

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

## KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

1045374

Form C-1

March 2010

Form must be Typed

Form must be Signed

All blanks must be Filled

## NOTICE OF INTENT TO DRILL

	e (5) days prior to commencing well Surface Owner Notification Act, MUST be submitted with this form.
Expected Spud Date:	Spot Description:
month day year	
	(9/9/9/9)
OPERATOR: License#	feet from N / S Line of Section feet from E / W Line of Section
Name:	Is SECTION: Regular Irregular?
Address 1:	is SECTION Regular Irregular !
Address 2: State: Zip: +	(Note: Locate well on the Section Plat on reverse side)
Contact Person:	County:
Phone:	Lease Name: Well #:
	Field Name:
CONTRACTOR: License#	Is this a Prorated / Spaced Field?
Name:	Target Formation(s):
Well Drilled For: Well Class: Type Equipment:	Nearest Lease or unit boundary line (in footage):
Oil Enh Rec Infield Mud Rotary	Ground Surface Elevation:feet MSL
Gas Storage Pool Ext. Air Rotary	Water well within one-quarter mile:
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:
	Surface Pipe by Alternate: I II
If OWWO: old well information as follows:	Length of Surface Pipe Planned to be set:
Operator:	Length of Conductor Pipe (if any):
Well Name:	Projected Total Depth:
Original Completion Date: Original Total Depth:	Formation at Total Depth:
	Water Source for Drilling Operations:
Directional, Deviated or Horizontal wellbore?  Yes No	Well Farm Pond Other:
If Yes, true vertical depth:	DWR Permit #:
Bottom Hole Location:	( <b>Note:</b> Apply for Permit with DWR )
KCC DKT #:	Will Cores be taken? Yes No
	If Yes, proposed zone:
٨٥	FIDAVIT
The undersigned hereby affirms that the drilling, completion and eventual plu	
It is agreed that the following minimum requirements will be met:	agging of this well will comply with N.O.A. 55 ct. 564.
Notify the appropriate district office <i>prior</i> to spudding of well;	1.90
<ol> <li>A copy of the approved notice of intent to drill shall be posted on each</li> <li>The minimum amount of surface pipe as specified below shall be set</li> </ol>	
through all unconsolidated materials plus a minimum of 20 feet into the	
4. If the well is dry hole, an agreement between the operator and the dist	
5. The appropriate district office will be notified before well is either plugg	, , , , , , , , , , , , , , , , , , , ,
6. If an ALTERNATE II COMPLETION, production pipe shall be cemente	
	33,891-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	e plugged. In all cases, NOTIFY district office prior to any cementing.
5 1 - '4 1 <del>-</del> 1 - ' 1	
Submitted Electronically	
- 2222	Remember to:
For KCC Use ONLY	- File Certification of Compliance with the Kansas Surface Owner Notification
API # 15	Act (KSONA-1) with Intent to Drill;
Conductor pipe requiredfeet	- File Drill Pit Application (form CDP-1) with Intent to Drill;
Minimum surface pipe requiredfeet per ALT.	- File Completion Form ACO-1 within 120 days of spud date;
	- File acreage attribution plat according to field proration orders;
Approved by:	<ul> <li>Notify appropriate district office 48 hours prior to workover or re-entry;</li> <li>Submit plugging report (CP-4) after plugging is completed (within 60 days);</li> </ul>
This authorization expires:	- Obtain written approval before disposing or injecting salt water.
(This authorization void if drilling not started within 12 months of approval date.)	

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

Spud date: \_

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:	

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.

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Number:												e of Sectio
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#### 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).

60 ft.

