining such property without Lessor's consent.
3. In the event there is no production in paying quantities found by any operations undertaken by Lessee and there is an abandonment of said lease, Lessee shall fill all pits, ponds and remove all structures and reasonably restore the premises to the condition existing at the time the lease was executed.
4. Lessee agrees to pay Lessor the sum of \$2,500 for each well drilled on the premises. Lessee agrees that this payment covers only those damages usually incurred in the preparation, drilling, completion and producing or plugging and abandonment of an oil and gas well. Lessee agrees to compensate Lessor for any extraordinary damages incurred in such activities. If Lessor and Lessee disagree on such damage, Lessee and Lessor agree to appoint an appraiser to review the damages and determine whether they are extraordinary and whether additional compensation is due.
5. Subject to all applicable rules and regulations of the appropriate governmental authorities, this lease contemplates the full prospecting and development of oil and gas of the land hereby leased, including the obligation to offset producing wells on the leased premises commensurate with practices of the oil and gas industry. After the primary term, Lessee agrees to drill as many offset wells as may be necessary and prudent and commensurate with practices in the oil and gas industry, to prevent any undue drainage of oil or gas from the land included herein which are being subject to drainage, upon written demand.
6. The Installation of any salt water disposal equipment by Lessee in the operation of the lease shall be subject to the approval of Lessor's tenant. Lessee shall not be permitted to use any well drilled on the leased premises as a salt water disposal well without the written consent of Lessor's tenant and without compensating the tenant for the use thereof. The compensation rate will be \$100 per month per well. The terms of this paragraph do not apply to the disposal of salt water produced from wells located on lands covered by this lease. Lessor agrees to allow Lessee the right to dispose of salt water from other leased tracts described as follows: NE/4, SE/4 & SW/4 of 17s-31w, NE/4 of 28-17s-31w and NW/4 and SE/4 of 22-17s-31w.
7. Lessee agrees to consult with Lessor concerning the route of all access roads located on the property and agrees to comply with all reasonable requests of Lessor concerning their location. There shall be no oil road surfaces of hard surfacing of any access roads without the written consent of Lessor.
8. All utility lines shall be buried to a depth of forth-eight inches ("48") upon written request by Lessor.
9. In the event of oil or gas production under this lease, if the annual royalty due under the lease terms is not equal to the sum of \$5.00 per acre per year, Lessee agrees to pay the additional sum due to equal said sum of \$5.00 per acre per year. Such sum shall be paid within thirty (30) days following the anniversary date of said lease. If not paid this lease shall terminate with respect to all parties, and in such event, Lessee agrees to file a written release of said lease of record.
10. Lessor and his representatives, at his own risk, shall have access to any and all wells drilled upon the land, and shall, at written request, be furnished with information pertaining to the drilling, testing and operation of such wells. In the event gas is encountered in paying quantities, Lessor, upon written request, shall be furnished with the results of periodic G.P.M. tests taken from any gas wells located thereon.
11. It is expressly agreed, notwithstanding anything to the contrary herein, if this lease is in force and effect at the time of expiration of the primary term, the lease shall thereupon terminate as to all depths 100 feet below the deepest depth penetrated by the drilling of a well or wells on the described land or lands pooled therewith, except if drilling is in progress at the end of the primary term. It is expressly agreed that if Lessee shall commence drilling operations at any time while this lease is in force, the lease shall remain in force and its terms shall continue so long as such operations are prosecuted. It is the intent for Lessee to earn all rights to 100' below the total depth drilled on the lease premises or lands pooled therewith.
12. Lessee shall not commence any drilling operations upon the leased premises without first consulting with Lessor as to the location of the proposed drilling site, and if at that time there is a growing crop on the premises and if the crop is ready for harvest, Lessee agrees to delay the commencement of drilling operations until after such crop has been harvested, and if the lease is within 60 days of expiration at such time then the lease will be extended by the amount of time equal to the number of days Lessee is delayed in commencing drilling operations as result of harvesting any such crop. If Lessee can compensate tenant and Lessor to their satisfaction for growing crop then drilling may proceed.

13. Lessee agrees that it will use its best efforts to obtain the best possible price for production under this lease. In no event shall the price received by Lessor be less than the price paid to the Lessee in a third-party transaction.

14. Lessee agrees to use and appropriate only so much ground water from the leased premises as is required for drilling operations on the leased premises.

