



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

KANSAS CORPORATION COMMISSION 1040237
OIL & GAS CONSERVATION DIVISION

Form C-1
 March 2010
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

Form KSONA-1, Certification of Compliance with the Kansas Surface Owner Notification Act, MUST be submitted with this form.

Expected Spud Date: _____
 month day year

Spot Description: _____

OPERATOR: License# _____
 Name: _____
 Address 1: _____
 Address 2: _____
 City: _____ State: _____ Zip: _____ + _____
 Contact Person: _____
 Phone: _____

_____-_____-____-____ Sec. ____ Twp. ____ S. R. ____ E W
 (Q/Q/Q/Q) _____ 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)

CONTRACTOR: License# _____
 Name: _____

County: _____
 Lease Name: _____ Well #: _____

Field Name: _____
 Is this a Prorated / Spaced Field? Yes No

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
<input type="checkbox"/> If OWWO: old well information as follows:		

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: _____

Operator: _____
 Well Name: _____
 Original Completion Date: _____ Original Total Depth: _____

Water Source for Drilling Operations:
 Well Farm Pond Other: _____

Directional, Deviated or Horizontal wellbore? Yes No
 If Yes, true vertical depth: _____
 Bottom Hole Location: _____
 KCC DKT #: _____

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 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: _____





1040237

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: _____

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

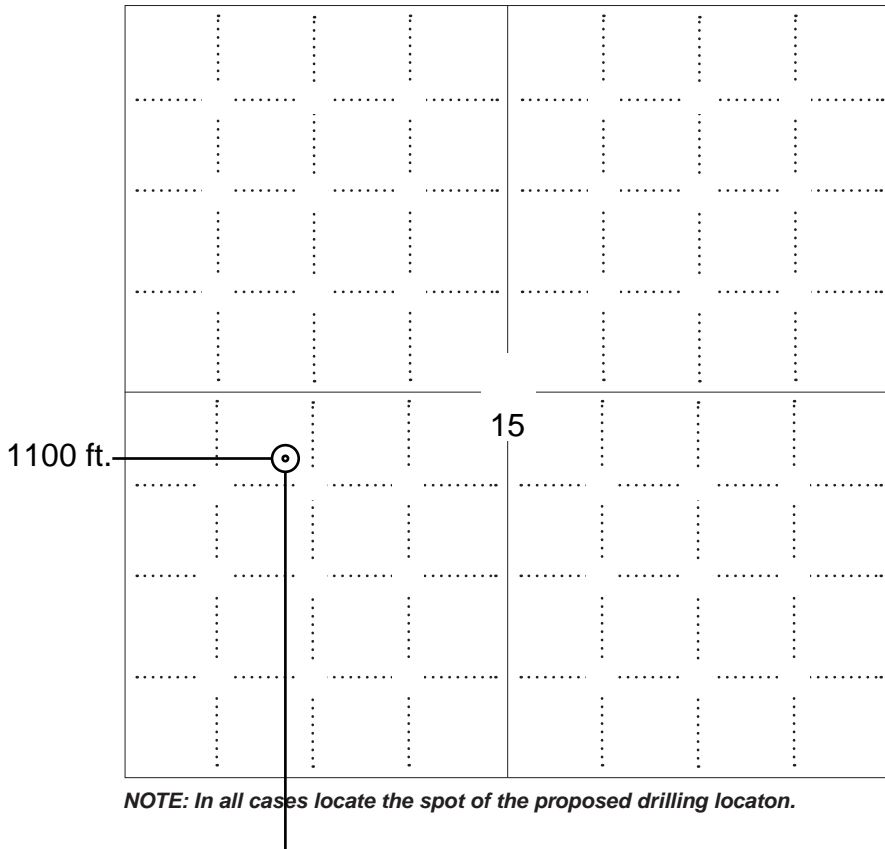
Is Section: Regular or Irregular

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

Section corner used: NE NW SE SW

PLAT

Show location of the well. 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.

