

Well will not be drilled or Permit Expired Date: \_

Signature of Operator or Agent:

For KC0	C Use:
Effective	Date:
District #	#
SGA?	Yes No

SGA?

## KANSAS CORPORATION COMMISSION 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

month day year	Spot Description:
PERATOR: License#	feet from N / S Line of Section
ame:	
ddress 1:	
ddress 2:	
ity:	County:
ontact Person:hone:	Lease Name: Well #:
1016.	Field Name:
ONTRACTOR: License#	Is this a Prorated / Spaced Field?
ame:	Target Formation(s):
Well Drilled For: Well Class: Type Equipment:	Nearest Lease or unit boundary line (in footage):
Oil Enh Rec Infield Mud Rotary	Ground Surface Elevation:feet MS
Gas Storage Pool Ext. Air Rotary	Water well within one-quarter mile:
Disposal Wildcat Cable	Public water supply well within one mile:
Seismic ;# of Holes Other	Depth to bottom of fresh water:
Other:	Depth to bottom of usable water:
If OWWO: old well information as follows:	Surface Pipe by Alternate: III
U OVVVO. Old Well Information as follows:	Length of Surface Pipe Planned to be set:
Operator:	
Well Name:	Projected Total Depth:
Original Completion Date: Original Total Depth:	
Directional, Deviated or Horizontal wellbore?	Water Source for Drilling Operations:
Directional, Deviated or Horizontal wellbore? Yes No f Yes, true vertical depth:	Well Farm Pond Other:
Bottom Hole Location:	DWK Pellill #.
KCC DKT #:	(Note: Apply for 1 crimic with BWA
	- Will Cores be taken? Yes N
	ii 165, proposed 20116
AF	FIDAVIT
he undersigned hereby affirms that the drilling, completion and eventual p	lugging of this well will comply with K.S.A. 55 et. seq.
is agreed that the following minimum requirements will be met:	
1. Notify the appropriate district office <i>prior</i> to spudding of well;	
2. A copy of the approved notice of intent to drill shall be posted on each	
3. The minimum amount of surface pipe as specified below <b>shall be se</b>	
through all unconsolidated materials plus a minimum of 20 feet into the	, ,
through all unconsolidated materials plus a minimum of 20 feet into the 4. If the well is dry hole, an agreement between the operator and the distance of the control of th	strict office on plug length and placement is necessary prior to plugging;
through all unconsolidated materials plus a minimum of 20 feet into the 4. If the well is dry hole, an agreement between the operator and the district office will be notified before well is either plug	strict office on plug length and placement is necessary <i>prior to plugging;</i> ged or production casing is cemented in;
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through all unconsolidated materials plus a minimum of 20 feet into the 4. If the well is dry hole, an agreement between the operator and the displant of 5. The appropriate district office will be notified before well is either plug 6. If an ALTERNATE II COMPLETION, production pipe shall be cement. Or pursuant to Appendix "B" - Eastern Kansas surface casing order # must be completed within 30 days of the spud date or the well shall be approximately.    Display	strict office on plug length and placement is necessary <i>prior to plugging</i> ; gged or production casing is cemented in; ged from below any usable water to surface within <i>120 DAYS</i> of spud date. g133,891-C, which applies to the KCC District 3 area, alternate II cementing the plugged. <i>In all cases, NOTIFY district office</i> prior to any cementing.  **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;

\_ Agent: .



\_\_ feet from

SEWARD CO. 3390' FEL

feet from

Ν /

E /

S Line of Section

W Line of Section

For KCC Use ONLY	
API # 15	

Well Number:

Operator: \_\_

Lease: \_\_\_

#### 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.

Location of Well: County: \_\_\_

Field:						Sec	Twp	S.	R		_ E	W
	Acres attributab					Is Section:	Regular		Irregular			
							Irregular, lo				rner boun SW	dary.
	Show loo lease roads, tar				, as required	or unit bound by the Kans	sas Surface C					
		250	00. ft.	You may aπε	асп а ѕерага	ate plat if des	irea.					
									LEGE	ND		
								0	Tank E Pipelir	ocation Battery L	ion	
										c Line L Road Lo		
1460 ft		(e)	<u>.</u>				EX	XAMPLE :	:		: : : :	
1400 11			1					······ : .	: :		:	
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		•••			•••	• • • • • • • • • • • • • • • • • • • •		:	0==		:	1980' FSL