15. In the event Lessee shall fail to perform any of the terms, covenants, or conditions contained in this lease, and should such default continue for ninety (90) days after Lessor has given written notice to Lessee at the address stated in the lease by certified mail, return receipt requested, of such default, then Lessor may declare this lease null and void and of no further force and effect. In the event of a default resulting in termination of this lease, Lessee shall retain all interest in any wells Lessee has developed which are then producing, however, Lessee shall lose its right to continue prospecting and developing the leased premises for oil and gas, and Lessor shall have the right to release the premises for oil and gas development and exploration as Lessor sees fit.


16. If this lease is assigned any assignment of any interest in said lease then any interest in said lease shall be placed on record, and the Lessee shall notify Lessor in writing of said assignment.

17. If gas is found lessor shall have free use of gas for Irrigation purposes

18. This lease and all its terms conditions and stipulations shall extend to and be binding on all heirs, grantees, administrators or assigns, of said Lessor or Lessee.

IN WITNESS WHEREOF, I sign the day and year first above written.

SIGNED FOR IDENTIFICATION:


Juanita Janssen, Trustee

63U (Rev. 1993)

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 8th day of June, 2007

by and between Mark Janssen and Peggy J. Janssen, his wife

whose mailing address is 2121 Hillview Dr, Manhattan, KS 66502 hereinafter called Lessor (whether one or more), and Meridian Energy, Inc. - 1475 N. Ward Circle, Franktown, CO 80116 hereinafter called Lessee:

Lessor, in consideration of One or More Dollars (\$ 1.00 or More) 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 Scott State of Kansas described as follows to-wit:

Township 17-South, Range 31-West Sec. 21: SE/4

In Section Township Range 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 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 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 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 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.

SEE ADDENDUM ATTACHED HERETO AND MADE A PART HEREOF:

STATE OF KANSAS, SCOTT COUNTY, SS This instrument was filed for record on the 1 day of November A.D. 2007 10 o'clock A.M., and duly recorded in book 215 page 90 Debbie Murphy Register of Deeds \$ 20.00



COMPUTER NUMERICAL

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

Witnesses: Peggy J. Janssen

Mark Janssen

ADDENDUM

Notwithstanding any provisions to the contrary in the printed portion of the oil and gas lease stated above, the parties hereto agree that the following provisions of this addendum hereafter set forth shall apply:

1. It is agreed by the Lessor and Lessee that where all the references to "one-eighth (1/8)" royalty on oil and gas produced shall be changed to "fifteen percent (15%)".
2. No right is granted to the Lessee to erect on any part of said premises any plant or facility for gasoline extraction or for the processing of gas or petroleum substances, except the normal and necessary heater treater and separator customarily used. Lessee specifically agrees to build any meter houses, separators, heater treaters and storage tanks for the purpose of producing and saving any oil and gas upon the above described premises. No storage tanks shall be built farther than one hundred (100) feet from such county road or roadway adjoining such property without Lessor's consent.
3. In the event there is no production in paying quantities found by any operations undertaken by Lessee and there is an abandonment of said lease, Lessee shall fill all its ponds and remove all structures and reasonably restore the premises to the condition existing at the time the lease was executed.
4. Lessee agrees to pay Lessor the sum of \$2,500 for each well drilled on the premises. Lessee agrees that this payment covers only those damages usually incurred in the preparation, drilling, completion and producing or plugging and abandonment of an oil and gas well. Lessee agrees to compensate Lessor for any extraordinary damages incurred in such activities. If Lessor and Lessee disagree on such damage, Lessee and Lessor agree to appoint an appraiser to review the damages and determine whether they are extraordinary and whether additional compensation is due.
5. Subject to all applicable rules and regulations of the appropriate governmental authorities, this lease contemplates the full prospecting and development of oil and gas of the land hereby leased, including the obligation to offset producing wells on the leased premises commensurate with practices of the oil and gas industry. After the primary term, Lessee agrees to drill as many offset wells as may be necessary and prudent and commensurate with practices in the oil and gas industry, to prevent any undue drainage of oil or gas from the land included herein which are being subject to drainage, upon written demand.
6. The Installation of any salt water disposal equipment by Lessee in the operation of the lease shall be subject to the approval of Lessor's tenant. Lessee shall not be permitted to use any well drilled on the leased premises as a salt water disposal well without the written consent of Lessor's tenant and without compensating the tenant for the use thereof. The compensation rate will be \$100 per month per well. The terms of this paragraph do not apply to the disposal of salt water produced from wells located on lands covered by this lease. Lessor agrees to allow Lessee the right to dispose of salt water from other leased tracts described as follows: NE/4, SE/4 & SW/4 of 17s-31w, NE/4 of 28-17s-31w and NW/4 and SE/4 of 22-17s-31w.
7. Lessee agrees to consult with Lessor concerning the route of all access roads located on the property and agrees to comply with all reasonable requests of Lessor concerning their location. There shall be no oil road surfaces of hard surfacing of any access roads without the written consent of Lessor.
8. All utility lines shall be buried to a depth of forth-eight inches ("48") upon written request by Lessor.
9. In the event of oil or gas production under this lease, if the annual royalty due under the lease terms is not equal to the sum of \$5.00 per acre per year, Lessee agrees to pay the additional sum due to equal said sum of \$5.00 per acre per year. Such sum shall be paid within thirty (30) days following the anniversary date of said lease. If not paid this lease shall terminate with respect to all parties, and in such event, Lessee agrees to file a written release of said lease of record.
10. Lessor and his representatives, at his own risk, shall have access to any and all wells drilled upon the land, and shall, at written request, be furnished with information pertaining to the drilling, testing and operation of such wells. In the event gas is encountered in paying quantities, Lessor, upon written request, shall be furnished with the results of periodic G.P.M. tests taken from any gas wells located thereon.
11. It is expressly agreed, notwithstanding anything to the contrary herein, if this lease is in force and effect at the time of expiration of the primary term, the lease shall thereupon terminate as to all depths 100 feet below the deepest depth penetrated by the drilling of a well or wells on the described land or lands pooled therewith, except if drilling is in progress at the end of the primary term. It is expressly agreed that if Lessee shall commence drilling operations at any time while this lease is in force, the lease shall remain in force and its terms shall continue so long as such operations are prosecuted. It is the intent for Lessee to earn all rights to 100' below the total depth drilled on the lease premises or lands pooled therewith.
12. Lessee shall not commence any drilling operations upon the leased premises without first consulting with Lessor as to the location of the proposed drilling site, and if at that time there is a growing crop on the premises and if the crop is ready for harvest, Lessee agrees to delay the commencement of drilling operations until after such crop has been harvested, and if the lease is within 60 days of expiration at such time then the lease will be extended by the amount of time equal to the number of days Lessee is delayed in commencing drilling operations as result of harvesting any such crop. If Lessee can compensate tenant and Lessor to their satisfaction for growing crop then drilling may proceed.

13. Lessee agrees that it will use its best efforts to obtain the best possible price for production under this lease. In no event shall the price received by Lessor be less than the price paid to the Lessee in a third-party transaction.

14. Lessee agrees to use and appropriate only so much ground water from the leased premises as is required for drilling operations on the leased premises.

15. In the event Lessee shall fail to perform any of the terms, covenants, or conditions contained in this lease, and should such default continue for ninety (90) days after Lessor has given written notice to Lessee at the address stated in the lease by certified mail, return receipt requested, of such default, then Lessor may declare this lease null and void and of no further force and effect. In the event of a default resulting in termination of this lease, Lessee shall retain all interest in any wells Lessee has developed which are then producing, however, Lessee shall lose its right to continue prospecting and developing the leased premises for oil and gas, and Lessor shall have the right to release the premises for oil and gas development and exploration as Lessor sees fit.

16. If this lease is assigned any assignment of any interest in said lease then any interest in said lease shall be placed on record, and the Lessee shall notify Lessor in writing of said assignment.

17. If gas is found lessor shall have free use of gas for Irrigation purposes

18. This lease and all its terms conditions and stipulations shall extend to and be binding on all heirs, grantees, administrators or assigns, of said Lessor or Lessee.

IN WITNESS WHEREOF, I sign the day and year first above written.

SIGNED FOR IDENTIFICATION:



Mark Janssen



Peggy J. Janssen

OIL AND GAS LEASE

Reorder No. 09-115



Kansas Blue Print 700 S. Broadway PO Box 703 Wichita, KS 67201-0703 316-264-0344 • 264-5165 fax www.kbp.com • kbp@kbp.com

AGREEMENT, Made and entered into the 8th day of June 2007 by and between Mark Janssen and Peggy J. Janssen, his wife

whose mailing address is 2121 Hillview Dr, Manhattan, KS 66502 hereinafter called Lessor (whether one or more), and Meridian Energy, Inc. - 1475 N. Ward Circle, Franktown, CO 80116

hereinafter called Lessee: Lessor, in consideration of One or More Dollars (\$ 1.00 or More) 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 Scott State of Kansas described as follows to-wit:

Township 17-South, Range 31-West Sec. 21: SW/4

In Section Township Range 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 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 lessor 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 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 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 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.

