



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

KANSAS CORPORATION COMMISSION 1046856
 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

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

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

Expected Spud Date: _____
month day year

Spot Description: _____

OPERATOR: License# _____

_____ - _____ - _____ Sec. _____ Twp. _____ S. R. _____ E W
(Q/Q/Q/Q)

Name: _____

_____ feet from N / S Line of Section

Address 1: _____

_____ feet from E / W Line of Section

Address 2: _____

Is SECTION: Regular Irregular?

City: _____ State: _____ Zip: _____ + _____

(Note: Locate well on the Section Plat on reverse side)

Contact Person: _____

County: _____

Phone: _____

Lease Name: _____ Well #: _____

CONTRACTOR: License# _____

Field Name: _____

Name: _____

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): _____

Well Drilled For: Well Class: Type Equipment:

- | | | | |
|------------------------------|-----------------------------------|------------------------------------|-------------------------------------|
| <input type="checkbox"/> Oil | <input type="checkbox"/> Enh Rec | <input type="checkbox"/> Infield | <input type="checkbox"/> Mud Rotary |
| <input type="checkbox"/> Gas | <input type="checkbox"/> Storage | <input type="checkbox"/> Pool Ext. | <input type="checkbox"/> Air Rotary |
| | <input type="checkbox"/> Disposal | <input type="checkbox"/> Wildcat | <input type="checkbox"/> Cable |

Seismic ; _____ # of Holes Other

Other: _____

If OWWO: old well information as follows:

Operator: _____

Well Name: _____

Original Completion Date: _____ Original Total Depth: _____

Nearest Lease or unit boundary line (in footage): _____

Ground Surface Elevation: _____ feet MSL

Water well within one-quarter mile: Yes No

Public water supply well within one mile: Yes No

Depth to bottom of fresh water: _____

Depth to bottom of usable water: _____

Surface Pipe by Alternate: I II

Length of Surface Pipe Planned to be set: _____

Length of Conductor Pipe (if any): _____

Projected Total Depth: _____

Formation at Total Depth: _____

Water Source for Drilling Operations:

Well Farm Pond Other: _____

DWR Permit #: _____

(Note: Apply for Permit with DWR)

Will Cores be taken? Yes No

If Yes, proposed zone: _____

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 et. seq.

It is agreed that the following minimum requirements will be met:

1. Notify the appropriate district office **prior** to spudding of well;
2. A copy of the approved notice of intent to drill **shall be** posted on each drilling rig;
3. The minimum amount of surface pipe as specified below **shall be set** by circulating cement to the top; in all cases surface pipe **shall be set** through all unconsolidated materials plus a minimum of 20 feet into the underlying formation.
4. If the well is dry hole, an agreement between the operator and the district office on plug length and placement is necessary **prior to plugging**;
5. The appropriate district office will be notified before well is either plugged or production casing is cemented in;
6. If an ALTERNATE II COMPLETION, production pipe shall be cemented from below any usable water to surface within **120 DAYS** of spud date. Or pursuant to Appendix "B" - Eastern Kansas surface casing order #133,891-C, which applies to the KCC District 3 area, alternate II cementing must be completed within 30 days of the spud date or the well shall be plugged. **In all cases, NOTIFY district office** prior to any cementing.

Submitted Electronically

For KCC Use ONLY

API # 15 - _____

Conductor pipe required _____ feet

Minimum surface pipe required _____ feet per ALT. I II

Approved by: _____

This authorization expires: _____
(This authorization void if drilling not started within 12 months of approval date.)

