For KCC Use:

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District	±	
DISTINCT	TT .	

SGA?	Yes	No

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

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

Form C-1

1044701

NOTICE OF INTENT TO DRILL

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

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

Expected Spud Date:	Spot Description:
month day year OPERATOR: License#	
Address 1:	Is SECTION: Regular Irregular?
Address 2:	(Note: Locate well on the Section Plat on reverse side) County: Lease Name: Well #:
Phone:	Field Name:
CONTRACTOR: License# Name:	Is this a Prorated / Spaced Field? Yes No Target Formation(s):
Well Drilled For: Well Class: Type Equipment: Oil Enh Rec Infield Mud Rotary Gas Storage Pool Ext. Air Rotary Disposal Wildcat Cable Seismic ; # of Holes Other Other:	Nearest Lease or unit boundary line (in footage):
Directional, Deviated or Horizontal wellbore?	Well Farm Pond Other:
If Yes, true vertical depth:	DWR Permit #:
Bottom Hole Location:	(Note: Apply for Permit with DWR)
KCC DKT #:	Will Cores be taken?
	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:	tarted within 12 months of approval date.)
Spud date: Ag	gent:

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:

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For KCC Use ONLY

API # 15 - ____

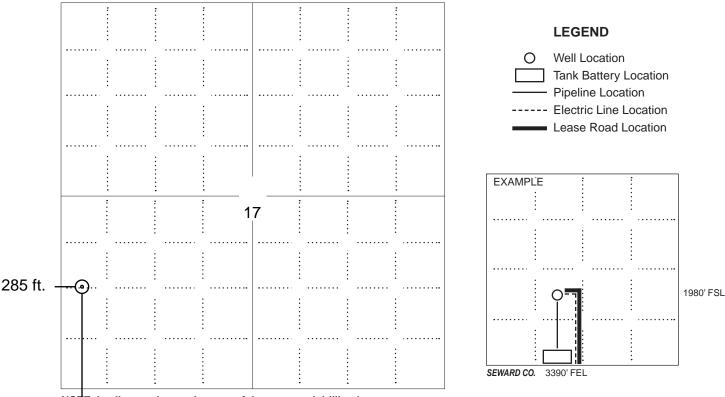
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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

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

PLAT

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



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

In plotting the popped 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.

Side Two



KANSAS CORPORATION COMMISSION 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: _ - ____ - ____ - ____ Pit is: **Emergency Pit** Burn Pit Proposed Existing Sec.____Twp.____R.___ East West Settling Pit **Drilling Pit** If Existing, date constructed: Feet from North / South Line of Section Haul-Off Pit Workover Pit ____Feet from ___ East / ___ West Line of Section Pit capacity: (If WP Supply API No. or Year Drilled) County _(bbls) Is the pit located in a Sensitive Ground Water Area? Yes No Chloride concentration: mg/l (For Emergency Pits and Settling Pits only) Is the bottom below ground level? Artificial Liner? How is the pit lined if a plastic liner is not used? Yes Yes No No ____Length (feet) ___ _____Width (feet) Pit dimensions (all but working pits): N/A: Steel Pits Depth from ground level to deepest point: __ __ (feet) No Pit If the pit is lined give a brief description of the liner Describe procedures for periodic maintenance and determining material, thickness and installation procedure. liner integrity, including any special monitoring. Depth to shallowest fresh water ____ Distance to nearest water well within one-mile of pit: feet. Source of information: KDWR measured well owner electric log _feet Depth of water well ____ __ feet Emergency, Settling and Burn Pits ONLY: Drilling, Workover and Haul-Off Pits ONLY: Producing Formation: _ Type of material utilized in drilling/workover: Number of producing wells on lease: _____ Number of working pits to be utilized: ____ Barrels of fluid produced daily: Abandonment procedure: Does the slope from the tank battery allow all spilled fluids to flow into the pit? Yes No Drill pits must be closed within 365 days of spud date. Submitted Electronically KCC OFFICE USE ONLY Steel Pit Liner RFAC RFAS Permit Number: No Date Received: Permit Date: Lease Inspection: Yes

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



KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

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

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

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

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

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

Select one of the following:

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

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

Submitted Electronically

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For	KCC	llen	ONLY
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API # 15 -.

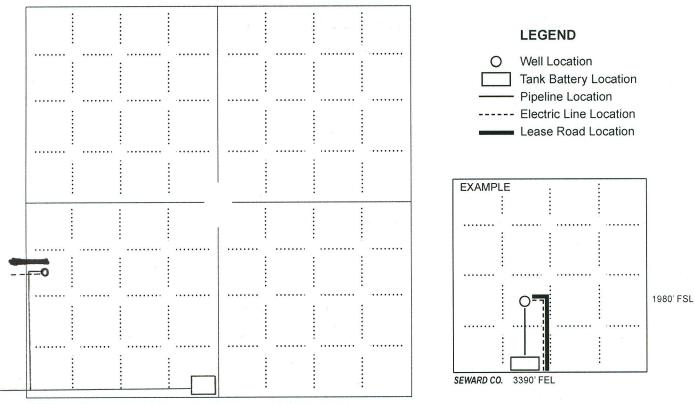
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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

Operator: _H & B PETROLEUM CORPORATION	Location of Well: County: Finney
Lease: Garden City A	1,615 feet from N / X S Line of Section
Well Number:8	285 feet from 🔲 E / 🔀 W Line of Section
Field: Damme	Sec. <u>17</u> Twp. <u>22</u> S. R. <u>33</u> E 🔀 W
Number of Acres attributable to well: <u>660</u> QTR/QTR/QTR/QTR of acreage: <u>SW</u> - <u>SW</u> - <u>NW</u> - <u>SW</u>	Is Section: Regular or X Irregular
	If Section is Irregular, locate well from nearest corner boundary. Section corner used: NENW SEX 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.

