



1041476

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

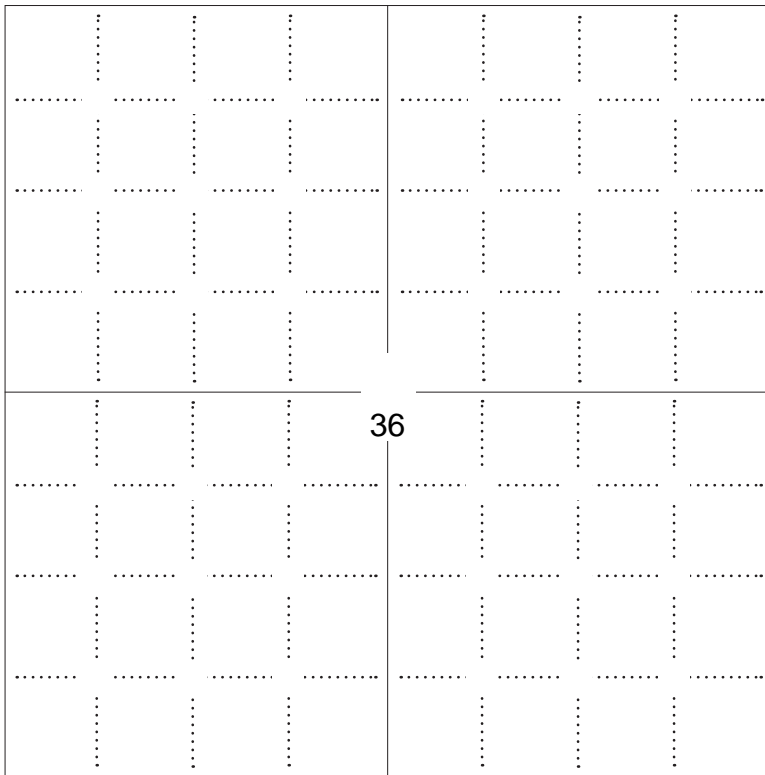
Is Section: Regular or Irregular

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.



LEGEND

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



NOTE: In all cases locate the spot of the proposed drilling 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 1041476
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