Spud date: _____ Agent: _____

Remember to:

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

Well will not be drilled or Permit Expired Date: _____

Signature of Operator or Agent: _____

E
W



1046856

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: _____

Lease: _____

Well Number: _____

Field: _____

Number of Acres attributable to well: _____

QTR/QTR/QTR/QTR of acreage: _____ - _____ - _____ - _____

Location of Well: County: _____

_____ feet from N / S Line of Section

_____ feet from E / W Line of Section

Sec. _____ Twp. _____ S. R. _____ E W

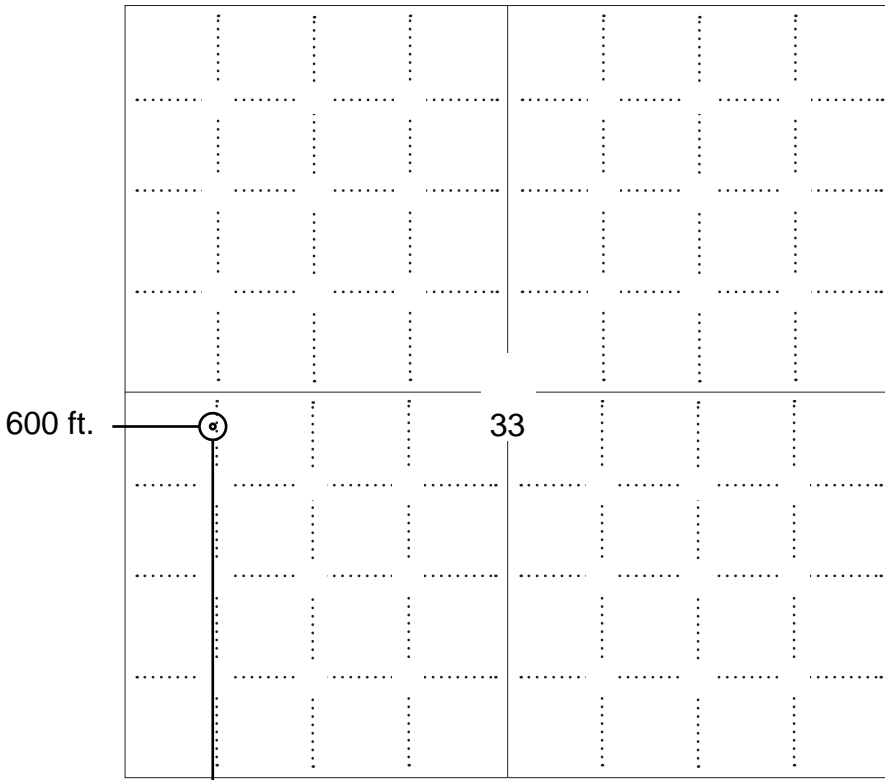
Is Section: Regular or Irregular

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.



LEGEND

- Well Location
- Tank Battery Location
- Pipeline Location
- Electric Line Location
- Lease Road Location



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

2400 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.



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: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input type="checkbox"/> Drilling Pit <input type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit <i>(If WP Supply API No. or Year Drilled)</i>		Pit is: <input type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: _____ (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input type="checkbox"/> No		Chloride concentration: _____ mg/l <i>(For Emergency Pits and Settling Pits only)</i>	
Is the bottom below ground level? <input type="checkbox"/> Yes <input type="checkbox"/> No		Artificial Liner? <input type="checkbox"/> Yes <input type="checkbox"/> No	
How is the pit lined if a plastic liner is not used?		_____	
Pit dimensions (all but working pits): _____ Length (feet) _____ Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: _____ (feet) <input type="checkbox"/> No Pit			
If the pit is lined give a brief description of the liner material, thickness and installation procedure.		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring.	
Distance to nearest water well within one-mile of pit: _____ feet Depth of water well _____ feet		Depth to shallowest fresh water _____ feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input type="checkbox"/> KDWR	
Emergency, Settling and Burn Pits ONLY: Producing Formation: _____ Number of producing wells on lease: _____ Barrels of fluid produced daily: _____ Does the slope from the tank battery allow all spilled fluids to flow into the pit? <input type="checkbox"/> Yes <input type="checkbox"/> No		Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: _____ Number of working pits to be utilized: _____ Abandonment procedure: _____ _____ Drill pits must be closed within 365 days of spud date.	
<p>Submitted Electronically</p>			

