



1047335

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

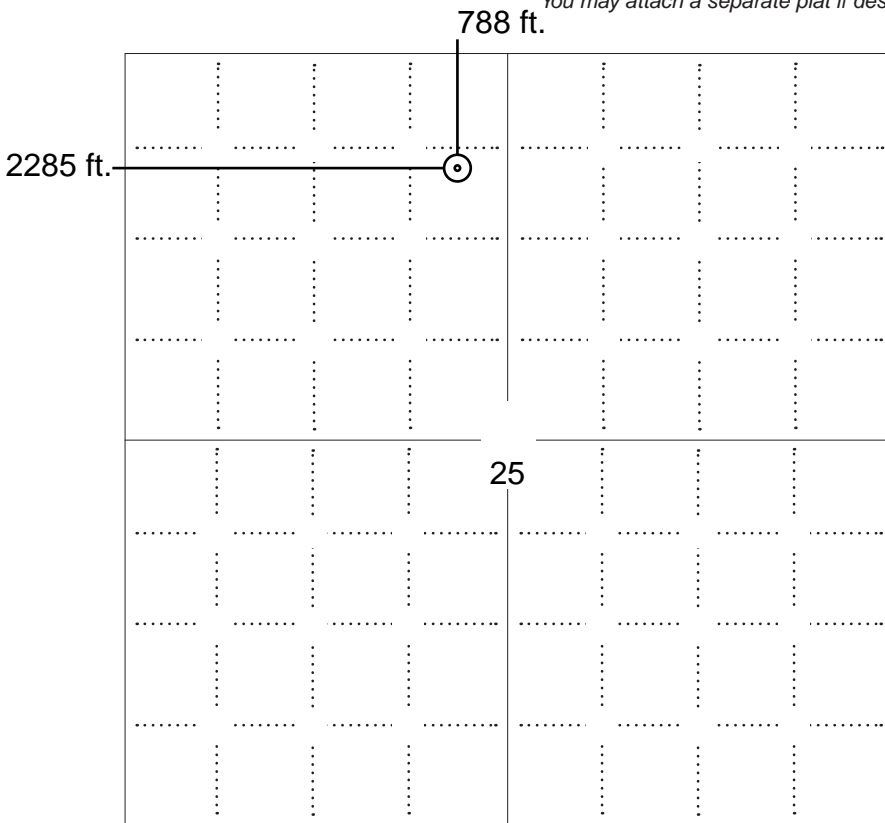
Is Section: Regular or Irregular

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:

- 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.
- The distance of the proposed drilling location from the south / north and east / west outside section lines.
- The distance to the nearest lease or unit boundary line (in footage).
- 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).
- The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.



APPLICATION FOR SURFACE PIT

Submit in Duplicate

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

KCC OFFICE USE ONLY			
<input type="checkbox"/> Liner <input type="checkbox"/> Steel Pit <input type="checkbox"/> RFAC <input type="checkbox"/> RFAS			
Date Received: _____ Permit Number: _____ Permit Date: _____ Lease Inspection: <input type="checkbox"/> Yes <input type="checkbox"/> No			



CERTIFICATION OF COMPLIANCE WITH THE KANSAS SURFACE OWNER NOTIFICATION ACT

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

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

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

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

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

Surface Owner Information:

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

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

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

Select one of the following:

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

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

I Submitted Electronically

I

OIL & GAS LEASE

AGREEMENT, Made and entered into the 14th day of August, 2009 by and between **J. Paul Cox, a single man** whose mailing address is 11161 NW Sun City Road, Sun City, KS, 67143, hereinafter called Lessor (whether one or more), and **Captiva Energy, LLC**, 445 Union Blvd., Suite 208, Lakewood, CO 80228, hereinafter called Lessee:

Lessor, in consideration of Ten and more Dollars (\$10.00++) in hand paid, receipt of which is hereby acknowledged and of the royalties herein provided and of the agreements of the Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases and their respective constituent products, injecting gas, water, other fluids and air into subsurface strata, laying pipe lines, storing oil, building tanks and ~~other structures and things~~ thereon to produce, save, take care of, treat, store and transport said oil, liquid hydrocarbons, gases and their respective constituent products and other products manufactured therefrom, and housing and otherwise caring for its employees, the following described land, together with any reversionary rights and after-acquired interest, therein situated in County of Pratt, State of Kansas described as follows, to-wit:

TOWNSHIP 29 SOUTH, RANGE 14 WEST OF THE 6TH PRINCIPAL MERIDIAN
Section 25: NE $\frac{1}{4}$

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF:

containing **160.00** acres, more or less, and all accretions thereto.

Subject to the provisions herein contained, this lease shall remain in force for a term of **two (2) years** from this date (called "primary term"), and as long thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, or any of them, is produced from said land or land with which said land is pooled.

In consideration of the premises the said Lessee covenants and agrees:

- 1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8th) part of all oil produced and saved from the leased premises.
- 2nd. To pay Lessor for gas of whatsoever nature or kind produced and sold, or used off the premises, or used in the manufacture of any products therefrom, one-eighth (1/8th), at the market price at the well, (but, as to gas sold by Lessee, in no event more than one-eighth (1/8th) of the proceeds received by Lessee from such sales), for the gas sold, used off the premises, or in the manufacture of products therefrom, said payments to be made monthly. Where gas from a well producing gas only is not sold or used, Lessee may pay or tender as royalty One Dollar (\$1.00) per year per net mineral acre retained hereunder, and if such payment or tender is made it will be considered that gas is being produced within the meaning of the preceding paragraph.

This lease may be maintained during the primary term hereof without further payment or drilling operations. If the Lessee shall commence to drill a well within the term of this lease or any extension thereof, the Lessee shall have the right to drill such well to completion with reasonable diligence and dispatch, and if oil or gas, or either of them, be found in paying quantities, this lease shall continue and be in force with like effect as if such well had been completed within the term of years first mentioned.

If 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 the said Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

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

When requested by Lessor, Lessee shall bury Lessee's pipelines below plow depth.

No well shall be drilled nearer than 250 feet to the house or barn now located on said premises without written consent of Lessor.

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

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

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

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

All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated in whole or in part, nor lessee held liable in damages, for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.

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



Register of Deeds Pratt County, Kansas
Sherry L. Wenrich
Book: 366 Page: 419
Receipt #: 13276 Total Fees: \$16.00
Pages Recorded: 3
Date Recorded: 8/24/2009 9:40:21 AM

Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, when in Lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises, such pooling to be of tracts contiguous to one another and to be into a unit or units not exceeding 40 acres each in the event of an oil well, or into a unit or units not exceeding 160 acres each in the event of a gas well. Lessee shall execute in writing and record in the conveyance records of the county in which the land herein leased is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit shall be treated, for all purposes except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on the pooled acreage, it shall be treated as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere herein specified, Lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.

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

x *J. Paul Cox*
J. Paul Cox

STATE OF Kansas
COUNTY OF Barber Pratt



BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 18th day of August, 2009, personally appeared **J. Paul Cox, a single man**

My Commission Expires: 4/21/2013

Mary K. Brehm
Notary Public:
Address: 706 S Main
Pratt KS 67124

EXHIBIT "A"

Notwithstanding the provisions contained in the attached lease to the contrary, the following conditions, amendments, modifications and reservations shall apply:

1. Lessor reserves the right to designate the directions and location of every roadway on the premises, provided only that such road shall, upon the request of the Lessee, be designated and the width thereof shall be sufficient for normal operations. Lessee will require ingress and egress to well location without delay.

2. All pipelines which shall be constructed under this lease shall be buried to a minimum depth of 42 inches and so laid as not to interfere with irrigated farming operations. Nothing herein shall be interpreted as prohibiting Lessor's location and construction of fences, temporary structures, irrigation water and/or gas pipelines or ditches over, under or alongside any pipeline of the Lessee and the easement area herein granted. Should any pipelines laid by the Lessee cease to be so used, Lessee covenants that it will, at its sole cost and expense, take up and remove said pipeline or any replacement thereof within six (6) months from the date of last use or service and restore the soil condition affected by such removal.