LEGEND

- Well Location
- Tank Battery Location
- Pipeline Location
- Electric Line Location
- Lease Road Location



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

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



KANSAS CORPORATION COMMISSION 1040237
OIL & GAS CONSERVATION DIVISION

Form CDP-1
May 2010
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) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: _____ (feet) <input type="checkbox"/> 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: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input type="checkbox"/> 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.	
<p>Submitted Electronically</p>			

KCC OFFICE USE ONLY

Liner Steel Pit RFAC RFAS

Date Received: _____ Permit Number: _____ Permit Date: _____ Lease Inspection: Yes No



CERTIFICATION OF COMPLIANCE WITH THE KANSAS SURFACE OWNER NOTIFICATION ACT

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 # _____
Name: _____
Address 1: _____
Address 2: _____
City: _____ State: _____ Zip: _____ + _____
Contact Person: _____
Phone: (_____) _____ Fax: (_____) _____
Email Address: _____

Well Location: _____
____ - ____ - ____ - ____ Sec. ____ Twp. ____ S. R. ____ East West
County: _____
Lease Name: _____ Well #: _____

If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:

Surface Owner Information:

Name: _____
Address 1: _____
Address 2: _____
City: _____ State: _____ Zip: _____ + _____

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 county, and in the real estate property tax records of the county treasurer.

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.

I Submitted Electronically

I

MEMORANDUM GIVING NOTICE OF EXISTENCE OF OIL AND GAS LEASE

STATE OF OKLAHOMA)
COUNTY OF KAY) SS.

INDEXED
DIRECT
INDIRECT
PHOTO
COMPARED WITH COPY

LESSOR Craig Day and Linda M. Day, Trustees
Of the Craig Day Trust #1, dated February 1, 2000
16109 W Indian Road
Braman, OK 74632

LESSEE: Fossil Creek Resources, LLC
1521 N Cooper Street, Suite 650
Arlington, Texas 76011

State of Kansas, Sumner County SS:
Filed for record on the 26th Day of
June, 2009 A.D. at 8:00
o'clock M and recorded in photo
Book 786 at page 245
fees \$ 8.00
Susan D Cook - Deputy
Joyce A. Lowe Register of Deeds

Lessor and Lessee named above on May 1, 2009, entered into an Oil and Gas Lease (the "Agreement"), covering and pertaining to the following described lands (the "Lands"), to-wit:

All of Section 15; Lot 1 & Lot 2 of Section 22; N/2 N/2 SW/4 of Section 14,
all in Township 35 South, Range 01 East, Sumner County, Kansas,
containing 688.28 acres, more or less, Sumner County, Kansas

In the Agreement Lessor has granted Lessee, an oil and gas lease covering all of Lessor's mineral interest in, to and under said lands described above, for a period of 2 years from May 1, 2009, plus an option to extend the primary term of this lease for a period of one (1) additional year, commencing at the expiration of the initial primary term, and as long thereafter as oil and/or gas is produced from said land or lands pooled herewith, and further subject to the terms and provisions set forth in the Agreement.

Lessee is executing this memorandum for recording in the county records in order to give notice of the Agreement without the necessity of recording the Agreement in its entirety. A fully executed copy of the Agreement is in the possession of Lessor and Lessee at their respective addresses.

IN WITNESS WHEREOF, this instrument is executed on the 5th day of June, 2009.

Fossil Creek Resources, LLC

By: John Stacy
John Stacy, Agent for Fossil Creek Resources, LLC.

ACKNOWLEDGEMENT

STATE OF OKLAHOMA)
COUNTY OF OKLAHOMA) SS.

The foregoing instrument was acknowledged before be this 5th day of June, 2009 by JOHN STACY, Agent for Fossil Creek Resources, LLC.