KCC OFFICE USE ONLY

Liner Steel Pit RFAC RFAS

Date Received: _____ Permit Number: _____ Permit Date: _____ Lease Inspection: Yes No



CERTIFICATION OF COMPLIANCE WITH THE KANSAS SURFACE OWNER NOTIFICATION ACT

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

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

OPERATOR: License # _____
Name: _____
Address 1: _____
Address 2: _____
City: _____ State: _____ Zip: _____ + _____
Contact Person: _____
Phone: (_____) _____ Fax: (_____) _____
Email Address: _____

Well Location:
____ - ____ - ____ - ____ Sec. ____ Twp. ____ S. R. ____ East West
County: _____
Lease Name: _____ Well #: _____

If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:

Surface Owner Information:

Name: _____
Address 1: _____
Address 2: _____
City: _____ State: _____ Zip: _____ + _____

When filing a Form T-1 involving multiple surface owners, attach an additional sheet listing all of the information to the left for each surface owner. Surface owner information can be found in the records of the register of deeds for the county, and in the real estate property tax records of the county treasurer.

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

Select one of the following:

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

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

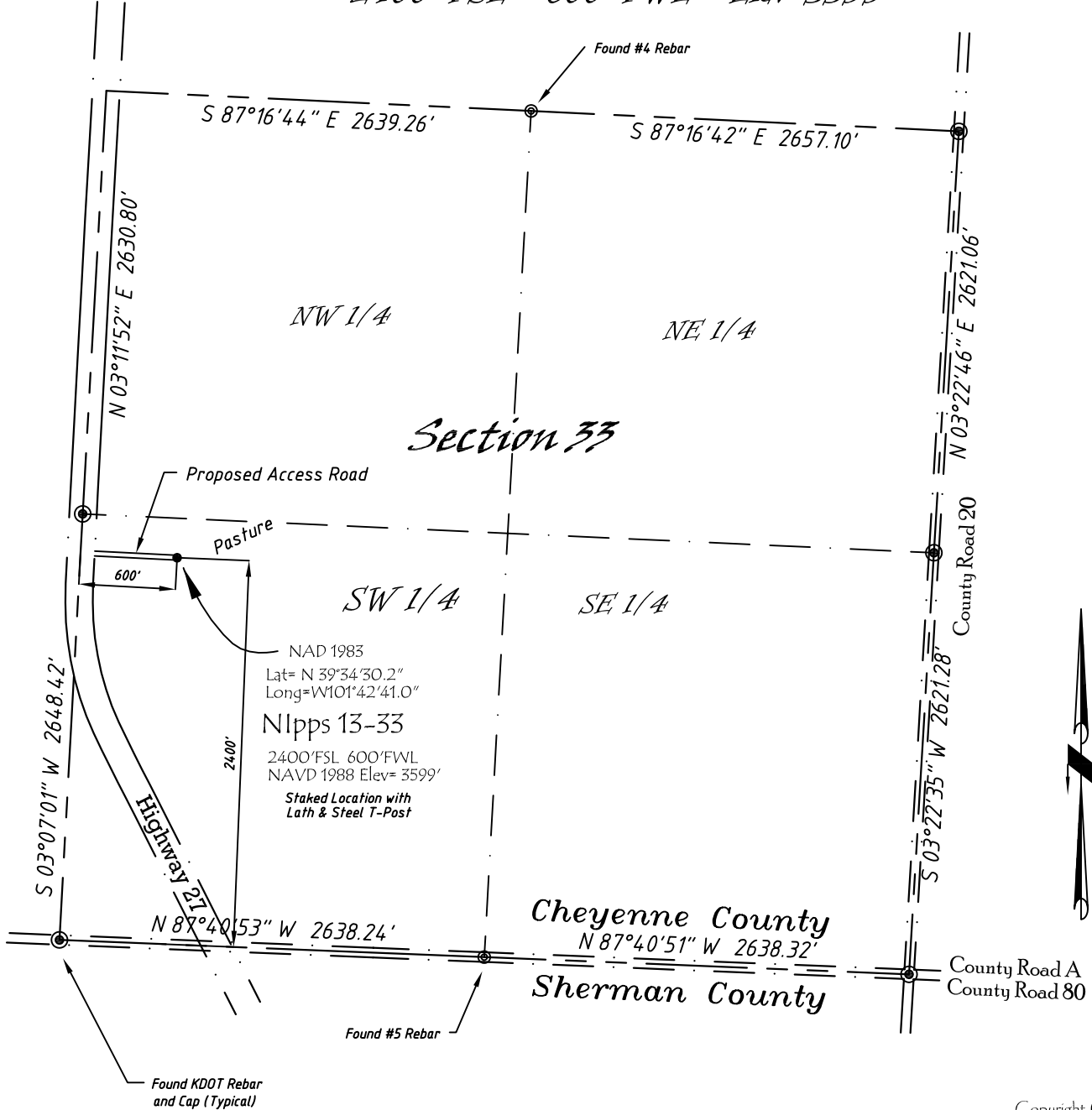
I Submitted Electronically

I

Well Location Map

Nipps 13-33

NW 1/4, SW 1/4, Section 33, T5S, R39W, 6th P.M. Cheyenne County, Kansas
 2400' FSL - 600' FWL Elev=3599



Copyright © 2010

Directions:

From the Intersection of Hwy 27 & Hwy 36 @ Wheeler, KS, Go S on Hwy 27
 Approximately 12.5 miles, then E 600' to Staked location.

This Drawing is for Construction Purposes Only

Noble Energy, Inc.		
DRAWN GP	DATE 11/19/10	Section 33
FB B73 P73	EQ HiPro	T5S, R39W, 6th P.M. Cheyenne County, KS
SCALE 1"=1000'	SHEET 1 of 1	PROJECT NO. 1570.118



402 Walnut
 Kanorado, KS
 785/399/2551



STATE OF KANSAS, CHEYENNE COUNTY

This Instrument was filed for record on the

29th day of December, 2008

at 11:30 o'clock A.M. and recorded

in Book 162 Page 60-61

Register of Deeds

