For KCC Use:

Eff	e	ct	iv	е	Date

District	#	

SGA?	Yes	No

Form

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

March 2010 Form must be Typed Form must be Signed All blanks must be Filled

Form C-1

1046922

#### NOTICE OF INTENT TO DRILL

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

Expected Spud Date:	Spot Description:
month day year	(2/2/2/2) Sec Twp S. R E W
OPERATOR: License#	feet from N / S Line of Section
Name:	feet from E / W Line of Section
Address 1:	Is SECTION: Regular Irregular?
Address 2:	(Note: Locate well on the Section Plat on reverse side)
City: State: Zip: +	County:
Contact Person:	Lease Name: Well #:
Phone:	Field Name:
CONTRACTOR: License#	Is this a Prorated / Spaced Field?
Name:	Target Formation(s):
Well Drilled For:     Well Class:     Type Equipment:       Oil     Enh Rec     Infield     Mud Rotary	Nearest Lease or unit boundary line (in footage):         Ground Surface Elevation:         Water well within one-quarter mile:
Gas Storage Pool Ext. Air Rotary Disposal Wildcat Cable	Public water supply well within one mile:
Seismic ; # of Holes Other	Depth to bottom of fresh water:
Other:	Depth to bottom of usable water:
If OWWO: old well information as follows:	Surface Pipe by Alternate:
	Length of Surface Pipe Planned to be set:
Operator:	Length of Conductor Pipe (if any):
Well Name:	Projected Total Depth:
Original Completion Date: Original Total Depth:	Formation at Total Depth:
Directional, Deviated or Horizontal wellbore?	Water Source for Drilling Operations:
If Yes, true vertical depth:	DWR Permit #:
Bottom Hole Location:	(Note: Apply for Permit with DWR )
KCC DKT #:	Will Cores be taken?
	If Yes, proposed zone.

#### **AFFIDAVIT**

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

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

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

#### Submitted Electronically

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

#### Remember to:

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

ш

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



For KCC Use ONLY

API # 15 - \_\_\_\_

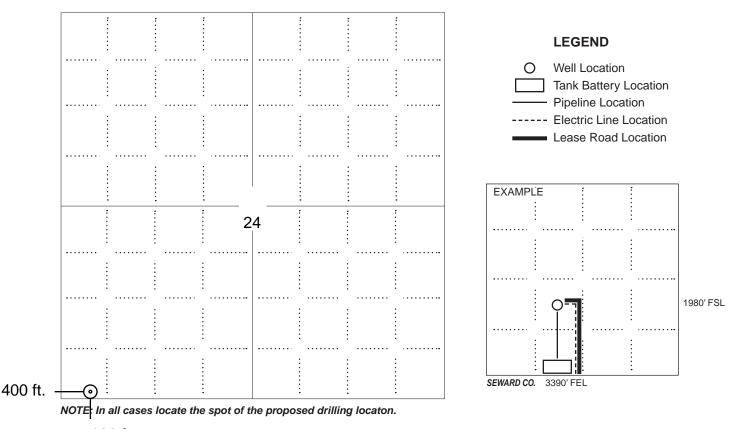
#### IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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

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



#### 100 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.

Side Two



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

Form CDP-1 Form must be Typed

May 2010

No

Yes

Lease Inspection:

#### **APPLICATION FOR SURFACE PIT**

Submit in Duplicate **Operator Name:** License Number: **Operator Address:** Contact Person: Phone Number: Lease Name & Well No .: Pit Location (QQQQ): Type of Pit: \_ - \_\_\_\_ - \_\_\_\_ - \_\_\_\_ Pit is: **Emergency Pit** Burn Pit Proposed Existing Sec.\_\_\_\_Twp.\_\_\_\_R.\_\_\_ East West Settling Pit **Drilling Pit** If Existing, date constructed: Feet from North / South Line of Section Haul-Off Pit Workover Pit \_\_\_\_Feet from \_\_\_ East / \_\_\_ West Line of Section Pit capacity: (If WP Supply API No. or Year Drilled) County \_(bbls) Is the pit located in a Sensitive Ground Water Area? Yes No Chloride concentration: mg/l (For Emergency Pits and Settling Pits only) Is the bottom below ground level? Artificial Liner? How is the pit lined if a plastic liner is not used? Yes Yes No No \_\_\_\_Length (feet) \_\_\_ \_\_\_\_\_Width (feet) Pit dimensions (all but working pits): N/A: Steel Pits Depth from ground level to deepest point: \_\_ \_\_ (feet) No Pit If the pit is lined give a brief description of the liner Describe procedures for periodic maintenance and determining material, thickness and installation procedure. liner integrity, including any special monitoring. Depth to shallowest fresh water \_\_\_\_ Distance to nearest water well within one-mile of pit: feet. Source of information: KDWR measured well owner electric log \_feet Depth of water well \_\_\_\_ \_\_ feet Emergency, Settling and Burn Pits ONLY: Drilling, Workover and Haul-Off Pits ONLY: Producing Formation: \_ Type of material utilized in drilling/workover: Number of producing wells on lease: \_\_\_\_\_ Number of working pits to be utilized: \_\_\_\_ Barrels of fluid produced daily: Abandonment procedure: Does the slope from the tank battery allow all spilled fluids to flow into the pit? Yes No Drill pits must be closed within 365 days of spud date. Submitted Electronically KCC OFFICE USE ONLY Steel Pit Liner RFAC RFAS

