



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

KANSAS CORPORATION COMMISSION 1046895  
 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

OPERATOR: License# \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Address 1: \_\_\_\_\_  
 Address 2: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ + \_\_\_\_\_  
 Contact Person: \_\_\_\_\_  
 Phone: \_\_\_\_\_

CONTRACTOR: License# \_\_\_\_\_  
 Name: \_\_\_\_\_

Well Drilled For:	Well Class:	Type Equipment:
<input type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input type="checkbox"/> Infield
<input type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input type="checkbox"/> Pool Ext.
	<input type="checkbox"/> Disposal	<input type="checkbox"/> Wildcat
<input type="checkbox"/> Seismic ; _____ # of Holes	<input type="checkbox"/> Other	<input type="checkbox"/> Mud Rotary
<input type="checkbox"/> Other: _____		<input type="checkbox"/> Air Rotary
		<input type="checkbox"/> Cable
<input type="checkbox"/> If OWWO: old well information as follows:		

Operator: \_\_\_\_\_  
 Well Name: \_\_\_\_\_  
 Original Completion Date: \_\_\_\_\_ Original Total Depth: \_\_\_\_\_

Directional, Deviated or Horizontal wellbore?  Yes  No  
 If Yes, true vertical depth: \_\_\_\_\_  
 Bottom Hole Location: \_\_\_\_\_  
 KCC DKT #: \_\_\_\_\_

Spot Description: \_\_\_\_\_  
 \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ Sec. \_\_\_\_\_ Twp. \_\_\_\_\_ S. R. \_\_\_\_\_  E  W  
 (Q/Q/Q/Q) \_\_\_\_\_ feet from  N /  S Line of Section  
 \_\_\_\_\_ feet from  E /  W Line of Section  
 Is SECTION:  Regular  Irregular?

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

County: \_\_\_\_\_  
 Lease Name: \_\_\_\_\_ Well #: \_\_\_\_\_  
 Field Name: \_\_\_\_\_  
 Is this a Prorated / Spaced Field?  Yes  No  
 Target Formation(s): \_\_\_\_\_  
 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: \_\_\_\_\_

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

E  
 W



1046895

**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

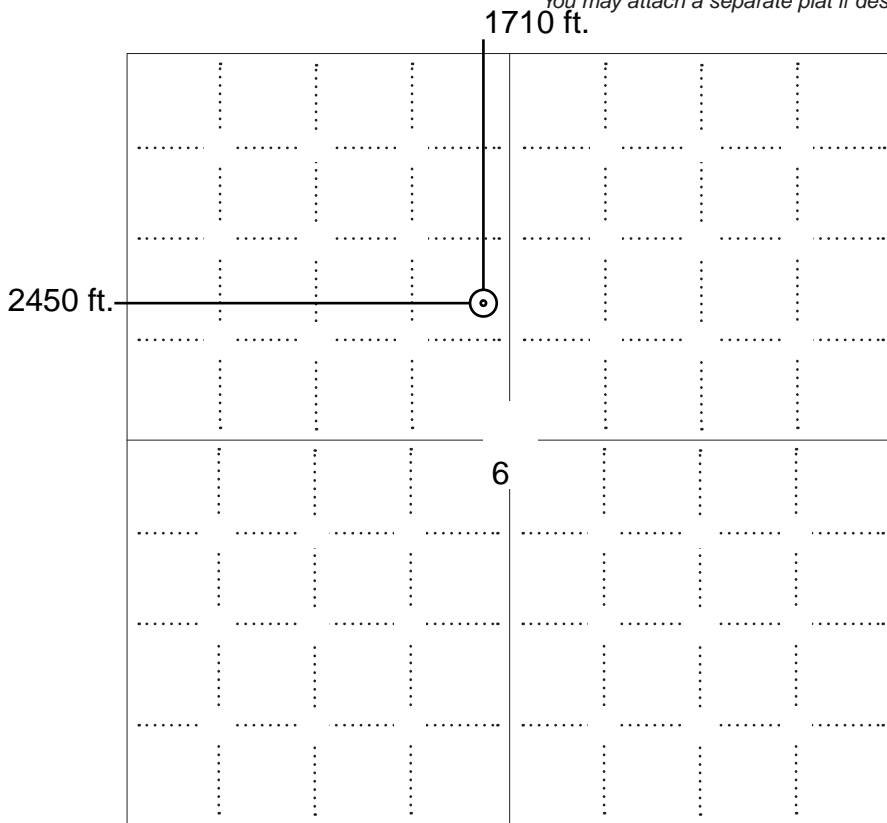
**If Section is Irregular, locate well from nearest corner boundary.**

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 locaton.**

**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 1046895  
OIL & GAS CONSERVATION DIVISION

Form CDP-1  
May 2010  
Form must be Typed

**APPLICATION FOR SURFACE PIT**

*Submit in Duplicate*

Operator Name:		License Number:	
Operator Address:			
Contact Person:		Phone Number:	
Lease Name & Well No.:		Pit Location (QQQQ): ____ - ____ - ____ - ____	
Type of Pit: <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	
<b>Emergency, Settling and Burn Pits ONLY:</b> 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		<b>Drilling, Workover and Haul-Off Pits ONLY:</b> 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><b>Submitted Electronically</b></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



Reorder No. 09-116

OIL AND GAS LEASE

Form 88--(Producers) B W Kan., Okla. & Colo. (12-63) Rev.

2008 between

THIS AGREEMENT, Entered into this the 19th day of November 19th, 2008, between Riva M. Vandenberg, a single person, individually and as Trustee of the Riva M. Vandenberg Trust u/a dated November 18, 1983,

and Downing-Nelson Oil Co., Inc. hereinafter called lessor,

and described as follows: Dollars in hand paid and of the covenants and agreements hereinafter contained to be performed by the lessee, has this day granted, leased, and let with the right to utilize this lease or any part thereof let exclusively unto the lessee as to all or any part of the lands covered thereby as hereinafter provided for the purpose of recovering on geological, geophysical and other exploratory work, including core drilling, mining and operating for producing and saving all of the oil (including but not limited to distillate and condensate) and gas (including but not limited to casinghead gas and helium and all other gases and all constituents of all gases) and for constructing roads, laying pipe lines, building tanks, storing oil, building towers, stations, telephone and electric transmission lines and other structures thereon necessary or convenient for the economical operation of said land alone or conjointly with neighboring lands, to produce, save, take care of, and manufacture all of such substances, said tract of land being situated in the County of Pawnee State of Kansas

Northeast Quarter (NE/4)

In Section 6 Township 21 S Range 20 W and containing 160 acres, more or less.

2. This lease shall remain in force for a term of five (5) years from date (herein called "primary term"), and as long thereafter as oil, gas, or any of the substances covered by this lease is or can be produced.

3. The lessee shall deliver as royalty free of cost, to lessor at the wells, or to the credit of lessor into the pipe line to which lessee may connect its wells, the equal one-eighth (1/8) part of all oil (including but not limited to distillate and condensate) produced and saved from the leased premises, or at the lessee's option may pay to the lessor for such one-eighth (1/8) royalty the market price at the wells in the field or area for oil of like grade and gravity prevailing on the day such oil is run into the pipe line or into storage tanks.