 Re: Interzone
 Denver, CO

OIL AND GAS LEASE

THIS AGREEMENT is made and entered into the 12th day of November, 2008, by and between Charles W. Nipps, a single man, whose address is 1925 Road D, St. Francis, Kansas 67756, hereinafter called Lessor (whether one or more), and NOBLE ENERGY, INC., whose address is 1625 Broadway, Suite 2200, Denver, CO 80202 hereinafter called Lessee.

WITNESSETH, that the Lessor, for and in consideration of Ten and more (\$10.00+) DOLLARS cash in hand paid, the receipt of which is hereby acknowledged, and the covenants and agreements hereinafter contained, has granted, demised, leased and let, and by these presents does grant, demise, lease and let exclusively unto the said Lessee, the lands hereinafter described, with the exclusive right for the purpose of carrying on geological and other exploratory work, including core drilling, and the drilling, mining, operating for, producing and saving of oil, gas, gas condensate, gas distillate, casinghead gas, casinghead gasoline, coalbed methane gas, and all other gases and their constituent parts, and other minerals produced in connection with oil and gas operations hereunder, or as a by-product of oil and gas, and the exclusive right of injecting, water, brine and other fluids and substances into the subsurface strata, with rights of way and easement for laying pipe lines, telephone and telegraph lines, tanks, power houses, stations, ponds, roadway and other fixtures or structures for producing, treating and caring for such products, and any and all other rights and privileges necessary, incident to or convenient in the economical or efficient operation, alone or conjointly with other lands, of said land for the production of said products or substances and the erection of structures thereon to produce, save and take care of said products and substances and the injection of water, brine and other substances into the subsurface strata of said tract of land, together with any reversionary rights therein, said tract of land being situated in the County of Cheyenne, State of Kansas, and described as follows, to-wit:

Township 5 South, Range 39 West, 6th P.M.