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

Permit Date:

Permit Number:

Date Received:



KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

CERTIFICATION OF COMPLIANCE WITH THE KANSAS SURFACE OWNER NOTIFICATION ACT Form KSONA-1 July 2010 Form Must Be Typed Form must be Signed All blanks must be Filled

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

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

OPERATOR: License #	Well Location:
Name:	
Address 1:	County:
Address 2:	Lease Name: Well #:
City:          Zip:            Contact Person:	If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:
Phone: ( ) Fax: ( ) Email Address:	
Surface Owner Information:	
Name:	When filing a Form T-1 involving multiple surface owners, attach an additional
Address 1:	sheet listing all of the information to the left for each surface owner. Surface owner information can be found in the records of the register of deeds for the
Address 2:	county, and in the real estate property tax records of the county treasurer.
City: State: Zip:+	

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

#### Select one of the following:

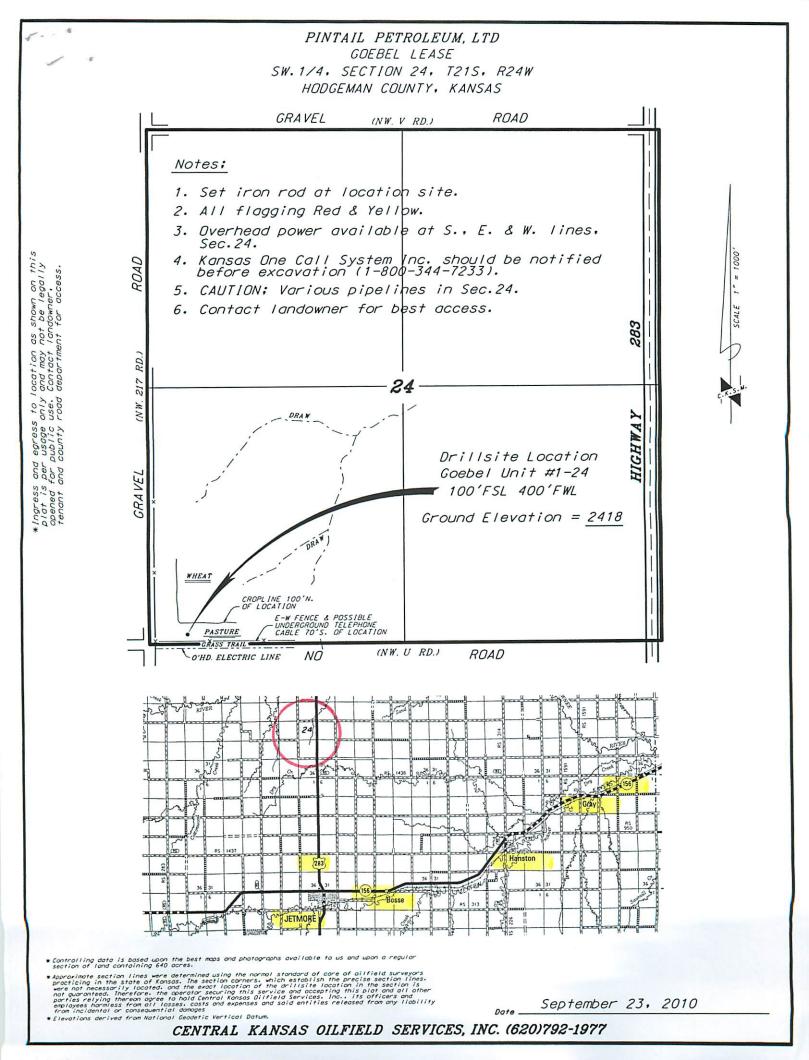
- I certify that, pursuant to the Kansas Surface Owner Notice Act (House Bill 2032), I have provided the following to the surface owner(s) of the land upon which the subject well is or will be located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form CP-1 that I am filing in connection with this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