5. The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.



## KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

1045374

Form CDP-1 May 2010 Form must be Typed

## **APPLICATION FOR SURFACE PIT**

Submit in Duplicate

Operator Name:			License Number:				
Operator Address:							
Contact Person:		Phone Number:					
Lease Name & Well No.:			Pit Location (QQQQ):				
Type of Pit:  Emergency Pit Burn Pit  Settling Pit Drilling Pit  Workover Pit Haul-Off Pit  (If WP Supply API No. or Year Drilled)  Is the pit located in a Sensitive Ground Water A  Is the bottom below ground level?  Yes No	/pe of Pit:  Emergency Pit Burn Pit Proposed Existing  Settling Pit Drilling Pit If Existing, date constructed:  Workover Pit Haul-Off Pit Pit capacity:  (bbls)  the pit located in a Sensitive Ground Water Area? Yes No  the bottom below ground level?  Artificial Liner?		SecTwp R East West Feet from North / South Line of Section Feet from East / West Line of Section County County Mean County mg/l (For Emergency Pits and Settling Pits only) How is the pit lined if a plastic liner is not used?				
Pit dimensions (all but working pits):	Length (fee	et)	Width (feet) N/A: Steel Pits				
Depth fro	m ground level to dee	epest point:	(feet) No Pit				
If the pit is lined give a brief description of the line material, thickness and installation procedure.			dures for periodic maintenance and determining acluding any special monitoring.				
Distance to nearest water well within one-mile of	of pit:	Depth to shallowest fresh water feet. Source of information:					
feet Depth of water well	feet	measured	well owner electric log KDWR				
Emergency, Settling and Burn Pits ONLY:		Drilling, Work	over and Haul-Off Pits ONLY:				
Producing Formation:		Type of materia	ıl 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 sp flow into the pit? Yes No	pilled fluids to	Drill pits must be closed within 365 days of spud date.					
Submitted Electronically							
	ксс	OFFICE USE O	NLY  Liner Steel Pit RFAC RFAS				
Date Received: Permit Numb	oer:	Permi	t Date: Lease Inspection: Yes No				



#### Kansas Corporation Commission Oil & Gas Conservation Division

1045374

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	

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

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

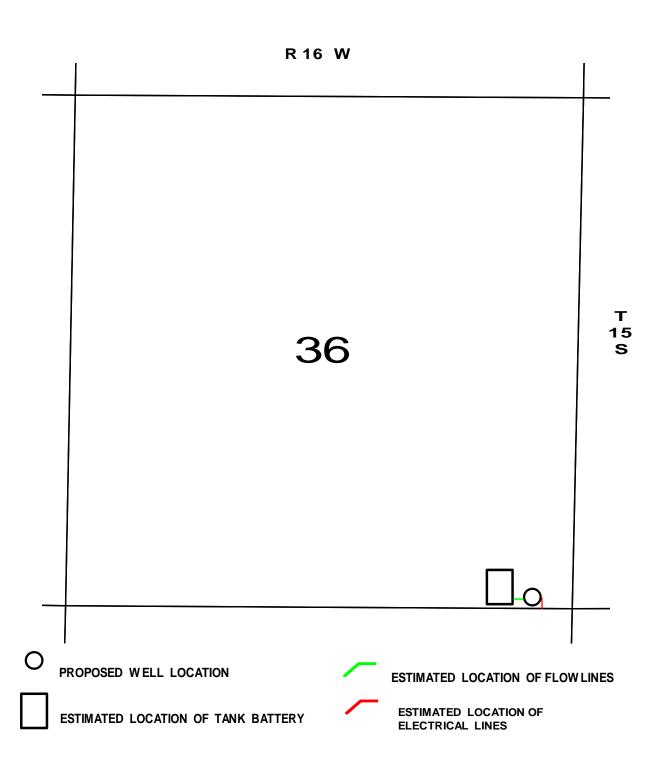
WELL NAME: B.W. 1-36

LOCATION: 60 FSL / 430 FEL Sec. 36-15S-16W ELLIS COUNTY

SURFACE OWNER: Dennis Boxberger

3079 South County Line Road.

Otis, KS 67565



63U (Rev. 1993)