3. In the event production is secured and a tank battery installation is necessary, such tank battery shall be located in any corner of the described quarter section as desired by Lessor, but in no event shall it be installed closer than 1,320 feet to the center of said land. No other installation shall be placed upon any part of said land that would prohibit or interfere with the use of an irrigation system similar to what is commonly called a "center-pivot irrigation system" unless agreed to in writing by Lessor. It is the intention of the parties to reduce the amount of land used by Lessee to a minimum. No ramps shall be used to allow an irrigation system to clear any equipment placed on the property for the drilling, exploration, or production of oil or gas.

4. Lessee shall pay for all loss of crops, grasses, and damages to the land occasioned by its operations and reasonably restore the premises as nearly as possible to its original contours and the condition existing at the time the lease is executed, including but not limited to the filling of all pits, ponds, and removal of all structures placed thereon during the term of said lease; and, upon abandonment, Lessee shall similarly comply with the provisions of restoration herein set forth within ninety (90) days from the termination of this lease.

5. There shall be no disposal of salt-water on the leased premises without prior written consent of Lessor.

6. It is expressly agreed, notwithstanding anything to the contrary herein, that if this lease be in force and effect for two (2) years after the expiration of the primary term, the lease shall thereupon terminate as to the oil and gas rights in all zones or formations of the leased premises below a depth of five hundred (500) feet below the deepest penetration by the Lessee. Lessee shall file of record in the Courthouse the release of the zones below such depth within (60) days following written demand of lessor thereof.

7. In the event this lease is extended beyond the primary term solely by production from a well in a unit which comprises a portion of the lands covered hereby and other lands, Lessee agrees to release all lands not included in any such unit one (1) year subsequent to the end of the primary term.

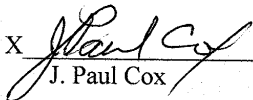
8. Lessor expressly reserves ownership and use of all fresh water from or on the described premises, included but not limited to wells, tanks, ponds and irrigation channels on or appurtenant to said premises.

9. Lessee agrees to furnish Lessor with an abstract supplement covering the described tract under the leased premises which will show the abstracter's entries concerning the attached oil and gas lease and entries resulting therefrom covering the period of time said described tract remains under this lease.

10. Notwithstanding anything herein to the contrary, no gas well may be held by the payment of shut-in royalties for more than three (3) years past the expiration date of this lease, or past the completion of such shut-in gas well, whichever first occurs.

11. Except for the provision for shut-in royalty as provided herein, if Lessor is not paid a minimum royalty in the amount of at least One Thousand Five Hundred Dollars (\$1,500.00) annually, Lessee shall have the option to pay the Lessor the difference between royalties received and \$1,500.00 or this lease shall terminate and Lessee shall release the lease of record. Such annual period shall be for any calendar year.

SIGN FOR IDENTIFICATION ONLY

X 

J. Paul Cox

OIL & GAS LEASE

AGREEMENT, Made and entered into the 19th day of November, 2010 by and between **Ronald Horney, a single man**, whose mailing address is P.O. Box 82, Coats, KS 67028 hereinafter called Lessor (whether one or more), and **Captiva Energy, LLC**, 445 Union Boulevard, Suite 208, Lakewood, CO 80228, hereinafter called Lessee:

Lessor, in consideration of Ten and more Dollars (\$10.00++) in hand paid, receipt of which is hereby acknowledged and of the royalties herein provided and of the agreements of the Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases and their respective constituent products, injecting gas, water, other fluids and air into subsurface strata, laying pipe lines, storing oil, building tanks, power stations, telephone lines, and other structures and things thereon to produce, save, take care of, treat, manufacture, process, store and transport said oil, liquid hydrocarbons, gases and their respective constituent products and other products manufactured therefrom, and housing and otherwise caring for its employees, the following described land, together with any reversionary rights and after-acquired interest, therein situated in County of Pratt, State of Kansas described as follows, to-wit:

TOWNSHIP 29 SOUTH, RANGE 14 WEST OF THE 6TH PRINCIPAL MERIDIAN
Section 25: NW¼

SEE EXHIBIT ATTACHED HERETO AND MADE A PART HEREOF

containing **160.00** acres, more or less, and all accretions thereto.

