For KCC Use:

| Eff | ec | tiv | e | Date |
|-----|----|-----|---|------|
| - | | | | |

| District | # | |
|----------|---|--|

| SGA? | Yes | No |
|------|-----|----|
| | | |

KANSAS CORPORATION COMMISSION **OIL & GAS CONSERVATION DIVISION**

March 2010 Form must be Typed Form must be Signed All blanks must be Filled

Form C-1

1039919

NOTICE OF INTENT TO DRILL

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

| Form KSONA-1, Certification of Com | pliance with | the Kansas | Surface Owner | Notification Act, MUS | F be submitted with this form |
|------------------------------------|--------------|------------|---------------|-----------------------|-------------------------------|

| Expected Spud Date: | Spot Description: |
|--|---|
| month day year | |
| OPERATOR: License# | feet from N / S Line of Section |
| Name: | feet from L E / W Line of Section |
| Address 1: | Is SECTION: Regular Irregular? |
| Address 2: | (Note: Locate well on the Section Plat on reverse side) |
| City: State: Zip: + | County: |
| Contact Person: | Lease Name: Well #: |
| Phone: | Field Name: |
| CONTRACTOR: License# | Is this a Prorated / Spaced Field? |
| Name: | Target Formation(s): |
| Well Drilled For: Well Class: Type Equipment: Oil Enh Rec Infield Mud Rotary Gas Storage Pool Ext. Air Rotary Disposal Wildcat Cable Seismic ; # of Holes Other Other: | Nearest Lease or unit boundary line (in footage): |
| Original Completion Date: Original Total Depth: | Water Source for Drilling Operations: |
| Directional, Deviated or Horizontal wellbore? | Well Farm Pond Other: |
| If Yes, true vertical depth: | DWR Permit #: |
| Bottom Hole Location: | (Note: Apply for Permit with DWR) |
| KCC DKT #: | Will Cores be taken? Yes No |
| | If Yes, proposed zone: |

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 et. seq.

It is agreed that the following minimum requirements will be met:

- 1. Notify the appropriate district office *prior* to spudding of well;
- 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. |
| Approved by: | |
| This authorization expires: | |
| Spud date: Agent: | |

Remember to:

- File Certification of Compliance with the Kansas Surface Owner Notification Act (KSONA-1) with Intent to Drill;
- 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 well will not be drilled or permit has expired (See: authorized expiration date) please check the box below and return to the address below.
 - Well will not be drilled or Permit Expired Date: ____ Signature of Operator or Agent:

ш

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



For KCC Use ONLY

API # 15 - ____

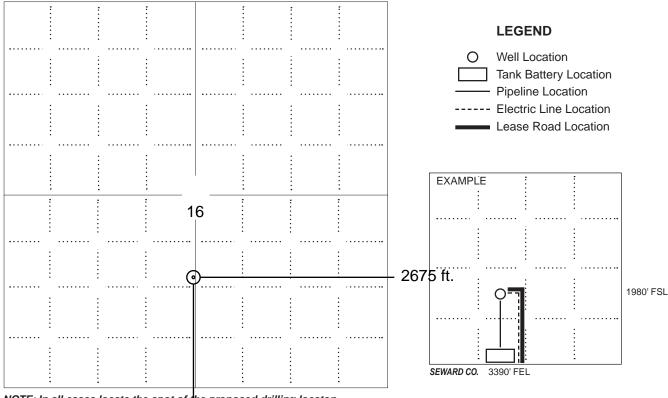
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

In all cases, please fully complete this side of the form. Include items 1 through 5 at the bottom of this page.

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

PLAT

Show location of the well. Show footage to the nearest lease or unit boundary line. Show the predicted locations of lease roads, tank batteries, pipelines and electrical lines, as required by the Kansas Surface Owner Notice Act (House Bill 2032). You may attach a separate plat if desired.



NOTE: In all cases locate the spot of the proposed drilling locaton.

In plotting the proposed location of the well, younterst 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).
- 5. The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.