4. The lessee shall pay to lessor for gas of whatsoever nature or kind (with all of its constituents) produced and used by the lessee for the manufacture of gasoline or any other product, as royalty one-eighth (1/8) of the market value of such gas at the mouth of the well; if said gas is sold by the lessee, then as royalty one-eighth (1/8) of the proceeds of the sale thereof at the mouth of the well; said payments to be made monthly. During any period (whether before or after expiration of the primary term) when gas is not being sold or used and the well or wells are shut in and there is no current production of oil or operations on said leased premises sufficient to keep this lease in force, lessee shall pay or tender a royalty of one dollar (\$1.00) per acre per net royalty acre retained hereunder, such payment or tender to be made, on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut in and thereafter on the anniversary date of this lease during the period such well is shut in. It is further provided that the royalty owner's credit in the rental depository bank hereinafter designated. When such payment or tender is made it will be considered that gas is being produced within the meaning of the entire lease. Out of any surplus not needed for operations hereunder, the lessor may have, free of charge, gas from any gas well on the leased premises for stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of such gas to be at the lessor's sole risk and expense.

5. If drilling operations or mining operations are not commenced on the leased premises on or before three years from this date, this lease shall then terminate as to both parties unless lessee on or before the expiration of said period shall pay or tender to lessor, or to the credit of lessor in Bank at Dollars to hereinafter called "rental", which shall extend for twelve months per net mineral acre

the time within which drilling operations or mining operations may be commenced. Thereafter annually in like manner and upon like payments or tenders the commencement of drilling operations or mining operations may be further deferred for periods of twelve months each during the primary term. Payment or tender of rental may be made by check or draft of lessee, delivered or mailed to the authorized depository bank or lessor (at address last known to lessee) on or before such date for the next and the payment or tender will be deemed made when the check or draft is so delivered or mailed. If said named or successor bank (or any other bank) in which may, as hereinafter provided, have been designated as depository should fail or liquidate or for any reason refuse or fail to accept installment under, such payment or tender in default for failure to make such payment or tender of rental within thirty days after lessor shall deliver to lessee a proper recordable instrument naming another bank to receive such payments or tenders. The above named or successor bank or any other bank which may be designated as depository shall be the lessor's agent. Drilling operations or mining operations shall be deemed to be commenced when the first material is placed on the leased premises or when the first work, other than surveying or staking the location, is done thereon which is necessary for such operations.

6. If at any time prior to the discovery of oil or gas on this land and during the primary term of this lease, the lessee shall drill a dry hole or dry holes on this land this lease shall not terminate if the lessee commences further drilling operations or commences or resumes the payment of rentals in the manner and in the amount hereinabove provided by the rental paying date, if any, next ensuing after thirty (30) days following the completion of the dry hole, or if there be no such rental paying date, commence such further operations before the expiration of the primary term.

7. In case said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein then the royalties and rentals increased at the next succeeding rental anniversary after any reversion occurs to cover the interest so acquired.

8. The lessee shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of the lessor. When required by lessor, the lessee shall bury its pipe lines below plow depth and shall pay for damage caused by its operations to growing crops on said land. No time 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, but lessee shall be under no obligation to do so, nor shall lessee be under any obligation to restore the surface to its original condition, where any alterations or changes were due to operations reasonably necessary under this lease.

9. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to their heirs, devisees, executors, administrators, successors and assigns. However, no change of division in ownership of the lands, rentals, or royalties shall enlarge the obligations or diminish the rights of the lessee. No change of ownership in the lands, rentals, 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 thereof or a duly certified copy of the will of the deceased owner and of the probate thereof, or certified copy of the proceedings showing appointment of an administrator for the estate of any deceased owner, whichever is appropriate, together with all original recorded instruments of conveyance and duly certified copies thereof necessary in showing a complete chain of title back to lessor to the full interest claimed, and all advance payments or rentals made hereunder before receipt of said documents shall be binding on any part of the above described land and the holders, administrators, executors, or heirs of lessor. In the event this lease shall be assigned as to a part or as to parts of the above described land, such default devices, administrators, executors, or heirs of lessor shall make default in the payment of the proportionate part of the rent due from him or them, and such default shall not operate to defeat or affect this lease insofar as it covers a part or parts of said land upon which the lessee or any assignee hereof shall make due payment of said rentals.

10. If the leased premises are now or shall hereafter be owned in severalty or in separate tracts, the premises may nevertheless 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, devise, descent or otherwise, or to furnish separate receiving or measuring tanks or devices.

11. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the lessee, at its option, may pay and discharge in whole or in part any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands and, in event it exercises such option, it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying to the discharge of any such mortgage, tax or other lien, any royalty or rentals accruing hereunder.

12. Notwithstanding anything in this lease contained to the contrary, it is expressly agreed that if lessee shall commence to drill a well or commence reworking operations on an existing well at any time while this lease is in force, this lease shall remain in force and its terms shall continue so long as such operations are prosecuted and, if production results therefrom, then as long as production continues.

13. Lessee may at any time and from time to 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 record 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 liabilities thereafter accruing under the terms of said lease as to the portion canceled shall cease and determine and any rentals thereafter paid shall be reduced in the proportion that the acreage covered hereby is reduced by each such release, 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.

14. 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 occurs 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, or if lessee should be unable during said period to drill a well hereunder due to equipment necessary in the drilling thereof not being available on account of any cause, the primary term of this lease shall continue until six months after said order is suspended and/or said equipment is available, but the lessee shall pay delay rentals herein provided during such extended time.

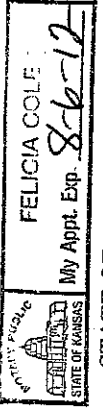
15. Lessee is hereby granted the right at any time and from time to time, either before or after production is obtained, to form or reform a unit or units covering the leased premises or any portion or portions thereof, as to all strata or any stratum or strata, with any other lands, as to all strata or any stratum or strata, for the production primarily of oil or primarily of gas with or without distillate, more than 40 acres (plus such tolerance as may be appropriate by reason of oversize legal subdivisions); or for the production primarily of gas with or without distillate more than 640 acres (plus such tolerance as may be appropriate by reason of oversize legal subdivisions); provided that if any, gas unit may embrace as much additional acreage as may be so prescribed or as may be used in such unit or units. Lessee shall file written designations in the county in which the leased premises are located in order to form, to reform or to dissolve a unit or units. Operations upon and production from the unit shall be treated as if such operations were upon or such production were from, the leased premises whether or not the well or wells are located thereon. The entire acreage within a unit shall be treated for all purposes as if it were covered by and included in this lease except that part of the acreage or originally leased and then actually embraced by this lease shall be counted, in respect to production from the unit, in gas royalties, only that part of the acreage or originally leased and then actually embraced by this lease shall be counted. In respect to production from the unit, lessee shall pay lessor, in lieu of other royalties bears, only such proportion of the royalties 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 in the unit.

16. Should any one or more of the parties above 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 "lessee" as used in this lease means the party or parties who execute this lease as lessor, although not named above.