SEE ADDENDUM ATTACHED HERETO AND MADE A PART HEREOF:

STATE OF KANSAS, SCOTT COUNTY, SS

This instrument was filed for record on the

1 day of November A.D. 2007

10 o'clock a.m., and duly recorded in book

245 page 91

Dessie Murphy

\$ 20.00 Register of Deeds



COMPUTER NUMERICAL

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

Signature of Peggy J. Janssen

Signature of Mark Janssen

ADDENDUM

Notwithstanding any provisions to the contrary in the printed portion of the oil and gas lease stated above, the parties hereto agree that the following provisions of this addendum hereafter set forth shall apply:

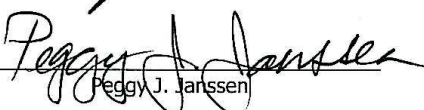
1. It is agreed by the Lessor and Lessee that where all the references to "one-eighth (1/8)" royalty on oil and gas produced shall be changed to "fifteen percent (15%)".
2. No right is granted to the Lessee to erect on any part of said premises any plant or facility for gasoline extraction or for the processing of gas or petroleum substances, except the normal and necessary heater treater and separator customarily used. Lessee specifically agrees to build any meter houses, separators, heater treaters and storage tanks for the purpose of producing and saving any oil and gas upon the above described premises. No storage tanks shall be built farther than one hundred (100) feet from such county road or roadway adjoining such property without Lessor's consent.
3. In the event there is no production in paying quantities found by any operations undertaken by Lessee and there is an abandonment of said lease, Lessee shall fill all pits, ponds and remove all structures and reasonably restore the premises to the condition existing at the time the lease was executed.
4. Lessee agrees to pay Lessor the sum of \$2,500 for each well drilled on the premises. Lessee agrees that this payment covers only those damages usually incurred in the preparation, drilling, completion and producing or plugging and abandonment of an oil and gas well. Lessee agrees to compensate Lessor for any extraordinary damages incurred in such activities. If Lessor and Lessee disagree on such damage, Lessee and Lessor agree to appoint an appraiser to review the damages and determine whether they are extraordinary and whether additional compensation is due.
5. Subject to all applicable rules and regulations of the appropriate governmental authorities, this lease contemplates the full prospecting and development of oil and gas of the land hereby leased, including the obligation to offset producing wells on the leased premises commensurate with practices of the oil and gas industry. After the primary term, Lessee agrees to drill as many offset wells as may be necessary and prudent and commensurate with practices in the oil and gas industry, to prevent any undue drainage of oil or gas from the land included herein which are being subject to drainage, upon written demand.
6. The Installation of any salt water disposal equipment by Lessee in the operation of the lease shall be subject to the approval of Lessor's tenant. Lessee shall not be permitted to use any well drilled on the leased premises as a salt water disposal well without the written consent of Lessor's tenant and without compensating the tenant for the use thereof. The compensation rate will be \$100 per month per well. The terms of this paragraph do not apply to the disposal of salt water produced from wells located on lands covered by this lease. Lessor agrees to allow Lessee the right to dispose of salt water from other leased tracts described as follows: NE/4, SE/4 & SW/4 of 17s-31w, NE/4 of 28-17s-31w and NW/4 and SE/4 of 22-17s-31w.
7. Lessee agrees to consult with Lessor concerning the route of all access roads located on the property and agrees to comply with all reasonable requests of Lessor concerning their location. There shall be no oil road surfaces of hard surfacing of any access roads without the written consent of Lessor.
8. All utility lines shall be buried to a depth of four-eight inches ("48") upon written request by Lessor.
9. In the event of oil or gas production under this lease, if the annual royalty due under the lease terms is not equal to the sum of \$5.00 per acre per year, Lessee agrees to pay the additional sum due to equal said sum of \$5.00 per acre per year. Such sum shall be paid within thirty (30) days following the anniversary date of said lease. If not paid this lease shall terminate with respect to all parties, and in such event, Lessee agrees to file a written release of said lease of record.
10. Lessor and his representatives, at his own risk, shall have access to any and all wells drilled upon the land, and shall, at written request, be furnished with information pertaining to the drilling, testing and operation of such wells. In the event gas is encountered in paying quantities, Lessor, upon written request, shall be furnished with the results of periodic G.P.M. tests taken from any gas wells located thereon.
11. It is expressly agreed, notwithstanding anything to the contrary herein, if this lease is in force and effect at the time of expiration of the primary term, the lease shall thereupon terminate as to all depths 100 feet below the deepest depth penetrated by the drilling of a well or wells on the described land or lands pooled therewith, except if drilling is in progress at the end of the primary term. It is expressly agreed that if Lessee shall commence drilling operations at any time while this lease is in force, the lease shall remain in force and its terms shall continue so long as such operations are prosecuted. It is the intent for Lessee to earn all rights to 100' below the total depth drilled on the lease premises or lands pooled therewith.
12. Lessee shall not commence any drilling operations upon the leased premises without first consulting with Lessor as to the location of the proposed drilling site, and if at that time there is a growing crop on the premises and if the crop is ready for harvest, Lessee agrees to delay the commencement of drilling operations until after such crop has been harvested, and if the lease is within 60 days of expiration at such time then the lease will be extended by the amount of time equal to the number of days Lessee is delayed in commencing drilling operations as result of harvesting any such crop. If Lessee can compensate tenant and Lessor to their satisfaction for growing crop then drilling may proceed.

