

Well will not be drilled or Permit Expired Date: _

Signature of Operator or Agent:

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

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

Expected Spud Date:	Spot Description:
month day year	Sec. Twp. S. R E W
OPERATOR: License#	feet from N / S Line of Section
Name:	foot from E / W Line of Coation
Address 1:	Is SECTION: Regular Irregular?
Address 2:	
City: State: Zip: + _	
Contact Person:	Lease Name: Well #:
Phone:	Field Name:
CONTRACTOR: License#	
Name:	Target Formation(s):
	Negreet League or unit boundary line (in footage)
Well Drilled For: Well Class: Type Equipmen	t: Ground Surface Elevation:feet MSL
Oil Enh Rec Infield Mud Rotar	V
Gas Storage Pool Ext. Air Rotary	Water well within one-quarter mile: Yes No
Disposal Wildcat Cable	Public water supply well within one mile: Yes No
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: II III
	Length of Surface Pipe Planned to be set:
Operator:	
Well Name:	
Original Completion Date: Original Total Depth:	
Biggetiered Devices des Hericantel wellhouse	Water Source for Drilling Operations:
	S No Well Farm Pond Other:
If Yes, true vertical depth:	DWK Fellill #.
KCC DKT #:	(Note: Apply for Fernit with DVIV.
NOO DICT #.	Will Cores be taken? Yes No
	If Yes, proposed zone:
	A FEID AVIT
	AFFIDAVIT
The undersigned hereby affirms that the drilling, completion and e	
It is agreed that the following minimum requirements will be met:	eventual plugging of this well will comply with K.S.A. 55 et. seq.
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Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202 Side Two



For KCC Use ONLY	
API # 15	-

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

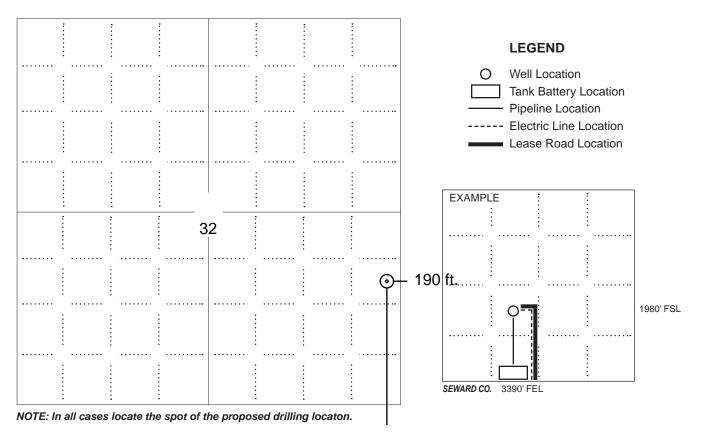
In all cases, please fully complete this side of the form. Include items 1 through 5 at the bottom of this page.

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:	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.



1690 ft.

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

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



KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

1045310

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
Settling Pit Drilling Pit	If Existing, date co	nstructed:	Feet from North / South Line of Section
Workover Pit Haul-Off Pit	Pit capacity:		Feet from East / West Line of Section
(If WP Supply API No. or Year Drilled)		(bbls)	County
Is the pit located in a Sensitive Ground Water A	urea? Yes	No	Chloride concentration: mg/l
To the processing a constant of country trains.			(For Emergency Pits and Settling Pits only)
Is the bottom below ground level? Yes No	Artificial Liner? Yes N	No	How is the pit lined if a plastic liner is not used?
			NAC data (force)
Pit dimensions (all but working pits):	Length (fee	,	Width (feet) N/A: Steel Pits No Pit
If the pit is lined give a brief description of the li			dures for periodic maintenance and determining
material, thickness and installation procedure.			cluding 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:		Drilling, Work	ver and Haul-Off Pits ONLY:
Producing Formation:		Type of materia	l utilized in drilling/workover:
Number of producing wells on lease:		Number of worl	king pits to be utilized:
Barrels of fluid produced daily:		Abandonment p	procedure:
Does the slope from the tank battery allow all s flow into the pit? Yes No	pilled fluids to	Drill nite must h	e closed within 365 days of spud date.
Submitted Electronically			
	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

1045310

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 (CB-1)	Cathodic Protection Borehole Intent) T-1 (Transfer) CP-1 (Plugging Application)
OPERATOR: License #	Well Location:
Name:	SecTwpS. R East
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:	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:	
the KCC with a plat showing the predicted locations of lease roads, tank	dic Protection Borehole Intent), you must supply the surface owners and k batteries, pipelines, and electrical lines. The locations shown on the plat in the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted.
☐ 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 to CP-1 that I am filing in connection with this form; 2) if the form to form; and 3) my operator name, address, phone number, fax, at ☐ I have not provided this information to the surface owner(s). I at KCC will be required to send this information to the surface owner(s).	cknowledge that, because I have not provided this information, the vner(s). To mitigate the additional cost of the KCC performing this
task, I acknowledge that I am being charged a \$30.00 handling 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
Submitted Electronically	

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OIL AND GAS LEASE

other substances into subsurface and described as follows:

As shown 9 South, Range 16 We Exhibit "B" attached West hereto and made മ part hereof

