

For KCC	Use:		
Effective	Date:		
District #			
	\Box		

Spud date: _

_ Agent: _

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

1038469

Form C-1
October 2007
Form must be Typed
Form must be Signed

		NTENT TO DRILL All blanks must be Filled and the f
Expected Spud Date:		Spot Description:
month day yea	r	Sec Two S.B. F.W.
ODERATOR III		(a/a/a/a) feet from N / S Line of Section
OPERATOR: License#Name:		feet from E / W Line of Section
Address 1:		Is SECTION: Regular Irregular?
Address 2:		
City: State: Zip: + _		(Note: Locate well on the Section Plat on reverse side)
Contact Person:		County: Well #:
Phone:		Field Name:
CONTRACTOR: License#		
Name:		- Target Formation(s):
W # D *# + F		Nearest Lease or unit boundary line (in footage):
Well Drilled For: Well Class: Type Equipme	nt:	Ground Surface Elevation:
Oil Enh Rec Infield Mud Rota	•	Water well within one-quarter mile:
Gas Storage Pool Ext. Air Rotary	y	Public water supply well within one mile:
Disposal Wildcat Cable		Depth to bottom of fresh water:
Seismic ; # of Holes Other Other:		Depth to bottom of usable water:
Other.		Surface Pipe by Alternate:
If OWWO: old well information as follows:		Length of Surface Pipe Planned to be set:
Operator:		Long the of Constructor Directification
Well Name:		Projected Total Depth:
Original Completion Date: Original Total Depth:		Formation at Total Depth:
		Water Source for Drilling Operations:
Directional, Deviated or Horizontal wellbore?	'es No	Well Farm Pond Other:
If Yes, true vertical depth:		DWA Fellill #
Bottom Hole Location:		(Note: Apply for Permit with DWR)
KCC DKT #:		Will Cores be taken? Yes No
		If Yes, proposed zone:
-		FFIDAVIT
The undersigned hereby affirms that the drilling, completion and	eventual p	olugging of this well will comply with K.S.A. 55 et. seq.
It is agreed that the following minimum requirements will be met:		
 Notify the appropriate district office prior to spudding of we 		
2. A copy of the approved notice of intent to drill shall be pos		
through all unconsolidated materials plus a minimum of 20		et by circulating cement to the top; in all cases surface pipe shall be set he underlving formation.
		strict office on plug length and placement is necessary <i>prior to plugging</i> ;
5. The appropriate district office will be notified before well is		
		ted from below any usable water to surface within 120 DAYS of spud date.
		#133,891-C, which applies to the KCC District 3 area, alternate II cementing be plugged. <i>In all cases, NOTIFY district office</i> prior to any cementing.
must be completed within 30 days of the spud date of the	well Shall L	be plugged. In all cases, NOTIFT district office prior to any cementing.
Submitted Electronically		
bubililitied Electronically		
Face KOO Have ONLY		Remember to:
For KCC Use ONLY		- File Drill Pit Application (form CDP-1) with Intent to Drill;
API # 15		- File Completion Form ACO-1 within 120 days of spud date;
Conductor pipe requiredfeet		 File acreage attribution plat according to field proration orders; Notify appropriate district office 48 hours prior to workover or re-entry;
Minimum surface pipe requiredfeet per Al	LT. I	II - Submit plugging report (CP-4) after plugging is completed (within 60 days);
		Obtain written approval before disposing or injecting salt water.
Approved by:		- If this permit has expired (See: authorized expiration date) please
This authorization expires:	val data \	check the box below and return to the address below.