13. Lessee agrees that it will use its best efforts to obtain the best possible price for production under this lease. In no event shall the price received by Lessor be less than the price paid to the Lessee in a third-party transaction.
14. Lessee agrees to use and appropriate only so much ground water from the leased premises as is required for drilling operations on the leased premises.
15. In the event Lessee shall fail to perform any of the terms, covenants, or conditions contained in this lease, and should such default continue for ninety (90) days after Lessor has given written notice to Lessee at the address stated in the lease by certified mail, return receipt requested, of such default, then Lessor may declare this lease null and void and of no further force and effect. In the event of a default resulting in termination of this lease, Lessee shall retain all interest in any wells Lessee has developed which are then producing, however, Lessee shall lose its right to continue prospecting and developing the leased premises for oil and gas, and Lessor shall have the right to release the premises for oil and gas development and exploration as Lessor sees fit.
16. If this lease is assigned any assignment of any interest in said lease then any interest in said lease shall be placed on record, and the Lessee shall notify Lessor in writing of said assignment.
17. If gas is found lessor shall have free use of gas for Irrigation purposes
18. This lease and all its terms conditions and stipulations shall extend to and be binding on all heirs, grantees, administrators or assigns, of said Lessor or Lessee.

IN WITNESS WHEREOF, I sign the day and year first above written.

SIGNED FOR IDENTIFICATION:


Mark Janssen


Peggy J. Janssen



63U (Rev. 1993)

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 8th day of June 2007

by and between Alfred Janssen III and Sally A. Janssen, Trustees of the Alfred Janssen III Revocable Trust, dated October 6, 2003.

whose mailing address is PO Box 168, Scott City, KS 67871 hereinafter called Lessor (whether one or more),

and Meridian Energy, Inc., 1475 N. Ward Circle, Franktown, CO 80116 hereinafter called Lessee:

Lessor, in consideration of One or More Dollars (\$ 1.00 or More) 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 Scott State of Kansas described as follows to-wit:

Township 17-South, Range 31-West Sec. 21: SE/4

In Section Township Range 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 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 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 lessor, 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 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.

SEE ADDENDUM ATTACHED HERETO AND MADE A PART HEREOF:



COMPUTER NUMERICAL 8/5

STATE OF KANSAS, SCOTT COUNTY, SS This instrument was filed for record on the 1 day of November, A.D. 2007 10 o'clock P.M., and duly recorded in book 215 page 121 Debbie Murphy \$ 20.00 Register of Deeds

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

Sally A. Janssen Sally A. Janssen, Trustee

Alfred Janssen III Alfred Janssen III, Trustee

ADDENDUM

Notwithstanding any provisions to the contrary in the printed portion of the oil and gas lease stated above, the parties hereto agree that the following provisions of this addendum hereafter set forth shall apply:

1. It is agreed by the Lessor and Lessee that where all the references to "one-eighth (1/8)" royalty on oil and gas produced shall be changed to "fifteen percent (15%)".
2. No right is granted to the Lessee to erect on any part of said premises any plant or facility for gasoline extraction or for the processing of gas or petroleum substances, except the normal and necessary heater treater and separator customarily used. Lessee specifically agrees to build any meter houses, separators, heater treaters and storage tanks for the purpose of producing and saving any oil and gas upon the above described premises. No storage tanks shall be built farther than one hundred (100) feet from such county road or roadway adjoining such property without Lessor's consent.
3. In the event there is no production in paying quantities found by any operations undertaken by Lessee and there is an abandonment of said lease, Lessee shall fill all pits, ponds and remove all structures and reasonably restore the premises to the condition existing at the time the lease was executed.
4. Lessee agrees to pay Lessor the sum of \$2,500 for each well drilled on the premises. Lessee agrees that this payment covers only those damages usually incurred in the preparation, drilling, completion and producing or plugging and abandonment of an oil and gas well. Lessee agrees to compensate Lessor for any extraordinary damages incurred in such activities. If Lessor and Lessee disagree on such damage, Lessee and Lessor agree to appoint an appraiser to review the damages and determine whether they are extraordinary and whether additional compensation is due.
5. Subject to all applicable rules and regulations of the appropriate governmental authorities, this lease contemplates the full prospecting and development of oil and gas of the land hereby leased, including the obligation to offset producing wells on the leased premises commensurate with practices of the oil and gas industry. After the primary term, Lessee agrees to drill as many offset wells as may be necessary and prudent and commensurate with practices in the oil and gas industry, to prevent any undue drainage of oil or gas from the land included herein which are being subject to drainage, upon written demand.
6. The Installation of any salt water disposal equipment by Lessee in the operation of the lease shall be subject to the approval of Lessor's tenant. Lessee shall not be permitted to use any well drilled on the leased premises as a salt water disposal well without the written consent of Lessor's tenant and without compensating the tenant for the use thereof. The compensation rate will be \$100 per month per well. The terms of this paragraph do no apply to the disposal of salt water produced from wells located on lands covered by this lease. Lessor agrees to allow Lessee the right to dispose of salt water from other leased tracts described as follows: NE/4, SE/4 & SW/4 of 17s-31w, NE/4 of 28-17s-31w and NW/4 and SE/4 of 22-17s-31w.
7. Lessee agrees to consult with Lessor concerning the route of all access roads located on the property and agrees to comply with all reasonable requests of Lessor concerning their location. There shall be no oil road surfaces of hard surfacing of any access roads without the written consent of Lessor.
8. All utility lines shall be buried to a depth of forth-eight inches ("48") upon written request by Lessor.
9. In the event of oil or gas production under this lease, if the annual royalty due under the lease terms is not equal to the sum of \$5.00 per acre per year, Lessee agrees to pay the additional sum due to equal said sum of \$5.00 per acre per year. Such sum shall be paid within thirty (30) days following the anniversary date of said lease. If not paid this lease shall terminate with respect to all parties, and in such event, Lessee agrees to file a written release of said lease of record.
10. Lessor and his representatives, at his own risk, shall have access to any and all wells drilled upon the land, and shall, at written request, be furnished with information pertaining to the drilling, testing and operation of such wells. In the event gas is encountered in paying quantities, Lessor, upon written request, shall be furnished with the results of periodic G.P.M. tests taken from any gas wells located thereon.
11. It is expressly agreed, notwithstanding anything to the contrary herein, if this lease is in force and effect at the time of expiration of the primary term, the lease shall thereupon terminate as to all depths 100 feet below the deepest depth penetrated by the drilling of a well or wells on the described land or lands pooled therewith, except if drilling is in progress at the end of the primary term. It is expressly agreed that if Lessee shall commence drilling operations at any time while this lease is in force, the lease shall remain in force and its terms shall continue so long as such operations are prosecuted. It is the intent for Lessee to earn all rights to 100' below the total depth drilled on the lease premises or lands pooled therewith.
12. Lessee shall not commence any drilling operations upon the leased premises without first consulting with Lessor as to the location of the proposed drilling site, and if at that time there is a growing crop on the premises and if the crop is ready for harvest, Lessee agrees to delay the commencement of drilling operations until after such crop has been harvested, and if the lease is within 60 days of expiration at such time then the lease will be extended by the amount of time equal to the number of days Lessee is delayed in commencing drilling operations as result of harvesting any such crop. If Lessee can compensate tenant and Lessor to their satisfaction for growing crop then drilling may proceed.