FIRST and Harmonian
Diffeet monthly framework
19. Diffeet and definitions
All Metric Day designation
Checked and make monthly monthly
Checked and make monthly
Checked and

- 2. This lead casinghead lease shall remain in force for a term of ad gas, casinghead gasoline or any of th of the products three (3) by this lease years. s (called "s or can be "primary produced term") and as long thereafter gas,
- equal 15.234375% part of all oil produced and saved from the 15.234375% royalty the market price at the wellhead for oil of like storage tanks. The lessee shall deliver to lessor as royalty, free of cost, on the lease, leased premises, or at the lessee's grade and gravity prevailing on or into the pipe line the day such option ថ which lessee may oil is pay to run into the the essor pipe line ਰ੍ਹੇ wells th ဝ such
- The lessee shall pay to the lessor, as a royalty, 15.234375% of the proceeds received by the lessee from the sale of gas, gas condensate, gas distillate, casinghead gas, gas used for the manufacture of gasoline or any other product, and all other gases, including their constituent parts, produced from the land herein leased. If such gas is not sold by the lessee, lessee may pay or tender annually at or before the end of each yearly period during which such gas is not sold, as a shut-in royalty, whether one or more wells, an amount equal to one dollar per net mineral acre, and while said shut in royalty is so paid or tendered, it will be considered under all provisions of this lease that gas is being produced in paying quantities. The first yearly period during which such gas is not sold shall begin on the date the first well is completed for production of gas.
- O This lease is a paid-up lease and may be maintained during the primary term without further payments or drilling operations
- တ n the event said lessor owns a less interest in the above described land than the entire provided for shall be paid to said lessor only in the proportion which his interest bears any interest in said land should revert to lessor, or his heirs, or his or their grantee, this ion which his interest b or his or their grantee, ntire and undivided fee simple estate therein then bears to the whole and undivided fee; however, in this lease shall cover such reversion. the royalties the event the
- 7. 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 existing wells of the lessor. When required by lessor, the lessee shall bury its 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 have the right at any time during, or after the expiration of this lease to remove all machinery, fixtures, houses, buildings and other structures placed on said premises, including the right to draw and remove all casing.
- 8. 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, devisees, executors, administrators, successors, and assigns, but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of lessee, and no change of ownership in the land or in the royalties or any sum due under this lease shall be binding on the lessee until it has been furnished with either the original recorded instrument of conveyance or a duly certified copy of the will of any deceased owner and of the probate thereof, or certified copy of the proceedings showing the appointment of an administrator for the estate of any deceased owner, whichever is appropriate, together with all original recorded instruments of conveyance or duly certified copies thereof necessary in showing a complete chain of title back to lessor of the full interest claimed, and all advance payments of rentals made hereunder before receipt of said documents shall be binding on any direct or indirect assignee, grantee, devisee, or administrator, executor, or heir of lessor.
- owned by each separate owner bears to tracts into which the land covered by measuring or receiving tanks. 9. If the leased premises are now or shall hereafter be owned in severalty or in separate tracts, the premises may nonetheless be developed and operated as one lease, and all royalties accruing hereunder shall be divided among and paid to such separate owners in the proportion that the acreage owned by each separate owner bears to the entire leased acreage. There shall be no obligation on the part of the lessee to offset wells on separate tracts into which the land covered by this lease may now or hereafter be divided by sale, devisee, descent or otherwise, or to furnish separate
- 10. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the lessee, at its option, may pay in whole or in part any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands and, exercises such options it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying to the dissuch mortgage, tax or other lien, any royalty accruing hereunder. y and discharge , in the event it discharge of any
- 11. If after the expiration of the primary term, production of oil or gas should cease from any cause, this lease shall not terminate if lessee com additional drilling or reworking operations within one hundred-twenty (120) days thereafter, or if at the expiration of the primary term, oil or gas being produced on said land, but lessee is then engaged in drilling or reworking operations thereon, then in either event, this lease shall remain so long as operations are prosecuted either on the same well or any other well thereafter commenced, with no cessation of more than one h twenty (120) consecutive days, and if they result in production of oil or gas, this lease shall remain in effect so long thereafter as there is productly oil or gas under any provision of this lease. remain in force none hundred-s production of . gas

BOOK 679 PAGE 629

Lessee may at any time surrender or cancel this lease in whole or in part by delivering or mailing such release to the lessor, or by placing same of cord in the proper county. In case said lease is surrendered and canceled as to only a portion of the acreage covered thereby, then all payments and abilities thereafter accruing under the terms of said lease as to the portion canceled shall cease and determine, but as to the portion of the acreage not released the terms and provisions of this lease shall continue and remain in full force and effect for all purposes.