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- 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.



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6. As to ble gas leasehold sentary hereby grinted (excluding casinchead gas produced from oil wells), leave is expressly granted the right and privilege to consolidate said gas leasehold with any outer mightent or configures gas leasehold entates to form a concluded gas leavehold entate which shall not extend and concent discover exercises the right and privilege outer discovery for the consolidated in produced from oil wells), produced and an exactly in the area of some exercises the right and privilege outer discovery of the rest of some exercises the right and privilege outer discovery of the consolidated in produced from oil wells), produced and and the source of the source of the right and and the source of the right and the thread of the source of the right of the right of the source of the right of the right of the source of the right of the right of the source of the right of the right of the right of the right of the

10. If the estate of either party hereto is sostaned (and the privilege of assigning in whole or is part is expressly showed), the envegants hypert bhall estend to the heirs, exceptors, airclaistrators, successors and assign but to charge of ownership in the land or is the results of regulation ball to biading on the lesses until after notice to the lesses and it has been furnished with the written trapide or scaling and to be actively thereof.

11. If the leased premises that bereafter he dward to use you that not what the written triplate or statistical, nevertheless, and or a contrained of the order of the triplate of the lease and all the second premises that the vertice to the order of the second or the triplate or statistical and the second order of the triplate or statistical and the second order of the triplate order order or second order or the triplate order or statistical and order or the triplate order order or the triplate order order or the triplate order or the second order of the triplate order order or the triplate order order order or the shall be triplate order or the triplate order order order or order order or order or order or order ord

12. Lossor hereby warrants and entres to defend the title to the land brein Georifoed and agrees that the Rises, at its option, may pay and dischards any tares, mergans, or other lions existing, hered, or respect on or negative the above described lands and, in event is ev

13. Notwithstanding anything in this lease contained to the contrary, it is expressly agreed that if losse thall commence delling envetions at any time while this lease is in force, this lease shall commin in force and its term shall continue so long, as such operations are preserved 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 latest premises, or on the consolidated rat basehold estate, shall cross to be productive, this has a shall not serminate, provided operations for the failed premises, or on the consolidated rat basehold estate, shall cross to be productive, this has a shall not serminate, provided operations for the failed premises, or on the consolidated rat basehold estate, shall cross to be probe commenced before or on the heat ratify refusil payment date; or, provided leases begins or resumed the bayment of retains in the most ratify refusil payment date; or, provided leases begins or resume the bayment of retains in the most ratify and the consolidated before or on the heat ratify refusil payment date; or, provided lease begins or resume the bayment of retains a two most ratify and the consolidated before or on the heat ratify refusil payment date; the well or producting past of payments the payment date; the date; the or the latification of such property in a consolidation unit production or copable of producting past as provided. It is provided that the consolidated catato bereby granted. If, upon, or all the part of the primer term of the barring term of th

15. It is contemplated and accred by both lesson and letter that this lesse shall at all times and in all respects be subject to usdars, rules and reculations of any duly constituted authority having jurisdiction of the subject matter hereof.

16. This hase and all its terms, conditions, and supulations shall extend to and be binding as all the hoirs, grantees, of the section of said Lesson or Louise.

Cir; IN WITNESS WITETEDS, we was the day and year first above written P. SCONPORAR de 14 . A (33 فعندنها יאניההההיא 14/7-290 1 ÷. \$ 295 Ins 1...... 19. AGUTTON A.A. 1.1-7 Alec. 61213 in Country in Co 2 . . 1 ... 1.19 • 1 jr • . . Ξ. 1 5 18 M . N 1

OIL AND GAS LEASE

K ANSAS BLUE PRINT CO. INC. Reorder No. 09-141

••• ARCHITECTS AND ENGINEERS SUPPLES ••• 316-264-9344 • P.O. Box 793 • Wichita, KS 67201-0793

Addition and a contract of the second s

L. B. 88 Revised

Form

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	THIS	AGREEMEN	T, Entered into	this the	da	ay	of	, 19
betwee	n							

hereinafter called lessor

Dollars (\$.....

....., and as long thereafter as oi l,

1. That lessor, for and in consideration of the sum of

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 operating for 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...

to-wit: County

in Section....., Township......, Range....., and containing......acres, more or less

2. This lease shall remain in force for a term ending...... 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 $\binom{1}{8}$ of the proceeds if sold at the well, or if marketed by lessee off the leased premises, then one-eighth $\binom{1}{8}$ of its market value at the well. The lessee shall pay the lesse: (a) one-eighth $\binom{1}{8}$ of the proceeds received by the lessee from the sale of casinghead gas, produced from any oil well; (b) one-eighth $\binom{1}{8}$ 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 used on the leased premises by the lessee for purposes other than the development and operation thereof. Lessor shall have the privilege at his own risk and 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......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

....Bank at

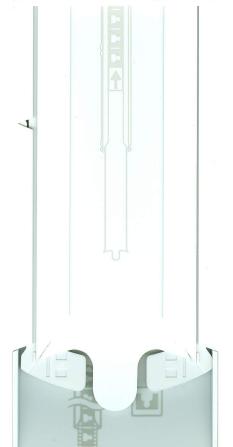
its successors, which bank and its successors are the lessor's agent and shall continue as the depository of any and all sums payable under this lease, regardless of changes of ownership in said land or in the oil and gas, or in the rentals to accrue thereunder, the sum of.....

.....Dollars (\$.....

.....) which shall operate as

OF

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 written consent of the lessor. Lessee shall be tright 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 which shall not estate shall be deemed, treated and operated in the same manner as though the entire consolidated from oil wells), produced and marketed from the consolidated estate, including 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 lesse 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 unlake due 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:

