For KCC Use:

Effective	Date:

	~	2010.
District	±	

SGA?	Yes	No

CORRECTION #1

1045023

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

NOTICE	OF INTENT	TO DRILL
--------	------------------	-----------------

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

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

Expected Spud Date:	Spot Description:
month day year	(<u>q/q/q/q</u>) Sec Twp S. R E [] W
OPERATOR: License#	feet from N / S Line of Section
Name:	feet from L E / W Line of Section
Address 1:	Is SECTION: Regular Irregular?
Address 2:	(Note: Locate well on the Section Plat on reverse side)
City: State: Zip: +	County:
Contact Person:	Lease Name: Well #:
Phone:	Field Name:
CONTRACTOR: License#	Is this a Prorated / Spaced Field?
Name:	Target Formation(s):
Well Drilled For: Well Class: Type Equipment: Oil Enh Rec Infield Mud Rotary Gas Storage Pool Ext. Air Rotary Disposal Wildcat Cable Seismic ; # of Holes Other Other:	Nearest Lease or unit boundary line (in footage):
• · · g.· · · · · · · · · · · · · · · · ·	Water Source for Drilling Operations:
Directional, Deviated or Horizontal wellbore?	Well Farm Pond Other:
If Yes, true vertical depth:	DWR Permit #:
Bottom Hole Location:	(Note: Apply for Permit with DWR)
KCC DKT #:	Will Cores be taken?
	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 E	Electronically
-------------	----------------

For KCC Use ONLY			
API # 15			
Conductor pipe required	feet		
Minimum surface pipe required	feet per ALT.		
Approved by:			
This authorization expires:			
Spud date: Agent:			

Remember to:

- File Certification of Compliance with the Kansas Surface Owner Notification Act (KSONA-1) with Intent to Drill;
- File Drill Pit Application (form CDP-1) with Intent to Drill;
- File Completion Form ACO-1 within 120 days of spud date;
- File acreage attribution plat according to field proration orders;
- Notify appropriate district office 48 hours prior to workover or re-entry;
- Submit plugging report (CP-4) after plugging is completed (within 60 days);
- Obtain written approval before disposing or injecting salt water.
- If well will not be drilled or permit has expired (See: authorized expiration date) please check the box below and return to the address below.
 - Well will not be drilled or Permit Expired Date: _ Signature of Operator or Agent:

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

API # 15 - ____

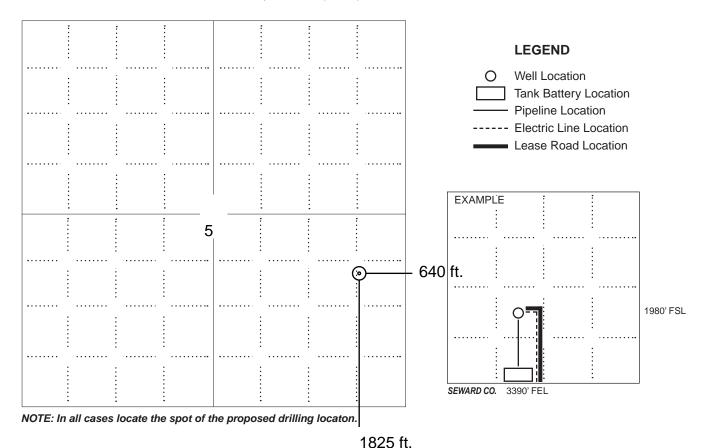
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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

Operator:	Location of Well: County:		
Lease:	feet from N / S Line of Section		
Well Number:	feet from E / W Line of Section		
Field:	Sec Twp S. R E 📃 W		
Number of Acres attributable to well: 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.



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).
- 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.



1045023

CORRECTION #1

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	SecTwpR East West	
Settling Pit Drilling Pit	If Existing, date co	nstructed:	Feet from North / South Line of Section	
Uvorkover Pit Haul-Off Pit (If WP Supply API No. or Year Drilled)	Pit capacity:		Feet from East / West Line of Section	
		(bbls)	County	
Is the pit located in a Sensitive Ground Water A	rea? 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?	
		No		
Pit dimensions (all but working pits):				
If the pit is lined give a brief description of the li	m ground level to de		dures for periodic maintenance and determining	
material, thickness and installation procedure. liner integrity,			cluding any special monitoring.	
Distance to nearest water well within one-mile of pit: Depth to shallow Source of inform		west fresh water feet.		
feet Depth of water wellfeet measured		well owner electric log KDWR		
Emergency, Settling and Burn Pits ONLY: Drilling, Worko		over and Haul-Off Pits ONLY:		
Producing Formation:		Type of materia	al utilized in drilling/workover:	
Number of producing wells on lease:		Number of wor	rking pits to be utilized:	
Barrels of fluid produced daily:		Abandonment	procedure:	
Does the slope from the tank battery allow all spilled fluids to		st be closed within 365 days of spud date.		
Submitted Electronically				
KCC OFFICE USE ONLY				
Date Received: Permit Number: Permit Date: Lease Inspection: Yes No				