See Appendix attached hereto and made a part hereof. Riva M. Vandenberg, individually and as Trustee of the Riva M. Vandenberg Trust u/a dated November 18, 1983

STATE OF Kansas COUNTY OF Johnson ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)  
The foregoing instrument was acknowledged before me this 19 day of Nov 2008,  
by Riva M. Vandenberg, a single person, individually and as Trustee of the  
Riva M. Vandenberg Trust u/a dated November 18, 1983.

My commission expires August 6, 2012  
JM Cole  
Notary Public FELICIA COLE



STATE OF \_\_\_\_\_ COUNTY OF \_\_\_\_\_ ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)  
The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_ and \_\_\_\_\_ by \_\_\_\_\_

My commission expires \_\_\_\_\_  
Notary Public \_\_\_\_\_

STATE OF \_\_\_\_\_ COUNTY OF \_\_\_\_\_ ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)  
The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_ and \_\_\_\_\_ by \_\_\_\_\_

My commission expires \_\_\_\_\_  
Notary Public \_\_\_\_\_

STATE OF \_\_\_\_\_ COUNTY OF \_\_\_\_\_ ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)  
The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_ and \_\_\_\_\_ by \_\_\_\_\_

My commission expires \_\_\_\_\_  
Notary Public \_\_\_\_\_

### OIL AND GAS LEASE

FROM

To \_\_\_\_\_  
at \_\_\_\_\_ day of \_\_\_\_\_  
County \_\_\_\_\_ STATE OF \_\_\_\_\_  
This in \_\_\_\_\_ the records of this office.

By \_\_\_\_\_  
Register of Deeds,  
SASAS  
COUNTY PALMEE  
KANSAS

Dec 3, 2008 10:00 AM Fees \$16.00  
Jaquie Knuflize, Register of Deeds

No. 20081903 Book M111 Page 244  
Palmee County, State of Kansas  
R A C O R D B D

Ver DL  
Num TC  
Scan 41  
Copy 12  
Ck DL

STATE OF \_\_\_\_\_ COUNTY OF \_\_\_\_\_ ACKNOWLEDGMENT FOR CORPORATION (KsOkCoNe)  
The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_ by \_\_\_\_\_ of \_\_\_\_\_ a \_\_\_\_\_ corporation, on behalf of the corporation.  
My commission expires \_\_\_\_\_

Notary Public \_\_\_\_\_

ADDENDUM

This Addendum is made and entered into this 19th day of November, 2008, with regard to that certain Oil and Gas Lease dated the date hereof and executed herewith which Oil and Gas Lease covers the following described real property located in Pawnee County, Kansas, to-wit:

The Northeast Quarter (NE/4) of Section Six (6), Township Twenty-One (21) South, Range Twenty (20) West of the 6<sup>th</sup> P.M.

In addition to the terms of such Oil and Gas Lease the parties agree as follows:

1. This Lease is for a term of five (5) years with the first three (3) years being paid-up at the time of granting the Lease. The Lessee may, at it's option, extend the term of this lease for an additional two (2) years by payment of the delay rental called for in paragraph 5 of the Lease. If the Lessor does not specify a depository for the payment of delay rentals the Lessee may tender to Lessor such delay rental payments at Lessors last known address or such other address as Lessor may designate to Lessee, in writing. Payment of such delay rental payment shall be deemed to be made by Lessee to Lessor on the date that such payment is deposited in the United States Mail by certified mail from the Lessee to the Lessor.
2. Lessor hereby grants to the Lessee, its successors or assigns, the exclusive right to perform three dimensional seismic exploration on the leased premises for the consideration paid by the Lessee to the Lessor for the granting of this Oil and Gas Lease. Lessee shall pay to Lessor or to Lessor's agricultural tenant, whenever it is appropriate, an additional \$5.00 per acre as liquidated damages for 3-D seismic exploration activities on the property.
3. Lessee acknowledges and agrees that upon abandonment of this Oil and Gas Lease the Lessee will plug all wells drilled thereon by Lessee according to KCC regulations.
4. The Parties agree that minimum damages in the amount of \$500.00 will be paid for each well drilled on the above described property.
5. Lessee agrees that the property shall be restored, as near as possible, to its original condition. The premises shall be restored in accord with Kansas law and the regulations of the KCC.

FURTHER PROVIDED that it is understood that the damages indicated represent liquidated damages for the activities contemplated on the property which damages are reasonable under the circumstances. It is not intended that this amount of liquidated damages will include unreasonable or unnecessary damages that might be caused to the property as a result of the Lessees activities thereon.

Except for and to the extent of the provisions contained in this Addendum the Oil and Gas Lease referred to hereinabove shall be in full force and effect and its terms shall control the operations of the Lessee on the leased property.

STATE OF KANSAS  
COUNTY OF Johnson, ss:

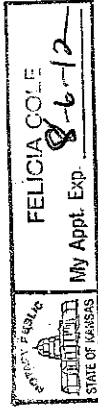
BE IT REMEMBERED, that on this 19 day of Nov, 2008, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came Riva M. Vandenberg, a single person, individually and as Trustee of the Riva M. Vandenberg Trust u/a dated November 18, 1983, who is personally known to me to be the same person who executed the within instrument of writing and such persons duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal, on the day and year last above written.

My Appointment Expires: 8-6-12

Felicia Cole  
Notary Public

FELICIA COLE



**AMENDMENT**

**TO OIL AND GAS LEASE DATED NOVEMBER 7, 1967 BY AND BETWEEN CHARLES F. TOMBAUGH AND ROBERT M. TOMBAUGH, EXECUTORS OF THE WILL AND ESTATE OF MURON D. TOMBAUGH, DECEASED, ACTING BY AND UNDER THE AUTHORITY OF THE ORDER OF THE PROBATE COURT OF PAWNEE COUNTY, KANSAS, MADE AND ENTERED ON NOVEMBER 7, 1967, IN CASE NO. 8703, ENTITLED "IN THE MATTER OF THE ESTATE OF MURON D. TOMBAUGH, DECEASED", AS LESSOR, AND PICKRELL DRILLING COMPANY, AS LESSEE, AND RECORDED ON NOVEMBER 21, 1967 IN BOOK M44 AT PAGE 403 IN THE OFFICE OF THE REGISTER OF DEEDS OF PAWNEE COUNTY, KANSAS.**



This Amendment is made and entered into this 27 day of AUGUST, 2011, with regard to that certain Oil and Gas Lease described above and which covers the following described real property located in Pawnee County, Kansas, to-wit:

The West Half (W/2) of Section Six (6), Township Twenty-One (21) South, Range Twenty (20) West of the 6<sup>th</sup> P.M.