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



IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

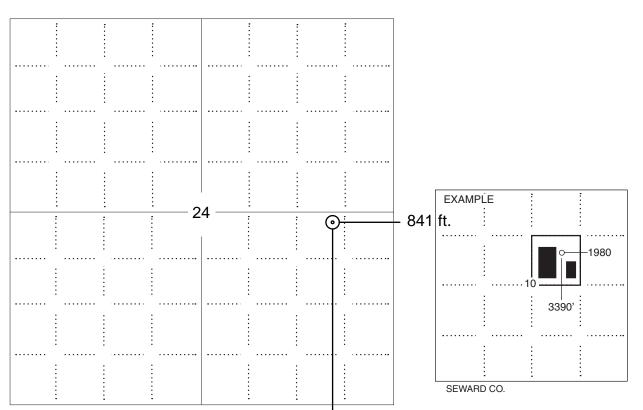
Plat of acreage attributable to a well in a prorated or spaced field

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:	Location of Well: County:
Lease:	feet from N / S Line of Section
Well Number:	feet from E / W Line of Section
Field:	SecTwp S. R 🗌 E 🗍 W
Number of Acres attributable to well:	Is Section: Regular or Irregular
	If Section is Irregular, locate well from nearest corner boundary.
	Section corner used: NE NW SE SW

PLAT

(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.

2495 ft.

In plotting the proposed location of the well, you must show:

- 1. The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, 4 sections, etc.
- 2. The distance of the proposed drilling location from the south / north and east / west outside section lines.
- 3. The distance to the nearest lease or unit boundary line (in footage).
- 4. If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (C0-7 for oil wells; CG-8 for gas wells).



KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

1038469

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: Emergency Pit Burn Pit Settling Pit Drilling Pit Workover Pit Haul-Off Pit (If WP Supply API No. or Year Drilled) Is the pit located in a Sensitive Ground Water Is the bottom below ground level? Yes No Pit dimensions (all but working pits): Depth from If the pit is lined give a brief description of the material, thickness and installation procedure	Artificial Liner? Yes No Length (feet) from ground level to deepest point: e liner Describe proce				
Distance to nearest water well within one-mile	of pit	Depth to shallo	owest fresh waterfeet.		
feet Depth of water wellfeet			redwell owner electric logKDWR		
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 flow into the pit? Yes No Submitted Electronically		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.			
KCC OFFICE USE ONLY Steel Pit RFAC RFAC					
Date Received: Permit Num	ber:	Permi	it Date: Lease Inspection: Yes No		

Scout Exploration Corp.

January 15, 2006

Mr. and Mrs. Edwin McLeish 154 N. Lane-Ness Road Dighton, KS. 67839

RE: Corrected Date on OGLs E ½ Sec 24-18S-27W

NE ¼ Sec 25-18S-27W Lane County, Kansas

Dear Mr. and Mrs. McLeish.

Due to a typographical error, the leases that Scout Exploration Corp recently obtained from you covering the above-referenced minerals were dated January 4, 2005. Jim Hutchison discovered this error and corrected the date on the leases before recording. We have included copies of the recorded leases for your files.

To indicate your acceptance of this correction, please sign at the bottom where provided and return one copy to our office so we can have a copy in our files.

Thank you for your prompt attention and assistance. If you have any questions, please do not hesitate to contact Jim at our office or on his cell phone 405-227-5055.

Emily M. Bass

We are in agreement that the correct date of execution is January 4, 2006, for the following Oil and Gas Leases:

NE 14 Sec 24-18S-27W, Lane County, KS Book 112, Page 93 SE 14 Sec 24-18S-27W, Lane County, KS Book 112, Page 95 NE 14 Sec 25-18S-27W, Lane County, KS Book 112, Page 94