13. All provisions hereof, express or implied, shall be subject to all federal and state laws and the orders, rules, or regulations (and interpretations thereof) of all governmental agencies administering the same, and this lease shall not be in any way terminated wholly or partially nor shall the lessee be liable in damages for failure to comply with any of the express or implied provisions hereof if such failure accords with any such laws, orders, rules or regulations (or interpretations thereof). If lessee should be prevented during the last six months of the primary term hereof from drilling a well hereunder by the order of any constituted authority having jurisdiction thereover, the primary term of this lease shall continue until six months after said order is

14. Lessee, at its option, is hereby given the right and power to pool or combine into one or more units the land covered by this lease, or any portion thereof, with other land covered by another lease, or leases when, in lessee's judgment, it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of such minerals in and under said land, such pooling to be in a unit or units not exceeding 80 acres each in the event of an oil well, or into a unit or units not exceeding 640 acres each in the event of a gas and/or condensate or distillate well, plus a tolerance of ten percent (10%) to conform to Governmental Survey quarter sections. Lessee shall execute in writing and file for record in the county in which the land is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a unit or units shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on any part of the pooled acreage it shall be treated as if production is had from this lease whether any well is located on the land covered by this lease or not. Any well drilled on any such unit shall be and constitute a well hereunder. In lieu of the royalties elsewhere herein specified lessor shall receive on production from the unit so pooled only such portion of the royalty stipulated herein as the amount of his net royalty interest therein on an acreage basis bears to the total mineral acreage so pooled in the particular unit involved.

15. See Exhibit "A" attached hereto and made a part hereof.

<u>6</u> lessor and lessee. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors 으 said

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

WILFRIC J. KARLIN AND ALFREDA C. KARLIN FAMILY LIMITED PARTNERSHIP, DATED SEPTEMBER 28, 2001

By: Alheda C. Karlin

Alfreda C. Karlin, as Trustee of the Revocable Intervivos Trust of Wilfred J. Karlin, General Partner and Alfreda C. Karlin, as Trustee of the Revocable Intervivos Trust of Alfreda C. Karlin, General Partner

By: Atom A. Karlin, as Trustee of the Revocable Intervivos Trust of Wilfred J. Karlin, General Partner and John A. Karlin, as Trustee of the Revocable Intervivos Trust of Alfreda C. Karlin, General Partner

STATE OF KANSAS

ELLIS COUNTY

This Instrument was filed for recorded in the state of the state

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Roberts A. Register Of Deeds

EXTENSION OF OIL AND GAS LEASE

STATE OF KANSAS AUE 17 201
This instrument was filed for record
This instrument was filed for record
This instrument was filed for record in the condition of t

WHEREAS, **DaMar Resources**, **Inc.**, a Kansas corporation, is the owner and holder of an oil and gas lease on the following described land in Ellis County, State of Kansas

As shown on Exhibit "A" attached hereto and made a part hereof, being 1150.20 acres, more or less

0

of Township 13 South, Range 16 West and recorded in Book 679 of Records, Pages 629-633 of the Records of said

WHEREAS, said lease expires in the absence of drilling operations on September 19, 2010 and the said

and holder desires to have the term of said lease extended;

the land covered by said lease, subject however, in all other respects, to the provisions and conditions of said lease or said lease as modified, if any modification thereof may have been heretofore executed; that no delay rental is due said expiration thereof and as long thereafter as oil or gas (including casinghead gas) is produced from any well on terms of said lease have been timely and properly paid. and payable on September 19, NOW, THEREFORE, the undersigned, for themselves, their heirs, executors, administrators and assigns, for and in consideration of ten (\$10.00) and more Dollars, in hand paid, the receipt whereof is hereby acknowledged, if such extended term had been originally expressed in such lease, for a period of one (1) year from the date of the does hereby agree: that the said term of said lease shall be and is hereby extended, with the same tenor and effect as 2010 under the terms of this extension; and that all previous rentals due under the

IN WITNESS WHEREOF, this instrument is signed on the 30th day of July, 2010

Wilfric J. Karlin and Alfreda C. Karlin Family Limited Partnership, Dated September 28, 2001

By:

Alfreda C. Karlin, as Trustee of the Revocable Intervivos Trust of Wilfred J. Karlin, General Partner and Alfreda C. Karlin, as Trustee of the Revocable Intervivos Trust of Alfreda C. Karlin,

Revocable Intervivos Trust of Wilfred
J. Karlin, General Partner and John A.
Karlin, as Trustee of the Revocable
Intervivos Trust of Alfreda C. Karlin,
General Partner

STATE OF KANSAS) SCOUNTY OF ELLIS)

General Partner

This instrument was acknowledged to me on this 30th day of July, 2010, by Alfreda C. Karlin, Trustee of the Revocable Intervivos Trust of Wilfred J. Karlin, General Partner of Wilfric J. Karlin and Alfreda C. Karlin Family Limited Partnership, dated September 28, 2001 and Alfreda C. Karlin, Trustee of the Revocable Intervivos Trust of Alfreda C. Karlin, General Partner of Wilfric J. Karlin and Alfreda C. Karlin Family Limited Partnership, dated September 28, 2001.