ADVANTAGE ELEVATIONS

OIL FIELD SURVEYORS

BOX 8604 - PRATT, KS 67124
(620) 672-6491

729104
INVOICE NO.

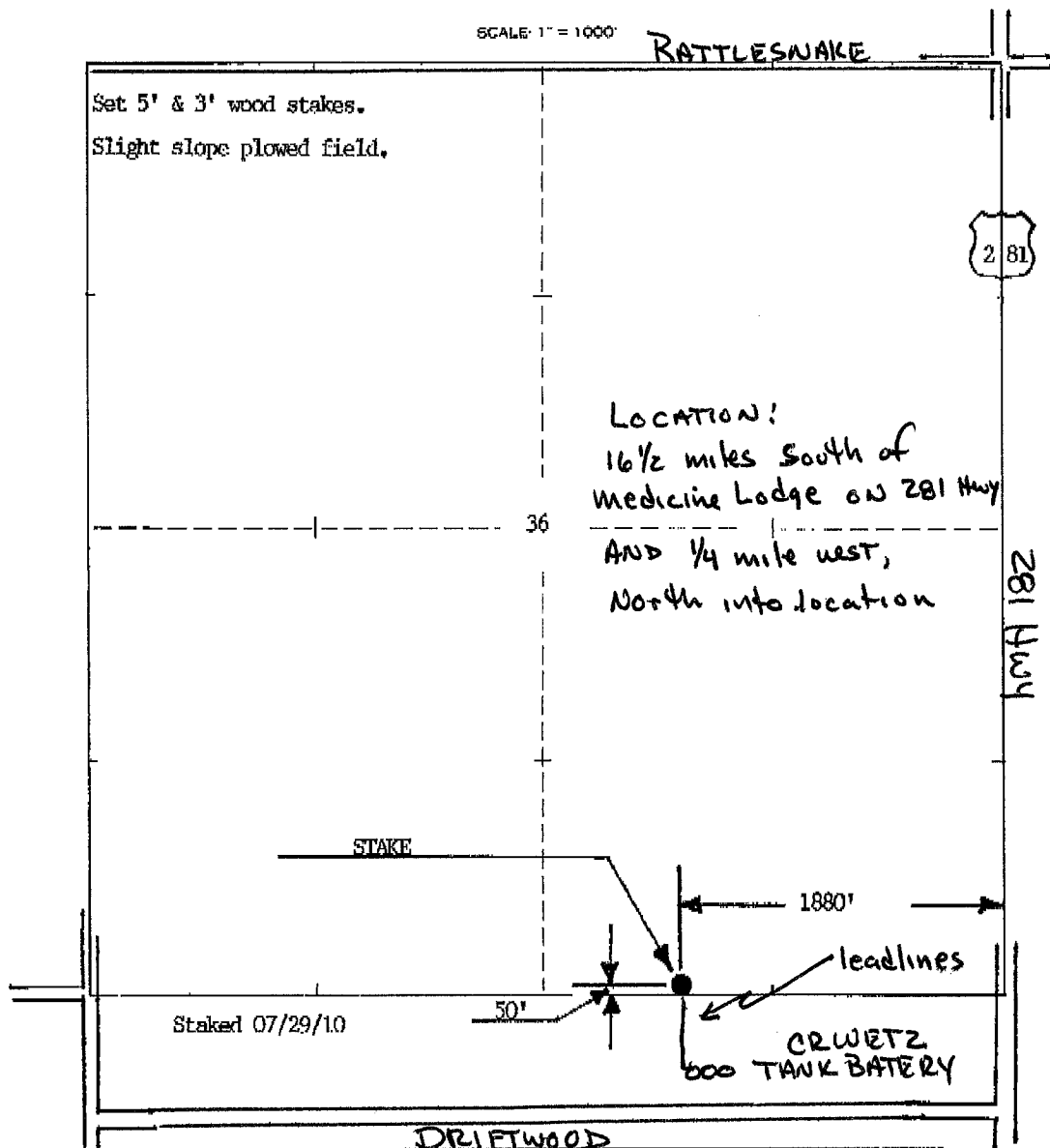
LOTUS OPERATING COMPANY LLC OPERATOR 5 NO C R Wetz FARM
Barber COUNTY 36 S 34g T 12w R 50' FSL & 1880' FEL of Section LOCATION

ELEVATION: 1411' gr.

LOTUS OPERATING COMPANY LLC
100 S Main, Ste 420
Wichita KS 67202

AUTHORIZED BY: Tim Hellman

SCALE: 1" = 1000'





ADVANTAGE ELEVATIONS

OIL FIELD SURVEYORS

BOX 8604 - PRATT, KS 67124
(620) 672-6491

729105
INVOICE NO.

LOTUS OPERATING COMPANY LLC
OPERATOR

6 C R Wetz
NO. FARM

Barber 36 34s 12w
COUNTY S T R

850' FSL & 1815' FEL
LOCATION

ELEVATION: 1417' gc



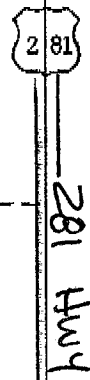
LOTUS OPERATING COMPANY LLC
100 S Main, Ste 420
Wichita KS 67202

AUTHORIZED BY: Tim Hellman

SCALE: 1" = 1000'

Set 5' & 3' wood stakes.
Slight to moderate slope plowed field.

Location:
1 1/2 miles south of
Medicine Lodge on 281
Hwy. then 1/4 mile west
on Driftwood, north into
Location.



Staked 07/29/10

leadings →

000 CRWETZ

DRIFTWOOD

TANK BATTERY



Lotus Operating Company LLC

100 S. MAIN, SUITE 420
WICHITA, KANSAS 67202
(316) 262-1077
FAX (316) 219-1217
thellman@lotusoperating.com

August 1, 2010

Mr. Steve Walz
17353 SE Hwy 281
Kiowa, Kansas 67070

Re: #5 CR Wetz well
Barber County, KS

Dear Mr. Walz,

Lotus Operating Company LLC currently holds the Oil and Gas Lease for property located in S/2 SW/4 and SW/4 SE/4 of Section 36-T34S-R12W and the W/2 of Lot 1 and all of Lot 2 of Section 1-T35S-R12W, Barber County, Kansas.