Witness my hand and official seal



Brian M. Lowry
Notary Public

My commission expires 12/17/12

Oklahoma City, OK 73116
Site 110
6801 N Broadway
Stiker Land Service LLC

OIL AND GAS LEASE

PAID UP

AGREEMENT, Made and entered into this **1st day of May, 2009** by and between Craig Day and Linda M. Day, Trustees of the Craig Day Trust #1, dated February 1, 2000, 16109 W Indian Road, Braman, OK 74632, party of the first part, hereinafter called lessor (whether one or more), and Fossil Creek Resources, LLC, 1521 N Cooper Street, Suite 650, Arlington, TX 76011, party of the second part, hereinafter called lessee.

WITNESSETH, That the said lessor, for and in consideration of Ten and other Dollars, cash in hand paid, receipt of which is hereby acknowledged and of the covenants and agreements hereinafter contained on the part of lessee to be paid, kept and performed, has granted, demised, leased and let and by these presents does grant, demise, lease and let unto the said lessee, for the sole and only purpose of exploring by geophysical and other methods, mining and operating for oil (including but not limited to distillate and condensate), gas (including casinghead gas and helium and all other constituents), and for laying pipe lines, and building tanks, power stations and structures thereon to produce, save and take care of said products, all that certain tract of land, together with any reversionary rights therein, situated in the **County of Sumner, State of Kansas**, described as follows, to wit:

Section 15: All

Section 22: Lot 1 & Lot 2

Section 14: N/2 N/2 SW/4

Of **Section _____, Township 35 South, Range 1 East**, and containing 688.28 acres, more or less.

It is agreed that this lease shall remain in force for a term of two (2) years from May 1st, 2009 (herein called primary term) and as long thereafter as oil or gas, or either of them, is produced from said land by the lessee.

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 it may connect its wells, the **1/5th** of all oil (including but not limited to condensate and distillate) produced and saved from the leased premises.

2nd To pay lessor for gas of whatsoever nature or kind (with all of its constituents) produced and sold or used off the leased premises, or used in the manufacture of products therefrom, **1/5th** of the gross proceeds received for the gas sold, used off the premises, or in the manufacture of products therefrom, but in no event more than **1/5th** of the actual amount received by the lessee, said payments to be made monthly. During any period (whether before or after expiration of the primary term hereof) when gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or operations on said leased premises sufficient to keep this lease in force, lessee shall pay or tender a royalty of One Dollar (\$5.00) per year per net royalty acre retained hereunder, such payment or tender to be made, on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut in and hereafter on the anniversary date of this lease during the period such well is shut in, to the royalty owners. When such payment or tender is made it will be considered that gas is being produced within the meaning of the entire lease.

3rd To pay lessor for gas produced from any oil well and used off the premises, or for the manufacture of casinghead gasoline or dry commercial gas, **1/5th** of the gross proceeds, at the mouth of the well, received by lessee for the gas during the time such gas shall be used, said payments to be made monthly.

If the lessee shall commence to drill a well or commence reworking operations on an existing well within the term of this lease or any extension thereof, or on acreage pooled therewith, the lessee shall have the right to drill such well to completion or complete reworking operations 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.

Lessee is hereby granted the right at any time and from time to time to unitize the leased premises or any portion or portions thereof, as to all strata or any stratum or strata, with any other lands as to all strata or any stratum or strata, for the production primarily of gas with or without distillate. However, no unit for the production primarily of oil shall embrace more than 40 acres, or for the production primarily of gas with or without distillate more than 640 acres, provided that if any governmental regulation shall prescribe a spacing pattern for the development of the field or allocate a producing allowable based on acreage per well, then any such unit may embrace as much additional acreage as may be so prescribed or as may be used in such allocation of allowable. Lessee shall file written unit designations in the county in which the leased premises are located. Operations upon and production from the unit shall be treated as if such operations were upon or such production were from the leased premises whether or not the well or wells are located thereon. The entire acreage within a unit shall be treated for all purposes as if it were covered by and included in this lease except that the royalty on production from the unit shall be as below provided, and except that in calculating the amount of any shut in gas royalties, only the part of the acreage originally leased and then actually embraced by this lease shall be counted. In respect to production from the unit Lessee shall pay Lessor, in lieu of other royalties thereon, only such proportion of the royalties 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 in the unit.