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

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

- 1. The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, 4 sections, etc.
- $2. \ \, \text{The distance of the proposed drilling location from the south / north and east / west outside section lines}.$
- 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 OIL & GAS CONSERVATION DIVISION

042192

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:  Emergency Pit Burn Pit  Settling Pit Drilling Pit  Workover Pit Haul-Off Pit  (If WP Supply API No. or Year Drilled)  Is the pit located in a Sensitive Ground Water A	Pit is:  Proposed Existing  If Existing, date constructed:  Pit capacity:  (bbls)		SecTwpR East WestFeet from North / South Line of SectionFeet from East / West Line of SectionCounty  Chloride concentration:mg/l			
Is the bottom below ground level?	Artificial Liner?	No	(For Emergency Pits and Settling Pits only)  How is the pit lined if a plastic liner is not used?			
Pit dimensions (all but working pits):  Depth fro	Length (fee					
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	of pit:	Depth to shallo Source of infor	west fresh water feet. nation:			
feet Depth of water well	feet	measured	well owner electric log KDWR			
Emergency, Settling and Burn Pits ONLY:  Producing Formation:  Number of producing wells on lease:  Barrels of fluid produced daily:  Does the slope from the tank battery allow all s flow into the pit?  Yes No  Submitted Electronically		Drilling, Workover and Haul-Off Pits ONLY:  Type of material utilized in drilling/workover:  Number of working pits to be utilized:  Abandonment procedure:  Drill pits must be closed within 365 days of spud date.				
	KCC	OFFICE USE O	NLY  Liner Steel Pit RFAC RFAS			
Date Received: Permit Num	ber:	Permi	t Date: Lease Inspection: Yes No			



### Kansas Corporation Commission Oil & Gas Conservation Division

1042192

Form KSONA-1
July 2010
Form Must Be Typed
Form must be Signed
All blanks must be Filled

# 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 #	Well Location:
	County:
Address 1:	Lease Name: Well #:
Address 2:  City: State: 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
Address 1:	owner information can be found in the records of the register of deeds for the
Address 2:	county, and in the real estate property tax records of the county treasurer.
City:	
the KCC with a plat showing the predicted locations of lease roads, tan are preliminary non-binding estimates. The locations may be entered of Select one of the following:  I certify that, pursuant to the Kansas Surface Owner Notice A owner(s) of the land upon which the subject well is or will be I CP-1 that I am filing in connection with this form; 2) if the form form; and 3) my operator name, address, phone number, fax, a I have not provided this information to the surface owner(s). I a KCC will be required to send this information to the surface or	Act (House Bill 2032), I have provided the following to the surface located: 1) a copy of the Form C-1, Form CB-1, Form CB-1, Form CB-1, Form T-1, or Form being filed is a Form C-1 or Form CB-1, the plat(s) required by this and email address.  Cacknowledge that, because I have not provided this information, the wner(s). To mitigate the additional cost of the KCC performing this gree, payable to the KCC, which is enclosed with this form.
If choosing the second option, submit payment of the \$30.00 handling form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-	fee with this form. If the fee is not received with this form, the KSONA-1 will be returned.
Submitted Electronically	
	_