This letter is to inform you we are preparing to drill the #5 CR Wetz well near August 3, pending approval from the Kansas Corporation Commission. The drill site will be located approximately 50' from the South Line and 1,880' the East Line of section 36-34S-12W, Barber County, Kansas. Enclosed is a plat showing our intended drilling location.

If you have any questions or concerns, please feel free to call our office.

Regards,

Timothy D. Hellman

TH/bh
Enclosure

cc: Kansas Corporation Commission

B+ OIL AND GAS LEASE

Reorder No. 09-130

KANSAS BLUE PRINT CO. INC.
316-264-9344 • P.O. Box 793 • Wichita, KS 67201-0793

AGREEMENT, Made and entered into this 30 day of November, 19 94,
by and between Pearl L. Burchett, a widow, Gary D. Burchett, William F. Burchett
and James F. Burchett

Paul Caragianis Party of the first part, hereinafter called lessor (whether one or more) and
Part V of the second part, hereinafter called lessee.

WITNESSETH. That the said lessor, for and in consideration of _____ 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 said lessee, for the sole and only purpose of mining and operating for oil and gas, and 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 Barber
State of Kansas described as follows, to wit:
S/2 SW/4 and SW/4 SE/4 of Sec. 36-T34S-R12W and the W/2 of Lot 1 and
all of Lot 2 of Sec. 1-T35S-R12W

of Section _____ Township _____ Range _____ and containing _____ acres more or less.

It is agreed that this lease shall remain in full force for a term of two (2) years from this date, and as long
thereafter as oil or gas, or either of them, is produced from said land by the lessee, or the premises are being developed or
operated.

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 his wells, the equal one-
eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. The lessee shall pay to lessor for gas produced from any oil well and used by the lessee for the manufacture of
gasoline or any other product as royalty 1/8 of the market value of such gas at the mouth of the well; if said gas is sold by the
lessee, then as royalty 1/8 of the proceeds of the sale thereof at the mouth of the well. The lessee 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 only is found and where such gas is not sold or
used, lessee shall pay or tender annually at the end of each yearly period during which such gas is not sold or used as royalty, an
amount equal to the delay rental provided in the next succeeding paragraph hereof, and while said royalty is so paid or tendered
this lease shall be held as a producing lease under the above term paragraph hereof; the lessor to have gas free of charge from
any gas well on the leased premises for stoves and inside lights in the principal 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.

~~If operations for the drilling of a well be not commenced on said land on or before _____, 19____, this
lease shall terminate as to both parties, unless the lessee on or before that date shall pay or tender to the lessor, or to the lessor's
credit in the _____ Bank at _____
or its successors, which shall continue as the depository regardless of changes in the ownership of said land, the sum of _____~~

_____ DOLLARS,
which shall operate as a rental and cover the privilege of deferring the commencement of a well for twelve months from said date.
In like manner and upon like payments or tenders the commencement of a well may be further deferred for like periods or the
same number of months successively. All such payments or tenders of rental may be made by check or draft of lessee or any
assignee thereof, mailed or delivered on or before the rental paying date either direct to lessor or assigns or to said depository bank.
And it is understood and agreed that the consideration first recited herein, the down payment, covers not only the privileges granted
to the date when said first rental is payable as aforesaid, but also the lessee's option of extending that period as aforesaid, and any
and all other rights conferred. 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, and thereafter the rentals payable hereunder shall be reduced in
the proportion that the acreage covered hereon is reduced by said release or releases.

Should the first well drilled on the above described land be a dry hole, then, and in that event, if a second well is not
commenced on said land within twelve months from expiration of the last rental period for which rental has been paid, this lease
shall terminate as to both parties, unless the lessee on or before the expiration of said twelve months shall resume the payment of
rentals in the same amount and in the same manner as hereinbefore provided. And it is agreed that upon the resumption of the
payment of rentals, as above provided, that the last preceding paragraph hereof, governing the payment of rentals and the effect
thereof, shall continue in force just as though there had been no interruption in the rental payments.

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then
the royalties and rentals herein provided shall be paid the lessor only in the proportion which his interest bears to the whole and
undivided fee. However, such rental shall be increased at the next succeeding rental anniversary after any reversion occurs to
cover the interest so acquired.