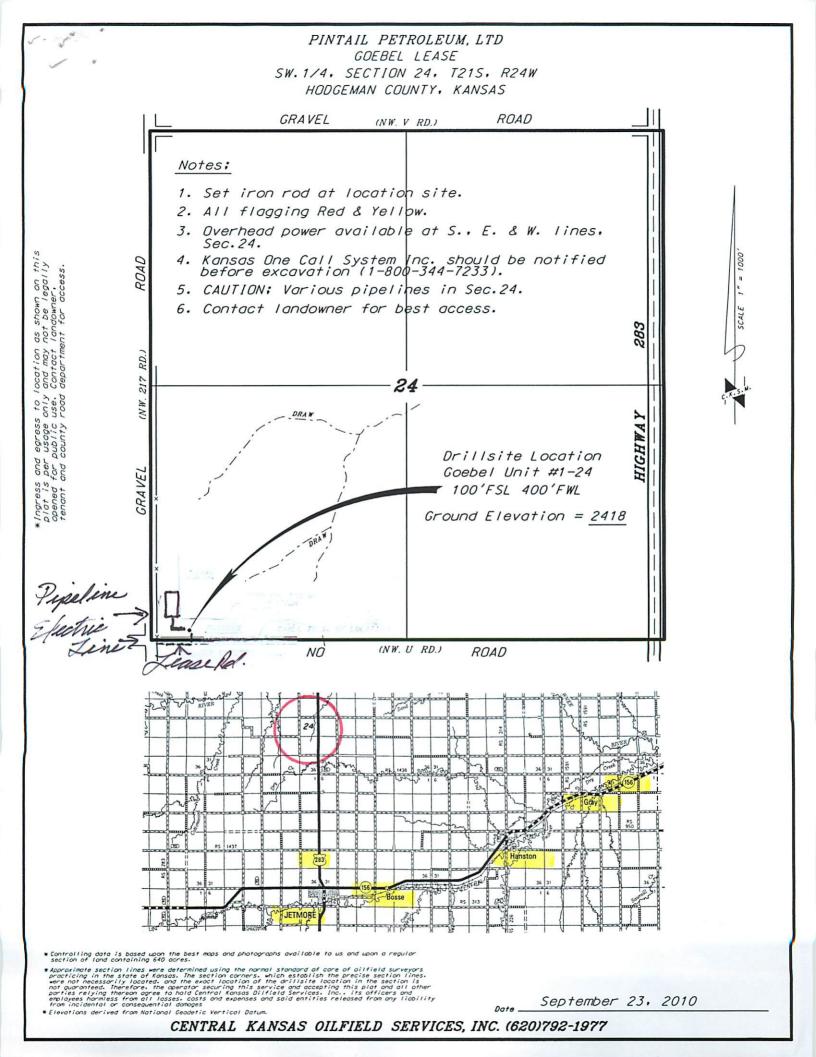
If choosing the second option, submit payment of the \$30.00 handling fee with this form. If the fee is not received with this form, the KSONA-1 form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-1 will be returned.

#### Submitted Electronically

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DEXED

1188-1 Form 88 (producers) Rev. 1-83 (Paid-up) **David Carter Company** 

P

#### Kans. - Okla. - Colo.

#### **OIL AND GAS LEASE**

THIS AGREEMENT, Entered into this \_\_\_\_\_\_ day of \_\_\_\_\_\_ 2007, between, \_\_\_\_\_\_ Lynn Goebel and Cynthia Goebel, husband and wife RR 2 P.O. Box 198 Jetmore. Kansas. 67854 \_\_\_\_\_\_, hereinafter called lessor, and \_\_\_\_\_\_\_ Pintail Petroleum. LTD 225 N. Market Suite 300 Wichita, Ks 67202 \_\_\_\_\_\_ \_ hereinafter called lessee, does witness

That lessor, for and in consideration of the sum of Fifteen and More Dollars (\$15.00) in hand paid and of the covenants and agreements hereinafter contained to be performed by the lessee, has this day granted, leased, and let and by these presents does hereby grant, lease, and let exclusively unto the lessee the hereinafter described land, with any reversionary rights therein, and with the right to unitize this lease or any part thereof with other oil and gas leases as to all or any part of the lands covered thereby as hereinafter provided, for the purpose of carrying on geological, geophysical and other exploratory work thereon, including core drilling and the drilling, mining, and operating for, producing and saving all of the oil, gas, gas condensate, gas distillate, casinghead gasoline and their respective constituent vapors, and all other gases, found thereon, the exclusive right of injecting water, brine, and other fluids and substances into the subsurface strata, and for constructing roads, laying pipe lines, building tanks, storing oil, building power stations, electrical 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 . State of Kansas and described as follows:

The West Half (W/2) of Section 24, Township 21 South, Range 24 West

containing 320 \_\_acres, more or less

ease shall remain in force for a term of Three (3) years (called "primary term") and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of the products 2 This le covered by this lease is or can be produced.

The lessee shall deliver to lessor as royalty, free of cost, on the lease, or into the pipe line to which lessee may connect its wells the equal one-eighth part of all oil produced and 3. saved from the leased premises, or at the lessee's option may pay to the lessor for such one-eighth royalty the market price at the wellhead for cil of like grade and gravity prevailing on the day such oil is run into the pipe line or into storage tanks.

The lessee shall pay to the lessor, as a royalty, one-eighth (1/8") of the proceeds received by the lessee from the sale of gas, gas condensate, gas distillate, casinghead gas, gas 4. used for the manufacture of gasoline or any other product, and all other gases, including their constituent parts, produced from the land herein leased. If such gas is not sold by the lessee, lessee may pay or tender annually at or before the end of each yearly period during which such gas is not sold, as a shut-in royalty, whether one or more wells, an amount equal to one dollar per net mineral acre, and while shut in said royalty is so paid or tendered, it will be considered under all provisions of this lease that gas is being produced in paying quantities. The first yearly period during which such gas is not sold shall begin on the date the first well is completed for production of gas. 5.

This lease is a paid-up lease and may be maintaining during primary term without further payments or drilling operations. 6

In the event said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein then the royalties herein provided for shall be paid to said lessor only in the proportion which his interest bears to the whole and undivided fee; however, in the event the title to any interest in said land should revert to lessor, or his heirs, or his or their grantee, this lease shall cover such reversion.

7. The lessee shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from existing wells of the lessor. When required by lessor, the lessee shall bury its pipe lines below plow depth and shall pay for damage caused by its operations to growing crops on said land. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of the lessor. Lessee shall have the right at any time during, or after the expiration of the lease to remove all machinery fatures, houses, buildings and other structures placed on said premises, including the right to draw and remove all casing. 8.