Notary Public

Notary Public

Carol Harfmann

Notary Public State of Kansas

My Apt Expires 10-11-11

My commission expires:

COUNTY OF ELLIS

STATE OF KANSAS

This instrument was acknowledged to me on this 30⁷⁶ day of July, 2010, by John A. Karlin, Trustee of the Revocable Intervivos Trust of Wilfred J. Karlin, General Partner of Wilfric J. Karlin and Alfreda C. Karlin Family Limited Partnership, dated September 28, 2001 and John A. Karlin, Trustee of the Revocable Intervivos Trust of Limited Partnership, dated September 28, 2001 and John A. Karlin, Trustee of the Revocable Intervivos Trust of Alfreda C. Karlin, General Partner of Wilfric J. Karlin and Alfreda C. Karlin Family Limited Partnership, dated September 28, 2001.

Carol Harimann
Jessey Politic State of Kansas

My Apr. 27 - 57 10 - 1/1-1/1

Notary Public

300K 749 PAGE 979

* Of = Damar

Exhibit "A"

Attached to and made a part hereof to that certain Extension of Oil and Gas Lease dated July 2010, by and between Wilfric J. Karlin and Alfreda C. Karlin Family Limited Partnership, dated September 28, 2001, and DaMar Resources, Inc.

Land Description

Township 13 South, Range 16 West Section 21: SE/4, the E/2SW/4, SE/4NW/4, and a part of the SW/4NE/4 described as

follows:

Beginning at the Northwest corner of the SW/4NE/4; thence South 20 chains; thence East 20 chains; thence North 45 degrees West to the Northwest corner

of the SW/4NE/4 being the point of beginning.
Section 28: W/2 except the S/2SE/4NW/4 and except the W/2S/2SW/4NW/4
Section 33: E/2 except the NE/4NE/4; the E/2NW/4; the SW/4NW/4; and all that portion E/2 except the NE/4NE/4; the E/2NW/4; the SW/4NW/4; and all that portion of the W/2SW/4 and the E/2SW/4 lying North of Interstate U.S. Highway 70.

Section 34: NE/4NW/4

34

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OIL AND GAS LEASE

other substances into subsurface and described as follows:

As shown 9 South, Range 16 We Exhibit "B" attached West hereto and made മ part hereof

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19. Diffeet and definitions
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- 2. This lead casinghead lease shall remain in force for a term of ad gas, casinghead gasoline or any of th of the products three (3) by this lease years. s (called "s or can be "primary produced term") and as long thereafter gas,
- equal 15.234375% part of all oil produced and saved from the 15.234375% royalty the market price at the wellhead for oil of like storage tanks. The lessee shall deliver to lessor as royalty, free of cost, on the lease, leased premises, or at the lessee's grade and gravity prevailing on or into the pipe line the day such option ថ which lessee may oil is pay to run into the the essor pipe line ਰ੍ਹੇ wells th ဝ such
- The lessee shall pay to the lessor, as a royalty, 15.234375% of the proceeds received by the lessee from the sale of gas, gas condensate, gas distillate, casinghead gas, gas used for the manufacture of gasoline or any other product, and all other gases, including their constituent parts, produced from the land herein leased. If such gas is not sold by the lessee, lessee may pay or tender annually at or before the end of each yearly period during which such gas is not sold, as a shut-in royalty, whether one or more wells, an amount equal to one dollar per net mineral acre, and while said shut in royalty is so paid or tendered, it will be considered under all provisions of this lease that gas is being produced in paying quantities. The first yearly period during which such gas is not sold shall begin on the date the first well is completed for production of gas.
- O This lease is a paid-up lease and may be maintained during the primary term without further payments or drilling operations
- တ n the event said lessor owns a less interest in the above described land than the entire provided for shall be paid to said lessor only in the proportion which his interest bears any interest in said land should revert to lessor, or his heirs, or his or their grantee, this ion which his interest b or his or their grantee, ntire and undivided fee simple estate therein then bears to the whole and undivided fee; however, in this lease shall cover such reversion. the royalties the event the
- 7. 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 existing wells of the lessor. When required by lessor, the lessee shall bury its 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 have the right at any time during, or after the expiration of this lease to remove all machinery, fixtures, houses, buildings and other structures placed on said premises, including the right to draw and remove all casing.
- 8. 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, devisees, executors, administrators, successors, and assigns, but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of lessee, and no change of ownership in the land or in the royalties or any sum due under this lease shall be binding on the lessee until it has been furnished with either the original recorded instrument of conveyance or a duly certified copy of the will of any deceased owner and of the probate thereof, or certified copy of the proceedings showing the appointment of an administrator for the estate of any deceased owner, whichever is appropriate, together with all original recorded instruments of conveyance or duly certified copies thereof necessary in showing a complete chain of title back to lessor of the full interest claimed, and all advance payments of rentals made hereunder before receipt of said documents shall be binding on any direct or indirect assignee, grantee, devisee, or administrator, executor, or heir of lessor.
- owned by each separate owner bears to tracts into which the land covered by measuring or receiving tanks. 9. If the leased premises are now or shall hereafter be owned in severalty or in separate tracts, the premises may nonetheless be developed and operated as one lease, and all royalties accruing hereunder shall be divided among and paid to such separate owners in the proportion that the acreage owned by each separate owner bears to the entire leased acreage. There shall be no obligation on the part of the lessee to offset wells on separate tracts into which the land covered by this lease may now or hereafter be divided by sale, devisee, descent or otherwise, or to furnish separate
- 10. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the lessee, at its option, may pay in whole or in part any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands and, exercises such options it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying to the dissuch mortgage, tax or other lien, any royalty accruing hereunder. y and discharge , in the event it discharge of any
- 11. If after the expiration of the primary term, production of oil or gas should cease from any cause, this lease shall not terminate if lessee com additional drilling or reworking operations within one hundred-twenty (120) days thereafter, or if at the expiration of the primary term, oil or gas being produced on said land, but lessee is then engaged in drilling or reworking operations thereon, then in either event, this lease shall remain so long as operations are prosecuted either on the same well or any other well thereafter commenced, with no cessation of more than one h twenty (120) consecutive days, and if they result in production of oil or gas, this lease shall remain in effect so long thereafter as there is productly oil or gas under any provision of this lease. remain in force n one hundred-s production of . gas