Lessee shall have the right to use, free of cost, gas, oil, and water produced on said land for its operation thereon, except
water from wells of lessor.

When requested by 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 the
lessor.

Lessee shall pay for damages caused by its 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 lessee shall commence operations 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 the like effect as if such well had been completed within the term
of years herein first mentioned.

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; and it is hereby agreed in the event this lease shall be assigned as to a part
or as to parts of the above described lands and the assignee or assignees of such part or parts shall fail or make default in the
payment of the proportionate part of the rents due from him or them on an acreage basis, such default shall not operate to defeat
or affect this lease in so far as it covers a part or parts of said lands upon which the said lessee or any assignee thereof shall make
due payments of said rentals. If the leased premises are now or hereafter owned in severalty or in separate tracts, the premises,
nevertheless, may be developed and operated as an entirety, and the royalties shall be paid to each separate owner in the proportion
that the acreage owned by him bears to the entire leased area. There shall be no obligation on the part of the lessee to offset wells
on separate tracts into which the land covered by this lease is now or may hereafter be divided by sale, devise, or otherwise, or to
furnish separate measuring or receiving tanks for the oil produced from such separate tracts.

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.

See attached Addendum.

Whereof witness our hands as of the day and year first
above written.

Witness to the mark:

Please record and return to:

Stuart M. Kowalski
Martin, Pringle, Oliver,
Wallace & Swartz
220 W. Douglas, 300 Page Court
Wichita, Kansas 67202-3194

Pearl L. Burchett (SEAL)
Gary D. Burchett (SEAL)
William F. Burchett (SEAL)
James F. Burchett (SEAL)

0000 273-525
0000 275-70,71 & 72
0000 278-1
0000 301-179 & 180
0000 300-619
0000 316-235
0000 323-315, 319
0000 315 & COMUD 306-5274

STATE OF _____ COUNTY OF _____ ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)
The foregoing instrument was acknowledged before me this _____ day of _____, 19____
by _____ and _____

My commission expires _____
Notary Public

STATE OF _____ COUNTY OF _____ ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)
The foregoing instrument was acknowledged before me this _____ day of _____, 19____
by _____ and _____

My commission expires _____
Notary Public

STATE OF _____ COUNTY OF _____ ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)
The foregoing instrument was acknowledged before me this _____ day of _____, 19____
by _____ and _____

My commission expires _____
Notary Public

STATE OF Washington COUNTY OF SINKANE ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)
The foregoing instrument was acknowledged before me this 30th day of November
by Pearl L. Burchett, Gary D. Burchett and William F. Burchett

My commission expires 7/2/96
Donald L. Rodman Notary Public



OIL AND GAS LEASE

No. _____
FROM
Pearl L. Burchett, Gary D. Burchett,
William F. Burchett and James F. Burchett
TO
Paul C. Caragianis

Date _____, 19____
Section _____ Twp. _____ Rge. _____
No. of Acres _____ Term _____
Barber _____ County _____ Kansas

STATE OF KANSAS
County BARBER

This instrument was filed for record on the 7
day of December, 1994
at 11:01 o'clock A.M., and duly recorded
in Book 267 Page 255 of
the records of this office.
By Betty Jo Swanson Register of Deeds.
When recorded, return to _____

STATE OF _____ COUNTY OF _____ ACKNOWLEDGMENT FOR CORPORATION (KsOkCoNe)
The foregoing instrument was acknowledged before me this _____ day of _____, 19____
by _____ of _____ a _____
corporation, on behalf of the corporation.

My commission expires _____
Notary Public

ADDENDUM TO OIL AND GAS LEASE
dated November 30, 1974 by and between
Pearl Burchett, et al and Paul Caragianis

This Oil and Gas Lease shall become effective only upon the release or other termination of the oil and gas lease recorded at Book 131, Page 427 now in effect and covering the herein described land.

Lessee shall have the right to install and operate a salt water disposal well upon the land herein described for the disposal of salt water from the West Half and the East Half of the West Half of Section 36-35S-12W and the West Half of Lot 1 and all of Lot 2, Section 1-35S-12W, Barber County, Kansas.