If the estate of either party hereto is assigned (and the privilege of assigning in whole or in part is expressly allowed), the covenants hereof shall extend to the heirs, devisees, ators, administrations, successors, and assigns, but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or in the test of the land, or royalties, however accomplished, shall operate to enlarge the obligations of the land, or royalties and the heirs devised to the heirs, devisees, and assigns, but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations of the land, or royalties and the heirs devised to the heirs devi executors, administrations, succ diminish the rights of lessee, and no change of ownership in the land or in the royalties or any sum due under this lease shall be binding on the lessee until it has been furnished with either the original recorded instrument of conveyance or a duly certified copy thereof, or a certified copy of the will of any deceased owner and of the probate thereof, or certified copy of the proceedings showing appointment of an administrator of the estate of any deceased owner, whichever is appropriate together with all original recorded instruments of conveyance or duly certified copies thereof necessary in showing a complete chain of title back to lessor of the full interest claimed, and all advance payments of rentals made hereunder before receipt of said documents shall be binding on any direct or indirect assignee, grantee, devisee, or administrator, executor, or heir of lessor.

If the leased premises are now or shall hereafter be owned in severalty or in separate tracts, the premises may nonetheless be developed and operated as one lease, and all 9. If the leased plantages are now of 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 obligations on the part of the lessee to offset wells on separate tracts into which the land covered by the lease may now or hereafter be divided by sale, devisee, scent or otherwise, or to furnish separate measuring or receiving tanks.

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 options it shall be subrogated to the rights of any holder or

morgages or other litens existing, levied, or assessed on or against the above described lands and, in event it exercises such options it shall be subrogated to the rights or any noider or holders thereof and may reimburse itself by applying to the discharge of any such morgage tax or other lien, any royalty accruing hereunder. 11. If after the expiration of the primary term, production of oil or gas should cease from any cause, this lease shall not terminate if lessee commences additional drilling or reworking operations within one hundred-twenty (120) days thereafter, or if as the expiration of the primary term, oil or gas is not being produced on said land, but lessee is then engaged in drilling or reworking operations thereon, then in either event, this lease shall remain in force so long as operations are prosecuted either on the same well or any other well thereafter commenced with no cessation of more than one hundred-twenty(120) consecutive days, and if they result in production of oil or gas, this lease shall remain in effect so long thereafter as there is production of oil or gas, this lease shall remain in effect so long thereafter as there is

production or on or gas under any provision or this lease. 12. Lessee may at any time sumender 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 sumendered 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, 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 13.

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

Lessee, at its option, is hereby given the right and power to pool or combine into one or more units the land covered by this lease, or any portion thereof, with other land covered by the lease, or leases when, in lessee's judgment, it is necessary or advisable to do so in order to property develop and operate said lease premises so as to promote the conservation of another lease, or lea such minerals in and under said land, such pooling to be in a unit or units not exceeding 80 acres each in the event of an oil well, or into a unit or units not exceeding 640 acres each in the Such minerais in and under said rand, such pooling to be in a unit or units not exceeding ou acres each in the event or an <u>on weil</u>, or into a unit or units not exceeding ou acres each in the event of a gas and/or condensate or distillate well, plus a tolerance of ten percent (10%) to conform to Governmental Survey quarter sections. Lessee shall execute in writing and file for purposes, except the payments of royalties on production from the pooled unit, as if it were included in this lease. If production is had from this lease whether any well is located on the land covered by this lease or not. Any well drilled on any such unit shall be and constitute a well hereunder. In lieu of the royalties elsewhere herein specified lessor shall receive on production from the unit so pooled only such portion of the royalty stipulated herein as the amount of the normal to royalty stipulated herein as the amount of the normal to the total mineral acreage so pooled in the narticular unit involved. his net royalty interest therein on an acreage basis bears to the total mineral acreage so pooled in the particular unit involved. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors of said lessor and lessee.

See Exhibit "A" Attached hereto and made a part hereof.

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

Doelisk 42 2 (Lynn Goebel)

unthia Goebel. (Cynthia Goebel)

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ACKNOWLEDGEMENT FOR INDIVIDUAL (Kans., Okla., and Colo,)

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STATE OF Kansas	_)	·· .	• • •		,,		
COUNTY OF Hodgeman	) SS. )						
day of 2007, p identical persons who executed the v voluntary act and deed for the uses a IN WITNESS WHEREOF, I have hereun	within and forego	ein sei tom	d Cynthia Goebe I acknowledged	el husband I to me tha	I and wife to a it they execut		
My commission expires 8-5				J.u.	tiv	Cha	ntues
JULIA CHAMBERS NOTARY PUBLIC STATE OF KANSA MY APPT. EXPIRES 8-5- STATE OF		Ment for Indivi	DUAL (Kans., (	Okla., and	i Colo,)		Notary Public
COUNTY OF	) SS.						
day of, 20,	, personally appe		to me n		known to be	Ale Ide Ale	
executed the within and foregoing in and deed for the uses and purpose th IN WITNESS WHEREOF, I have hereun	ierein set torth.					free :	and voluntary act
My commission expires	····			<u></u>	· · · · · · · · · · · · · · · · · · ·		Notary Public
							Notary Public
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STATE OF	) ) SS.	н. -					
COUNTY OF	)						
On this		lay of		A.D., 20	, before m	e, the under	signed, a Notary
Public in and for the county and stat known to be the identical person wh President and acknowledged to me t and voluntary act and deed of said co	o signed the nar hat	ne of the maker th executed the sam	ereof to the wit	froo oi	pregoing Instr nd Voluntary a	ument as its act and deed	to me personally , and as the free
Given under n	ny hand and seal	the day and year la	ast above writte	n.			
My commission expires	· · · · · · · · · · · · · · · · · · ·		n Alexandria Alexandria				
1		.*		4 - C.,		–	Notary Public
STATE OF KANSAS \$	10.00 SS	EISTER O					
COUNTY OF HODGEN This instrument was file on this <u>24</u> day of <u>Apr</u>	MAN d for record <u>11 20 07</u>						i.
at <u>9:30</u> o'clock <u>A</u> recorded in Book <u>59</u> <u>7au 7a</u> Register of Dee	BI Page 72	EDGEMAN CO	JUNI and	• •			
Tech Fee: \$6.00			and the second second				