OPERATOR: Samuel Gary Jr & Associates, Inc 1515 Wynkoop Street, Suite 700

Denver, Colorado 80202 office: 303-831-4673; fax: 303-863-7285

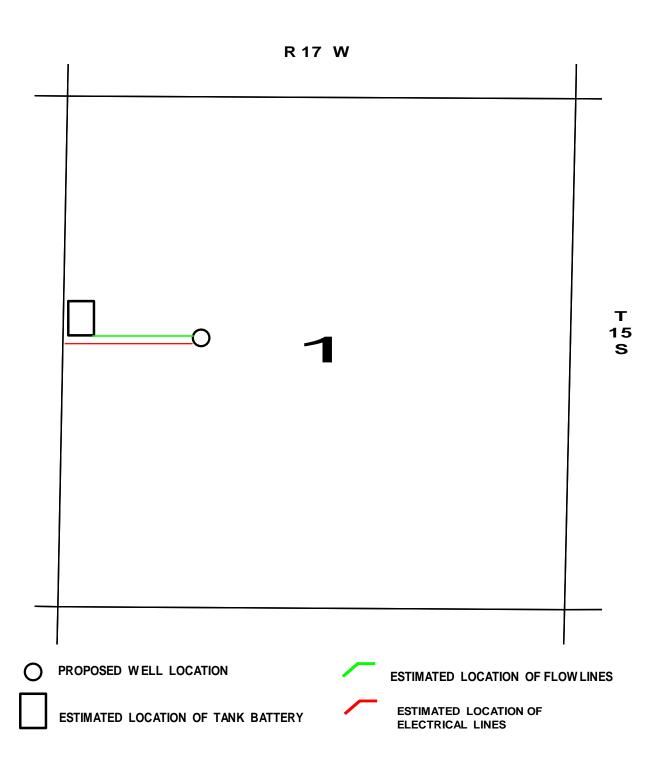
WELL NAME: SCHUMACHER-DREILING 1-1

LOCATION: 2500 FNL / 1460 FWL Sec. 1-15S-17W ELLIS COUNTY

SURFACE OWNER: Marion Schumacher

1877 Kazan St

Hays, Kansas 67601



63U (Rev. 1993)