Gary D. Burchett, William F. Burchett and James F. Burchett all warrant and represent that they have never been residents of the state of Kansas.

OIL AND GAS LEASE



Form L. B. 88 Revised

THIS AGREEMENT Entered into this the 9th day of April, 1968

between Fred Wetz and Lula Wetz, his wife, 803 Deamm, Kiowa, Kansas,

hereinafter called lessor and Jim L. Filson hereinafter called lessee, does witness:

1. That lessor, for and in consideration of the sum of Ten and more Dollars (\$10.00),

in hand paid, and of the covenants and agreements hereinafter contained to be performed by the lessee, has this day granted and leased and hereby grants, leases and lets unto the lessee for the purpose of mining and producing oil and gas, casinghead gas and casinghead gasoline, laying pipe lines, building tanks, storing oil, building powers, stations, telephone lines and other structures thereon to produce, save, take care of and manufacture

all of such substances, and for housing and boarding employees, the following described tract of land in Barber County, Kansas to-wit: The West Half (W $\frac{1}{2}$) and the West Half of the East Half (W $\frac{1}{2}$ E $\frac{1}{2}$) of Section 36 Township 34 South, Range 12 West and the West Half (W $\frac{1}{2}$) of Lot 1 and All of Lot 2

in Section 1 Township 35 S Range 12 W and containing 537.95 acres, more or less

2. This lease shall remain in force for a term ending April 9th, 1973, and as long thereafter as oil, gas, casinghead gas, casinghead gasoline, or any of them is produced.

3. The lessee shall deliver to the credit of the lessor as royalty, free of cost, in the pipe line to which lessee may connect its wells the equal one-eighth part of all oil produced and saved from the leased premises, or at the lessee's option, may pay to the lessor for such one-eighth royalty the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line, or into storage tanks.

4. The lessee shall monthly pay lessor as royalty on gas marketed from each well where gas only is found, one-eighth (1/8) of the proceeds if sold at the well, or if marketed by lessee on the leased premises, then one-eighth (1/8) of its market value at the well. The lessee shall pay the lessor: (a) one-eighth (1/8) of the proceeds received by the lessee from the sale of casinghead gas, produced from any oil well; (b) one-eighth (1/8) of the value, at the mouth of the well, computed at the prevailing market price, of the casinghead gas, produced from any oil well and used by lessee off the leased premises for any purpose or computed on the leased premises for purposes other than the development and operation thereof. Lessor shall have the privilege at his own risk and expense of using gas from any gas well on said land for stoves and inside lights in the principal dwelling located on the leased premises by making his own connections thereto.

Where gas from a well or wells, capable of producing gas only, is not sold or used for a period of one year, lessee shall pay or tender as royalty, an amount equal to the delay rental as provided in paragraph (5) hereof, payable annually at the end of each year during which such gas is not sold or used, and while said royalty is so paid or tendered this lease shall be held as a producing property under paragraph numbered two hereof.

5. If operations for the drilling of a well for oil or gas on said land or for gas, on a consolidated leasehold estate of which this land is a part thereof, as contemplated in paragraph 9, are not commenced on or before April 9th, 1969, this lease shall terminate as to both parties unless the lessee shall on or before that date, pay or tender to the lessor, or to the lessor's credit in the

First State Bank at Kiowa, Kansas, or its successors, which bank and its successors are the lessor's agent and shall continue as the depository of any and all sums payable under this lease, regardless of changes of ownership in said land or in the oil and gas, or in the rentals to accrue thereunder, the sum of

Five Hundred and Thirty-Seven and 95/100 Dollars (\$ 537.95) which shall operate as

rental and cover the privilege of deferring the commencement of drilling operations for a period of one year. In like manner and upon like payments or tenders, the commencement of drilling operations may be further deferred for like periods successively. All payments or tenders may be made by check or draft of lessee or any assignee thereof, mailed or delivered on or before the rental paying date. Notwithstanding the death of the lessor, or his successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors, and administrators of such person.

6. If at any time prior to the discovery of oil or gas on this land and during the term of this lease, the lessee shall drill a dry hole, or holes, on this land, this lease shall not terminate, provided operations for the drilling of a well shall be commenced by the next ensuing rental paying date, or provided the lessee begins or resumes the payment of rentals in the manner and amount herein above provided; and in this event the preceding paragraphs hereof governing the payment of rentals and the manner and effect thereof shall continue in force.