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

yment of the \$30.00 handling fee with this form	. If the fee is not received with this form,	the KSONA-1
--	--	-------------

If choosing the second option, submit pa form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-1 will be returned.

Submitted Electronically

I

I

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

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: State: Zip:+	If filing a Form T-1 for multiple wells on a lease, enter the legal description of		
Contact Person:	the lease below:		
Phone: () Fax: ()			
Email Address:			
Surface Owner Information:			
Name:	sheet listing all of the information to the left for each surface owner. Surface owner information can be found in the records of the register of deeds for the		
Address 1:			
Address 2:			
City: State: Zip:+			

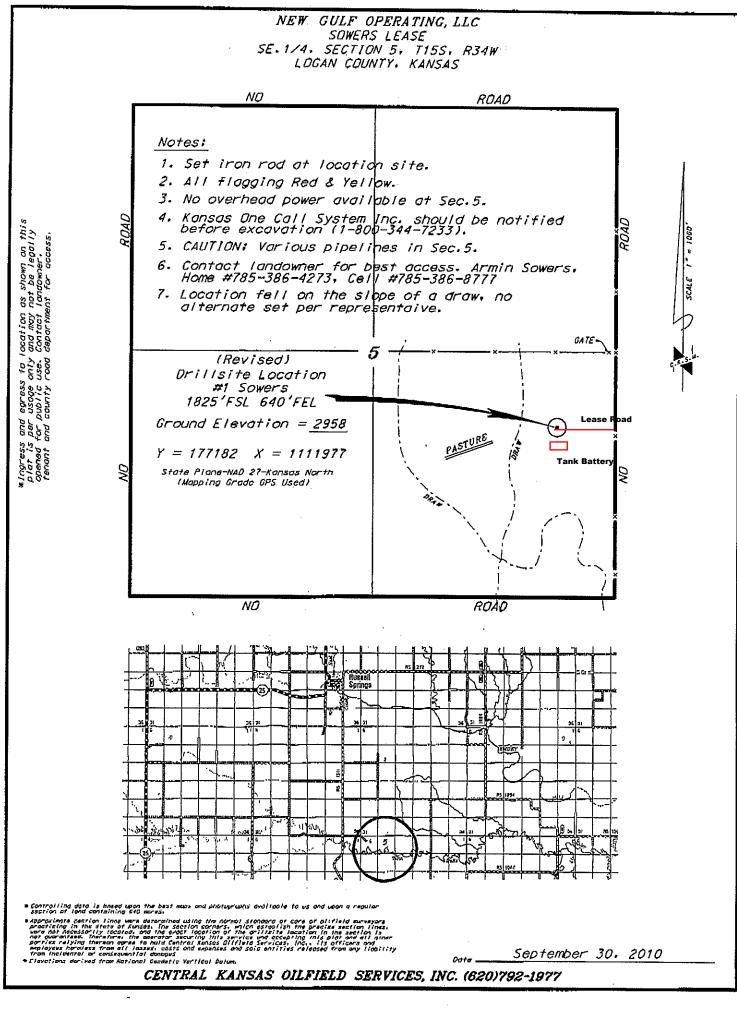
If this form is being submitted with a Form C-1 (Intent) or CB-1 (Cathodic Protection Borehole Intent), you must supply the surface owners and the KCC with a plat showing the predicted locations of lease roads, tank batteries, pipelines, and electrical lines. The locations shown on the plat are preliminary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