#### **EXHIBIT "A"**

Attached to and made a part of that certain Oil and Gas Lease dated April 17, 2007, by and between Lynn Goebel and Cynthia Goebel husband and wife, as Lessors to Pintail Petroleum, LTD, as Lessee, covering the West Half (W/2) of Section 24, Township 21 South, Range 24West, Hodgeman County, Kansas.

If at the end of the primary term this lease is not otherwise continued in force 1. under the provisions hereof, this lease shall expire, unless Lessee on or before the end of the primary term shall pay or tender to Lessor, the sum of \$15.00 multiplied by the number of net mineral acres owned by Lessors in the land above described, this lease shall thereby be modified and the primary term shall be extended for an additional term of Three (3) years from the end of the original primary term.

Lessee or his Assigns shall restore the surface and the surface contours to their 2. original condition as nearly as is reasonably practicable after drilling operations are completed on the above described premises.

The Lessor reserves the right to designate all routes of ingress and egress and 3. must be consulted by Lessee as to the location of all roads, pipelines, tank batteries, power lines, and other equipment and machinery necessary for production prior to its construction and installation, so as to minimize interference with the surface farming operations. Lessor's designation of routes of ingress and egress shall not be unreasonably withheld.

SIGNED FOR IDENTIFICATION:

Achel m Goebel)

nthia Goebel)

## INDEXED

## **EXTENSION OF OIL AND GAS LEASE**

#### WHEREAS, Pintail Petroleum, Ltd.

is/are the owner(s) and holders(s) of an oil and gas lease on the following described land in Hodgeman County, State of Kansas:

#### The West Half (W/2)

of Section 24, Township 21 South, Range 24 West, and recorded in Book 59 at Page 72, of the Records of said County and State, and

WHEREAS, said lease expires in the absence of drilling operation on April 17, 2010 and the said owner(s) and holder(s) desire(s) to have the term of said lease extended;

NOW, THEREFORE, the undersigned, for themselves, their heirs, executors, administrators and assigns, for and in consideration of Ten and more (\$10.00 & more) Dollars, in hand paid, the receipt whereof is hereby acknowledged, does hereby agree that the said term of said lease shall be and is hereby extended, with the same tenor and effect as if such extended term had been originally expressed in such lease, for a period of three year(s) from the date of the said expiration thereof and as long thereafter as oil or gas (including casinghead gas) is produced from any well on the land covered by said lease; subject, however, in all other respects, to the provisions and conditions of said lease or said lease as modified, if any modification thereof may have been heretofore executed.

IN WITNESS WHEREOF, this instrument is signed on the 15 day of April, 2010.

in Goebel

Cynthia Goebel

## STATE OF KANSAS

#### COUNTY OF HODGEMAN }

} ss.

Before me, the undersigned, a Notary Public, within and for said County and State on this 1.5 day of 4.5.1, 2010, personally appeared Lynn Goebel, and Cynthia Goebel, husband and wife, to me personally known to be the identical persons who executed the within and foregoing instrument and acknowledged to me that they executed the same as their free an voluntary act and deed for the uses and purposes therein set forth.

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

Lyla Jonling) My appointment expires: ARY PUS LYLA LONNBERG NOTARY PUBLIC STATE OF KANSAS STATE OF KANSAS My App. Exp\_12 . 12 STATE OF KANSAS, HODGEMAN COUNTY, SS PAULA LONNBERG, REGISTER OF DEEDS Book: MOB7 Page: 187 igee Recorded: 1 Recording Fee: \$8.00 ela Fambanji Date Recorded: 4/21/2010 9:12:28 AM

STATE OF KANSAS \$10.00 SS INDEXED Terr TEROA COUNTY OF HODGEMAN This instrument was filed for record on this 30 \_day of April 20 07 LL88-1 \_o'clock A M and duly pok 59 \_ at Page 77 at\_9:35 Form 88 (producers) Rev. 1-83 (Paid-up) Register of Deeds at Page 77 David Carter Company 1983 tress OIL AND Kans. - Okla. - Colo. Tech Fee: \$6.00

THIS AGREEMENT, Entered into this \_\_\_\_\_17th\_ , 2007, between, <u>Burke A. Goebel and Mary Jane Goebel, husband and wife RR 2</u> day of April P.O. Box 201 Jetmore, Kansas, 67854 , hereinafter called lessor, and \_\_\_\_\_Pintail Petroleum, LTD 225 N. Market Suite 300 Wichita, Ks 67202 \_, hereinafter called lessee, does witness:

That lessor, for and in consideration of the sum of Fifteen and More Dollars (\$15.00) in hand paid and of the covenants and agreements hereinafter contained to be performed by 1. 1. That ressor, for and in consideration of the sum of inteen and more bounds (varies) in the plat and of the sum of the lessee, has this day granted, leased, and let and by these presents does hereby grant, lease, and let exclusively unto the lessee the hereinafter described and warrant rights therein, and with the right to unitize this lease or any part thereof with other oil and gas leases as to all or any part of the lands covered therein purpose of carrying on geological, geophysical and other exploratory work thereon, including core drilling and the drilling, mining, and operating for, reversionary ded, for the i sav gas, gas condensate, gas distillate, casinghead gasoline and their respective constituent vapors, and all other gases, found thereon, the exclusive right fluids and substances into the subsurface strata, and for constructing roads, laying pipe lines, building tanks, storing oil, building power stations, thereon necessary or convenient for the economical operation of said land alone or conjointly with neighboring lands, to produce, save, take cap alk of the oil, a fuel Antes Secrita cal lines and other structures ctine all of such substances, and the injection of water, brine, and other substances into the subsurface strata, said tract of land being situated in the County of. Hodger Kansas and described as follows: \*\*

The Northwest Quarter (NW/4) of Section 25, Township 21 South, Range 24 West

#### Containing 160 acres, more or less.

This lease shall remain in force for a term of Three (3) years (called "primary term") and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of the products 2. covered by this lease is or can be produced. 3.

The lessee shall deliver to lessor as royalty, free of cost, on the lease, or into the pipe line to which lessee may connect its wells the equal one-eighth part of all oil produced and saved from the leased premises, or at the lessee's option may pay to the lessor for such one-eighth royalty the market price at the wellhead for oil of like grade and gravity prevailing on the day such oil is run into the pipe line or into storage tanks.

The lessee shall pay to the lessor, as a royalty, one-eighth (1/8<sup>th</sup>) of the proceeds received by the lessee from the sale of gas, gas condensate, gas distillate, casinghead gas, gas used for the manufacture of gasoline or any other product, and all other gases, including their constituent parts, produced from the land herein leased. If such gas is not sold by the lessee, lessee may pay or tender annually at or before the end of each yearly period during which such gas is not sold, as a shut-in royalty, whether one or more wells, an amount equal to one dollar per net mineral acre, and while shut in said royalty is so paid or tendered, it will be considered under all provisions of this lease that gas is being produced in paying quantities. The first yearly period during which such gas is not sold shall begin on the date the first well is completed for production of gas. 5. This lease is a paid-up lease and may be maintaining during primary term without further payments or drilling operations.

6.

In the event said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein then the royalties herein provided for shall be paid to said lessor only in the proportion which his interest bears to the whole and undivided fee; however, in the event the title to any interest in said land should revert to lessor, or his heirs, or his or their grantee, this lease shall cover such reversion. 7.

The lessee shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from existing wells of the lessor. When required by lessor, the lessee shall bury its pipe lines below plow depth and shall pay for damage caused by its operations to growing crops on said land. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of the lessor. Lessee shall have the right at any time during, or after the expiration of the lease to remove all machinery fixtures, houses, buildings and other structures placed on said premises, including the right to draw and remove all casing. 8.

If the estate of either party hereto is assigned (and the privilege of assigning in whole or in part is expressly allowed), the covenants hereof shall extend to the heirs, devisees, executors, administrations, successors, and assigns, but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of lessee, and no change of ownership in the land or in the royalties or any sum due under this lease shall be binding on the lessee until it has been furnished with either the original recorded instrument of conveyance or a duly certified copy thereof, or a certified copy of the will of any deceased owner and of the probate thereof, or certified copy of the proceedings showing appointment of an administrator of the estate of any deceased owner, whichever is appropriate together with all original recorded instruments of conveyance or duly certified copies thereof necessary in showing a complete chain of title back to lessor of the full interest claimed, and all advance payments of rentals made hereunder before receipt of said documents shall be binding on any direct or indirect assignee, grantee, devisee, or administrator, executor, or heir of lessor.

 If the leased premises are now or shall hereafter be owned in severalty or in separate tracts, the premises may nonetheless be developed and operated as one lease, and all royalties accruing hereunder shall be divided among and paid to such separate owners in the proportion that the acreage owned by each separate owner bears to the entire leased acreage. There shall be no obligations on the part of the lesse to offset wells on separate tracts into which the land covered by the lease may now or hereafter be divided by sale, devisee, descent or otherwise, or to fumish separate measuring or receiving tanks. 10. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the lessee, at its option, may pay and discharge in whole or in part any taxes, 10.

Lessor hereby warrants and agrees to derend the title to the rand herein described and agrees that the ressee, 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 options 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 accruing hereunder.
 If after the expiration of the primary term, production of oil or gas should cease from any cause, this lease shall not terminate if lessee commences additional drilling or reworking operations within one hundred-twenty (120) days thereafter, or if as the expiration of the primary term, oil or gas is not being produced on said land, but lessee is then engaged in drilling or reworking account then in other there is other any there well thereafter commenced.

or reworking operations thereon, then in either event, this lease shall remain in force so long as operations are prosecuted either on the same well or any other well thereafter commenced with no cessation of more than one hundred-twenty(120) consecutive days, and if they result in production of oil or gas, this lease shall remain in effect so long thereafter as there is production of oil or gas under any provision of this lease.