7. In case said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, 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.

8. The lessee shall have the right to use free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of the lessor. When required by lessor, the lessee shall bury pipe lines below plow depth and shall pay for damage caused by its operations to growing crops on said land. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without the written consent of the lessor. Lessee shall have the right at any time during or after the expiration of this lease to remove all machinery, fixtures, houses, buildings and other structures placed on said premises, including the right to draw and remove all casing.

9. As to the gas leasehold estate hereby granted (excluding casinghead gas produced from oil wells), lessee is expressly granted the right and privilege to consolidate said gas leasehold with any other adjacent or contiguous gas leasehold estates to form a consolidated gas leasehold estate which shall not exceed a total area of 640 acres; and in the event lessee exercises the right and privilege of consolidation, as herein granted, the consolidated gas leasehold estate shall be deemed, treated and operated in the same manner as though the entire consolidated leasehold estate were originally covered by and included in this lease, and all royalties which shall accrue on gas (excluding casinghead gas produced from oil wells), produced and marketed from the consolidated estate, including all royalties payable hereunder, shall be prorated, and paid to the lessors of the various tracts included in the consolidated estate in the same proportion that the acreage of each said lessor bears to the total acreage of the consolidated estate, and a producing gas well on any portion of the consolidated estate shall operate to continue the oil and gas leasehold estate hereby granted so long as gas is produced therefrom.

10. 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 the heirs, executors, administrators, successors and assigns, but no change of ownership in the land or in the rentals or royalties shall be binding on the lessee until after notice to the lessee and it has been furnished with the written transfer or assignment or a certified copy thereof.

11. If the leased premises shall hereafter be owned in severalty or in separate tracts, the premises, nevertheless, shall be developed and operated as one lease and all royalties accruing hereunder shall be treated as an entirety and shall be divided among and paid to such separate owners in the proportion that the acreage owned by each such separate owner bears to the entire leased acreage. There shall be no obligation on the part of the lessee to offset wells on separate tracts into which the land covered by this lease may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks. It is hereby agreed that, in the event this lease shall be assigned as to a part or as to parts of the above described lands, and the holder or owner of any such part or parts shall fail or make default in the payment of the proportionate part of the rent due from him or them, such default shall not operate to defeat or affect this lease in so far as it covers a part or parts of said land upon which the said lessee or any assignee hereof shall make due payment of said rentals. If at any time there be as many as four parties entitled to rentals or royalties, lessee may withhold payments thereof unless and until all parties designate, in writing, in a recordable instrument to be filed with the lessee, a common agent to receive all payments due hereunder, and to execute division and transfer orders on behalf of said parties, and their respective successors in title.

12. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the lessee, at its option, may pay and discharge any taxes, mortgages, or other liens existing, levied, 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 royalty or rentals accruing hereunder.

13. Notwithstanding anything in this lease contained to the contrary, it is expressly agreed that if lessee shall commence drilling operations at any time while this lease is in force, this lease shall remain in force and its term shall continue so long as such operations are prosecuted and, if production results therefrom, then as long as production continues.

14. If, within the primary term of this lease, the well or wells on the leased premises, or on the consolidated gas leasehold estate, shall cease to be productive, this lease shall not terminate, provided operations for the drilling of a well on the leased premises, or on the consolidated gas leasehold estate, shall be commenced before or on the next ensuing rental payment date; or, provided lessee begins or resumes the payment of rentals in the manner and amount hereinbefore provided. It is agreed, however, that the completion of a well producing or capable of producing gas, upon the property hereinabove described, or the inclusion of such property in a consolidation unit producing or capable of producing gas, as provided by paragraph number 9 hereof, shall constitute full and complete development with respect to the gas leasehold estate hereby granted. If, upon, or after the expiration of the primary term of this lease, the well or wells on the leased premises, or on the consolidated gas leasehold estate, shall be incapable of producing, this lease shall not terminate provided lessee resumes operations for drilling a well on the leased premises or on the consolidated gas leasehold estate within one hundred twenty (120) days from such cessation, and this lease shall remain in force during the prosecution of such operations and, if production results therefrom, then as long as production continues.