Side Two



KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION 1039919

Form CDP-1 May 2010 Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

| Operator Name: | | ionni în Duplicat | License Number: | |
|---|------------------------|---|--|---|
| Operator Address: | | | | |
| Contact Person: | | | Phone Number: | |
| Lease Name & Well No.: | | | Pit Location (QQQQ): | |
| Type of Pit: | Pit is: | | | - |
| Emergency Pit Burn Pit | Proposed | Existing | | |
| Settling Pit Drilling Pit | If Existing, date co | | Feet from North / South Line of Section | |
| Workover Pit Haul-Off Pit | | | Feet from East / West Line of Section | |
| (If WP Supply API No. or Year Drilled) | Pit capacity: | (bbls) | | |
| | | · · · · · · | | |
| Is the pit located in a Sensitive Ground Water A | .rea? | No | Chloride concentration: (For Emergence) | mg/l cy Pits and Settling Pits only) |
| Is the bottom below ground level? | Artificial Liner? | | How is the pit lined if a plasti | c liner is not used? |
| | | No | | |
| | Length (fe | | | N/A: Steel Pits |
| If the pit is lined give a brief description of the li | om ground level to dee | | dures for periodic maintenance | e and determining |
| material, thickness and installation procedure. | | | cluding any special monitoring | |
| | | | | |
| | | | | |
| | | | | |
| Distance to nearest water well within one-mile of pit: | | Depth to shallow Source of inforr | west fresh water nation: | feet. |
| feet Depth of water wellfeet | | measured | well owner | electric log KDWR |
| Emergency, Settling and Burn Pits ONLY: | | Drilling, Worko | ver and Haul-Off Pits ONLY: | |
| Producing Formation: | | Type of material utilized in drilling/workover: | | |
| Number of producing wells on lease: | | Number of working pits to be utilized: | | |
| Barrels of fluid produced daily: | | Abandonment p | procedure: | |
| Does the slope from the tank battery allow all spilled fluids to flow into the pit? | | Drill pits must be closed within 365 days of spud date. | | |
| | | | | |
| | | | | |
| Submitted Electronically | | | | |
| | | | | |
| | ксс | OFFICE USE OI | | |
| | | | Liner Sto | eel Pit RFAC RFAS |
| Date Received: Permit Num | ber: | Permi | t Date: Lea | ase Inspection: Yes No |

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



KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

CERTIFICATION OF COMPLIANCE WITH THE KANSAS SURFACE OWNER NOTIFICATION ACT Form KSONA-1 July 2010 Form Must Be Typed Form must be Signed All blanks must be Filled

This form must be submitted with all Forms C-1 (Notice of Intent to Drill); CB-1 (Cathodic Protection Borehole Intent); T-1 (Request for Change of Operator Transfer of Injection or Surface Pit Permit); and CP-1 (Well Plugging Application). Any such form submitted without an accompanying Form KSONA-1 will be returned.

Select the corresponding form being filed: C-1 (Intent) CB-1 (Cathodic Protection Borehole Intent) T-1 (Transfer) CP-1 (Plugging Application)

| OPERATOR: License # | Well Location: | | |
|--|--|--|--|
| Name: | | | |
| Address 1: | County: | | |
| Address 2: | Lease Name: Well #: | | |
| City: Zip: Contact Person: | If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below: | | |
| Phone: () Fax: () | | | |
| Email Address: | | | |
| Surface Owner Information: | | | |
| Name: | When filing a Form T-1 involving multiple surface owners, attach an additional sheet listing all of the information to the left for each surface owner. Surface owner information can be found in the records of the register of deeds for the | | |
| Address 1: | | | |
| Address 2: | county, and in the real estate property tax records of the county treasurer. | | |
| City: State: Zip:+ | | | |

If this form is being submitted with a Form C-1 (Intent) or CB-1 (Cathodic Protection Borehole Intent), you must supply the surface owners and the KCC with a plat showing the predicted locations of lease roads, tank batteries, pipelines, and electrical lines. The locations shown on the plat are preliminary non-binding estimates. The locations may be entered on the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted.