 Lessee may at any time surrender or cancel this lease in whole or in part by delivering or mailing such release to the lessor, or by placing same of 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, but as to the portion of the acreage not released the terms and provisions of this lease shall continue and remain in full force and effect for all purposes. 13.

All provisions hereof, express or implied, shall be subject to all federal and state laws and the orders, rules, or regulations (and interpretations thereof) of all governmental agencies administering the same, and this lease shall not be in any way terminated wholly or partially nor shall the lessee be liable in damages for failure to comply with any of the express or implied provisions hereof if such failure accords with any such laws, orders, rules or regulations (or interpretations thereof). If lessee should be prevented during the last six months of the said order is supported. said order is suspended.

14. Lessee, at its option, is hereby given the right and power to pool or combine into one or more units the land covered by this lease, or any portion thereof, with other land covered by another lease, or leases when, in lessee's judgment, it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of such minerals in and under said land, such pooling to be in a unit or units not exceeding 80 acres each in the event of an oil well, or into a unit or units not exceeding 640 acres each in the event of a gas and/or condensate or distillate well, plus a tolerance of ten percent (10%) to conform to Governmental Survey quarter sections. Lessee shall execute in writing and file for the event in the country in which the land is clustered on interment identified and departing and accessed. record in the county in which the land is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a unit or units shall be treated for all purposes, except the payments of royalties on production from the pooled unit, as if it were included in this lease. If production is found on any part of the pooled acreage it shall be treated as if production is had from this lease whether any well is located on the land covered by this lease or not. Any well drilled on any such unit shall be and constitute a well hereunder. In lieu of the royalties elsewhere herein specified lessor shall receive on production from the unit so pooled only such portion of the royalty stipulated herein as the amount of his net royalty interest therein on an acreage basis bears to the total mineral acreage so pooled in the particular unit involved. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors of said lessor and lessee. 15.

See Exhibit "A" Attached hereto and made a part hereof.

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

(Mary Jane aperted)

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(Burke A. Goebel)

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#### EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated April 17, 2007, by and between Burke A. Goebel and Mary Jane Goebel husband and wife, as Lessors to Pintail Petroleum, LTD, as Lessee, covering the Northwest Quarter (NW/4) of Section 25, Township 21 South, Range 24West, Hodgeman County, Kansas.

If at the end of the primary term this lease is not otherwise continued in force 1. under the provisions hereof, this lease shall expire, unless Lessee on or before the end of the primary term shall pay or tender to Lessor, the sum of \$15.00 multiplied by the number of net mineral acres owned by Lessors in the land above described, this lease shall thereby be modified and the primary term shall be extended for an additional term of Three (3) years from the end of the original primary term.

Lessee or his Assigns shall restore the surface and the surface contours to their 2. original condition as nearly as is reasonably practicable after drilling operations are completed on the above described premises.

The Lessor reserves the right to designate all routes of ingress and egress and 3. must be consulted by Lessee as to the location of all roads, pipelines, tank batteries, power lines, and other equipment and machinery necessary for production prior to its construction and installation, so as to minimize interference with the surface farming operations. Lessor's designation of routes of ingress and egress shall not be unreasonably withheld.

SIGNED FOR IDENTIFICATION:

But a. Sochy

(Burke A. Goebel)

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# INDEXED

## **EXTENSION OF OIL AND GAS LEASE**

#### WHEREAS, Pintail Petroleum, Ltd.

is/are the owner(s) and holders(s) of an oil and gas lease on the following described land in Hodgeman County, State of Kansas:

#### The Northwest Quarter (NW/4)

of Section 26, Township 21 South, Range 24 West, and recorded in Book 59 at Page 77, of the Records of said County and State, and

WHEREAS, said lease expires in the absence of drilling operation on April 17, 2010 and the said owner(s) and holder(s) desire(s) to have the term of said lease extended;

NOW, THEREFORE, the undersigned, for themselves, their heirs, executors, administrators and assigns, for and in consideration of Ten and more (\$10.00 & more) Dollars, in hand paid, the receipt whereof is hereby acknowledged, does hereby agree that the said term of said lease shall be and is hereby extended, with the same tenor and effect as if such extended term had been originally expressed in such lease, for a period of three year(s) from the date of the said expiration thereof and as long thereafter as oil or gas (including casinghead gas) is produced from any well on the land covered by said lease; subject, however, in all other respects, to the provisions and conditions of said lease or said lease as modified, if any modification thereof may have been heretofore executed.

IN WITNESS WHEREOF, this instrument is signed on the Burke B. Goebel

#### STATE OF KANSAS } } ss. COUNTY OF HODGEMAN }

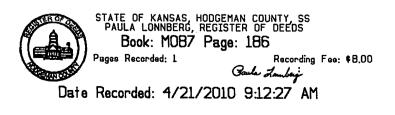
Before me, the undersigned, a Notary Public, within and for said County and State on this day of \_\_\_\_\_\_ 2010, personally appeared Burke S: Goebel, and Mary Jane Goebel, husband and wife, to me personally known to be the identical persons who executed the within and foregoing instrument and acknowledged to me that they executed the same as their free an voluntary act and deed for the uses and purposes therein set forth.