In addition to the terms of said Oil and Gas Lease described above, this Amendment covers the above described property insofar and only insofar as follows, to-wit:

A ten-acre tract of land located in the North Half of Section Six (6), Township Twenty-One (21) South, Range Twenty (20) West of the 6<sup>th</sup> P.M., Pawnee County, Kansas, described as follows, to-wit:

Ver JS  
Num JS  
Scan JS  
Copy JS  
Ch JS

Beginning at the Northeast corner of the Northeast Quarter (NE/4) of Section 6, Thence West 2,640 feet; Thence South 1380 feet along said north-south property line to the point of beginning; Thence East 394.5 feet; Thence South 660 feet; Thence West 660 feet; Thence North 660 feet; Thence East 265.5 feet to the point of beginning,

the parties agree as follows:

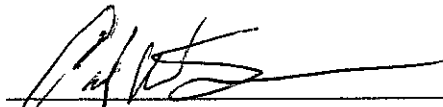
1. Lessee is hereby granted the right at any time and from time to time, either before or after production is obtained, to form or reform a unit or units covering the leased premises or any portion or portions thereof, as to all strata or any stratum or strata, with any other lands as to all strata or any stratum or strata, for the production primarily of oil or primarily of gas with or without distillate. However, no unit for the production primarily of oil shall embrace more than 10 acres (plus such tolerance as may be appropriate by reason of oversize legal subdivisions), or for the production primarily of gas with or without distillate more than 640 acres (plus such tolerance



AMENDMENT - Page 2

as may be appropriate by reason of oversize legal subdivisions); provided that if any governmental regulation shall prescribe a spacing pattern for the development of the field or allocate a producing allowable based on acreage per well, then any such unit may embrace as much additional acreage as may be so prescribed or as may be used in such allocation of allowable. Lessee shall file written designations in the county in which the leased premises are located in order to form, to reform or to dissolve a unit or units. Operations upon or production from the unit shall be treated as if such operations were upon or such productions were from the leased premises whether or not the well or wells are located thereon. The entire acreage within a unit shall be treated for all purposes as if it were covered by and included in this lease except that the royalty on production from the unit shall be as below provided, and except that in calculating the amount of any rentals or shut in gas royalties, only that part of the acreage originally leased and then actually embraced by this lease shall be counted. In respect to production from the unit, lessee shall pay prior lessor, in lieu of other royalties thereon, only such proportion of the royalties 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 in the unit.


Except for and to the extent of the provisions contained in this Amendment to the Oil and Gas Lease referred to hereinabove shall be in full force and effect and its terms shall control the operations of the Lessee on the leased property.

  
\_\_\_\_\_  
CARL SPREEN

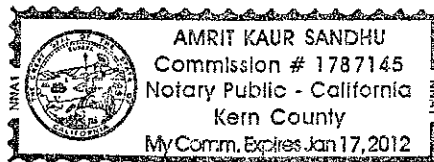
STATE OF CALIFORNIA,  
COUNTY OF KERN, ss:

BE IT REMEMBERED, that on this 27 day of August, 2011, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came CARL SPREEN THE SAME PERSON, who is/~~is not~~ personally known to me to be the same person/~~is not~~ who executed the within instrument of writing and such person/~~is not~~ duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal, on the day and year last above written.

  
\_\_\_\_\_  
Notary Public Amrit Kaur Sandhu

My Appointment Expires: Jan 17th 2012



STATE OF KANSAS, PAWNEE COUNTY, SS  
JUDICIAL OFFICE, REGISTER OF DEEDS  
Book: M117 Page: 50  
Receipt #: 35637 Total Fees: \$12.00  
Pages Recorded: 2  
Date Recorded: 9/5/2011 10:10:01 AM

**AMENDMENT**

TO OIL AND GAS LEASE DATED NOVEMBER 7, 1967 BY AND BETWEEN CHARLES F. TOMBAUGH AND ROBERT M. TOMBAUGH, EXECUTORS OF THE WILL AND ESTATE OF MURON D. TOMBAUGH, DECEASED, ACTING BY AND UNDER THE AUTHORITY OF THE ORDER OF THE PROBATE COURT OF PAWNEE COUNTY, KANSAS, MADE AND ENTERED ON NOVEMBER 7, 1967, IN CASE NO. 8703, ENTITLED "IN THE MATTER OF THE ESTATE OF MURON D. TOMBAUGH, DECEASED", AS LESSOR, AND PICKRELL DRILLING COMPANY, AS LESSEE, AND RECORDED ON NOVEMBER 21, 1967 IN BOOK M44 AT PAGE 403 IN THE OFFICE OF THE REGISTER OF DEEDS OF PAWNEE COUNTY, KANSAS.

This Amendment is made and entered into this 9th day of November 2010, with regard to that certain Oil and Gas Lease described above and which covers the following described real property located in Pawnee County, Kansas, to-wit:

The West Half (W/2) of Section Six (6), Township Twenty-One (21) South, Range Twenty (20) West of the 6th P.M.



In addition to the terms of said Oil and Gas Lease described above, this Amendment covers the above described property insofar and only insofar as follows, to-wit: This will be the pooling unit for the Tombaugh-Vand # 1-6, SWNE 6-21S, 20W.

A ten-acre tract of land located in the North Half of Section Six (6), Township Twenty-One (21) South, Range Twenty (20) West of the 6th P.M., Pawnee County, Kansas, described as follows, to-wit:

Ver JS  
Num DW  
Scan DW  
Comp DW  
OK DW

Beginning at the Northeast corner of the Northeast Quarter (NE/4) of Section 6, Thence West 2,640 feet; Thence South 1380 feet along said north-south property line to the point of beginning; Thence East 394.5 feet; Thence South 660 feet; Thence West 660 feet; Thence North 660 feet; Thence East 265.5 feet to the point of beginning.

Tombaugh leasehold share of landowner royalties will be 40%  
the parties agree as follows:

1. ~~Lessee is hereby granted the right at any time and from time to time, either before or after production is obtained, to form or reform a unit or units covering the leased premises or any portion or portions thereof, as to all strata or any stratum or strata, with any other lands as to all strata or any stratum or strata, for the production primarily of oil or primarily of gas with or without distillate. However, no unit for the production primarily of oil shall embrace more than 10 acres (plus such tolerance as may be appropriate by reason of oversize legal subdivisions), or for the production primarily of gas with or without distillate more than 640 acres (plus such tolerance~~

AMENDMENT - Page 2

as may be appropriate by reason of oversize legal subdivisions); provided that if any governmental regulation shall prescribe a spacing pattern for the development of the field or allocate a producing allowable based on acreage per well, then any such unit may embrace as much additional acreage as may be so prescribed or as may be used in such allocation of allowable. Lessee shall file written designations in the county in which the leased premises are located in order to form, to reform or to dissolve a unit or units. Operations upon or production from the unit shall be treated as if such operations were upon or such productions were from the leased premises whether or not the well or wells are located thereon. The entire acreage within a unit shall be treated for all purposes as if it were covered by and included in this lease except that the royalty on production from the unit shall be as below provided, and except that in calculating the amount of any rentals or shut in gas royalties, only that part of the acreage originally leased and then actually embraced by this lease shall be counted. In respect to production from the unit, lessee shall pay prior lessor, in lieu of other royalties thereon, only such proportion of the royalties 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 in the unit.



Except for and to the extent of the provisions contained in this Amendment to the Oil and Gas Lease referred to hereinabove shall be in full force and effect and its terms shall control the operations of the Lessee on the leased property. This agreement will be null and void if Tombaugh-Vand # 1-6 well is non-productive or is not drilled by December 31, 2012



Karen T. Dean  
KAREN T. DEAN

STATE OF COLORADO,  
COUNTY OF Arapahoe, ss:

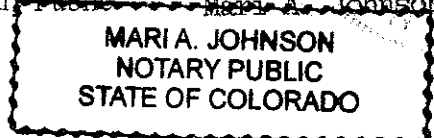
BE IT REMEMBERED, that on this 10<sup>th</sup> day of November, 2010, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came KAREN T. DEAN \_\_\_\_\_, who is/are personally known to me to be the same person(s) who executed the within instrument of writing and such person(s) duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal, on the day and year last above written.