✓Section 21: N/2; SE/4

✓Section 33: W/2

Township 5 South, Range 40 West, 6th P.M.

✓Section 13: NE/4

✓Section 24: E/2

✓Section 25: NE/4

In addition to the land described above, Lessor hereby grants, leases and lets exclusively unto Lessee, to the same extent as if specifically described, land which is owned or claimed by Lessor by one of the following reasons: (1) all land and rights acquired or retained by Lessor by avulsion, accretion, reliction or otherwise as the result of a change in the boundaries or centerline of any river or stream traversing or adjoining the land described above; (2) all riparian land and rights which are or may be incident, appurtenant, related or attributed to Lessor in any lake, stream or river traversing or adjoining the land described above by virtue of Lessor's ownership of the land described above; (3) all land included in any road, easement or right-of-way traversing or adjoining the land described above which are or may be incident, appurtenant, related or attributed to Lessor by virtue of Lessor's ownership of the lands described above; and (4) all strips or tracts of land adjacent or contiguous to the land described above owned or acquired by Lessor through adverse possession or other similar statutes of the state in which the land is located.

For purposes of payment of rentals and royalties, Lessor and Lessee agree that this lease shall be treated as covering 1,440.00 acres, whether more or less.

1. It is agreed that this lease shall remain in force for a term of five (5) years (herein called the primary term) from this date and as long thereafter as oil, gas, gas condensate, gas distillate, casinghead gas, casinghead gasoline, coalbed methane gas, all other gases or their constituent parts, or other minerals are produced from said leased premises or on acreage pooled therewith, or drilling operations are continued as hereinafter provided. For purposes of this lease, "drilling operations" shall include operations for the drilling of a new well and operations for the reworking, deepening, or plugging back of a well or hole or other operations conducted in an effort to establish, resume, or reestablish production of oil and gas. 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 therewith but Lessee is then engaged in drilling operations thereon, this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises or on acreage pooled therewith; and operations shall be considered to be continuously prosecuted if not more than ninety (90) days shall elapse between the completion, testing, or abandonment of drilling operations on one well and the beginning of drilling operations on another well. If, after discovery of oil or gas on said lands or on acreage pooled therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling operations within ninety (90) days from the date of cessation of production. If oil and gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the cash down payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligations thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the Lessee covenants and agrees:

To deliver to the credit of Lessor, free of cost into 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, or at Lessee's option to pay the Lessor for such one-eighth (1/8) the market price at the wellhead for oil of a like grade or gravity prevailing on the day such oil is run into the pipe line or storage tanks.

To pay Lessor, as royalty, on gas, including casinghead gas or other gaseous substances, produced from the leased premises and sold or used off the premises or used in the manufacture of gasoline or other products, a sum equal to one-eighth (1/8) of the amount realized for gas sold at the wellhead or, if not sold at the wellhead, one-eighth (1/8) of the market value of the gas at the wellhead. The amount realized from the sale of gas shall be the price established by the gas sales contract entered into in good faith by Lessee and a gas purchaser for such term and under such conditions as are customary in the industry at the location where the well is located. "Price" shall mean the net amount received by Lessee after giving effect to applicable regulatory orders and after application of any applicable price adjustments specified in such contract or regulatory orders. In the event Lessee compresses, treats, purifies or dehydrates such gas (whether on or off the leased premises) or transports gas off the leased premises, Lessee, in computing royalty due for gas, may deduct from such price a charge that is customary in the area for each such function performed.