15. It is contemplated and agreed by both lessor and lessee that this lease shall at all times and in all respects be subject to valid orders, rules and regulations of any duly constituted authority having jurisdiction of the subject matter hereof.

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

IN WITNESS WHEREOF, we sign the day and year first above written.
Witness:

Fred Wetz
Fred Wetz S.S. #510-38-9772
Lula Wetz
Lula Wetz

0001 219-504
0002 280-315
0003 262-389
0004 262-487
0005 302-303
0006 317-378
0007 308-379
0008 313-441
0009 314-384
0010 315-251
0011 315-366
0012 303-391
0013 315-157
0014 315-163

0001 282-473
0002 284-215
0003 284-205
0004 285-44
0005 286-236
0006 279-391
0007 279-383
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STATE OF Kansas } ss. ACKNOWLEDGMENT FOR INDIVIDUAL (Kans., Okla., and Colo.)
COUNTY OF Barber } 195174

Before me, the undersigned, a Notary Public, within and for said county and state, on this 9th
day of April, 1968, personally appeared Fred Wetz
and Lula Wetz, his wife,

to me personally 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 have hereunto set my hand and official seal the day and year last above written.

My commission expires July 21, 1970 [Signature]
Notary Public

STATE OF _____ } ss. ACKNOWLEDGMENT FOR INDIVIDUAL (Kans., Okla., and Colo.)
COUNTY OF _____ }

Before me, the undersigned, a Notary Public, within and for said county and state, on this _____
day of _____, 19____, personally appeared _____
and _____

to me personally known to be the identical person who executed the within and foregoing instrument and acknowledged to me
that _____ executed the same as _____ free and voluntary act and deed for the uses and purposes therein set forth.
IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

My commission expires _____
Notary Public

STATE OF _____ } ss. ACKNOWLEDGMENT FOR CORPORATION
COUNTY OF _____ }

On this _____ day of _____, A.D. 19____, before me the undersigned a Notary Public
in and for the county and state aforesaid, personally appeared _____
to me personally known to be the identical person who signed the name of the maker thereof to the within and foregoing
instrument as its _____ President and acknowledged to me that _____ executed the same as _____ free and
voluntary act and deed, and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.
Given under my hand and seal the day and year last above written.

My commission expires _____
Notary Public

PALMER ABSTRACT CO., INC.
ABSTRACTS - INSURANCE
OIL AND GAS LEASE

PROM _____ TO _____

Date _____
Section _____
No. of Acres _____
County _____

STATE OF Kansas
County of Barber

This instrument was filed for record on the
5th day of April, 1968
at _____ o'clock P.M. and duly recorded
in Book 131 Page 429
of _____
Records of this County

By _____
When recorded return to _____

THE KANSAS BLUE PRINT CO.
PHOTODUPLICATION SERVICE

NOTE: When signature by mark in Kansas, said mark to be witnessed by at least one person and also acknowledged.
For acknowledgment by mark, use regular Kansas acknowledgment.

STATE OF _____ } ss. ACKNOWLEDGMENT FOR INDIVIDUAL (Kans., Okla., and Colo.)
COUNTY OF _____ }

Before me, the undersigned, a Notary Public, within and for said county and state, on this _____
day of _____, 19____, personally appeared _____
and _____

to me personally known to be the identical person who executed the within and foregoing instrument and acknowledged to me
that _____ executed the same as _____ free and voluntary act and deed for the uses and purposes therein set forth.
IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

My commission expires _____
Notary Public

August 02, 2010

Tim Hellman
Lotus Operating Company, L.L.C.
100 S MAIN STE 420
WICHITA, KS 67202-3737

Re: Drilling Pit Application
CR Wetz 5
SE/4 Sec.36-34S-12W
Barber County, Kansas

Dear Tim Hellman:

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 as soon as the Hutchinson Salt section has been drilled through and displacement of the fluids into the reserve pit has occurred. The fluids should be removed again within 96 hours after drilling operations have ceased.

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 (620) 225-8888 when the fluids have been removed. Please file form CDP-5 (August 2008), Exploration and Production Waste Transfer, through KOLAR 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 (620) 225-8888.