## **OIL AND GAS LEASE**

AGREEMENT, Made and enter	red into the 19th	day of		August		2006
by and between	RAYMO	ND O. WAGNER	REVOCABLE	TRUST,		
	herein re	presented by Rayn	ond O. Wagner	and Viola R. W	agner, as Truste	e
whose mailing address is		Box 331, Otis, KS	67565		hereinafter called	Lessor (whether one or more),
and		uel Gary Jr. & Ass	sociates. Inc		ito chiarter caried	cessor (whether one or more),
	1670	Broadway, Suite	3300, Denver, (	CO 80202		hereinafter called Lessee:
Lessor, in consideration of	ns, prospecting drilling, murface strata, laying pipe leand transport said oil. li	ining and operating for an ines, storing oil, building to mid hydrocarbons, gases	in contained, hereby g ad producing oil, liquitanks, power stations, and their respective o	rants, leases and lets exc d hydrocarbons, all gase telephone lines, and othe	clusively unto lessee for es, and their respective	or the purpose of investigating, constituent products, injecting
therein situated in County ofwit:	Rush	State of		Kansas		described as follows to-
SEE EXHIBIT "A						
In Section1Towns accretions thereto.	ship 16 Sou	th Range	16 West	and containing	310.48	acres, more or less, and all
Subject to the provisions herein liquid hydrocarbons, gas or oth pursuant to the provisions hereo	contained, this lease shall er respective constituent p f.	remain in force for a ten roducts, or any of them, i	n of <u>Three (3</u> s produced from said	years from this date land or land pooled the	(called "primary term" rewith or this lease is	) and as long thereafter as oil, otherwise maintained in effect
In consideration of the premises	the said lessee covenants	and agrees:				0.7

1st. To deliver to the credit of Lessor, free of cost, in the pipe line to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor for gas, (including casinghead gas) of whatsoever nature or kind produced and sold, or used off the premises, or used in the manufacture of any products therefrom, one-eighth (1/8), at the market price at the well, (but, as to gas sold by Lessee, in no event more than one-eighth (1/8) of the net proceeds received by Lessee from such sales, such net proceeds to be less a proportionate part of the production, severance, or other excise taxes and the cost incurred by Lessee in delivering, treating for the removal of nitrogen, helium or other impurities in made monthly.

This lease may be maintained during the primary term hereof without further payment or drilling operations. If at the expiration of the primary term of this lease, oil or gas is not being produced on the leased premises or on acreage pooled or unitized therewith but Lessee is then engaged in drilling, reworking operations thereon, then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises or on acreage pooled or unitized therewith; and operations shall be considered to be continuously prosecuted if not more discovery of oil or gas on the leased premises or on acreage pooled or unitized therewith, the production should cease from any cause after the primary term this lease shall not terminate if oil or gas on the leased premises or on acreage pooled or unitized therewith, the production should cease from any cause after the primary term of this lease, oil or gas is not being produced or unitized therewith, the production should cease from any cause after the primary term of this lease, oil or gas is not being produced and produced as a result of such operations, this lease shall continue in full force and effect so long as oil or gas is produced from the leased premises or on acreage pooled or unitized therewith.

If after the primary term one or more wells on the lease premises or lands pooled or unitized therewith are capable of producing oil or gas or other substances covered hereby, but such well or wells are either shut in or production therefrom is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing for the purpose of maintaining the lease. If for a period of ninety (90) consecutive days such well or wells are shut in or production therefrom is not sold by Lessee, the Lessee shall pay an aggregate shut-in royalty of One Dollar (\$1.00) per acre then covered by this lease, such payment to be made to Lessor on or before the anniversary date of this lease next ensuing after the expiration of the said ninety (90) day period and thereafter on or before each anniversary date of this lease while the well or wells are shut in or production therefrom is not being sold by Lessee; provided that if this lease is in its primary term or otherwise being maintained by operations, or if production is being sold by Lessee from another well on the leased premises or lands pooled or unitized therewith, no shut-in royalty shall be due until the end of the next following anniversary date of this lease that cessation of such operations or production occurs, as the case may be. Lessee's failure to properly pay shut-in royalty shall be

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in royalties) herein provided for shall be paid the said lessor only in the proportion which lessor's interest bears to the whole and undivided fee.