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 shall be paid to the lessor only in the proportion which his 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 its operations thereon, except water from wells of lessor.

When requested by the lessor, lessee shall bury his pipe lines below plow depth.

No well shall be drilled nearer than 200 feet to the house or barn now on said premises, without the written consent of lessor.

Lessee shall compensate Lessor for any damages caused by its operations on said lands.

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. However, no change or division of ownership of the land or royalties shall enlarge the obligations or diminish the rights of Lessee. No change in the ownership of the land 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.

All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules and 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 such failure is the result of any such Law, Order, Rule or Regulation.

This lease shall be effective as to each lessor on execution hereof as to his or her interest and shall be binding on those signing, notwithstanding some of the lessors above named may not join in the execution hereof. The word "Lessor" as used in this lease means the party or parties who execute this lease as Lessor, although not named above.

Lessee may at any time and from time to time surrender this lease as to any part or parts of the leased premises by delivering or mailing a release thereof the lessor, or by placing a release of record in the proper County.

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. Lessor shall upon request of its mortgagee, if any, agree to make royalty payments direct to its mortgagee, if mortgagee requests same prior to execution of a mortgage subordination agreement of this lease.


In addition to the cash bonus which has been paid to Lessor for the execution of this lease, Lessee shall have the right, but not the obligation, on or before the end of the primary term of this lease, to extend the primary term of this lease for a period of one (1) additional year, commencing at the expiration of the initial primary term, and as long thereafter as oil and gas is produced from said land or lands pooled herewith. Lessee may exercise its option to extend this lease by tendering to Lessor at any time prior to the expiration of the initial primary term an additional bonus consideration for each net mineral acre then owned by Lessor at \$50.00 per acre paid to Lessor by Lessee for each net mineral acre originally covered by this lease. Lessor agrees not to enter into any top lease during the initial primary term of this lease.

See Exhibits "A" "B-1" and "B-2" attached hereto and made a part hereof.

IN TESTIMONY WHEREOF, we sign this, the 7th day of May, 2009



Craig Day, Trustee Craig Day Trust #1
dated February 1, 2000



Linda M. Day, Trustee Craig Day Trust #1
dated February 1, 2000

(Individual Acknowledgement)

STATE OF OKLAHOMA

COUNTY OF Kay

Before me, the undersigned, a Notary Public, in and for said County and State, on this 7th day of May, 2009, personally appeared Craig Day and Linda M. Day, Trustees of the Craig Day Trust #1, dated February 1, 2000, to me known to be the identical persons who executed the within and foregoing instrument, and acknowledged to me that they executed the same as their free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF I hereunto set my official signature and affixed my notarial seal the day and year last above written.

My Commission Expires: 1-24-12

Notary Public Darlene Johns

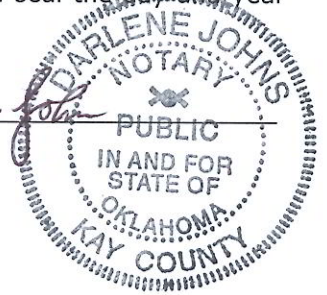


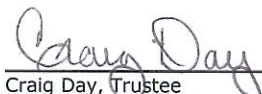
EXHIBIT "A"

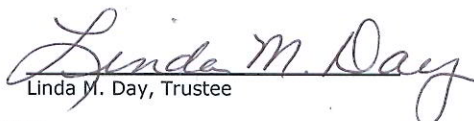
Attached to and made a part of that certain Oil and Gas Lease dated May 1, 2009 from Craig Day and Linda M. Day, Trustees of the Craig Day Trust #1, dated February 1, 2000, as Lessor and Fossil Creek Resources, LLC, as Lessee.

The following provisions are a part of this Oil and Gas Lease and if there be conflict between these provisions and any of the foregoing provisions, the following provisions shall apply and take precedence.

1. The use of the above described property by Lessee is limited only to production wells physically located on said premises or in the same unit as designated by the Oklahoma Corporation Commission. Pipelines and roads across the leased premises are limited to those from wells located on the leased premises or in the same unit as designated by the Oklahoma Corporation Commission.
2. No earthen reserve pits shall be utilized in the re-entry, drilling, completion or operation of any well that may be drilled on property covered by this lease or any of Lessor's property in said Section.
3. Lessee agrees not to interfere with the natural flowage of water and to prevent and repair any erosion caused by its operations, whether on or off the location site.
4. Lessee agrees to indemnify Lessor against all claims, suits, costs, losses, and expenses that may in any manner result from or arise out of the operations conducted pursuant to this instrument.
5. That upon completion of the well or within six (6) months of plugging and abandonment lessee shall restore as nearly as possible, said premises to its original condition.
6. No drilling or production operations shall be conducted through or under the tops, or ridge lines, of any existing terraces but instead shall be conducted between and parallel to the tops or ridgelines of the existing terraces.
7. All topsoil removed as part of the drilling and/or production operations shall be segregated and shall be replaced at the conclusion of this lease in such a way that the operation of the existing terrace system is not adversely affected.
8. At the termination of this lease, all evidence of drilling and/or production operations shall be removed and the land restored, as reasonably possible, to its original state.
9. The terms "drilling operations" and "production operations" include, but are not limited to, roads, drill pads, tanks, pipelines, drilling rigs, pumping units, parking areas, and structures.
10. Lessee agrees to exercise proper diligence in maintaining location and roadway essentially free of trash and litter.
11. It is agreed that the right to lay lines granted above extends only to pipelines required for drilling operations and carrying production from the leased premises and not to common carrier lines. Lessee further agrees to bury and maintain all pipelines at least 36" below the surface to the top of the pipe.
12. Lessee agrees and does hereby agree to construct its lease roads and well sites using rock or gravel as necessary to provide for an all weather road.
13. Lessee agrees and does hereby agree that all above ground equipment including tank batteries, wellhead and pump jack will be painted.
14. Lessee agrees and does hereby agree that lessor will be allowed to harvest his annual crops on the lease premises prior to initiating any dirt work for the construction of its lease roads and well sites.
15. At the end of the primary term of this lease or at the end of continuous drilling operations (as defined below), whichever is the last to occur, each well on the leased premises or (on lands pooled therewith) then producing oil and/or gas in paying quantities shall maintain this lease in effect for all the leased premises that are included within the unit established for such well in accordance with applicable spacing rules. Any land not so held by production at the end of the primary term of this lease shall revert to Lessor free and clear of the terms of this lease, with the exception that in the event Lessee is, at the end of the primary term, engaged in drilling or deepening a well on the land, or if Lessee has completed a well on the lease or on lands pooled therewith as either a producer or as a dry hole within 120 days before the expiration of the primary term, the entire lease shall remain in force and effect so long as continuous drilling operations are being carried on upon the property, and the continuous drilling operations shall be construed to mean that no more than one hundred twenty (120) days shall elapse between the completion or abandonment of a dry hole of any oil and/or gas well and the commencement of operations for the drilling or deepening of a dry hole of any oil and/or gas well and the commencement of operations for the drilling or deepening of a subsequent well. At the end of either (i) the primary term, or (ii) continuous drilling operations, whichever is applicable, Lessee shall have (30) days time in which to execute and furnish to Lessor a recordable release of any land not held under this lease. Lessee shall send Lessor weekly reports signed (or a copy thereof) by a person with actual knowledge describing all work done during any continuous drilling operations.
16. Lessor agrees to execute a seismic permit in the form attached hereto as Exhibit "B". Lessor agrees to accept \$5.00 per net acre as normal damages in a crossing fee. Actual crop damages will be paid separately at current market price.
17. Lease shall not be held solely by shut-in rental payments for more than two (2) years beyond the primary term.
18. The terms and conditions hereof shall be considered to be covenants running with the land covered by this lease and shall be binding upon the transferees, successors, or assigns of the lease.