Select one of the following:

- I certify that, pursuant to the Kansas Surface Owner Notice Act (House Bill 2032), I have provided the following to the surface owner(s) of the land upon which the subject well is or will be located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form CP-1 that I am filing in connection with this form; 2) if the form being filed is a Form C-1 or Form CB-1, the plat(s) required by this form; and 3) my operator name, address, phone number, fax, and email address.
- □ I have not provided this information to the surface owner(s). I acknowledge that, because I have not provided this information, the KCC will be required to send this information to the surface owner(s). To mitigate the additional cost of the KCC performing this task, I acknowledge that I am being charged a \$30.00 handling fee, payable to the KCC, which is enclosed with this form.

If choosing the second option, submit payment of the \$30.00 handling fee with this form. If the fee is not received with this form, the KSONA-1 form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-1 will be returned.

Submitted Electronically

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I

Scott all of such substances, said tract of land with any reversionary rights thatcin being situated in the County of

... and described as follows: State of Kansas

Township 19 South, Range 33 West Section 16: All

2. This lease shall romain in force for a term of

any of the produce covering by the lease is of can be proceeded. 3. The lesses shall deliver to lessor as royalty, free of cost, on the lease, or into the pipe line to which lesses may connect its wells the equal one-eighth ref of all of produced and saved from the lease of remains, or at the lesser's option may pay to the lessor for such one-eighth royalty the market price for oil like grade and gravity prevailing on the day such oil is run into the pipe line or into storage tanks.

of like grade and gravity prevailing on the day such oil is run into the pipe line or into storage tanks. 4. The lesses shall pay to lessor for gas produced from any oil well and used by the lesse for the moufacture of gasoline or any other product as royalty 1/8 of the merket value of such gas at the mouth of the well; if soid gas is sold by the lesses, then as royalty 1/8 of the proceeds of the sale thereof at the mouth of the well. The lesses shall pay lessor as royalty 1/8 of the proceeds from the sale of gas as such at the mouth of the well where gas, condensate, distillate or other gaseous substance is found, and where such gas is not sold or used lesser may pay or tender annually at the ond of each yearly period daring from the completion of the first such gas well during which such gas is not sold or used, as in line royalty, whether one or more wells, an amount equal to the delay renth provided in paragraph 5 hereof and while sold in uryalty is so paid or tendered it will be considered under all provisions of this lesses that gas is being produced in paying quantities; the lessor to have gas free of charge from any gas well on the lessed sole natives and halde lights in the princi-paid welling house on said lend by making his own connections with the well, the use of such gas to be at the lessor's sole risk and expense.

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MUTLORTHE & A dwelling house on said land by making his own connections with the well, the use of such gas to be at the lessor's sole risk and expense.
5. If operations for the drilling of a well for plior gas are not commenced on said land on or before the 30th day of June 19.84.
5. If operations for the drilling of a well for plior gas are not commenced on said land on or before the 30th day of June 19.84.
5. If operations for the drilling of a well for plior gas are not commenced on said land on or before the 30th day of June 19.84.
5. If operations for the drilling of a well for plior gas are not commenced on said land on or before the 30th day of June 19.84.
5. Sector City, State 56.87871
18. Successors, which Bank and its successors are the lessor's agent and shall continue as the depository of any one all sums payse under the langer's of changes of ownership in said land or in the oil and gas or in the rentals to accrue heraunder, the sum of Six Hundred Forty and no/100
Dilers which shall operate as a sentel and cover the privilege of one year. In like manner and upon like payments or tenders the commencement of rental to deferred for like period successively. All payments or renders the comments or day essigned reof, mailed or delivered on or before the rental paying date, alther direct to lessor or salings or to said depository bank, and it is understood and agreed to the control successively. All payments or renders the control is payable as aforesaid, also the lessor's optical depository bank, and it is understood and agreed to the lesser's option of extending that period as aforesaid and any and all other rights conferred. Not withstanding the death of the lessor or her such and and on the less or the deferred of the bestor or her and all other rights conferred. Not withstanding the death of the lessor or bas or the deferred when said first rental bestor so as the deposition or testors, and administrators of such persons. deferring t ope ther that