# **OIL AND GAS LEASE**

Pinsto MAN
Direct In Direc

	012711			Cirecked mount former
AGREEMENT, Made and entered into the	14 <sup>th</sup> da	ay ofNovemb	er	2006
by and between	MARION D	. SCHUMACHER, h	usband of Valerie	Ann Schumacher,
·	dealing herei	in with his separate p	roperty	
whose mailing address is				
and	Samuel Garv	Jr. & Associates, In	C.	_hereinafter called Lessor (whether one or more)
	1670 Broadw	vay, Suite 3300, Denv	er, CO 80202	hereinafter called Lessee
Lessor, in consideration of	d of the agreements of the less g drilling, mining and operatin aying pipe lines, storing oil, but t said oil, liquid hydrocarbons, lescribed land, together with an	see herein contained, hereby ging for and producing oil, liquiduilding tanks, power stations, is, gases and their respective convictions and after the second reversionary rights are second reversionary rights.	rants, leases and lets exclus it hydrocarbons, all gases, a relephone lines, and other s postituent products and other- r-acquired interest,	and their respective constituent products, injectin tructures and things thereon to produce, save, tak er products manufactured therefrom, and housin
SEE EXHIBIT "A" ATTAC				-
In Section 1 Township				
accietions mereto.				
Subject to the provisions herein contained, th liquid hydrocarbons, gas or other respective opursuant to the provisions hereof.  In consideration of the premises the said lesse		for a term of <u>Three (3</u> ) f them, is produced from said	years from this date (ca land or land pooled therev	lled "primary term") and as long thereafter as oi vith or this lease is otherwise maintained in effec
		Lessee may connect wells on	said land, the equal one-ei	ghth (1/8) part of all oil produced and saved from
	nead gas) of whatsoever nature	or kind produced and sold, or	used off the premises, or u	used in the manufacture of any products therefron
2nd. To pay Lessor for gas, (including casing one-eighth (1/8), at the market price at the well, (but, a to be less a proportionate part of the production, sever the gas, processing, compressing, or otherwise makin made monthly.				
This lease may be maintained during the prim produced on the leased premises or on acreage pooled as operations are being continuously prosecuted on the than one hundred and twenty (120) days shall elapse discovery of oil or gas on the leased premises or on a Lessee commences additional drilling or reworking op If oil or gas shall be discovered and produced as a reacreage pooled or unitized therewith.	ary term hereof without further or unitized therewith but Less leased premises or on acreage between the completion or a creage pooled or unitized there attains within one hundred a sult of such operations, this le	r payment or drilling operation see is then engaged in drilling e pooled or unitized therewith, abandonment of one well and rewith, the production should nd twenty (120) days from the ase shall continue in full force	as. If at the expiration of the reworking operations ther and operations shall be continued to the beginning of operations cease from any cause after date of cessation of product and effect so long as oil of the continued to th	e primary term of this lease, oil or gas is not bein eon, then this lease shall continue in force so lon sidered to be continuously prosecuted if not mor ns for the drilling of a subsequent well. If and the primary term, this lease shall not terminate ction or from the date of completion of a dry hol or gas is produced from the leased premises or o
If after the primary term one or more wells or well or wells are either shut in or production therefron for a period of ninety (90) consecutive days such well per acre then covered by this lease, such payment to thereafter on or before each anniversary date of this le or otherwise being maintained by operations, or if produe until the end of the next following anniversary day shall render Lessee liable for the amount due, but shall	the lease premises or lands por is not being sold by Lessee, so or wells are shut in or production made to Lessor on or befor ase while the well or wells are duction is being sold by Lesse te of this lease that cessation of	ooled or unitized therewith are such well or wells shall nevert ion therefrom is not sold by L e the anniversary date of this shut in or production therefro e from another well on the lea of such operations or production	capable of producing oil of heless be deemed to be pro- essee, the Lessee shall pay lease next ensuing after the m is not being sold by Less sed premises or lands poole n occurs, as the case may be	or gas or other substances covered hereby, but surducing for the purpose of maintaining the lease. an aggregate shut-in royalty of One Dollar (\$1.0 e expiration of the said ninety (90) day period aree; provided that if this lease is in its primary ter dor unitized therewith, no shut-in royalty shall lee. Lessee's failure to properly pay shut-in royal
If said lessor owns a less interest in the above for shall be paid the said lessor only in the proportion	described land than the entire which lessor's interest bears to	and undivided fee simple esta the whole and undivided fee.	ate therein, then the royaltie	es (including any shut-in royalties) herein provide
Lessee shall have the right to use, free of cost			ion thereon, except water fr	om the wells of lessor.
When requested by lessor, lessee shall bury le No well shall be drilled nearer than 200 feet to			sent of lessor	
Lessee shall pay for damages caused by lesse	e's operations to growing crops	s on said land.		
Lessee shall have the right at any time to rem	ove all machinery and fixtures	placed on said premises, inclu	ding the right to draw and i	remove casing.
If the estate of either party hereto is assigns administrators, successors or assigns, but no change in a written transfer or assignment or a true copy therec portions arising subsequent to the date of assignment.				
and of tenever of	an obligations as to the acreage	e surrengereg.		bove described premises and thereby surrender th
All express or implied covenants of this lease in part, nor lessee held liable in damages, for failure trestrictions on the drilling and production of wells, an operations or obligations under this lease are prevent electricity, fuel, access or easements, or by an act of other act of nature, explosion, governmental action, getake or transport such production, or by any other cau terminate because of such prevention or delay, and, a provision or implied covenants of this lease when drill	shall be subject to all Federal o comply therewith, if complix do regulation of the price or trad or delayed by such laws, ru God, strike, lockout, or other overnmental delay, restraint or se, whether of the kind specifit Lessee's option, the period cing, production, or other opera	and State Laws, Executive Or ance is prevented by, or if sucansportation of oil, gas or oft iles, regulations or orders, or industrial disturbance, act of inaction, or by inability to ob- ically enumerated above or of of cally enumerated above or of such prevention or delay slations are so prevented or delay	ders, Rules or Regulations, the failure is the result of, an ere substance covered herel by inability to obtain neces the public enemy, war, blo ain a satisfactory market for herwise, which is not reaso all be added to the term he yed.	and this lease shall not be terminated, in whole my such Law, Order, Rule or Regulation, including. When drilling, reworking, production or oth sary permits, equipment, services, material, wate chade, public riot, lightening, fire, storm, flood or production, or failure of purchasers or carriers mably within control of Lessee, this lease shall not be liable for breach of an
Lessor hereby warrants and agrees to defend mortgages, taxes or other liens on the above describer themselves and their heirs, successors and assigns, I homestead may in any way affect the purposes for wh	I the title to the lands herein d I lands, in the event of default hereby surrender and release a ich this lease is made, as recite	described, and agrees that the of payment by lessor, and be all right of dower and homes to herein	lessee shall have the right subrogated to the rights of stead in the premises described	at any time to redeem for lessor, by payment at the holder thereof, and the undersigned lessors, f ribed herein, in so far as said right of dower at
Lessee, at its option, is hereby given the rigimmediate vicinity thereof, when in lessee's judgment gas or other minerals in and under and that may be pre 40 acres each in the event of an oil well, or into a unit the county in which the land herein leased is situated be treated, for all purposes except the payment of roy shall be treated as if production is had from this lease, shall receive on production from a unit so pooled on basis bears to the total acreage so pooled or unitized in	it and power to pool, unitize of it is necessary or advisable to iduced from said premises, such or units not exceeding 640 ac an instrument identifying and ralties on production from the whether the well or wells be ley such portion of the royalty so the particular unit involved.	or combine the acreage cover o do so in order to properly de- ch pooling or unitization to be tres each in the event of a gas describing the pooled or uniti pooled unit, as if it were incl- ocated on the premises covere stipulated herein as the amoun	ed by this lease or any por velop and operate said lease of tracts contiguous to one well. Lessee shall execute zed acreage. The entire acr aded in this lease. If produ- d by this lease or not. In lie t of his acreage placed in the	tion thereof with other land, lease or leases in the premises so as to promote the conservation of of another and to be into a unit or units not exceeding in writing and record in the conveyance records eage so pooled or unitized into a tract or units button is found on the pooled or unitized acreage, u of the royalties elsewhere herein specified, less are unit or his royalty interest therein on an acrea
signing, notwithstanding some of the Lessors above execute this lease as Lossor, although not named above	numbers of counterparts and sh named who may not have join e.	nall be effective as to each Les ned in the execution hereof.	sor on execution hereof as The word "Lessor" as use	to his or her interest and shall be binding on tho d in this lease shall mean the party or parties w
Lessee shall have the exclusive right to explo known or not, including the drilling of holes, use of to of securing geological and geophysical information. sell such information without Lessor's consent. Les associated with seismograph operations (ie: tire tracks tenant (if Lessor has a tenant) will be compensated ac	re the land herein described by rsion balance, seismograph ex All information obtained by L sor and Lessee herein agree in the wheat, pasture or field, cordingly, or Lessee may elect	y geological, geophysical or of plosions, magnetometer, or of essee as a result of such activithat a portion of the conside road use, compaction etc.) If to repair the damages in lieu of	her methods, whether simil her geophysical or geologic ity shall be the exclusive p ration paid herein is for a any extraordinary damage of compensation.	ar to those herein specified or not and whether not all instruments, tests or procedures, for the purporroperty of Lessee, and Lessee may disseminate twance payment of usual and customary damages should occur, at Lessor's discretion, Lessor or
SEE EXHIBIT "A" ATTACHED H	IERETO AND MAD	E A PART HEREOF	FOR ADDITIONA	AL TERMS AND PROVISIONS.
IN WITNESS WHEREOF, the undersigned execute the	nis instrument as of the day and	d year first above written.	1 2 2	
Witnesses:	_	Masia	n D 5	Therman Rom
	-	MARÍON D. SCHUMA	CHER	<i>y</i>