Mari A. Johnson

Notary Public Mari A. Johnson

My Appointment Expires: 4-30-2012



My Commission Expires 04/30/2012

AMENDMENT

TO OIL AND GAS LEASE DATED NOVEMBER 7, 1967 BY AND BETWEEN CHARLES F. TOMBAUGH AND ROBERT M. TOMBAUGH, EXECUTORS OF THE WILL AND ESTATE OF MURON D. TOMBAUGH, DECEASED, ACTING BY AND UNDER THE AUTHORITY OF THE ORDER OF THE PROBATE COURT OF PAWNEE COUNTY, KANSAS, MADE AND ENTERED ON NOVEMBER 7, 1967, IN CASE NO. 8703, ENTITLED "IN THE MATTER OF THE ESTATE OF MURON D. TOMBAUGH, DECEASED", AS LESSOR, AND PICKRELL DRILLING COMPANY, AS LESSEE, AND RECORDED ON NOVEMBER 21, 1967 IN BOOK M44 AT PAGE 403 IN THE OFFICE OF THE REGISTER OF DEEDS OF PAWNEE COUNTY, KANSAS.

STATE OF KANSAS, PAWNEE COUNTY, SS  
JACQUE SCHULZE, REGISTER OF DEEDS  
Book: M117 Page: 49  
Receipt #: 36037 Total Fees: \$12.00  
Pages Recorded: 2  
Date Recorded: 9/6/2011 10:10:00 AM

This Amendment is made and entered into this 27 day of December, 2010, with regard to that certain Oil and Gas Lease described above and which covers the following described real property located in Pawnee County, Kansas, to-wit:

The West Half (W/2) of Section Six (6), Township Twenty-One (21) South, Range Twenty (20) West of the 6<sup>th</sup> P.M.



In addition to the terms of said Oil and Gas Lease described above, this Amendment covers the above described property insofar and only insofar as follows, to-wit:

A ten-acre tract of land located in the North Half of Section Six (6), Township Twenty-One (21) South, Range Twenty (20) West of the 6<sup>th</sup> P.M., Pawnee County, Kansas, described as follows, to-wit:

Ver JS  
Num 1  
Scan 1  
Copy 1  
Ck 1

Beginning at the Northeast corner of the Northeast Quarter (NE/4) of Section 6, Thence West 2,640 feet; Thence South 1380 feet along said north-south property line to the point of beginning; Thence East 394.5 feet; Thence South 660 feet; Thence West 660 feet; Thence North 660 feet; Thence East 265.5 feet to the point of beginning,

the parties agree as follows:

1. Lessee is hereby granted the right at any time and from time to time, either before or after production is obtained, to form or reform a unit or units covering the leased premises or any portion or portions thereof, as to all strata or any stratum or strata, with any other lands as to all strata or any stratum or strata, for the production primarily of oil or primarily of gas with or without distillate. However, no unit for the production primarily of oil shall embrace more than 10 acres (plus such tolerance as may be appropriate by reason of oversize legal subdivisions), or for the production primarily of gas with or without distillate more than 640 acres (plus such tolerance

AMENDMENT - Page 2

as may be appropriate by reason of oversize legal subdivisions); provided that if any governmental regulation shall prescribe a spacing pattern for the development of the field or allocate a producing allowable based on acreage per well, then any such unit may embrace as much additional acreage as may be so prescribed or as may be used in such allocation of allowable. Lessee shall file written designations in the county in which the leased premises are located in order to form, to reform or to dissolve a unit or units. Operations upon or production from the unit shall be treated as if such operations were upon or such productions were from the leased premises whether or not the well or wells are located thereon. The entire acreage within a unit shall be treated for all purposes as if it were covered by and included in this lease except that the royalty on production from the unit shall be as below provided, and except that in calculating the amount of any rentals or shut in gas royalties, only that part of the acreage originally leased and then actually embraced by this lease shall be counted. In respect to production from the unit, lessee shall pay prior lessor, in lieu of other royalties thereon, only such proportion of the royalties 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 in the unit.

Except for and to the extent of the provisions contained in this Amendment to the Oil and Gas Lease referred to hereinabove shall be in full force and effect and its terms shall control the operations of the Lessee on the leased property.

\_\_\_\_\_  
*Anita T. Achterberg*  
ANITA T. ACHTERBERG, individually and as  
Trustee of the Anita T. Achterberg Trust dated  
May 8, 2003

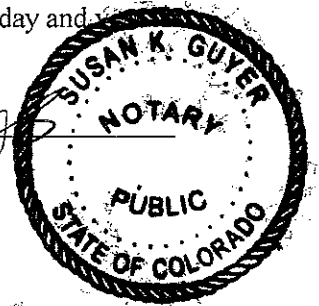
STATE OF COLORADO,  
COUNTY OF Jefferson, ss:

BE IT REMEMBERED, that on this 27 day of December, 2010, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came ANITA T. ACHTERBERG, individually and as Trustee of the Anita T. Achterberg Trust dated May 8, 2003, who is personally known to me to be the same person who executed the within instrument of writing and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal, on the day and above written.

My Appointment Expires: 11-20-11

*Susan K. Guyer*  
Notary Public  
Susan K. Guyer



My Commission Expires 11/20/2011

AMENDMENT TO OIL AND GAS LEASE DATED NOVEMBER 7, 1967 BY AND BETWEEN CHARLES F. TOMBAUGH AND ROBERT M. TOMBAUGH, EXECUTORS OF THE WILL AND ESTATE OF MURON D. TOMBAUGH, DECEASED, ACTING BY AND UNDER THE AUTHORITY OF THE ORDER OF THE PROBATE COURT OF PAWNEE COUNTY, KANSAS, MADE AND ENTERED ON NOVEMBER 7, 1967, IN CASE NO. 8703, ENTITLED "IN THE MATTER OF THE ESTATE OF MURON D. TOMBAUGH, DECEASED", AS LESSOR, AND PICKRELL DRILLING COMPANY, AS LESSEE, AND RECORDED ON NOVEMBER 21, 1967 IN BOOK M44 AT PAGE 403 IN THE OFFICE OF THE REGISTER OF DEEDS OF PAWNEE COUNTY, KANSAS.

This Amendment is made and entered into this 8 day of June, 2010, with regard to that certain Oil and Gas Lease described above and covers the following described real property located in Pawnee County, Kansas, to-wit:

The West Half (W/2) of Section Six (6), Township Twenty-One (21) South, Range Twenty (20) West of the 6<sup>th</sup> P.M.