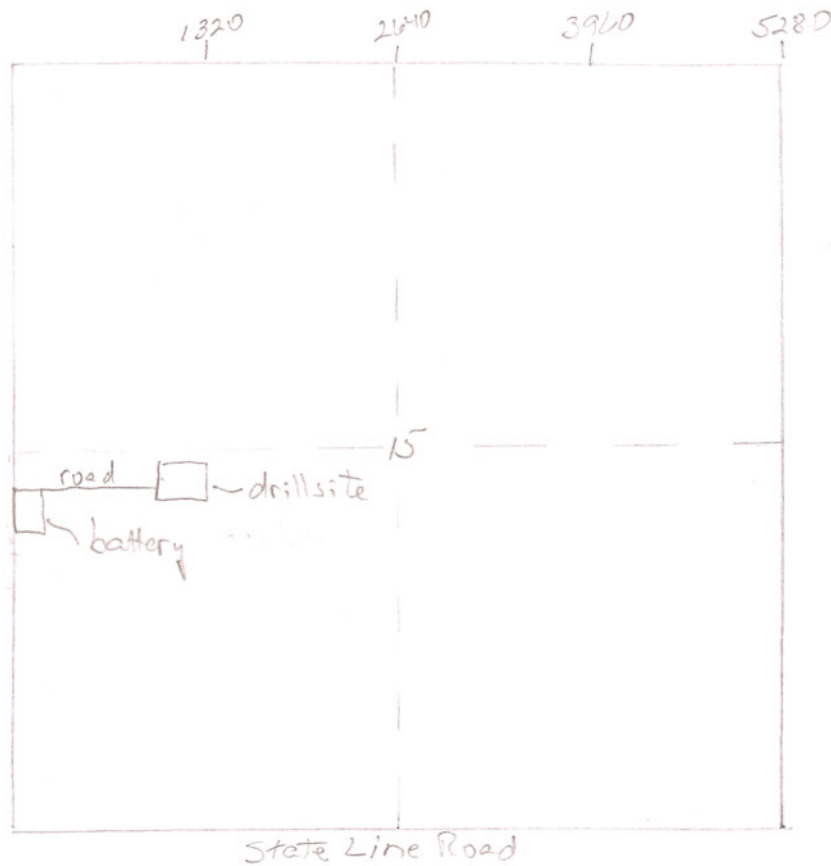
Signed this 7th day of May, 2009


Craig Day, Trustee


Linda M. Day, Trustee

Drillsite approximately 1 1/2 acres
Lease road approximately 20' x 1200'

Tank Battery to be located as near county road as practical
Electric lines to run parallel and adjacent to lease road.



SEE 15-355-1E



*Mark Parkinson, Governor
Thomas E. Wright, Chairman
Joseph F. Harkins, Commissioner
Ward Loyd, Commissioner*

July 12, 2010

James Piland
Fossil Creek Resources, LLC
1521 N. COOPER., STE 650
ARLINGTON, TX 76011

Re: Drilling Pit Application
Day 15-3
SW/4 Sec.15-35S-01E
Sumner County, Kansas

Dear James Piland:

District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed **without slots**, the bottom shall be flat and reasonably level, and the free fluids must be removed. The fluids are to be removed from the reserve pit within 72 hours of completion of drilling operations.

If production casing is set all completion fluids shall be removed from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve pit.

The fluids should be taken to an authorized disposal well. Please call the District Office at (316) 630-4000 when the fluids have been removed. Please file form CDP-5 (August 2008), Exploration and Production Waste Transfer, through SOLAR within 30 days of fluid removal.

A copy of this letter should be posted in the doghouse along with the approved Intent to Drill. If you have any questions or concerns please feel free to contact the District Office at (316) 630-4000.