6. In the event said lessor lowns a less interest in the above described land that the entire and undivided fee simple estate therain then the royalties and rentals herein provided for shall be paid the said lessor only in the proportion which his interest bears to the whole and undivided fee; however, in the event the title to any interest in said land should rever to lessor, or his heirs, or his or their provided, the shall cover such reversion, and tentals there event the title to any interest in said land should rever to lessor, or his heirs, or his or their grantee, this lesse shall cover such reversion, and tentals there event be increased at the next succeeding rental anniversary after written notice of such reversion by lessor to insace, provided said notice is racelved by lesser at least 30 days prior to any such reversio anniversary.

7. The lessee shall have the right to use, free of cost, gas, oll and water found on said land for its operations thereon, except water from the wells of sort. When required by lesser, the lessee shall bury its pipe lines below plow depth and shall pay for damage caused by its operations to growing crops of and, No well shall be drilled herer than 200 feet to the house or bern now on soid premises without written consent of the lessee shall bury its pipe lines below plow depth and shall pay for damage caused by its operations to growing crops of and, No well shall be drilled herer than 200 feet to the house or bern now on soid premises without written consent of the lessee. Lessee shall have ht at any time during, or after the expiration of this lesse to remove all machinery fixtures, houses, buildings and other structures placed on said premitviding the right to draw and remove all casing, but lessee shall be under no obligation to do so.

Including the right to draw and remove all casing, but tesses shall be under no obligation to do so . B. If the extore 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 the heirs, deviseas, executors, administrators, successors, and essigns, but no change or division in ownership of the land, rentals, or royalties, however ac-complished, shall operate to enlarge the obligations or diminish the rights of lessee, and no change of division in covership in the lend or in the rentals or royalties, however ac-complished, shall operate to enlarge the obligations or diminish the rights of lessee, and no change of ownership in the lend or in the rentals or royalties or any sum due under this lesse shall be binding on the lessee until it has been furnished with alther the original recorded instrument of conveyance or a dup terrified copy theraof, or a certified copy of the will of any deceased owner and of the probate thereof, or certified copy of the proceedings showing appoint-ment of an administrator for the estate of any deceased owner, which ever is appropriate, together with all original recorded instruments of conveyance or many field copies thereof necessary in showing a complete chain of title back to lessor to the full instress claimed, and all advance payments of rotats made heraunder before receipt of said documents shall be binding on any direct or indirect assigned, grantee, devise, administrator, executor, or har of lessor.

see nersunder barger receipt of said documents shall be binding on any other of mandet assigned, granter, decade, administrator, executor, or num of cashed 9. There shall be no obligation on the part of the lesses to offsant wolls on separate fracts into which the land covered by this lesse may be hereafter di-led by said, devise, dessent or otherwise, or to furnis separate mesturing or receiving tanks. It is hereby agreed that in the event this lesse shall be assigned to a part of the rent due from him or them, such default shall not operate to defast or affect this lesse insofar as it covers a part of said and upon which the see or any assigned hereof shall make due payment of sold rentals.

10. Lesson hereby worrants and agrees to defend the title to the land herein described and agrees that the lessee, at its option, may bay and discharge in whole or in part any taxes, morrgages, or other liens existing, leviad, or assessed on or against the above described lands and, in event it exercises such option it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying to the discharge of any such mortgage, tax or other lien, any royaity or rentals accruing hereunder.