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

When requested by lessor, lessee shall bury lessee's pipe lines below plow depth.

No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of lessor.

Lessee shall pay for damages caused by lessee's operations to growing crops on said land.

Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment of rentals or royalties shall be binding on the lessee until after the lessee has been furnished with a written transfer or assignment or a true copy thereof. In case lessee assigns this lease, in whole or in part, lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment.

Lessee may at any time execute and deliver to lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, in whole or in part, nor lessee held liable in damages, for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation, including restrictions on the drilling and production of wells, and regulation of the price or transportation of oil, gas or other substance covered hereby. When drilling, reworking, production or other operations or obligations under this lease are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by an act of God, strike, lockout, or other industrial disturbance, act of the public enemy, war, blockade, public rot, lightening, fire, storm, flood or other act of nature, explosion, governmental action, governmental delay, restraint or inaction, or by inability to obtain a satisfactory market for production, or failure of purchasers or carriers take or transport such production, or by any other cause, whether of the kind specifically enumerated above or otherwise, which is not reasonably within control of Lessee, this lease shall not terminate because of such prevention or delay, and, at Lessee's option, the period of such prevention or delayed.

Lessee shall not be liable for breach of any provision or implied covenants of this lease when drilling, production, or other operations are so prevented or delayed.

Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the lessee shall have the right at any time to redeem for lessor, by payment any mortgages, taxes or other liens on the above described lands, in the event of default of payment by lessor, and be subrogated to the rights of the holder thereof, and the undersigned lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, in so far as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

Lessee, at its option, is hereby given the right and power to pool, unitize or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, 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 oil, gas or other minerals in and under and that may be produced from said premises, such pooling or unitization to be of fracts contiguous to one another and to be into a unit or units not exceeding 40 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 well. Lessee shall execute in writing and record in the conveyance records of the county in which the land herein leased is situated an instrument identifying and describing the pooled or unitized acreage. The entire acreage so pooled or unitized into a tract or unit 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 the pooled or unitized acreage, shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled or unitized in the particular unit involved.

This lease may be signed in any number or numbers of counterparts and shall be effective as to each Lessor on execution hereof as to his or her interest and shall be binding on those signing, notwithstanding some of the Lessors above named who may not have joined in the execution hereof. The word "Lessor" as used in this lease shall mean the party or parties who execute this lease as Lessor, although not named above.

Lessee shall have the exclusive right to explore the land herein described by geological, geophysical or other methods, whether similar to those herein specified or not and whether now known or not, including the drilling of holes, use of torsion balance, seismograph explosions, magnetometer, or other geophysical or geological instruments, tests or procedures, for the purpose of securing geological and geophysical information. All information obtained by Lessee as a result of such activity shall be the exclusive property of Lessee, and Lessee may disseminate or sell such information without Lessor's consent. Lessor and Lessee herein agree that a portion of the consideration paid herein is for advance payment of usual and customary damages associated with seismograph operations (ie: tire tracks in the wheat, pasture or field, road use, compaction etc.) If any extraordinary damages should occur, at Lessor's discretion, Lessor or its tenant (if Lessor has a tenant) will be compensated accordingly, or Lessee may elect to repair the damages in lieu of compensation.

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF FOR ADDITIONAL TERMS AND PROVISIONS.

IN WITNESS WHEREOF, the undersigned execute this instrument as of the day and year first above written.

RAYMOND O WAGNER REVOCABLE TRUST, herein represented by Raymond O. Wagner, as Trustee

RAYMOND O. WAGNER REVOCABLE TRUST, herein represented by Viola R. Wagner, as Trustee

#### EXHIBIT "A"

Attached to and made a part of that Certain Oil and Gas Lease dated August 19, 2006, by and between, RAYMOND O. WAGNER REVOCABLE TRUST, herein represented by Raymond O. Wagner and Viola R. Wagner, as Trustee, as Lessor, and SAMUEL GARY, JR. & ASSOCIATES, INC., as Lessee.