4. If, at any time, either before or after the expiration of the primary term of this lease, there is a well capable of producing oil or gas on land covered by this lease, or on other land with which land covered by this lease is pooled or unitized, but the well is shut-in, whether before or after production therefrom, and this lease is not being maintained otherwise as provided herein, this lease shall not terminate and it shall nevertheless be considered that oil or gas is being produced from land covered by this lease during all times while the well is shut-in. Lessee shall use reasonable diligence to market the oil or gas capable of being produced from such shut-in well, but shall be under no obligation to market the oil or gas under terms, conditions or circumstances which, in Lessee's judgment exercised in good faith, are unsatisfactory. When this lease is continued in force in this manner, Lessee shall pay or tender to the Lessor, or Lessor's successors or assigns, an amount equal to \$1.00 per year per net mineral acre covered by this lease. Such payments shall be made on or before the shut-in royalty payment date, as defined below, next occurring after the expiration of one hundred twenty (120) days from the date the well was shut-in, unless prior to such date oil or gas from the well is sold or used or this lease is otherwise maintained as provided herein. In like manner, on or before each succeeding shut-in royalty payment date while such well remains shut-in, Lessee shall make payment of shut-in royalty in the same amount and manner. The terms "shut-in royalty payment date" shall mean the anniversary date of this lease. Any shut-in royalty payment may be made by cash, draft or check, mailed or tendered on or before the shut-in royalty payment date. Lessee's failure to pay or tender, or properly or timely pay or tender, any such sum shall render Lessee liable for the amount due but shall not operate to terminate this lease.

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

6. 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 wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line below plow depth.

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

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

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

11. The rights of Lessor and Lessee hereunder may be assigned in whole or in part. No change in ownership of Lessor's interest (by assignment or otherwise) shall be binding on Lessee until Lessee has been furnished with notice, consisting of certified copies of all recorded instruments or documents, and other information necessary to establish a complete chain of record title from Lessor, and then only with respect to payments thereafter made. No other kind of notice, whether actual or constructive, shall be binding on Lessee. No present or future division of Lessor's ownership as to different portions or parcels of said land shall operate to enlarge the obligations or diminish the rights of Lessee, and all Lessee's operations may be conducted without regard to any such division. If all or any part of this lease is assigned, no leasehold owner shall be liable for any act or omission of any other leasehold owner.

12. Lessee, at its option, is hereby given the right and power at any time and from time to time as a recurring right, either before or after production, as to all or any part of the land described herein and as to any one or more of the formations hereunder, to pool or utilize the leasehold estate and the mineral estate covered by this lease with other land, lease or leases in the immediate vicinity for the production of oil and gas, or separately for the production of either, when in Lessee's judgment it is necessary or advisable to do so, and irrespective of whether authority similar to this exists with respect to such other land, lease or leases. Likewise, units previously formed to include formations not producing oil or gas may be reformed to exclude such non-producing formations. The forming or reforming of any unit shall be accomplished by Lessee executing and filing of record a declaration of such unitization or reformation, which declaration shall describe the unit. Any unit may include land upon which a well has theretofore been completed upon operations for drilling have theretofore been commenced. Production, drilling or reworking operations or a well shut-in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut-in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total number of surface acres covered by this lease and included in the unit bears to the total number of surface acres in such unit. In addition to the foregoing, Lessee shall have the right to utilize, pool, or combine all or any part of the above described land as to one or more of the formations thereunder with other land in the same general area by entering into a cooperative or unit plan of development or operations approved by any governmental authority and, from time to time, with like approval, to modify, change or terminate any such plan or agreement. If the lease is committed to such a cooperative or unit plan of development or operation, the terms, conditions and provisions of this lease shall be deemed modified to conform to the terms, conditions, and provisions of such approved cooperative or unit plan of development or operation and, particularly, all drilling and development requirements of this lease, express or implied, shall be satisfied by compliance with the drilling and development requirements of such plan or agreement, and this lease shall not terminate or expire during the life of such plan or agreement. In the event that lands described above, or any part thereof, shall hereafter be operated under any such cooperative or unit plan of development or operation where the production therefrom is allocated to different portions of the land covered by said plan, the production allocated to any particular tract of land shall, for the purpose of computing the royalties to be paid hereunder to Lessor, be regarded as having been produced from the particular tract of land to which it is allocated and not to any other tract of land; and the royalty payments to be made hereunder to Lessor shall be based upon production only as so allocated. Lessor shall formally express Lessor's consent to any cooperative or unit plan of development or operation adopted by Lessee and approved by any governmental agency by executing the same upon request of Lessee.