# **EXHIBIT "A"**

Attached to and made a part of that Certain Oil and Gas Lease dated November 14, 2006, by and between, MARION D. SCHUMACHER, as Lessor, and SAMUEL GARY, JR. & ASSOCIATES, INC., as Lessee.

#### PROPERTY DESCRIPTION:

# **TOWNSHIP 15 SOUTH - RANGE 17 WEST**

#### **SECTION 1**:

That certain tract or parcel of land estimated to contain 160.00 acres, more or less, and being described as the Northwest Quarter (NW/4) of Section 1, Township 15 South, Range 17 West, Ellis County, Kansas.

Less and Except that certain tract or parcel of land estimated to contain 10.08 acres, more or less, and being located in the Northwest Quarter (NW/4) of Section 1, Township 15 South, Range 17 West, Ellis County, Kansas, and being more particularly described as follows: Beginning at the Northwest corner of the above said Section; thence East on the North section line a distance of Six Hundred Ten (610.00') Feet; thence South parallel to the West section line of the above said Section a distance of Seven Hundred Twenty (720.00') Feet; thence West parallel to the North section line of the above said Section a distance of Six Hundred Ten (610.00') Feet to the West section line; thence North on section line a distance of Seven Hundred Twenty (720.00') Feet to the point of beginning, and Northwest corner of said Section.

Leaving a balance of 149.92 acres, more or less.

It is the intention of this lease to cover and include any mineral interest which the Lessor may own in and to the above described tract, including streets, roads, canals, drainage ditches, rights of way or other servitudes, including, but not limited to, any reversionary interest which Lessor may acquire in the same, by prescription of nonuse.

## **ADDITIONAL TERMS AND PROVISIONS:**

- 1. The provisions of this **EXHIBIT "A"** shall control and supersede the terms of the attached oil and gas lease when such terms conflict.
- 2. Lessee shall bury and maintain all pipelines below ordinary plow depth (36").
- Lessee shall pay all damages, caused by Lessee's operations hereunder to crops, including grass, and
  restore as nearly as practical, said premises to the same conditions and contour as previously existed,
  upon termination of this lease.
- 4. Lessee is hereby granted the option to extend the primary term of this lease for an additional two (2) years from the expiration of the original primary term. This option may be exercised by Lessee, in total, on or before the expiration date of lease by paying and delivering to Lessor at the above address, the sum of \$12.00 per acre covered by the lease. In the event Lessee exercises this option, Lessee must renew all acreage covered by this lease. Should this option be exercised as herein provided, it shall be considered for all purposes as though this lease originally provided for a term of five (5) years.