Thomas Edwin McLeish

Thomas Edwin McLeish

NIATE OF Kansas

COUNTY OF

Steined and acknowledged before me this 17th day of 1 homas Fdwin McLeish

Tots McLeish

My Commission Expires 12/05/2009

My Commission Expires 12/05/2009

Thomas Fablus

Cotage Fablus

Co

PROSPECT

SS#

63U (Rev 1993) OIL AND GAS LEASE

AGREEMENT, Made and entered into the 4^{th} day of	ofJanuary, and between	
Thomas Edwin McLeish and wife,	Lois McLeish	
whose mailing address is 154 N. Lanc-Ness Road, Dig	ghton, Kansas 67839	InOcas hereinafter called Lesser (whether one or
more), and Scout Exploration Corp., P.O. Box 1348, Edr	mond, Oklahoma 73083-1348	hereinafter called Lessee.
Lessor, in consideration of ***** ten and other royalties herein provided and of the agreements of the lessee herein geophysical and other means, prospecting drilling, mining and opera water, other fluids, and air into subsurface strata, laying pipe lines, stor care of, treat, manufacture, process, store and transport said oil, liquid housing and otherwise caring for its employees, the following describe therein situated in County of Lane State of Ka	a contained, hereby grants, leases and lets exclusive ting for and producing oil, liquid hydrocarbons, all ring oil, building tanks, power stations, telephone line id hydrocarbons, gases and their respective constitu	gases, and their respective constituent products, injecting gas, and other structures and things thereon to produce, save, take their products and other products manufactured therefrom, and
State of Sta		
	The Northeast Quarter (NE 1/4)	
In Section 24 , Township 18 South thereto.	, Range <u>27 West</u> , and containing	160 acres, more or less, and all accretions
oil, liquid hydrocarbons, gas or other respective constituent products, of In consideration of the premises the said lessee covenants	or any of them, is produced from said land or land wit	rom this date (called "primary term"), and as long thereafter as h which said land is pooled.
and saved from the leased premises.	r kind produced and sold, or used off the premises, or to event more than one-eighth (1/8) of the proceeds re to be made monthly. Where gas from a well produ	ucing gas only is not sold or used, lessee may pay or tender as
the preceding paragraph. This lease may be maintained during the primary term her lease or any extension thereof, the lessee shall have the right to drill sequantities, this lease shall continue and be in force with like effect as if	reof without further payment or drilling operations. If ach well to completion with reasonable diligence and f such well had been completed within the term of yea land than the entire and undivided fee simple estate	the lessee shall commence to drill a well within the term of this dispatch, and if oil or gas, or either of them, be found in paying
Lessee shall have the right to use, free of cost, gas, oil and When requested by lessor, lessee shall bury lessee's pipe	water produced on said land for Lessee's operations	thereon, except water from the wells of lessor.
No well shall be drilled nearer than 200 feet to the house. Lessee shall pay for damages caused by lessee's operation		of lessor
executors, administrators, successors or assigns, but no change in the been furnished with a written transfer or assignment or a true copy the	privilege of assigning in whole or in part is expre- ownership of the land or assignment of rentals or re- reof. In case lessee assigns this lease, in whole or in p	ssly allowed, the covenants hereof shall extend to their heirs, oyalties shall be binding on the lessee until after the lessee has
surrender this lease as to such portion or portions and be relieved of al	place of record a release or releases covering any p l obligations as to the acreage surrendered. oject to all Federal and State Laws, Executive Orders.	ortion or portions of the above described premises and thereby , Rules or Regulations, and this lease shall not be terminated, in if such failure is the result of, any such Law, Order, Rule or
Lessor hereby warrants and agrees to defend the title to ti any mortgages, taxes or other liens on the above described lands, in t lessors, for themselves and their heirs, successors and assigns, hereby dower and homestead may in any way affect the purposes for which the	the event of default of payment by lessor, and be sub y surrender and release all right of dower and homes his lease is made, as recited herein.	stead in the premises described herein, in so far as said right of
immediate vicinity thereof, when in lessee's judgment it is necessary of oil, gas or other minerals in and under and that may be produced fr acres each in the event of an oil well, or into a unit or units not exceed the county in which the land herein leased is situated an instrument in purposes except the payment of royalties on production from the poproduction is had from this lease, whether the well or wells be located on production from a unit so pooled only such portion of the royalty bears to the total acreage so pooled in the particular unit involved.	or advisable to do so in order to property develop an om said premises, such pooling to be tracts contiguo- ting 640 acres each in the event of a gas well. Lessee lentifying and describing the pooled acreage. The ento- led unit, as if it were included in this lease. If proof on the premises covered by this lease or not. In lieu of stipulated herein as the amount of his acreage place.	us to one another and to be into a unit or units not exceeding 40 shall execute in writing and record in the conveyance records of tire acreage so pooled into a tract or unit shall be treated, for all duction is found on the pooled acreage, it shall be treated as if a of the royalties elsewhere herein specified, lessor shall receive ed in the unit or his royalty interest therein on an acreage basis
Lessee shall have the option of renewing this lease for a p Scout Exploration Corp. has your exclusive permission operations will be conducted in accordance with good standard practic from our work by virtue of your permission herein granted	to conduct a seismic survey across your lands as	listed herein for the purpose of Oil & Gas Exploration. Our
IN WITNESS WHEREOF, the undersigned execute this Witnessey Homa Education	weeky Lus	Me Levil
By: Thomas Edwin McLeish	By: Lois McLeish	