## **PROPERTY DESCRIPTION:**

#### **TOWNSHIP 16 SOUTH - RANGE 16 WEST**

#### **SECTION 1:**

That certain tract or parcel of land estimated to contain <u>320.00</u> acres, more or less, and being described as the North Half (N/2) of Section 1, Township 16 South, Range 16 West, Rush County, Kansas

Less and Except: That certain 9.52 acres, more or less, beginning at a point on the East line of said Northeast Quarter(NE/4) of Section 1, Township 16 South, Range 16 West, a distance of 1,896 feet South of the Northeast corner of the said Northeast Quarter; Thence West at right angles, a distance of 507 feet; Thence South, parallel with the East line of said Northeast Quarter, a distance of 818 feet more or less, to the South line of said Northeast Quarter; Thence East along the South Line of said Northeast Quarter, a distance of 507 feet more or less to the East line of the said Northeast Quarter; Thence North, along the East line of the said Northeast Quarter, a distance of 818 feet more or less to the point of the beginning.

Leaving a balance 310.48 acres, more or less.

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

## **ADDITIONAL TERMS AND PROVISIONS:**

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

63U (Rev. 1993)

## **OIL AND GAS LEASE**

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DENNIS BOXBERGIER, a single person  and SOPE COMPINE RAL, One K. 857565  International Control of the Control o	The state of the s	a entered into theday of		A	ugust		2000
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Lessor nereby warrants and agrees to defend the title to the lands herein described, and agrees that the lessee shall have the right at any time to redeem for lessor, by payment nortgages, taxes or other liens on the above described lands, in the event of default of payment by lessor, and be subrogated to the rights of the holder thereof, and the undersigned lesson memsleves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, in so far as said right of dower members are considered to the premises described herein, in so far as said right of dower and homestead in the premises described herein, in so far as said right of dower and homestead in the premises described herein, in so far as said right of dower and homestead in the premises described herein, in so far as said right of dower and homestead in the premises described herein, in so far as said right of dower and homestead in the premises described herein, in so far as said right of dower and homestead in the premises described herein, in so far as said right of dower and homestead in the premises described herein, in so far as said right of dower and homestead in the premises described herein, in so far as said right of dower and homestead in the premises described herein, in so far as said right of dower and homestead in the premises described herein, in so far as said right of dower and homestead in the premises described herein, in so far as said right of dower and homestead in the premises described herein.  Lesse shall herein leased is intaited an instrument identifying and described in the lease. Lesses in the context in writing and record in the conveyance record erected, for all purposes except the payment of royalties on production from the pooled or unitized acrea hall be treated as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere herein specified, lease is	All express or implied or strictions on the drilling and presations on obligations under the electricity, fuel, access or easementher act of nature, explosion, go kee or transport such production, ruminate because of such preventovision or implied coverants of	evenants of this lease shall be subject to all amages, for failure to comply therewith, is oduction of wells, and regulation of the p his lease are prevented or delayed by such ints, or by an act of God, strike, lockout, evenmental action, governmental delay, re, or by any other cause, whether of the kin tion or delay, and, at Lessee's option, the this lease when drilling, production, or of	Federal and State Laws, f compliance is prevente rice or transportation of laws, rules, regulations or other industrial disturtiant or inaction, or by ind specifically enumerate period of such preventicer operations are so prev	Executive Orded by, or if such to oil, gas or other or orders, or by bance, act of the nability to obtain d above or other on or delay shall ented or delayed.	rs, Rules or Regulations at lure is the result of, are substance covered hereinability to obtain neces public enemy, war, blo a satisfactory market fix wise, which is not reask be added to the term here.	, and this lease shall ny such Law, Order, by. When drilling, isary permits, equippockade, public riot, lor production, or fail anably within contro ereof. Lessee shall	not be terminated, in whole, Rule or Regulation, includir reworking, production or oth ment, services, material, wate ightening, fire, storm, flood lute of purchasers or carriers of Lessee, this lease shall not be liable for breach of a