In addition to the terms of such Oil and Gas Lease the parties agree as follows:

1. Lessee is hereby granted the right at any time and from time to time, either before or after production is obtained, to form or reform a unit or units covering the leased premises or any portion or portions thereof, as to all strata or any stratum or strata, with any other lands as to all strata or any stratum or strata, for the production primarily of oil or primarily of gas with or without distillate. However, no unit for the production primarily of oil shall embrace more than 40 acres (plus such tolerance as may be appropriate by reason of oversize legal subdivisions), or for the production primarily of gas with or without distillate more than 640 acres (plus such tolerance as may be appropriate by reason of oversize legal subdivisions); provided that if any governmental regulation shall prescribe a spacing pattern for the development of the field or allocate a producing allowable based on acreage per well, then any such unit may embrace as much additional acreage as may be so prescribed or as may be used in such allocation of allowable. Lessee shall file written designations in the county in which the leased premises are located in order to form, to reform or to dissolve a unit or units. Operations upon or production from the unit shall be treated as if such operations were upon or such productions were from the leased premises whether or not the well or wells are located thereon. The entire acreage within a unit shall be treated for all purposes as if it were covered by and included in this lease except that the royalty on production from the unit shall be as below provided, and except that in calculating the amount of any rentals or shut in gas royalties, only that part of the acreage originally leased and then actually embraced by this lease shall be counted. In respect to production from the unit, lessee shall pay prior lessor, in lieu of other royalties thereon, only such proportion of the royalties 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 in the unit.



STATE OF KANSAS, PAWNEE COUNTY, SS  
JACQUE SCHULZE, REGISTER OF DEEDS  
Book: 1115 Page: 66  
Total Fees: \$12.00  
Receipt #: 34526  
Pages Recorded: 2  
Date Recorded: 10/29/2010 10:00:00 AM

Ver els  
Num SW  
Sec SW  
Copy SW  
[Signature]

AMENDMENT - Page 2

Except for and to the extent of the provisions contained in this Amendment to the Oil and Gas Lease referred to hereinabove shall be in full force and effect and its terms shall control the operations of the Lessee on the leased property.

Sandra J Ehrman  
SANDRA J. EHRMAN

William D. Ehrman  
WILLIAM D. EHRMAN

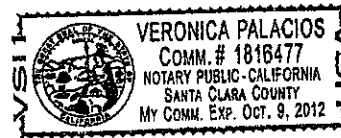
STATE OF CALIFORNIA,  
COUNTY OF Santa Clara ss:

BE IT REMEMBERED, that on this 8 day of June, 2010, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came SANDRA J. EHRMAN and WILLIAM D. EHRMAN, who ~~is~~ are personally known to me to be the same person(s) who executed the within instrument of writing and such person(s) duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal, on the day and year last above written.

Veronica Palacios  
Notary Public Veronica Palacios

My Appointment Expires: Oct. 9, 2012



STATE OF KANSAS, PAWNEE COUNTY, SS  
JACQUE SCHULZE, REGISTER OF DEEDS  
Book = M117 Page = 52  
Receipt #: 36037 Total Fees: \$12.00  
Pages Recorded: 2  
Date Recorded: 9/6/2011 10:10:03 AM

**AMENDMENT**

**TO OIL AND GAS LEASE DATED NOVEMBER 7, 1967 BY AND BETWEEN CHARLES F. TOMBAUGH AND ROBERT M. TOMBAUGH, EXECUTORS OF THE WILL AND ESTATE OF MURON D. TOMBAUGH, DECEASED, ACTING BY AND UNDER THE AUTHORITY OF THE ORDER OF THE PROBATE COURT OF PAWNEE COUNTY, KANSAS, MADE AND ENTERED ON NOVEMBER 7, 1967, IN CASE NO. 8703, ENTITLED "IN THE MATTER OF THE ESTATE OF MURON D. TOMBAUGH, DECEASED", AS LESSOR, AND PICKRELL DRILLING COMPANY, AS LESSEE, AND RECORDED ON NOVEMBER 21, 1967 IN BOOK M44 AT PAGE 403 IN THE OFFICE OF THE REGISTER OF DEEDS OF PAWNEE COUNTY, KANSAS.**

This Amendment is made and entered into this 5th day of November, 2010, with regard to that certain Oil and Gas Lease described above and which covers the following described real property located in Pawnee County, Kansas, to-wit:



The West Half (W/2) of Section Six (6), Township Twenty-One (21) South, Range Twenty (20) West of the 6<sup>th</sup> P.M.

In addition to the terms of said Oil and Gas Lease described above, this Amendment covers the above described property insofar and only insofar as follows, to-wit:

A ten-acre tract of land located in the North Half of Section Six (6), Township Twenty-One (21) South, Range Twenty (20) West of the 6<sup>th</sup> P.M., Pawnee County, Kansas, described as follows, to-wit:

Ver JS  
Num JS  
Scan JS  
Copy JS  
CK JS

Beginning at the Northeast corner of the Northeast Quarter (NE/4) of Section 6, Thence West 2,640 feet; Thence South 1380 feet along said north-south property line to the point of beginning; Thence East 394.5 feet; Thence South 660 feet; Thence West 660 feet; Thence North 660 feet; Thence East 265.5 feet to the point of beginning,

the parties agree as follows:

1. Lessee is hereby granted the right at any time and from time to time, either before or after production is obtained, to form or reform a unit or units covering the leased premises or any portion or portions thereof, as to all strata or any stratum or strata, with any other lands as to all strata or any stratum or strata, for the production primarily of oil or primarily of gas with or without distillate. However, no unit for the production primarily of oil shall embrace more than 10 acres (plus such tolerance as may be appropriate by reason of oversize legal subdivisions), or for the production primarily of gas with or without distillate more than 640 acres (plus such tolerance



AMENDMENT - Page 2

as may be appropriate by reason of oversize legal subdivisions); provided that if any governmental regulation shall prescribe a spacing pattern for the development of the field or allocate a producing allowable based on acreage per well, then any such unit may embrace as much additional acreage as may be so prescribed or as may be used in such allocation of allowable. Lessee shall file written designations in the county in which the leased premises are located in order to form, to reform or to dissolve a unit or units. Operations upon or production from the unit shall be treated as if such operations were upon or such productions were from the leased premises whether or not the well or wells are located thereon. The entire acreage within a unit shall be treated for all purposes as if it were covered by and included in this lease except that the royalty on production from the unit shall be as below provided, and except that in calculating the amount of any rentals or shut in gas royalties, only that part of the acreage originally leased and then actually embraced by this lease shall be counted. In respect to production from the unit, lessee shall pay prior lessor, in lieu of other royalties thereon, only such proportion of the royalties 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 in the unit.

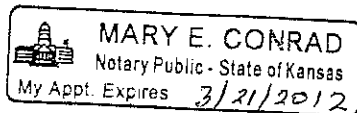
Except for and to the extent of the provisions contained in this Amendment to the Oil and Gas Lease referred to hereinabove shall be in full force and effect and its terms shall control the operations of the Lessee on the leased property.

Glenn F. Tombaugh  
GLENN F. TOMBAUGH

STATE OF KANSAS,  
COUNTY OF Sedgewick ss:

BE IT REMEMBERED, that on this 5th day of November, 2010, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came GLENN F. TOMBAUGH Glenn F. Tombaugh, who is/are personally known to me to be the same person(s) who executed the within instrument of writing and such person(s) duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal, on the day and year last above written.