CORRECTION #1

KANSAS CORPORATION COMMISSION 1045023 **OIL & GAS CONSERVATION DIVISION**



i k s	0000			0	145 491
4					
'orm 88 — ((PRODUCER'S SPECIAL) (PAID-UP)			Reorder No.	Kansas Blue Pri
	63U (Rev. 1993)	OIL AND	GAS LEASE	09-115	700 S. Broadway PO Box 79 Wichita, KS 67201-0793 316-264-9344 264-5165 fax www.kbp.com · kbp@kbp.com
	LS #4469 24	ith Augu			200
AGREI	EMENT, Made and entered into the	day of		nd wife	
and between	u		•		
	address is <u>HC_2_Box_126, I</u> k_Petroleum_LLC, 2110	· · · · ·			called Lessor (whether one or more
			3	-	, hereinafter caller Lesse
Lessor, i	in consideration of <u>ten and</u> n ledged and of the royaltics herein provided		Do	$\frac{10.00}{+}$) in hand paid, receipt of whic
f investigating onstituent prod nd things there roducts manuf herein situated Cownship Tract	g, exploring by geophysical and other meaducts, injecting gas, water, other fluids, and eon to produce, save, take care of, treat, ma factured therefrom, and and a statistic form 1 in County of Logan p 15 South – Range 34 1) Section 05: S/2	uns, prospecting drilling, minin 1 air into subsurface strata, layir nufacture, process, store and tha KKOCKAR KANK CARAGOS U URS + AJS West	g and operating for and pr ng pipe lines, storing oil, bui insport said oil, liquid hydro	oducing oil, liquid hydrocar ilding tanks, power stations, carbons, gases and their respo together with any reversiona	bons, all gases, and their respectiv telephone lines, and other structure ective constituent products and othe
	p 15 South - Range 34 2) Section 05: N/2	West			
Township	p 15 South - Range 34	West			
	3) Section 08: NE/4 XXX Township XXX	X, Range XX	X, and contain	ing 800	acres, more or less, and a
	eto. t to the provisions herein contained, this le ydrocarbons, gas or other respective constit				imary term"). and as long thereaft is pooled.
lst. T	sideration of the premises the said lessee co o deliver to the credit of lessor, free of cos	n ne wenne en den werden en e	ee may connect wells on said	d land, the equal one-eighth (%) part of all oil produced and sav
om the leased 2nd. 7 the market r	l premises. To pay lessor for gas of whatsoever nature price at the well, (but, as to gas sold by les	or kind produced and sold, or	used off the premises, or us	sed in the manufacture of an	y products therefrom, one-eighth (v sales), for the gas sold, used off the sales of the sales of the sale of th
emises, or in royalty One eaning of the) the manufacture of products therefrom, sa e Dollar (\$1.00) per year per net mineral a e preceding paragraph.	aid payments to be made mont cre retained hereunder, and if	hly. Where gas from a well such payment or tender is	made it will be considered th	at gas is being produced within t
this lease or und in paying	ease may be maintained during the prima r any extension thereof, the lessee shall ha g quantities, this lease shall continue and	we the right to drill such well t be in force with like effect as if	to completion with reasonal such well had been complet	ole diligence and dispatch, a ed within the term of years f	nd if oil or gas, or either of them, irst mentioned.
e said lessor	l lessor owns a less interest in the above of only in the proportion which lessor's intere- shall have the right to use, free of cost, gas	est bears to the whole and undi	vided fee.		
When r	requested by lessor, lessee shall bury lessee Il shall be drilled nearer than 200 feet to th	's pipe lines below plow depth.			
Lessee	shall pay for damages caused by lessee's o shall have the right at any time to remove	perations to growing crops on a	said land.		move casing.
If the o cecutors, adm ssee has been	estate of either party hereto is assigned, ninistrators, successors or assigns, but no n furnished with a written transfer or assignt the assigned portion or portions arising su	and the privilege of assigning change in the ownership of t gnment or a true copy thereof.	g in whole or in part is exp he land or assignment of r In case lessee assigns this l	pressly allowed, the covenan rentals or royalties shall be	ts hereof shall extend to their hei binding on the lessee until after t
Lessee	may at any time execute and deliver to l lease as to such portion or portions and be	essor or place of record a relea	se or releases covering any	portion or portions of the a	bove described premises and there
All exp	press or implied covenants of this lease sha part, nor lessee held liable in damages, for	all be subject to all Federal and	d State Laws, Executive Or	ders, Rules or Regulations, at y, or if such failure is the re	nd this lease shall not be terminate sult of, any such Law, Order, Rule
ny mortgages	hereby warrants and agrees to defend the s, taxes or other liens on the above describ	ed lands in the event of defau	It of payment by lessor, and	t be subrogated to the rights	of the holder thereof, and the und
s said right of Lessee	, for themselves and their heirs, successor f dower and homestead may in any way af a, at its option, is hereby given the right ar	fect the purposes for which this ad nower to pool or combine th	s lease is made, as recited he e acreage covered by this le	erein. ease or any portion thereof w	ith other land, lease or leases in t
mmediate vici conservation of or units not ex- record in the co- cooled into a t cound on the p royalties elsew	inity thereof, when in lesse's judgment of oil, gas or other minerals in and under exceeding 40 acres each in the event of an conveyance records of the county in whic tract or unit shall be treated, for all purpo sooled acreage, it shall be treated as if prod where herein specified, lessor shall receive unit or his royalty interest therein on an acc	it is necessary or advisable to and that may be produced from oil well, or into a unit or units the the land herein leased is si sese sexcepi the payment of roys ucltion is had from this lease, v e on production from a unit v	b do so in order to properly n said premises, such poolir not exceeding 640 acres eau tuated an instrument ident alties on production from th whether the well or wells be so pooled only such portion	y develop and operate said on to be of tracts contiguous ch in the event of a gas well ifying and describing the p e pooled unit, as if it were ir located on the premises cove n of the royalty stipulated h	lease premises so as to promote to to one another and to be into a ur. Lessee shall execute in writing a ooled acreage. The entire acreage included in this lease. If production red by this lease or not. In lieu of t
*See ri	der attached hereto a	nd made a part !	WEER OF	Olute of Keepen	
				State of Kansas ss	
			Jacks	Filed For Record Aug.	20 08 AD
			COUNTY, With and		k 145 Page 491-493
				Joyce L. B.	Register of Deeds
		MICROFI	LMED ~ ED ~	Prilli= Dathryn A.	Harnish
IN WI	TNESS WHEREOF, the undersigned execu	ite this instrument as of the da	y and year first above writt	en.) hipity
Witnesses:	icke R. Sow		X:	-05.	
	JULLE N. SOW		A. Ma	my ra	~~~
	Vickie R. Sowers		Λrmir	1 J. Sowers	