63U (Rev. 1993)

# OIL AND GAS LEASE



AGREEMENT, Made and entered into the	14 <sup>th</sup>	day of	December		200
y and between	DI ANN	DREILING, a	single person		
whose mailing address is	P.O. Bo	X 998, Littleton	, Colorado 80160	hereinafter called	Lessor (whether one or more
nd	1670 Br	oadway, Suite 3	300, Denver, CO 80	)202	hereinafter called Lesse
Lessor, in consideration of Ten cknowledged and of the royalties herein provided exploring by geophysical and other means, prospe as, water, other fluids, and air into subsurface strate of treat, manufacture, process, store and transmd otherwise caring for its employees, the following	and Other Valuable and of the agreements of the agreements of the agreements of the tring drilling, mining and of the tring sport said oil. It will be tring to the tring the tring tring the tring tring the tring trin	e Considerations he lessee herein contain perating for and product goil, building tanks, por arbons, gases and the	Dollar ined, hereby grants, leases an acing oil, liquid hydrocarbon wer stations, telephone lines in respective constituent pro-	s (\$ 10.00 ) in hand of the second of the se	paid, receipt of which is here for the purpose of investigati constituent products, inject is thereon to produce, save, to
herein situated in County of	Ellis Sta	te of	Kansas		described as follows to-v
SEE EXHIBIT "A" ATT	ACHED HERETO	AND MADE A	PART HEREOF F	OR PROPERTY DES	CRIPTION.
n Section Township	15 South	Range1	7 West and cont	aining <u>114.00</u>	acres, more or less, and
Subject to the provisions herein contained liquid hydrocarbons, gas or other respect pursuant to the provisions hereof.  In consideration of the premises the said leads to be contained to the credit of Lessor, free the credit of Lessor, free to the credit of Lessor to the cre	essee covenants and agrees:				
he leased premises.  2nd. To pay Lessor for gas, (including carone-eighth (1/8), at the market price at the well, (be obe less a proportionate part of the production, so he gas, processing, compressing, or otherwise made monthly.					cture of any products therefr m such sales, such net proce on, helium or other impuritie therefrom, said payments to
This lease may be maintained during the poroduced on the leased premises or on acreage poss operations are being continuously prosecuted on the none hundred and twenty (120) days shall elidiscovery of oil or gas on the leased premises or Lessee commences additional drilling or reworking foil or gas shall be discovered and produced as acreage pooled or unitized therewith.	orimary term hereof without oled or unitized therewith to the leased premises or on apse between the completion acreage pooled or unitized goperations within one human a result of such operations,	t further payment or dr but Lessee is then enga acreage pooled or unit on or abandonment or ed therewith, the pro- dured and twenty (120) this lease shall contin	illing operations. If at the eaged in drilling, reworking of ized therewith, and operation of one well and the beginnin fuction should cease from an days from the date of cessa use in full force and effect so	piration of the primary term of berations thereon, then this lease is shall be considered to be conf g of operations for the drilling y cause after the primary term, tion of production or from the c b long as oil or gas is produced	this lease, oil or gas is not be shall continue in force so l inuously prosecuted if not m of a subsequent well. If a this lease shall not terminal ate of completion of a dry h from the leased premises of
If after the primary term one or more well or wells are either shut in or production there for a period of ninety (90) consecutive days such one acre then covered by this lease, such paymen thereafter on or before each anniversary date of the or otherwise being maintained by operations, or if the until the end of the next following anniversar shall render Lessee liable for the amount due, but	Is on the lease premises or if from is not being sold by L well or wells are shut in or it to be made to Lessor on dis lease while the well or wiproduction is being sold by date of this lease that cess shall not operate to terminar	ands pooled or unitize essee, such well or we production therefrom i r before the anniversa ells are shut in or prod I Lessee from another aution of such operation te this lease.	d therewith are capable of pr ills shall nevertheless be deer s not sold by Lessee, the Les y date of this lease next ens uction therefrom is not being well on the leased premises on ns or production occurs, as the	oducing oil or gas or other subs ned to be producing for the purp see shall pay an aggregate shut- ruing after the expiration of the sold by Lessee; provided that i or lands pooled or unitized there ne case may be. Lessee's failur	tances covered hereby, but lose of maintaining the leas in royalty of One Dollar (\$ said ninety (90) day period f this lease is in its primary with, no shut-in royalty sha e to properly pay shut-in roy
If said lessor owns a less interest in the a for shall be paid the said lessor only in the proport	bove described land than th ion which lessor's interest l	e entire and undivided bears to the whole and	fee simple estate therein, the undivided fee.	en the royalties (including any s	hut-in royalties) herein prov
Lessee shall have the right to use, free of			lessee's operation thereon, ex	ccept water from the wells of le	ssor.
When requested by lessor, lessee shall bu No well shall be drilled nearer than 200 f			acut verittan consent of longer		
Lessee shall pay for damages caused by l			iout written consent of lesson	•	
Lessee shall have the right at any time to					
If the estate of either party hereto is as administrators, successors or assigns, but no chan a written transfer or assignment or a true copy the portions arising subsequent to the date of assignment.	ont.				