BOOK 679 PAGE 629

Lessee may at any time surrender or cancel this lease in whole or in part by delivering or mailing such release to the lessor, or by placing same of cord in the proper county. In case said lease is surrendered and canceled as to only a portion of the acreage covered thereby, then all payments and abilities thereafter accruing under the terms of said lease as to the portion canceled shall cease and determine, but as to the portion of the acreage not released the terms and provisions of this lease shall continue and remain in full force and effect for all purposes.

13. All provisions hereof, express or implied, shall be subject to all federal and state laws and the orders, rules, or regulations (and interpretations thereof) of all governmental agencies administering the same, and this lease shall not be in any way terminated wholly or partially nor shall the lessee be liable in damages for failure to comply with any of the express or implied provisions hereof if such failure accords with any such laws, orders, rules or regulations (or interpretations thereof). If lessee should be prevented during the last six months of the primary term hereof from drilling a well hereunder by the order of any constituted authority having jurisdiction thereover, the primary term of this lease shall continue until six months after said order is

14. Lessee, at its option, is hereby given the right and power to pool or combine into one or more units the land covered by this lease, or any portion thereof, with other land covered by another lease, or leases when, in lessee's judgment, it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of such minerals in and under said land, such pooling to be in a unit or units not exceeding 80 acres each in the event of an oil well, or into a unit or units not exceeding 640 acres each in the event of a gas and/or condensate or distillate well, plus a tolerance of ten percent (10%) to conform to Governmental Survey quarter sections. Lessee shall execute in writing and file for record in the county in which the land is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a unit or units shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on any part of the pooled acreage it shall be treated as if production is had from this lease whether any well is located on the land covered by this lease or not. Any well drilled on any such unit shall be and constitute a well hereunder. In lieu of the royalties elsewhere herein specified lessor shall receive on production from the unit so pooled only such portion of the royalty stipulated herein as the amount of his net royalty interest therein on an acreage basis bears to the total mineral acreage so pooled in the particular unit involved.

15. See Exhibit "A" attached hereto and made a part hereof.

<u>6</u> lessor and lessee. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors 으 said

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

WILFRIC J. KARLIN AND ALFREDA C. KARLIN FAMILY LIMITED PARTNERSHIP, DATED SEPTEMBER 28, 2001

By: Alheda C. Karlin

Alfreda C. Karlin, as Trustee of the Revocable Intervivos Trust of Wilfred J. Karlin, General Partner and Alfreda C. Karlin, as Trustee of the Revocable Intervivos Trust of Alfreda C. Karlin, General Partner

By: Atom A. Karlin, as Trustee of the Revocable Intervivos Trust of Wilfred J. Karlin, General Partner and John A. Karlin, as Trustee of the Revocable Intervivos Trust of Alfreda C. Karlin, General Partner

STATE OF KANSAS

ELLIS COUNTY

This Instrument was filed for recorded in the state of the state

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619 of Readspage 629

Roberts A. Register Of Deeds

EXTENSION OF OIL AND GAS LEASE

STATE OF KANSAS AUE 17 201
This instrument was filed for record
This instrument was filed for record
This instrument was filed for record in the condition of t

WHEREAS, **DaMar Resources**, **Inc.**, a Kansas corporation, is the owner and holder of an oil and gas lease on the following described land in Ellis County, State of Kansas

As shown on Exhibit "A" attached hereto and made a part hereof, being 1150.20 acres, more or less

0

of Township 13 South, Range 16 West and recorded in Book 679 of Records, Pages 629-633 of the Records of said

WHEREAS, said lease expires in the absence of drilling operations on September 19, 2010 and the said

and holder desires to have the term of said lease extended;

the land covered by said lease, subject however, in all other respects, to the provisions and conditions of said lease or said lease as modified, if any modification thereof may have been heretofore executed; that no delay rental is due said expiration thereof and as long thereafter as oil or gas (including casinghead gas) is produced from any well on terms of said lease have been timely and properly paid. and payable on September 19, NOW, THEREFORE, the undersigned, for themselves, their heirs, executors, administrators and assigns, for and in consideration of ten (\$10.00) and more Dollars, in hand paid, the receipt whereof is hereby acknowledged, if such extended term had been originally expressed in such lease, for a period of one (1) year from the date of the does hereby agree: that the said term of said lease shall be and is hereby extended, with the same tenor and effect as 2010 under the terms of this extension; and that all previous rentals due under the