C,

145 492

- 1. Any terraces driven over or altered for drilling or tank locations shall be restored to original *height and contour* as nearly as is practicable.
- 2. In the event of drilling operations on said land, Lessee or assigns agree to backfill all slush pits, level the location and restore the surface as nearly as is practicable. Lessee or assigns agrees to pay for all damages of any nature arising from its operations on the above-described land.
- 3. It is understood and agreed that upon the termination of production on the Lease, all equipment of Lessee shall be removed within six (6) months and all sites shall be restored to their original condition a nearly as is practicable
- 4. A sufficient dike shall be placed around tank batteries. Also tank batteries and pumping equipment units shall be fenced to restrain cattle in pastures or on ground that Lessor grazes cattle on milo stalks or wheat. Lessee or assigns agrees to comply with all applicable Federal, State and Local laws and regulations.
- 5. Lessor reserves the right to designate all routes of ingress and egress and must be consulted by Lessee as to the location of all roads, pipelines, tank batteries, power lines, and other equipment and machinery necessary for production prior to its construction and installation, so as to minimize interference with the surface farming operations. Lessor's designation of routes of ingress and egress shall not be unreasonably with held.

X Vickie R. Sources

j.

【君

		\bigcirc	
AFFID	AVIT OF POSSI	ESSION	
	By Fee Owner	ar ta gana da ana ang ang ang ang ang ang ang ang an	
State of Kansas Ss.			
County of Thomas			
I, Armin J.	Sowers	, being first du	ıly sworn,
deposes and says:			
My name is Armin J. Sowers			,
that I am of lawful age and reside in Decatu	r Count	y, Kansas	
That I am owner of lands situ	ated in the Country of	Logan	, ,
State of Kansas, desc	ribed as follows, to wit:		
Township 15 South - Range 34 West			
(Tract 1) Section 5: S/2			
Township 15 South - Range 34 West			
(Tract 1) Section 5: N/2			
Township 15 South - Range 34 West			
(Tract 3) Section 8: NE/4			
of Section XXX Township XXX That I, have been in open, adve more than one (1) That I am paying taxes on, occupying a	erse, exclusive, continuous, years last past.		nore or less,
	X:		
		Armin J. Sowers	
STATE OF Kansas		GMENT FOR INDIVIDUAL sOkCoNe)	
COUNTY OF		10 10 11	0.445
Before me, the undersigned, a Nor			24th
	, personally appear		
XX XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX		, to me personally known to	
person XXXXX who executed the within a			he executed
the same as a free and voluntary act a			id at the same
time the affiant was by me duly sworn to the			
IN WITNESS WHEREOF, I h written.	ave hereunto set my hand	and official seal the day and y	ear last above
My commission expires 4/21/2		nette D. Turck , Notary Pub	lic
		Janette D Turck Notary Public State of Kansas My Apt Expires <u>4-2/-2018</u>	***

Admission Agreement

Land description:

3

.