SS#

	Kansas	ACKNO	WLEDGMI	ENT FOR INDIVIDUAL (KsOkCoNe)	
COUNTY OF	ane			Januery	2006, by
the foregoing ins	strument was acknowledged before me this Thomas Edwin McLeish		uay oi	and (, 20 .0 , 0y
	Lois McLeish	_		0.	<i>[</i>]
	Expires 12-05-2009			Y elect 1	0000
STATE OF	REBECCA L. TORSON State of Kansas My Appt. Exp.			Notary Public	
COUNTY OF	strument was acknowledged before me this			ENT FOR INDIVIDUAL (KsOkCoNe)	, 2005, by
				and	
Ay Commission	Expires	·· -		Notary Public	
STATE OF		ACVNIO	мл егусм	ENT FOR INDIVIDUAL (KsOkCoNe)	
COUNTY OF _					2007
	strument was acknowledged before me this				
My Commission	Expires		_		
				Notary Public	
TATE OF					
COUNTY OF		ACKNO	WLEDGM	ENT FOR INDIVIDUAL (KsOkCoNe)	
	strument was acknowledged before me this	3	day of _		, 2005, by
_			<u>_</u> _	and	
My Commission	Expires				
viy Commission	Evhire			Notary Public	
				2	
				e de	<u></u>
SE				Formal Paragrams of the Page of the Page of the Page of the Page of this office. Register of Deeds.	
No. OIL AND GAS LEASE		Rge		s filed for record or s filed for record or M., and duly record Page 93.	NUMERI DIRECT NDIREC COMP. O
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	Ot	Date Secti No. c			Nper
lio lio	TO	DateT SectionT No. of Acres		County Fame County Fame This instrument was filed for record on the Sobology of Among 1000 6. At 2 40-clock P.M., and duly recorded In Book 112 Page 93 the records of this office. Register of Deeds. B.	When recorded, return to
TATEOF					•
TATE OF		ACKNO	WLEDGA	ENT FOR CORPORATION (KsOkCoNe	.
COUNTY OF	ing instrument				
	ing instrument was acknowledged before t				, 2005, by
				_	
orporation, on b	ehalf of the corporation.		a		
	•				
ly Commission	Expires		_		
				Notary Public	

NOTICE FOR EXTENSION OF OIL AND GAS LEASE

WHEREAS, Scout Exploration Corp. P.O. Box 1410, Edmond, OK 73083 is the owner and holder of an oil and gas lease on the following described land in Lane County, State of Kansas:

The Northeast Quarter (NE /4) of Section 24, Township 18 South, Range 27 West
The Southeast Quarter (SE/4) of Section 24, Township 18 South, Range 27 West
The Northeast Quarter (NE /4) of Section 25, Township 18 South, Range 27 West
The Northeast Quarter (NE /4) of Section 25, Township 18 South, Range 27 West
The Northeast Quarter (NE /4) of Section 25, Township 18 South, Range 27 West
The Northeast Quarter (NE /4) of Section 25, Township 18 South, Range 27 West
The Northeast Quarter (NE /4) of Section 26, Township 18 South, Range 27 West
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The Northeast Quarter (NE /4) of Section 26, Township 18 South, Range 27 West
The Northeast Quarter (NE /4) of Section 26, Township 18 South, Range 27 West

dated January 4, 2006 and recorded in Book and Page as listed above of the records of said county, and

IN ACCORDANCE with the provision for extension on the referenced Oil and Gas Lease, notice is hereby given that the required Ten and Other Dollars have been paid in order to extend and keep in effect that certain Oil and Gas Lease for an additional two (2) years as provided.

IN WITNESS WHEREOF, this instrument is signed on this 15th of December, 2008.

SCOUT EXPLORATION CORP.

ATTEST

By J. Kyle Carter, Vice President

By: Emily M. Bass, Secretary

ACKNOWLEDGEMENT

State of Oklahoma)
County of Oklahoma)

Before me the undersigned, a notary public, within and for said county and state, on this 15th day of December, 2008, personally appeared J. Kyle Carter, known to me to be the person who executed the foregoing instrument on behalf of Scout Exploration Corp., and such person duly acknowledged to me the execution of the same for the purposes therein expressed.

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

My Commission Expires:11/21/12

Notary Public- Carla Carter

My Commission Number: 08011736

RECORD & RETURN TO: SCOUT EXPLORATION CORP. P.O. BOX 1410 EDMOND, OK 73083-1410

> NUMERICAL DIRECT INDIRECT COMP. ORIG. COMPUTER

STATE OF KANSAS, LANE COUNTY, SS
This instrument was filed for record on the
day of

A.D.2061at // BD o'clock AM and dw recorded in Book / 24 on page 29

Register of Deeds

63U (Rev 1993)	OIL AND GAS	LEASE	PROSPECT
		(FF)	
AGREEMENT, Made and entered into	the 4 th day of <u>January</u>	2.606 , by and between	
Thomas Edwin McL	eish and wife, Lois McLeish		
The state of the s		4 17 64	March to good the control of the con
	Ness Road, Dighton, Kansas 6		MOENOL J DOSE Lessor (whether one
nore), and Scout Exploration Corp., P.O.	Box 1348, Edmond, Oklahom	a 73083-1348	, hereinafter called Lessee.
water, other fluids, and air into subsurface strata law	f the lessee herein contained, hereby mining and operating for and produc- ing pipe lines, storing oil, building tan	ing oil, liquid hydrocarbons, all ks, power stations, telephone lin	in hand paid, receipt of which is here acknowledged and of the very unto lessee for the purpose of investigating, exploring by gases, and their respective constituent products, injecting gases, and other structures and things thereon to produce, save, take unent products and other products manufactured therefrom, an er-acquired interest,
therein situated in County ofLane	State of <u>Kansas</u>	described as follows to-wit:	
	The Southeas	st Quarter (SE ¼)	
In Section, Township thereto.	18 South , Range <u>27</u>	West, and containing	160 acres, more or less, and all accretion
In consideration of the premises the said	d lessee covenants and agrees	duced from said land or land wi	
 To deliver to the credit of and saved from the leased premises. 	lessor, free of cost, in the pipeline to		on said land, the equal one-eighth (1/8) part of all oil produce
premises, or in the manufacture of products therefroyalty One Dollar (\$1.00) per year per net mineral the preceding paragraph. This lease may be maintained during th lease or any extension thereof, the lessee shall have quantities, this lease shall continue and be in force w If said lessor owns a less interest in the	om, said payments to be made monthly acre retained hereunder, and if such pie e primary term hereof without further the right to drill such well to completic ith like effect as if such well had been a shove described land than the entire a shove described land than the entire a shove described land than the entire and the such such as the such	use-tigini (1/8) of the proceeds r y. Where gas from a well prod ayment or tender is made it will be ayment or drilling operations. It no with reasonable diligence and completed within the term of year and undivided for simple.	or used in the manufacture of any products therefrom, one-eight received by lessee from such sales), for the gas sold, used off the using gas only is not sold or used, lessee may pay or tender a be considered that gas is being produced within the meaning of the lessee shall commence to drill a well within the term of the dispatch, and if oil or gas, or either of them, be found in payin arsa first mentioned. **therein, then the royalties herein provided for shall be paid the theorem.
Lessee shall have the right to use, free o	of cost, gas, oil and water produced on	ee. said land for Lessee's operations	s thereon, except water from the wells of lessor.
When requested by lessor, lessee shall be No well shall be drilled nearer than 200	feet to the house or barn now on said	oth,	
Lessee shall pay for damages caused by			t of lessor.
Lessee shall have the right at any time t			the right to draw and remove casing
If the estate of either party hereto is a executors, administrators, successors or assigns, but been furnished with a written transfer or assignment assigned portion or portions arising subsequent to the Lessee may at any time execute and dissurrender this lease as to such portion or portions an All express or implied covenants of the	assigned, and the privilege of assigning to change in the ownership of the la or a true copy thereof. In case lessee a c date of assignment. Eliver to lessor or place of record a red do be relieved of all obligations as to the lease shall be subject to all Federal are.	ng in whole or in part is expre and or assignment of rentals or r ssigns this lease, in whole or in p lease or releases covering any p acreage surrendered.	essly allowed, the covenants hereof shall extend to their hein royalties shall be binding on the lessee until after the lessee ha part, lessee shall be relieved of all obligations with respect to the portion or portions of the above described premises and thereby, Rules or Regulations, and this lease shall not be terminated, if if such failure is the result of, any such Law, Order, Rule of
Lessor hereby warrants and agrees to de any mortgages, taxes or other liens on the above de lessors, for themselves and their heirs, successors a dower and homestead may in any way affect the pur Lessee, at its option, is hereby given the	scribed lands, in the event of detault of nd assigns, hereby surrender and relea- poses for which this lease is made, as r	of payment by lessor, and be sub- use all right of dower and homes ecited herein.	shall have the right at any time to redeem for lessor, by paymer progated to the rights of the holder thereof, and the undersigne stead in the premises described herein, in so far as said right of use or any portion thereof with other land; lease or leases in the
of oil, gas or other minerals in and under and that m acres each in the event of an oil well, or into a unit of the county in which the land herein leased is situate purposes except the payment of royalties on production is had from this lease, whether the well on production from a unit so pooled only such port bears to the total acreage so pooled in the particular Lessee shall have the option of renewin	and it is necessary or advisable to do sc ay be produced from said premises, sur or units not exceeding 640 acres each it d an instrument identifying and descri- tion from the pooled unit, as if it we be received the located on the premises co- tion of the royalty stipulated herein as unit involved.	In order to property develop an ich pooling to be tracts contiguo the event of a gas well. Lessee ping the pooled acreage. The en- rer included in this lease. If prov- vered by this lease or not. In lies the amount of his acreage place.	ad operate said lease premises so as to promote the conservation us to one another and to be into a unit or units not exceeding 4 shall execute in writing and record in the conveyance records of tire acreage so pooled into a tract or unit shall be treated, for a duction is found on the pooled acreage, it shall be treated as in of the royalties elsewhere herein specified, lessor shall received in the unit or his royalty interest therein on an acreage basing the state of the royalties.
Scout Exploration Corp. has your nerm	ission to conduct a seismic survey acre	nee your lands as listed berain &	ianon janu teletumie or or the purpose of Oil & Gas Exploration. Our operations will be not the purpose of Oil & Gas Exploration. Our operations will be not all claims and damages that may result from our work be not all claims and damages that may result from our work be not because of the purpose of the notation of
IN WITNESS WHEREOF, the undersing	gned execute this instrument as of the	lay and year first above written.	
Thomas El	un 77/00	al Lu	i Me Leish
By: Thomas Edwin McLeish	,	By: Lois McLeish	- m years
OC.			