IN WITNESS WHEREOF, this instrument is signed on the 30th day of July, 2010

Wilfric J. Karlin and Alfreda C. Karlin Family Limited Partnership, Dated September 28, 2001

By:

Alfreda C. Karlin, as Trustee of the Revocable Intervivos Trust of Wilfred J. Karlin, General Partner and Alfreda C. Karlin, as Trustee of the Revocable Intervivos Trust of Alfreda C. Karlin,

Revocable Intervivos Trust of Wilfred
J. Karlin, General Partner and John A.
Karlin, as Trustee of the Revocable
Intervivos Trust of Alfreda C. Karlin,
General Partner

STATE OF KANSAS) SCOUNTY OF ELLIS)

General Partner

This instrument was acknowledged to me on this 30th day of July, 2010, by Alfreda C. Karlin, Trustee of the Revocable Intervivos Trust of Wilfred J. Karlin, General Partner of Wilfric J. Karlin and Alfreda C. Karlin Family Limited Partnership, dated September 28, 2001 and Alfreda C. Karlin, Trustee of the Revocable Intervivos Trust of Alfreda C. Karlin, General Partner of Wilfric J. Karlin and Alfreda C. Karlin Family Limited Partnership, dated September 28, 2001.

Notary Public

Notary Public

Carol Harfmann

Notary Public State of Kansas

My Apt Expires 10-11-11

My commission expires:

COUNTY OF ELLIS

STATE OF KANSAS

This instrument was acknowledged to me on this 30⁷⁶ day of July, 2010, by John A. Karlin, Trustee of the Revocable Intervivos Trust of Wilfred J. Karlin, General Partner of Wilfric J. Karlin and Alfreda C. Karlin Family Limited Partnership, dated September 28, 2001 and John A. Karlin, Trustee of the Revocable Intervivos Trust of Limited Partnership, dated September 28, 2001 and John A. Karlin, Trustee of the Revocable Intervivos Trust of Alfreda C. Karlin, General Partner of Wilfric J. Karlin and Alfreda C. Karlin Family Limited Partnership, dated September 28, 2001.

Carol Harimann
Jessey Politic State of Kansas

My Apr. 27 - 57 10 - 1/1-1/1

Notary Public

300K 749 PAGE 979

* Of = Damar

Exhibit "A"

Attached to and made a part hereof to that certain Extension of Oil and Gas Lease dated July 2010, by and between Wilfric J. Karlin and Alfreda C. Karlin Family Limited Partnership, dated September 28, 2001, and DaMar Resources, Inc.

Land Description

Township 13 South, Range 16 West Section 21: SE/4, the E/2SW/4, SE/4NW/4, and a part of the SW/4NE/4 described as

follows:

Beginning at the Northwest corner of the SW/4NE/4; thence South 20 chains; thence East 20 chains; thence North 45 degrees West to the Northwest corner

of the SW/4NE/4 being the point of beginning.
Section 28: W/2 except the S/2SE/4NW/4 and except the W/2S/2SW/4NW/4
Section 33: E/2 except the NE/4NE/4; the E/2NW/4; the SW/4NW/4; and all that portion E/2 except the NE/4NE/4; the E/2NW/4; the SW/4NW/4; and all that portion of the W/2SW/4 and the E/2SW/4 lying North of Interstate U.S. Highway 70.

Section 34: NE/4NW/4

34

AMENDMENT TO OIL AND GAS LEASE

Dinkelliste John 1se

KNOW ALL PERSONS BY THESE PRESENTS:

WHEREAS, Ronald L. Dinkel and Diane R. Dinkel. husband and wife, executed an oil and gas lease dated July 10, 2007, to Grady Bolding Corporation, covering the following described real estate situated in Ellis County, Kansas, to-wit:

East Half (E/2) less SW SW SE (10 acres) of Section Thirty-two (32), Township Thirteen (13) South, Range Sixteen (16) West of the 6th p.m.



and,

WHEREAS, said oil and gas lease was filed in Book 679, Page 49 of the records of the Register of Deeds of Ellis County, Kansas.

NOW THEREFORE for and in consideration of One Dollar (\$1.00) and other valuable consideration, the receipt of which is hereby acknowledged, the undersigned does hereby amend the aforesaid oil and gas lease by including the following paragraph therein, to-wit:

Lessee, at its option, is hereby given the right and power to pool or combine into one or more units the land covered by this lease, or any portion thereof, with other land covered by another lease, or leases when, in lessee's judgment, it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of such minerals in and under said land, such pooling to be in a unit or units not exceeding 80 acres each in the event of an oil well, or into a unit or units not exceeding 640 acres each in the event of a gas and/or condensate or distillate well, plus a tolerance of ten percent (10%) to conform to Governmental Survey quarter sections. Lessee shall execute in writing and file for record in the county in which the land is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a unit or units shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on any part of the pooled acreage it shall be treated as if production is had from this lease whether any well is located on the land covered by this lease or not. Any well drilled on any such unit shall be and constitute a well hereunder. In lieu of the royalties elsewhere herein specified lessor shall receive on production from the unit so pooled only such portion of the royalty stipulated herein as the amount of his net royalty interest therein on an acreage basis bears to the total mineral acreage so pooled in the particular unit involved.

Except as amended herein the aforesaid oil and gas lease shall remain in full force and affect in accordance with the original terms and conditions therein set out and is hereby fully ratified, confirmed and approved, including payment acknowledgement and receipt of all annual delay rental payments.

BOOK 754 PAGE 666

Page 2 - Amendment to Oil and Gas Lease (Dinkel Lease)

This Amendment shall extend to and be binding upon the heirs, successors and assigns of the parties hereto.

This Amendment dated this 64 day of October, 2010.

Ronald L. Dinkel

Diane R. Dinkel

STATE OF KANSAS, COUNTY OF ELLIS, ss:

The foregoing instrument was acknowledged before me this ______ day of ______, 2010, by Ronald L. Dinkel and Diane R. Dinkel, husband and wife.

TROY A. SCHIPPERS
Notary Public - State of Kaneas
My Appt. Expires 2/13/2014

Appointment Expires

STATE OF KANSAS }
ELLIS COUNTY
This Instrument was filed for record
8:00_0'clock A M recorded in

OCT 0 7 2010

754 of record page 6

Register of Deeds

DaMar (Dinkel) Return to: Jeter Law Firm, LLP P.O. Box 128 Hays, KS 67601

Form 88 - (Producers) Kan., Okla. & Colo. 1962 Rev. **B** ₩

OIL AND GAS LEASE



in Direct Man	
Thoso Man	
Ronald L. Dinkel	
IN WITNESS WHEREOF, we sign the day and year first above written.	IN
11. It the leased premises shall hereafter be owned in severality or in separate tracts, the premises, nevertheless, shall be developed and operated as one and all royalities accuring hereunder shall be treated as an entirety and shall be divided among and paid to such separate owners in the proportion that the ewine owner by this lease may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks. 12. Lessee and lessee's successors and assigns shall have the right at any time to surrender this lesse, in whole or in part, to lessor or his heirs and by delivering or mailting a release thereof to the lessor, or by placing a release thereof of record in the county in which said land is situated; thereupon shall be relieved from all obligations, expressed or implied, of this agreement as to the acreage so surrendered, and thereafter the rentals payable hereshall be reduced in the proportion that the acreage covered hereby is reduced by said release or releases.	ase, and reage over to which to which to signs by see shall der shall
by Lespor nervey warrants and agrees to defend the title to said land, and agrees that lessee, at its option, may discharge any tax, mortgage, or other port said land, and in the event-lessee does so, it shall be subrogated to such lien with the right to enforce same and apply rentals and royalities accurring der toward anticying same. In case said lessor owns a less interest in the above described land than the entire and undivided fee simple entare therein, then gained fee: however, such rental shall be increased at the next succeeding rental anniversary after the acquisition of any reversionary interest or aftered title to cover the interest so acquired, and lessor agrees to notify lessee in writing upon acquisition of any additional interest in the above described by whether it be by reversion or after-acquired title, or if such additional acquisition occurs after production be obtained, then the royalty shall be increased or the interest so acquired. Should any one or more of the parties named above as lessors fail to execute this lesse, it shall nevertheless be binding upon the	en upon er upon revender revent de royart dundiv quired t cover ti
re as employed herein shall mean: any act of God including but not limited to atorms, floods, washouts, landaides, and lightning; acts of the public enemy; blockades, insurrections, or riots; strikes or lockouts; epidemics or quarantine regulations: laws, acts, order or requests of federal, state, municipal or other nments or governmental officers or agents under co.or of authority; freight embargoes or failures; exhaustion or unavailability or delays in delivery of any tt, labor, service, or material, if leases is required, or ordered by any federal, state or municipal law, executive order, rule, regulation or request d or promulgated under color of authority to cease drilling operations, reworking operations or producing operations on the land covered by this lease or regulation, requisit, or force majeure is terminated and for a period of ninety (90) days after such termination and every provision of this lease that operation the primary term, the time thereof shall be suspended and inoperative and this lease shall continue in full force. If any period of supension the primary term, the time thereof shall be added to such term.	anjeure" ara, bloo vernmel roduct, l nacted o lessee a les regulation ight oper
assigned in whole or in part and the provisions hereof shall extend to the heirs whership of the land, rentals or royalties, however accomplished, shall operate vision in the ownership of the land, rentals or royalties shall be binding upon it with the instrument or instruments, or certified copies thereof, constituting helease as to a segregated portion of said land, the rentals payable hereunder shall surface area of each, and default in rental payment by one shall not affect the ole or in part, shall, to the extent of such assignment, relieve and discharge ereof shall fail or make default in the payment of the proportionate part of ovision of the lease, such default shall not affect this lease is of are as it covers the internals.	uccessoring to diminity of the person
water from said land, except water from lessor's wells and tanks, for all oper dary recovery operations, and the royalty shall be computed after deducting tion of this lesse to remove all property and fixtures placed by lessee on said lessee will bury all pipe lines below ordinary plow depth. Lessee shall pay I be drilled within two hundred feet (200 ft.) of any residence or barn now of expense, of using gas from any gas well on said land for stoyes and inside ligh s hereunder.	repressur have the lraw and peration onsent. hereon, o