1

Township 15 South – Range 34 West (Tract 1) Section 5: S/2

Township 15 South – Range 34 West (Tract 2) Section 5: N/2

Township 15 South – Range 34 West (Tract 3) Section 8: NE/4

Logan County

Since January 2000, to the best of my knowledge no seismic permit has been granted for the above reference tract of which required payment to the landowner that was based on the number of acres surveyed by seismic contractor.

x: <u>/</u>. Armin J. Sowers

dated 8/24/08

Hammerh	<u>ead</u>	Reso	ources	LLC

c/o Greg Baker 401 E. Douglas, Ste 525 Wichita, KS 67207 Cell 316-303-4051, email gbaker1111@aol.com

OWNERSHIP REPORT

Land Township 15 South - Range 34 West

. . . .

.

(Tract 1) Section 05:S/2

Township 15 South - Range 34 West

(Tract 2) Section 05:N/2

Township 15 South - Range 34 West

(Tract 3) Section 8: NE/4

Logan	County,	Kansas	Containing	800	acres more or less

AFTER A CAREFUL EXAMINATION OF THE COUNTY RECORDS, IT APPEARS THAT THE ABOVE LAND IS OWNED AS FOLLOWS:

Name & Address of Mineral Owners	Interest	Net Acres	Leasehold Expiration Date
-			
Armin J. & Vickie R. Sowers	1/1	800	fbo Funk Petroleum LLC
HC 2 Box 126			Exp 8/24/2008
Dresden, KS 67635			15/4
Contact: cell-785-386-8777			
home-785-386-4273			
		1	
Surface Owner and Remarks			
Same as above			
Liability limited to cost of document. Expired oil and gas leases and mortgages not examined.			
Prepared by:		Date:	# 8/1/2008
Janette D. Turck			

Summary of Changes

Lease Name and Number: Sowers 1

API/Permit #: 15-109-20897-00-00

Doc ID: 1045023

Correction Number: 1

Approved By: Rick Hestermann 03/15/2010

Field Name	Previous Value	New Value
Contractor Name	Advise on ACO-1 Must be licensed by KCC	Advise on ACO-1 Must be licensed by KCC
Depth Of Water Well	25	40
ElevationPDF	2979 Estimated	2964 Estimated
Feet to Nearest Water Well Within One-Mile of Pit	3348	2825
Ground Surface Elevation	2979	2964
Is Footage Measured from the North or the South Section Line	North	South
Is Footage Measured from the North or the	North	South
South Section Line KCC Only - Date Received	03/10/2010	10/01/2010
KCC Only - Regular Section Quarter Calls	SW SE SE NE	NW SE NE SE
KSONA Contact Email		whkjr@newgulfenergy.c om

Summary of changes for correction 1 continued

Field Name	Previous Value	New Value
KSONA Contact Person		Wink Kopczynski
KSONA Contact Phone Area Code		918
KSONA Contact Phone Number		728-3020
Kansas Surface Owner Notification Act Certification		Yes
LocationInfoLink	https://solar.kgs.ku.edu/ kcc/detail/locationInform ation.cfm?section=5&to	https://solar.kgs.ku.edu/ kcc/detail/locationInform ation.cfm?section=5&to
Number of Feet East or West From Section Line	397	640
Number of Feet East or West From Section Line	397	640
Number of Feet North or South From Section Line	2539	1825
Number of Feet North or South From Section	2539	1825
Line Quarter Call 1 - Largest	NE	SE
Quarter Call 1 - Largest	NE	SE
Quarter Call 2	SE	NE
Quarter Call 2	SE	NE

Summary of changes for correction 1 continued

Field Name	Previous Value	New Value
Quarter Call 4 - Smallest	SW	NW
Quarter Call 4 - Smallest	SW	NW
Save Link	//kcc/detail/operatorE ditDetail.cfm?docID=10	//kcc/detail/operatorE ditDetail.cfm?docID=10
Surface Owner Address Line 1	35541	45023 HC 2 Box 126
Surface Owner City		Dresden
Surface Owner Name		Armin J. Sowers
Surface Owner State Name		KS
Surface Owner Zip		60025

Summary of Attachments

Lease Name and Number: Sowers 1 API: 15-109-20897-00-00 Doc ID: 1045023 Correction Number: 1 Approved By: Rick Hestermann 03/15/2010

Attachment Name

Survey

Oil & Gas Lease