Lessee, at its option, is hereby given the right and power to pool, unitize or combine the acreage covered by this lease or any portion thereof with other land, lease or leases it as or other minerals in and under and that may be produced from said premises, such pooling or unitization to be of tracts contiguous to one another and to be into a unit or units not exceeding 640 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 well. Lessee shall execute in writing and record in the conveyance record is exceeding 640 acres each in the event of a gas well. Lessee shall execute in writing and record in the conveyance record is retained, 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 the pooled or unitized acreage is production from a unit so pooled or unitized acreage on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage so pooled or unitized in the particular unit involved.  This lease may be signed in any number or numbers of counterparts and shall be effective as to each Lessor on execution hereof as to his or her interest and shall be binding on the signing, notwithstanding some of the Lessors above named who may not have joined in the execution hereof. The word "Lessor" as used in this lease shall mean the party or parties exceute this lease as Lessor, although not named above.  Lessee shall have the exclusive right to explore the land herein described by geological, geophysical or other methods, whether similar to those herein specified or not and whether nown or not, including the drilling of holes, use of torsion balance, seismograph explosions, magnetometer, or other geophysical or geological instruments, tests or procedures, for the pure securing geological and geophysical information. All information obtained by Lesse	nortgages, taxes or other liens or temselves and their heirs succe	and agrees to defend the title to the lands the above described lands, in the event of	herein described, and ag f default of payment by la	rees that the les	see shall have the right	at any time to rede	em for lessor, by payment ar
This lease may be signed in any number or numbers of counterparts and shall be effective as to each Lessor on execution hereof as to his or her interest and shall be binding on or signing, notwithstanding some of the Lessors above named who may not have joined in the execution hereof. The word "Lessor" as used in this lease shall mean the party or parties execute this lease as Lessor, although not named above.  Lessee shall have the exclusive right to explore the land herein described by geological, geophysical or other methods, whether similar to those herein specified or not and whether nown or not, including the drilling of holes, use of torsion balance, seismograph explosions, magnetometer, or other geophysical or geological instruments, tests or procedures, for the pure of securing geological and geophysical information. All information obtained by Lessee as a result of such activity shall be the exclusive property of Lessee, and Lessee may disseminatell such information without Lessor's consent. Lessor and Lessee herein agree that a portion of the consideration paid herein is for advance payment of usual and customary damaged with seismograph operations (ie: tire tracks in the wheat, pasture or field, road use, compaction etc.) If any extraordinary damages should occur, at Lessor's discretion, Lessor anant (if Lessor has a tenant) will be compensated accordingly, or Lessee may elect to repair the damages in lieu of compensation.  SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF FOR ADDITIONAL TERMS AND PROVISIONS.	Windows and the last of the			acreage covered o properly developed tization to be of vent of a gas we cooled or unitized if it were include mises covered by as the amount of	by this lease or any por pp and operate said lease racts contiguous to one II. Lessee shall execute I acreage. The entire acr d in this lease. If produ y this lease or not. In lie his acreage placed in the	rtion thereof with of e premises so as to p another and to be in in writing and recor- eage so pooled or u ction is found on the u of the royalties else he unit or his royalty	ther land, lease or leases in the romote the conservation of o to a unit or units not exceeding in the conveyance records initized into a tract or unit she is pooled or unitized acreage, sewhere herein specified, less y interest therein on an acrea
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SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF FOR ADDITIONAL TERMS AND PROVISIONS	Lessee shall have the ext nown or not, including the drilling f securing geological and geoph ell such information without Lossociated with seismograph oper mant (if Lessor has a tenant) wil	clusive right to explore the land herein desing of holes, use of torsion balance, seismo ysical information. All information obtains consent. Lessor and Lessee herei ations (ie: tire tracks in the wheat, pasture I be compensated accordingly, or Lessee n	cribed by geological, geograph explosions, magne- ned by Lessee as a result n agree that a portion or or field, road use, compa usy elect to repair the dan	physical or other tometer, or other of such activity f the considerati action etc.) If an nages in lieu of c	methods, whether simil geophysical or geologic shall be the exclusive pon paid herein is for any extraordinary damage ompensation.	ar to those herein sp cal instruments, tests property of Lessee, a dvance payment of ss should occur, at L	ecified or not and whether no s or procedures, for the purpo and Lessee may disseminate usual and customary damag essor's discretion, Lessor or
N WITNESS WHEREOF, the undersigned execute this instrument as of the day and year first above written.	SEE EXHIBIT "A" A	ATTACHED HERETO AND	MADE A PART	HEREOF F	OR ADDITION	AL TERMS A	ND PROVISIONS.
Dennis Bockers							
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BOOK 668 PAGE 487