should drill and abandon a dry hole or holes thereon, or if, after discovery of oil, liquid hydrocarbons, gas or their respective constituent products, or any of them, on said land or land pooled therewith, the production thereof should cease from any cause, this lease shall not terminate if lessee commences reworking or additional drilling operations within sixty days thereafter, or lif it be within the primary term, (i) in the case of a dry hole, commences reworking or additional drilling operations within sixty was drilled, or (ii) in the case of cessation of production, commences or resumes the payment or tender of rental paying date next ensuing after the expiration of the rental port of during which such dry was drilled, or (ii) in the case of cessation of production, commences or resumes the payment or tender of rentals or commences operation for drilling or remaining after the expiration of three (3) months after the expiration of the try term, oil, liquid hydrocarbons, gas or their respective constituent products, or any of them, is not being produced on said land or land pooled therewith but is then engaged in operations for their respective constituent products, or any of them, is not being produced on said land or land pooled therewith so the cutted (whether on the same or different wells) with no cessation of more than sixty (60) consecutive days, and if they result in production, so long thereafter it, liquid hydrocarbons, gas or their respective constituent products, or any of them, is produced from said land or land pooled therewith.	lessee shithem, thicken, thicken, though one was reworkin primary essee is prosecute is oil, lice
or consolidate the leased premises, or any portion or portions thereof, as to all um or strats, but only as to the gas right hereunder (excluding easinghead grain 640 acres, plus a tolerance of fen per cent (10%) to conform to Government in which the premises are located. Such units may be designated either before of the pooled acreage shall be treated as if such drilling operations were upon os be located on the land covered by this lesse or not. The entire acreage pooled in fuction from the pooled unit, as if it were included in this lesse. In lieu of the roy such portion of the royalty stipulated herein as the amount of his acreage place eage so pooled in the particular unit involved.	strata, vito form Lossee si wells. D the land for all po shall recent
NA	any succedate, or shall del The pays before the before
4. If operations for drilling are not commenced on said land or on land pooled therewith on or before one (1) year from this date, this lease shall inste as to both parties, unless on or before one (1) year from this date lessee shall pay or tender to the lessor a rental of TWO HUNDED NINETY Tool of twelve (12) months. In like manner and upon like payments or tenders, annually, the commencement of said operations may be further deferred for the periods of the same number of months such during the numbers, annually, the commencement of said operations may be further deferred for the same number of months such during the numbers, annually, the commencement of said operations may be further deferred for the same number of months such during the numbers.	terminat a period a period
and, same to be delivered free of cost at the wells or to the credit of lessor in the pipe line to which the wells may be consected; (b) on gas, including narhead gas and all gaseous substances, produced from said land and sold or used, provided that on gas sold at the wells the royalty shall be one-eighth of the gas so sold or used, provided that on gas sold at the wells the royalty shall be one-eighth he amount realized from such sale; and (c) at any time, either before or after the expiration of the primary term of this lesse, if there is a gas well or so not the above land (and for the purposes of this clause (c) the term "gas well as hall include wells capable of producing natural gas, condensate, distillate ny gas-sources and wells classified as gas wells by any governmental authority) and such well or wells are that in before or after production thereform, e or any assignce hereunder may pay or tender sanueally at the end of each yearly period during which such gas well or gas wells are shut in, as substitute royalty, a sum equal to the amount of delay rentals provided for in this lesse for the acreage then held under this lesse by the party making such payments or ere, and if such payments or tenders are made it shall be considered under all provisions of this lesse that gas is being produced from the lessed premises in ng outspitter. Such substitute gas available and or tenders are paid or tenders of the same manner as provided herein for the naverant or tender of delay rentals.	said ian casingho casingho from, the sof the sowells on or any glessee or gas roys tenders, paying o
section 32 acres, Township 13 South Range 16 West, and containing 310 acres, more or less, and all etions thereto. 2. Subject to the provisions herein contained, this lease shall remain in force for a term of ten (10) years from this date (called "primary term"), as long thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, or any of them, is produced from said land or land with which said is pooled. 3. The royalties to be paid by lessee are: (a) on oil, and other liquid hydrocarbons saved at the well, one-eighth of that produced and saved from	In Section accretion and as land is pland is p
East Half (E/2) less SW-SW-SE (10 acres)	1
in called lessor (whether one or more), and GRACY BOLDING COPPORATION 1. Lessor, in condideration of Ten and More 2. Lessor, in condideration of Ten and More 3. Dollars (\$ 10.00 & OVC) in hand paid, receipt of which ere acknowledged and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the pose of investigating, exploring, prospecting drilling, mining and operating for and producing oil, building tanks, power stations, telephone lines, and other structures things thereon to produce, save, take care of, treat, manufacture, process, store and transport said oil, liquid hydrocarbons, gases and their respective constituent sucts and other products manufactured therefrom, and housing and otherwise caring for its employees, the following described land, together with any reversionary to and after-acquired interest, therein situated in Ellis County, Kansas, to-writ:	herein (is here ; purpose product; and thir product; and thir
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