13. Lessee agrees that it will use its best efforts to obtain the best possible price for production under this lease. In no event shall the price received by Lessor be less than the price paid to the Lessee in a third-party transaction.

14. Lessee agrees to use and appropriate only so much ground water from the leased premises as is required for drilling operations on the leased premises.

15. In the event Lessee shall fail to perform any of the terms, covenants, or conditions contained in this lease, and should such default continue for ninety (90) days after Lessor has given written notice to Lessee at the address stated in the lease by certified mail, return receipt requested, of such default, then Lessor may declare this lease null and void and of no further force and effect. In the event of a default resulting in termination of this lease, Lessee shall retain all interest in any wells Lessee has developed which are then producing, however, Lessee shall lose its right to continue prospecting and developing the leased premises for oil and gas, and Lessor shall have the right to release the premises for oil and gas development and exploration as Lessor sees fit.

16. If this lease is assigned any assignment of any interest in said lease then any interest in said lease shall be placed on record, and the Lessee shall notify Lessor in writing of said assignment.

17. If gas is found lessor shall have free use of gas for Irrigation purposes

18. This lease and all its terms conditions and stipulations shall extend to and be binding on all heirs, grantees, administrators or assigns, of said Lessor or Lessee.

IN WITNESS WHEREOF, I sign the day and year first above written.

SIGNED FOR IDENTIFICATION:



Alfred Janssen III, Trustee



Sally A. Janssen, Trustee

63U (Rev. 1993)

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 8th day of June 2007

by and between Alfred Janssen III and Sally A. Janssen, Trustees of the Alfred Janssen III Revocable Trust, dated October 6, 2003.

whose mailing address is PO Box 168, Scott City, KS 67871 hereinafter called Lessor (whether one or more), and Meridian Energy, Inc. - 1475 N. Ward Circle, Franktown, CO 80116 hereinafter called Lessee:

Lessor, in consideration of One or More Dollars (\$ 1.00 or More) 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 Scott State of Kansas described as follows to-wit:

Township 17-South, Range 31-West Sec. 21: SW/4

In Section Township Range 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 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 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 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 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 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.

SEE ADDENDUM ATTACHED HERETO AND MADE A PART HEREOF:

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STATE OF KANSAS, SCOTT COUNTY, SS This instrument was filed for record on the 1 day of November A.D. 2007 10 o'clock A.M., and duly recorded in book 215 page 119 Debbie Murphy \$ 20.00 Registrar of Deeds



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

Witnesses: Sally A. Janssen Sally A. Janssen, Trustee

Alfred Janssen III Alfred Janssen III, Trustee

ADDENDUM

Notwithstanding any provisions to the contrary in the printed portion of the oil and gas lease stated above, the parties hereto agree that the following provisions of this addendum hereafter set forth shall apply:

1. It is agreed by the Lessor and Lessee that where all the references to "one-eighth (1/8)" royalty on oil and gas produced shall be changed to "fifteen percent (15%)".
2. No right is granted to the Lessee to erect on any part of said premises any plant or facility for gasoline extraction or for the processing of gas or petroleum substances, except the normal and necessary heater treater and separator customarily used. Lessee specifically agrees to build any meter houses, separators, heater treaters and storage tanks for the purpose of producing and saving any oil and gas upon the above described premises. No storage tanks shall be built farther than one hundred (100) feet from such county road or roadway adjoining such property without Lessor's consent.
3. In the event there is no production in paying quantities found by any operations undertaken by Lessee and there is an abandonment of said lease, Lessee shall fill all pits, ponds and remove all structures and reasonably restore the premises to the condition existing at the time the lease was executed.
4. Lessee agrees to pay Lessor the sum of \$2,500 for each well drilled on the premises. Lessee agrees that this payment covers only those damages usually incurred in the preparation, drilling, completion and producing or plugging and abandonment of an oil and gas well. Lessee agrees to compensate Lessor for any extraordinary damages incurred in such activities. If Lessor and Lessee disagree on such damage, Lessee and Lessor agree to appoint an appraiser to review the damages and determine whether they are extraordinary and whether additional compensation is due.
5. Subject to all applicable rules and regulations of the appropriate governmental authorities, this lease contemplates the full prospecting and development of oil and gas of the land hereby leased, including the obligation to offset producing wells on the leased premises commensurate with practices of the oil and gas industry. After the primary term, Lessee agrees to drill as many offset wells as may be necessary and prudent and commensurate with practices in the oil and gas industry, to prevent any undue drainage of oil or gas from the land included herein which are being subject to drainage, upon written demand.
6. The Installation of any salt water disposal equipment by Lessee in the operation of the lease shall be subject to the approval of Lessor's tenant. Lessee shall not be permitted to use any well drilled on the leased premises as a salt water disposal well without the written consent of Lessor's tenant and without compensating the tenant for the use thereof. The compensation rate will be \$100 per month per well. The terms of this paragraph do not apply to the disposal of salt water produced from wells located on lands covered by this lease. Lessor agrees to allow Lessee the right to dispose of salt water from other leased tracts described as follows: NE/4, SE/4 & SW/4 of 17s-31w, NE/4 of 28-17s-31w and NW/4 and SE/4 of 22-17s-31w.
7. Lessee agrees to consult with Lessor concerning the route of all access roads located on the property and agrees to comply with all reasonable requests of Lessor concerning their location. There shall be no oil road surfaces of hard surfacing of any access roads without the written consent of Lessor.
8. All utility lines shall be buried to a depth of forth-eight inches ("48") upon written request by Lessor.
9. In the event of oil or gas production under this lease, if the annual royalty due under the lease terms is not equal to the sum of \$5.00 per acre per year, Lessee agrees to pay the additional sum due to equal said sum of \$5.00 per acre per year. Such sum shall be paid within thirty (30) days following the anniversary date of said lease. If not paid this lease shall terminate with respect to all parties, and in such event, Lessee agrees to file a written release of said lease of record.
10. Lessor and his representatives, at his own risk, shall have access to any and all wells drilled upon the land, and shall, at written request, be furnished with information pertaining to the drilling, testing and operation of such wells. In the event gas is encountered in paying quantities, Lessor, upon written request, shall be furnished with the results of periodic G.P.M. tests taken from any gas wells located thereon.
11. It is expressly agreed, notwithstanding anything to the contrary herein, if this lease is in force and effect at the time of expiration of the primary term, the lease shall thereupon terminate as to all depths 100 feet below the deepest depth penetrated by the drilling of a well or wells on the described land or lands pooled therewith, except if drilling is in progress at the end of the primary term. It is expressly agreed that if Lessee shall commence drilling operations at any time while this lease is in force, the lease shall remain in force and its terms shall continue so long as such operations are prosecuted. It is the intent for Lessee to earn all rights to 100' below the total depth drilled on the lease premises or lands pooled therewith.
12. Lessee shall not commence any drilling operations upon the leased premises without first consulting with Lessor as to the location of the proposed drilling site, and if at that time there is a growing crop on the premises and if the crop is ready for harvest, Lessee agrees to delay the commencement of drilling operations until after such crop has been harvested, and if the lease is within 60 days of expiration at such time then the lease will be extended by the amount of time equal to the number of days Lessee is delayed in commencing drilling operations as result of harvesting any such crop. If Lessee can compensate tenant and Lessor to their satisfaction for growing crop then drilling may proceed.

13. Lessee agrees that it will use its best efforts to obtain the best possible price for production under this lease. In no event shall the price received by Lessor be less than the price paid to the Lessee in a third-party transaction.

14. Lessee agrees to use and appropriate only so much ground water from the leased premises as is required for drilling operations on the leased premises.

15. In the event Lessee shall fail to perform any of the terms, covenants, or conditions contained in this lease, and should such default continue for ninety (90) days after Lessor has given written notice to Lessee at the address stated in the lease by certified mail, return receipt requested, of such default, then Lessor may declare this lease null and void and of no further force and effect. In the event of a default resulting in termination of this lease, Lessee shall retain all interest in any wells Lessee has developed which are then producing, however, Lessee shall lose its right to continue prospecting and developing the leased premises for oil and gas, and Lessor shall have the right to release the premises for oil and gas development and exploration as Lessor sees fit.

16. If this lease is assigned any assignment of any interest in said lease then any interest in said lease shall be placed on record, and the Lessee shall notify Lessor in writing of said assignment.

17. If gas is found lessor shall have free use of gas for Irrigation purposes

18. This lease and all its terms conditions and stipulations shall extend to and be binding on all heirs, grantees, administrators or assigns, of said Lessor or Lessee.

IN WITNESS WHEREOF, I sign the day and year first above written.

SIGNED FOR IDENTIFICATION:



Alfred Janssen III, Trustee



Sally A. Janssen, Trustee