Lessee may at any time execute and deliverage as to such portion or portions and be relieved	ver to lessor or place of reco	ord a release or releases acreage surrendered.	s covering any portion or por	tions of the above described pre	mises and thereby surrender
All express or implied covenants of this in part, nor lessee held liable in damages, for fail restrictions on the drilling and production of wel operations or obligations under this lease are pre electricity, fuel, access or easements, or by an acother act of nature, explosion, governmental actic take or transport such production, or by any othe terminate because of such prevention or delay, a provision or implied covenants of this lease when	lease shall be subject to all ure to comply therewith, if is, and regulation of the privented or delayed by such it of God, strike, lockout, on, governmental delay, rest cause, whether of the kind, at Lessee's option, the	Federal and State Law compliance is prevent ce or transportation of laws, rules, regulations r other industrial distu- raint or inaction, or by I specifically enumeral period of such prevent	s, Executive Orders, Rules or ed by, or if such failure is the foil, gas or other substance s or orders, or by inability to rbance, act of the public en- inability to obtain a satisface ed above or otherwise, whice ion or delay shall be added	r Regulations, and this lease sha e result of, any such Law, Orde covered hereby. When drilling obtain necessary permits, equi amy, war, blockade, public riot, tory market for production, or fi h is not reasonably within cont to the term hereof. Lessee sha	ll not be terminated, in whole, Rule or Regulation, inclue, reworking, production or opment, services, material, wilightening, fire, storm, flooridure of purchasers or carrier of of Lessee, this lease shall not be justeful for breach of
Lessor hereby warrants and agrees to do mortgages, taxes or other liens on the above describenselves and their heirs, successors and assig homestead may in any way affect the purposes for	ribed the title to the lands lands, in the event of	nerein described, and a default of payment by release all right of do	evented or delayed.  agrees that the lessee shall halessor, and be subrogated to wer and homestead in the p	ave the right at any time to red the rights of the holder thereof, remises described herein, in so	leem for lessor, by payment and the undersigned lessors of ar as said right of dower
Lessee, at its option, is hereby given the immediate vicinity thereof, when in lessee's judg gas or other minerals in and under and that may he do acres each in the event of an oil well, or into a the county in which the land herein leased is situ be treated, for all purposes except the payment of shall be treated as if production is had from this his shall receive on production from a unit so pooled basis bears to the total acreage so pooled or unitial.	e right and power to pool, a ment it is necessary or advi e produced from said premi unit or units not exceeding ated an instrument identify froyalties on production frease, whether the well or we lonly such portion of the red in the particular unit in the red in the particular unit is a second control of the red in	mitize or combine the sable to do so in order ses, such pooling or ur 640 acres each in the ng and describing the om the pooled unit, as tells be located on the poyalty stipulated herein	acreage covered by this leas to properly develop and ope nitization to be of tracts conti event of a gas well. Lessee pooled or unitized acreage. 'if it were included in this le remises covered by this lease a sthe amount of his acreage	se or any portion thereof with rate said lease premises so as to guous to one another and to be shall execute in writing and rec The entire acreage so pooled or sae. If production is found on to or not. In lieu of the royalties e ge placed in the unit or his roya	other land, lease or leases in promote the conservation or into a unit or units not excee ord in the conveyance recon unitized into a tract or unit he pooled or unitized acreal slsewhere herein specified, lease therein on an acr
signing, not ithstanding some of the Lessors at execute this lease as Lessor, although not named	or numbers of counterparts ove named who may not habove.	and shall be effective ave joined in the exec	as to each Lessor on execution hereof. The word "L	ion hereof as to his or her inter essor" as used in this lease sha	est and shall be binding on t ll mean the party or parties
Lessee shall have the exclusive right to a known or not, including the drilling of holes, use of securing geological and geophysical informatisell such information without Lessor's consent associated with seismograph operations (ie: tire t tenant (if Lessor has a tenant) will be compensated.	explore the land herein description balance, seismog on. All information obtain Lessor and Lessee herein racks in the wheat, pasture at accordingly or lessee.	ribed by geological, ge raph explosions, magred by Lessee as a resu agree that a portion or field, road use, com	ophysical or other methods, tetometer, or other geophysical the of such activity shall be to of the consideration paid he paction etc.) If any extraord	whether similar to those herein all or geological instruments, tende exclusive property of Lessee erein is for advance payment contary damages should occur, at	specified or not and whether sts or procedures, for the pur , and Lessee may dissemine if usual and customary dan Lessor's discretion, Lessor
( company) with the compensate		., creet to repair the da	amages in neu or compensati	on. DITIONAL TERMS	AND DROVICIONS
SEE EXHIBIT "A" ATTACHE	D HERETO AND 1	MADE A PART	HEREOF FOR AD	DITIONAL TERMS	AND PROVISION:
SEE EXHIBIT "A" ATTACHE				DITIONAL TERMS	AND PROVISION:
SEE EXHIBIT "A" ATTACHE IN WITNESS WHEREOF, the undersigned exec Witnesses:				Pero /	AND PROVISION:

## **EXHIBIT "A"**

Attached to and made a part of that Certain Oil and Gas Lease dated December 14, 2006, by and between, DI ANN DREILING, as Lessor, and SAMUEL GARY, JR. & ASSOCIATES, INC., as Lessee.

## **PROPERTY DESCRIPTION:**

#### **TOWNSHIP 15 SOUTH - RANGE 17 WEST**

#### **SECTION 1**:

That certain tract or parcel of land estimated to contain 114.00 acres, more or less, and being described as a tract of land located in the North Half of the South Half (N/2 of the S/2) of Section 1, Township 15 South, Range 17 West, Ellis County, Kansas, and being further described as follows: Beginning at the West quarter corner of the above said Section; thence East on the one-half mile line on a bearing of North 89 degrees 04 minutes 00 seconds East a distance of Three Thousand Four Hundred Thirty-Four and Eight Tenths (3,434.80') Feet; thence Southeast on a bearing of South 39 degrees 44 minutes 30 seconds East a distance of Four Hundred Seventy-One and Five Tenths (471.50')Feet; thence South on a bearing of South 06 degrees 26 minutes 00 seconds East a distance of Nine Hundred Fifty-Eight and Three Tenths (958.30') Feet to the North line of the South one-half of the South one-half of the above said Section; thence West on the one-sixteenth line on a bearing of South 89 degrees 03 minutes 30 seconds West a distance of Three Thousand Eight Hundred Thirty-Nine and Six Tenths (3,839.60') Feet to the West Section line; thence North on a Section line on a bearing of North 0 degrees 17 minutes 00 seconds East a distance of One Thousand Three Hundred Twenty and Six Tenths (1,320.60') Feet to the point of beginning.

It is the intention of this lease to cover and include any mineral interest which the Lessor may own in and to the above described tract, including streets, roads, canals, drainage ditches, rights of way or other servitudes, including, but not limited to, any reversionary interest which Lessor may acquire in the same, by prescription of nonuse.

# ADDITIONAL TERMS AND PROVISIONS:

- 1. The provisions of this **EXHIBIT** "A" shall control and supersede the terms of the attached oil and gas lease when such terms conflict.
- 2. Lessee shall pay all damages, caused by Lessee's operations hereunder to crops, including grass, and restore as nearly as practical, said premises to the same conditions and contour as previously existed, upon termination of this lease.
- 3. Lessee agrees herein to bury all pipelines to a depth below ordinary plow depth, and in no case shall any such pipeline constructed herein be buried less than thirty-six (36) inches.
- 4. Lessee is hereby granted the option to extend the primary term of this lease for an additional two (2) years from the expiration of the original primary term. This option may be exercised by Lessee, in total, on or before the expiration date of lease by paying and delivering to Lessor at the above address, the sum of \$12 per acre covered by the lease. In the event Lessee exercises this option, Lessee must renew all acreage covered by this lease. Should this option be exercised as herein provided, it shall be considered for all purposes as though this lease originally provided for a term of five (5) years.