any royalty or rentals accruing hereunder. If at any time prior to discovery of oll or gas on said land, lesses should drill n dry hole or holes thereon, or if after discovery of oll or gas the p thereof should cease from any causo, this lease shall not terminate if lesses commences additional drilling or reworking operations within sixty (GC after or (I it be within the primary term) commences or resumes the payment or tender of rentals on or before the rental payment date next e the application of three months from the date of completion of the dry hole or cessation of production. If at the explication of the primary term in not being produced on said land, but lesses is then engaged in drilling or reworking operations the resumin in force so long as are produced on said land, but lesses is then engaged in drilling or reworking operations thereon, the lesse shall remain in force so long as are produced on said land, but lesses is then engaged in drilling or reworking operations thereon, the less shall remain in force so long as are produced on said land, but lesses thall remain in effect ac long thereafter as there is production of more than sixty (GC) consecutive days, and t in the production of oil or gas, this lesse shall remain in effect as long thereafter as there is production of oil or gas under any provision of the last t in the production of oil or gas, this lesse shall remain in force the lesses there is production of oil or gas under any provision of the last. 11. 11. ti o tion t there after ges is tions

12. Lesse may at any time surronder or cancel this lesse in whole or in part by delivering or malling such release to the lesser, or by placing same of re-ord in the proper county. In cases said less is surrondered and canceled as to only a portion of the acressed county the tarms of said in the part of the part of the tarms of said less to the portion de the portion of the survey of the tarms of said less to the portion of the screep covered threshy, then all payments and liabilities thereafter acressed basis, but as to the portion of the acresse and determine and any romains thereafter paid may be apportioned on an exceepe basis, but as to the portion of the acresse and determine and any romains thereafter paid may be apportioned on an exceepe basis, but as to the portion of the acresse the torms and provisions of this lesse shall continue and remain in full force and effect for all purposes.

13. All provisions hereof, express or implied, shall be subject to ell fadors) and state laws and the orders, rules, or regulations (and interpretations thereof) of all governmental agencies administering the same, and this lease shall not be in any way terminated wholly or partially nor shall the lease be liable in dam-gess for failure to comply with any of the express or implied provisions hereof if such failure accords with any such laws, orders, rules or regulations (or inter-pretations thereof). If lesses should be prevented during the last six months of the primary term hereof from drilling a well hereunder by the order of any constituting authority having jurisdiction therefore, or, if lesses should be unable during suid beriod to drill a well hereunder due to aduptent necessary in the drilling thereof not being available on account of any cause, the primary term of this lease shall continue until six months after said order is suspended and/or said equipment is available, but the lesse shall pay delay rentals herein provided during such extended time.

d/or said equipment is available, but the lesses shall pay delay rentals herein provided during such extended time. 14. Lesses, at its option, is hereby given the right and power to pool or combine into one or more units the land covered by this lesse, or any portion there, with other lend covered by another lesse, or lesses adjoining same or in the vicinity thereof, when, in lesses's judgment, it is necessary or advisable to do in order to properly develop and operate seld losso premises to as to promote the conservation of such minerals in and under solid loss premises to as to promote the conservation of such minerals in and under solid loss premises to as to promote the conservation of such minerals in and under solid loss premises to as to promote the conservation of such minerals in and under solid loss premises to as to promote the conservation of such minerals in and under solid loss premises to as to promote the conservation of such minerals in and under solid loss premises to as to promote unit, and to be in a unit or units and exceeding 600 erres each in the event of a ges end/or condensate or distillate well, Lessen shall exceed a so production in the county in which the lend is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a unit units shall be treated for all purposes, except the payments of royalities on production from this lesse whether eny well is located on the lend covered by is lesse or not. Any well drilled on any such unit shall be and constitute a well herein and and any well is its acted on by part of the pooled or pooled in the royality subpulated herein as the areaunt of his feat or from the lend covered by is bears to the total mineral acreage so pooled in the pirritourie unit involved. 35. This lesse and all its terms, conditions, and stipulations shell extend to and be binding on ell successors of shell lessor and lessen. жn file

15. This lease and all its terms, conditions, and stipulations shell extend to and be binding on all successors of sold lessor and l Cente of Kansas, Scott County, SS bank.

| State of Manager a | |
|---|--|
| THIS INSTRUMENT FILED FOR RECORD ON THE | · · · · · · · · · · · · · · · · · · · |
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