Mary E. Conrad  
Notary Public Mary E. Conrad

My Appointment Expires: 3/21/2012



Ver JS  
Num Dnd  
Sect Dnd  
Copy Dnd  
Ck Pnd

### AMENDMENT

**TO OIL AND GAS LEASE DATED NOVEMBER 7, 1967 BY AND BETWEEN CHARLES F. TOMBAUGH AND ROBERT M. TOMBAUGH, EXECUTORS OF THE WILL AND ESTATE OF MURON D. TOMBAUGH, DECEASED, ACTING BY AND UNDER THE AUTHORITY OF THE ORDER OF THE PROBATE COURT OF PAWNEE COUNTY, KANSAS, MADE AND ENTERED ON NOVEMBER 7, 1967, IN CASE NO. 8703, ENTITLED "IN THE MATTER OF THE ESTATE OF MURON D. TOMBAUGH, DECEASED", AS LESSOR, AND PICKRELL DRILLING COMPANY, AS LESSEE, AND RECORDED ON NOVEMBER 21, 1967 IN BOOK M44 AT PAGE 403 IN THE OFFICE OF THE REGISTER OF DEEDS OF PAWNEE COUNTY, KANSAS.**

This Amendment is made and entered into this 2nd day of August, 2011, with regard to that certain Oil and Gas Lease described above and which covers the following described real property located in Pawnee County, Kansas, to-wit:

The West Half (W/2) of Section Six (6), Township Twenty-One (21) South, Range Twenty (20) West of the 6<sup>th</sup> P.M.

In addition to the terms of said Oil and Gas Lease described above, this Amendment covers the above described property insofar and only insofar as follows, to-wit:

A ten-acre tract of land located in the North Half of Section Six (6), Township Twenty-One (21) South, Range Twenty (20) West of the 6<sup>th</sup> P.M., Pawnee County, Kansas, described as follows, to-wit:

Beginning at the Northeast corner of the Northeast Quarter (NE/4) of Section 6, Thence West 2,640 feet; Thence South 1380 feet along said north-south property line to the point of beginning; Thence East 394.5 feet; Thence South 660 feet; Thence West 660 feet; Thence North 660 feet; Thence East 265.5 feet to the point of beginning,

the parties agree as follows:

1. Lessee is hereby granted the right at any time and from time to time, either before or after production is obtained, to form or reform a unit or units covering the leased premises or any portion or portions thereof, as to all strata or any stratum or strata, with any other lands as to all strata or any stratum or strata, for the production primarily of oil or primarily of gas with or without distillate. However, no unit for the production primarily of oil shall embrace more than 10 acres (plus such tolerance as may be appropriate by reason of oversize legal subdivisions), or for the production primarily of gas with or without distillate more than 640 acres (plus such tolerance as may be appropriate by reason of oversize legal subdivisions); provided that if any governmental regulation shall

unit shall be treated for all purposes as if it were covered by and included in this lease except that the royalty on production from the unit shall be as below provided, and except that in calculating the amount of any rentals or shut in gas royalties, only that part of the acreage originally leased and then actually embraced by this lease shall be counted. In respect to production from the unit, lessee shall pay prior lessor, in lieu of other royalties thereon, only such proportion of the royalties 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 in the unit.

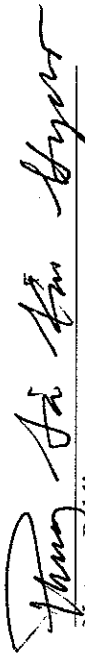
Except for and to the extent of the provisions contained in this Amendment to the Oil and Gas Lease referred to hereinabove shall be in full force and effect and its terms shall control the operations of the Lessee on the leased property.

  
P. DOUGLAS TOMBAUGH

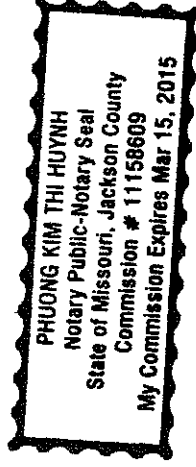
STATE OF Mo,  
COUNTY OF Jackson, ss:

BE IT REMEMBERED, that on this 2 day of August, 2011, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came P. DOUGLAS TOMBAUGH \_\_\_\_\_, who is/are personally known to me to be the same person(s) who executed the within instrument of writing and such person(s) duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal, on the day and year last above written.

  
Notary Public Phuong Kim Thi Huynh

My Appointment Expires: 03/15/2015



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: Downing Nelson Oil Company Inc.  
 Lease: Tombaugh - Vandenberg  
 Well Number: 1-6  
 Field: Wildcat

Number of Acres attributable to well: 10  
 QTR/QTR/QTR/QTR of acreage: SE - NE - SE - NW

Location of Well: County: Pawnee  
1,710 feet from  N /  S Line of Section  
2,450 feet from  E /  W Line of Section  
 Sec. 6 Twp. 21 S. R. 20  E  W

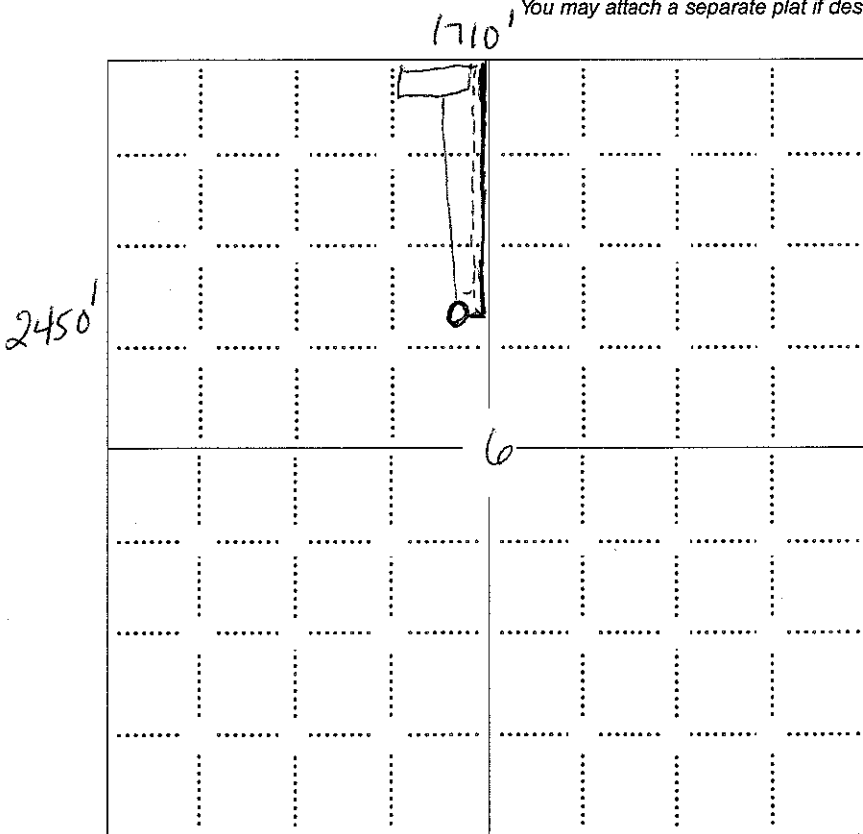
Is Section:  Regular or  Irregular

If Section is Irregular, locate well from nearest corner boundary.