13. In the event Lessor considers that Lessee has not complied with all its obligations hereunder, either express or implied, Lessor shall notify Lessee in writing, setting out specifically in what respects Lessee has breached this lease. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by Lessor. The service of said notice shall be a condition precedent to the bringing of any action by Lessor on this lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of said notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform its obligations hereunder. This lease shall never be forfeited or cancelled for failure to perform in whole or in part any of its implied covenants, conditions, or stipulations until a judicial determination is made that such failure exists and Lessee fails within a reasonable time to satisfy any such covenants, conditions, or stipulations.

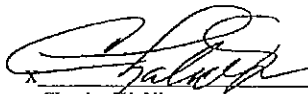
14. All express and implied covenants of this lease shall be subject to all federal, state, county or municipal laws, executive orders, rules and regulations, and Lessee's obligations and covenants hereunder, whether express or implied, shall be suspended at the time or from time to time as compliance with such obligations and covenants is prevented or hindered by or is in conflict with federal, state, county or municipal laws, rules, regulations or executive orders asserted as official by or under public authority claiming jurisdiction, an Act of God, adverse field, weather or market conditions, inability to obtain materials in the open market or transportation thereof, wars, strikes, lockouts, riots, or other conditions or circumstances not wholly controlled by Lessee, and this lease shall not be terminated in whole or in part, nor Lessee held liable in damages for failure to comply with any such obligations or covenants if compliance therewith is prevented or hindered by or is in conflict with any of the foregoing eventualities. The time during which Lessee shall be prevented from conducting drilling or reworking operations during the primary term of this lease, under the contingencies above stated, shall be added to the primary term of the lease.

15. Lessor hereby warrants and agrees to defend the title to the land 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 land, in the event of default of payment by Lessor and be subrogated to the rights of the holder thereof. The undersigned, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described therein, insofar as said right of dower and homestead may in any way affect the purposes for which this lease is made.

16. Should any one or more of the parties hereinabove named as Lessor fail to execute this lease, it shall nevertheless be binding upon all such parties who do execute it as Lessor. The word "Lessor" as used in this lease shall mean any one or more or all of the parties who execute this lease as Lessor. All the provisions of this lease shall be binding on the heirs, successors and assigns of Lessor and Lessee.

17. Lessor hereby grants Lessee the exclusive option and right to renew all or any portion this lease for an additional five (5) year period any time prior to the expiration of the primary term, or if operations are being conducted on the leased premises at the expiration of the primary term in such a manner as to maintain this lease in effect, within thirty days of cessation of such operations. Said option will be exercised by notifying Lessor in writing of Lessee's election and by paying Lessor, as consideration, the original bonus amount per net acre tendered at the inception of this lease, said payment to be made to the Lessor or their successor, if any. In the event Lessee exercises its option to extend the primary term as provided herein, all other terms and conditions of this Lease shall remain unchanged.

IN WITNESS WHEREOF, this instrument is executed as of the date first above written.


Charles W. Nipps


INDIVIDUAL ACKNOWLEDGEMENT

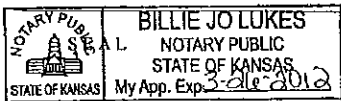
STATE OF Kansas
COUNTY OF Cheyenne SS.

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, this 12th day of November, 2008, appeared Charles W. Nipps, a single man, personally to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that they executed the same as their free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS HEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.

My commission expires:


Notary Public



When recorded please return to:
c/o Kurt Linhof
Interzone Energy, Inc.
5401 E. Dakota Ave., Unit 12
Denver, CO 80220