## **EXHIBIT "A"**

Attached to and made a part of that Certain Oil and Gas Lease dated August 1, 2006, by and between, DENNIS BOXBERGER, a single person, as Lessor, and SAMUEL GARY, JR. & ASSOCIATES, INC., as Lessee.

## **PROPERTY DESCRIPTION:**

## TOWNSHIP 15 SOUTH - RANGE 16 WEST

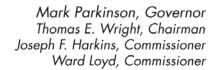
## **SECTION 36**:

That certain tract or parcel of land estimated to contain <u>320.00</u> acres, more or less, and being described as the East Half (E/2) of Section 36, Township 15 South, Range 16 West, Ellis County, Kansas.

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

## ADDITIONAL TERMS AND PROVISIONS:

- Lessee shall pay all damages, caused by Lessee's operations hereunder to crops, including grass, and
  restore as nearly as practical, said premises to the same conditions and contour as previously existed,
  upon termination of this lease.
- 2. Lessee agrees herein to bury all pipelines to a depth below ordinary plow depth, and in no case shall any such pipeline constructed herein be buried less than thirty-six (36) inches.
- 3. Lessee is hereby granted the option to extend the primary term of this lease for an additional two (2) years from the expiration of the original primary term. This option may be exercised by Lessee, in total, on or before the expiration date of lease by paying and delivering to Lessor at the above address, the sum of \$12 per acre covered by the lease. In the event Lessee exercises this option, Lessee must renew all acreage covered by this lease. Should this option be exercised as herein provided, it shall be considered for all purposes as though this lease originally provided for a term of five (5) years.
- 4. In addition to the other provisions set forth herein, it is agreed and understood, the Lessee shall pay all damages caused by Lessee in investigating, exploring by geophysical and other means, drilling or operating for production of oil or gas upon the subject land that is enrolled in the Conservation Reserve Program including but not limited to all liquidated damages, all repayment of annual payments, all repayment of cost share for cover crop, all repayments for cost share for grass seed and planting thereof, and any and all payments of penalty or interest together with all loss of payments through the Conservation Reserve Program. These payments would be in addition to other damage provisions provided in this lease.





October 20, 2010

CLAYTON CAMOZZI Samuel Gary Jr. & Associates, Inc. 1515 WYNKOOP, STE 700 DENVER, CO 80202

Re: Drilling Pit Application B.W. 1-36 SE/4 Sec.36-15S-16W Ellis County, Kansas

#### Dear CLAYTON CAMOZZI:

District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed <u>without slots</u>, the bottom shall be flat and reasonably level and the free fluids must be removed. The fluids are to be removed from the reserve pit as soon as the Hutchinson Salt section has been drilled through and displacement of the fluids into the reserve pit has occurred. The fluids should be removed again within 96 hours after drilling operations have ceased.

If production casing is set all completion fluids shall be removed from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve pit.

The fluids should be taken to an authorized disposal well. Please call the District Office at (785) 625-0550 when the fluids have been removed. Please file form CDP-5 (August 2008), Exploration and Production Waste Transfer, through KOLAR within 30 days of fluid removal.

A copy of this letter should be posted in the doghouse along with the approved Intent to **Drill**. If you have any questions or concerns please feel free to contact the District Office at (785) 625-0550.