Section corner used:  NE  NW  SE  SW

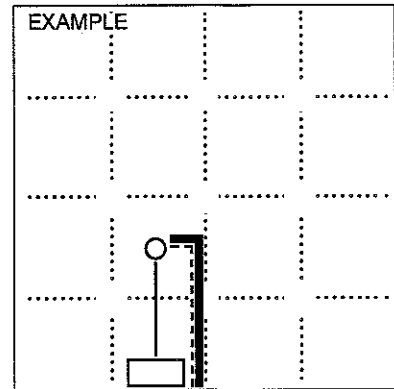
**PLAT**

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



SEWARD CO. 3390' FEL

1980' FSL

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

**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: (CO-7 for oil wells; CG-8 for gas wells).
5. The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.

**PURCHASE AGREEMENT**

THIS AGREEMENT made and entered into this 11<sup>th</sup> day of August, 2009, by and between Smokey Valley Resources, Inc., hereinafter called "SELLER" and Downing-Nelson Oil Co., Inc., hereinafter called "PURCHASER".

WITNESSETH:

WHEREAS, the parties hereto have entered into negotiations for the sale and purchase of certain oil and gas leases located in Pawnee County, Kansas, it is the parties' desire to enter into a contract for sale upon the following terms and conditions.

NOW THEREFORE, for and in consideration of mutual agreements and covenants herein contained and for other valuable consideration, receipt of which is hereby acknowledged, is mutually agreed and covenanted by and between the parties to this agreement as follows:

1. **DESCRIPTION OF LEASES:** SELLER hereby agrees to sell and

PURCHASER hereby agrees to buy the following described leases located in Pawnee County, Kansas:

Oil and Gas Lease dated November 7, 1967, from Charles F. Tombaugh, and Robert M. Tombaugh, Executor of the Will and Estate of Muron D. Tombaugh, deceased acting by and under the authority of the Order of the Probate Court of Pawnee County, Kansas made and entered on November 7, 1967, Case No. 8703, entitled "*In the matter of the Estate of Muron D. Tombaugh, deceased*", as Lessors to Pickrell Drilling Company, Lessee and was recorded in Book M/44, Page 403, Register of Deeds Office, Pawnee County, Kansas insofar as said Lease covers the West Half of Section Six (6) Township Twenty-one (21) South Range Twenty (20) West, Pawnee County, Kansas and;

Oil and Gas Lease dated October 26, 1962 by and between Carl E. Chaddick and Fay K. Chaddick, his wife, et al., as Lessors and K.S. Martin, as Lessee, recorded in Book M/35, Page 543, covering the Southeast Quarter (SE/4) of Section Thirty-one (31) Township Twenty (20) South Range Twenty (20) West, Pawnee County, Kansas

2. **PRICE AND TERMS OF PAYMENT:** The purchase price of the above

described property shall be the sum of Two Hundred Ten Thousand and 00/100 Dollars (\$210,000.00)

payble as follows:

A. Non-refundable deposit in the amount of Ten Thousand and 00/100 Dollars

## Purchase Agreement

Page 2

(\$10,000.00) upon execution of the Agreement to be deposited in the Trust Account of Bauer, Pike & Johnson, Chtd.

B. Balance in cash upon closing.

3. TITLE: SELLER is the owner of merchantable title in an to one hundred percent (100%) of the working interest (82% Net Revenue Interest). PURCHASER at its sole expense, may examine title and provide to SELLER any exceptions to title which K.B.A. Kansas Title Standards shall govern.

In the event a title defect is discovered prior to closing, and cannot be cured by SELLER, the parties will use reasonable efforts to reach an agreement in writing with respect thereto. Failing which, PURCHASER's obligation to purchase shall terminate.

4. POSSESSION: NO WARRANTIES AS TO CONDITION OF THE PROPERTY: SELLER does hereby agree that PURCHASER shall have the right of possession of the leases as of the date of closing of the agreement in exchange for payment of the purchase price. Purchaser agrees that it is actively engaged in the oil and gas business and is fully aware of the risks and liabilities inherent in the ownership of oil and gas properties and warrant that the purchase price was negotiated after due diligence and in consideration of any and all possible defects in the leases and improvements thereon and that it takes them in an "as is" condition, and further agree that there have not been any express or implied warranties made with respect to such property.

5. TAXES AND PRORATION: It is agreed by and between the parties hereto that 2009 ad valorem taxes shall be prorated between the parties as of the date of closing.

6. MANNER OF CONVEYANCE: Conveyance shall be by standard Assignment of Oil and Gas Leases.

7. CLOSING: The parties stipulate that time is of the essence with respect to this

Purchase Agreement  
Page 3

agreement and closing shall be completed upon September 1, 2009 unless additional time be required to perfect title.

8. DEFAULT: In the event PURCHASER shall fail to make any payment required hereunder or otherwise perform it's duties under this agreement, SELLER may retain the Ten Thousand and 00/100 Dollars (\$10,000.00) payment as liquidated damages, damages being difficult to calculate; or SELLER may exercise any and all of its rights hereunder as otherwise provided by law. In the event SELLER should fail to deliver merchantable title as herein provided, then this contract shall terminate and all payments shall be returned to the PURCHASER.

9. MISCELLANEOUS:

- A. All oil in stock as of the date of closing shall belong to PURCHASER;
- B. All bills prior to September 1, 2009 shall be paid by SELLER;
- C. The Parties agree to execute such other documentation that may be required to complete the transfer of these interests.

10. REMEDIES CUMULATIVE: Except as specifically provided herein the remedies provided hereby shall be cumulative and shall not preclude the exertion by SELLER or by PURCHASER of any other rights or the seeking of any other remedies against the other, or its successors or assigns. Nothing contained herein shall preclude a party from seeking equitable relief, where appropriate.

11. NO ORAL CHANGES: This agreement contains the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior oral or written agreements, commitments or understandings with respect to such matters. No amendment, modification or discharge to this agreement shall be valid or binding unless set forth in writing and duly executed by

Purchase Agreement  
Page 4

the parties against whom enforcement of the amendment, modification or discharge is sought.

12. CONSTRUCTION: This agreement shall be construed in accordance with the laws of the State of Kansas.

13. ASSIGNMENT: PURCHASER shall not have the right to assign or transfer this agreement, or any interest herein, or any interest in said property without the prior written consent of SELLER. The terms and provisions hereof shall extend to and be binding upon the heirs, executors, administrators, devisees, legatees, trustees, and assigns of the respective parties hereto.

14. CAPTIONS: The captions of the paragraphs of this agreement are for convenience only and shall not be considered or referred to in resolving questions of interpretation.

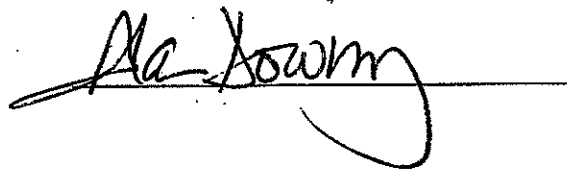
EXECUTED on the day and year first above written:

SMOKEY VALLEY RESOURCES, INC



"SELLER"

DOWNING-NELSON OIL CO., INC



"PURCHASER"