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

<u>Una Jordan</u> Iotary Public

My appointment expires: 1-11-13





### **DECLARATION OF POOLING AND CONSOLIDATION**

THIS DECLARATION OF POOLING AND CONSOLIDATION is made and entered into this 1<sup>st</sup> day of September, 2010, by Pintail Petroleum, Ltd., as Lessee.

#### KNOW ALL MEN BY THESE PRESENTS: That

WHEREAS, the following described oil and gas leases are owned by Pintail Petroleum, Ltd., as Lessee, to wit:

Oil and Gas Lease dated April 17, 2007, by and between Lynn Goebel and Cynthia Goebel, husband and wife, as Lessor, and Pintail Petroleum, Ltd., as Lessee, covering the lands situated in the West Half (W/2) Section 24, Township 21 South, Range 24 West, as recorded in the office of the Register of Deeds of Hodgeman County Kansas, in Book 59 at Page 72 containing 320 acres more or less.

Oil and Gas Lease dated April 17, 2008, by and between Burke A. Goebel and Mary Jane Goebel, husband and wife, as Lessor, and Pintail Petroleum, Ltd., as Lessee, covering the lands situated in the Northwest Quarter (NW/4) Section 25, Township 21 South, Range 24 West, as recorded in the office of the Register of Deeds of Hodgeman County Kansas, in Book 59 at Page 77, containing 160 acres more or less.

WHEREAS, said Oil and Gas Leases provide inter alia as follows:

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

WHEREAS, Pintail Petroleum, Ltd., as the owner and lessee of the above described oil and gas leases, has determined in its judgement that it is necessary and advisable to pool and combine the oil rights in and under a portion of the acreage and lands covered by the above described oil and gas leases in order to properly develop said lease premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises as one oil operating unit, upon the terms and conditions hereinafter provided and as provided in said oil and gas leases;

NOW, THEREFORE, IN CONSIDERATION of the premises, the execution of this declaration and the mutual covenants herein to be performed, and other good and valuable consideration, Lessee, acting pursuant to the above and foregoing recitals and the terms and conditions of the above described oil and gas leases, does hereby execute this Declaration of Pooling and Consolidation and does hereby form an oil unit of said leases and land, including Lessors' royalty interest, as to the oil rights, insofar and only insofar as said leases and the lands included within the pool and oil unit described are as follows, to wit:

Southwest Quarter of the Southwest Quarter of the Southwest Quarter (SW/4 SW/4 SW/4), and the Southeast Quarter of the Southwest Quarter of the Southwest Quarter (SE/4 SW/4 SW/4) in Section 24, Township 21 South, Range 24 West, Hodgeman County, Kansas, and the Northwest Quarter of the Northwest Quarter of the Northwest Quarter (NW/4 NW/4, NW/4), and the Northeast Quarter of the Northwest Quarter of the Northwest Quarter (NE/4 NW/4 NW/4), in Section 25, Township 21 South, Range 24 West, Hodgeman County, Kansas, containing 40 acres more or less;

To the same extent as if said oil leasehold estate had originally been included in one oil and gas lease, which pooled and combined area is hereby designated as the Goebel Unit #1-24 and which area shall include within the same all land covered by the above described oil and gas leases insofar and only insofar as the same are included within the above described oil unit.

Lessee does hereby state that drilling operations for oil and/or gas and production of oil and/or gas on any part of the oil unit shall be treated as if such drilling operations were had or such oil and/or gas production was obtained from land described in each of said leases, regardless of where the oil and/or gas well or wells may be located upon said oil unit, and that the entire acreage contained in said oil unit shall be treated for all purposes, except the payment of royalties on such production of oil from said oil unit, as if said lands were included in each of said oil and gas leases. In lieu of the oil royalty set forth in said oil and gas leases, and pursuant to the terms of the unitization clause in each said lease, each respective Lessor shall receive on oil production, only such portion of the royalty stipulated in the pertinent oil and gas leases, as the amount of Lessor's surface acreage contained in his/her oil and gas lease placed in the oil unit bears to the amount of the total surface acreage of the entire pooled area. Nothing herein contained shall authorize or affect any transfer of any title to any leasehold, royalty or other interest pooled pursuant hereto.

This Declaration of Pooling and Consolidation and the terms and conditions hereof shall extend to and be binding upon all persons having any right, title or interest of any kind or character in and to the above described oil and gas leases, including Lessors' rights thereunder, their respective heirs, successors and assigns.

This Declaration of Pooling and Consolidation may be executed in any number of counterparts, each of which will be deemed an original instrument but all of which together shall constitute by one and the same instrument.

IN WITNESS WHEREOF, Lessee has hereunto caused this Declaration of Pooling and Consolidation to be executed as of the day and year first above written.

#### PINTAIL PETROLEUM, LTD.

Walter Innes Phillips Valter Innes Phillips, President

#### STATE OF KANSAS } ss: COUNTY OF SEDGWICK

BE IT REMEMBERED that on this 1<sup>st</sup> day of September, 2010, before me the undersigned, a Notary Public duly commissioned in and for said County and State, came Walter Innes Phillips, President of Pintail Petroleum, Ltd., a corporation of the State of Kansas to me personally known to be such officer and to be the same person who executed as such officer the foregoing instrument of writing on behalf of said corporation, and acknowledged the execution of the same for himself and for said corporation for the uses and purposes therein set forth.

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

Byerlee, Notary Public

My Commission Expires: December 11, 2012