Subject to the provisions herein contained, this lease shall remain in force for a term of **one (1) year** from this date (called "primary term"), and as long thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, or any of them, is produced from said land or land with which said land is pooled.

In consideration of the premises the said Lessee covenants and agrees:

- 1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal fifteen percent (15%) part of all oil produced and saved from the leased premises.
- 2nd. To pay Lessor for gas of whatsoever nature or kind produced and sold, or used off the premises, or used in the manufacture of any products therefrom, fifteen percent (15%), at the market price at the well, (but, as to gas sold by Lessee, in no event more than fifteen percent (15%) of the proceeds received by Lessee from such sales), for the gas sold, used off the premises, or in the manufacture of products therefrom, said payments to be made monthly. Where gas from a well producing gas only is not sold or used, Lessee may pay or tender as royalty One Dollar (\$1.00) per year per net mineral acre retained hereunder, and if such payment or tender is made it will be considered that gas is being produced within the meaning of the preceding paragraph.

This lease may be maintained during the primary term hereof without further payment or drilling operations. If the Lessee shall commence to drill a well within the term of this lease or any extension thereof, the Lessee shall have the right to drill such well to completion with reasonable diligence and dispatch, and if oil or gas, or either of them, be found in paying quantities, this lease shall continue and be in force with like effect as if such well had been completed within the term of years first mentioned.

If 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 the said Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

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

When requested by Lessor, Lessee shall bury Lessee's pipelines below plow depth.

No well shall be drilled nearer than 500 feet to the house or barn now located on said premises without written consent of Lessor.

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

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

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

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

All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated in whole or in part, nor lessee held liable in damages, for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.

Lessee and all of Lessee's successors in interest agree to hold harmless and indemnify Lessor from any and all claims of the Lessee and Lessee's successors in interest of the 8/23/2006 oil and gas lease resulting in part or in whole of Lessor's execution of this oil and gas lease.

This oil and gas lease is subject to the attached Exhibit A and a letter agreement dated November 19, 2010 signed by Lessee and Lessor.

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

Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, when in Lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises, such pooling to be of tracts contiguous to one another and to be into a unit or units not exceeding 40 acres each in the event of an oil well, or into a unit or units not exceeding 160 acres each in the event of a gas well. Lessee shall execute in writing and record in the conveyance records of the county in which the land herein leased is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit shall be treated, for all purposes except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on the pooled acreage, it shall be treated as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere herein specified, Lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.

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

BY: Ronald Horney
Ronald Horney, a single man

STATE OF Kansas §.
COUNTY OF Pratt

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 22nd day of November, 2010, personally appeared **Ronald Horney, a single man.**

My Commission Expires: 08/09/2014

Marina Pohl
Notary Public:
Address:

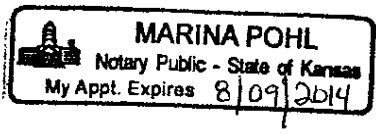


EXHIBIT "A"

Notwithstanding anything to the contrary contained in the attached lease to the contrary, the following conditions, amendments, modifications and reservations shall apply:

1. It is recognized that the Lessor is now engaged in irrigation practices on the hereinbefore described land or a part thereof, and all activities and operations by the Lessee or its agents shall not interfere with Lessor's use or intended use of said described real estate for irrigation purposes. Actual drilling operations on the hereinbefore described property shall be conducted so as not to interfere with Lessor's or tenant's irrigation practices during irrigation seasons and until crops are harvested therefrom, without prior written consent of Lessor.
2. Lessor reserves the right to designate the directions and location of every roadway on the premises, provided only that such road shall, upon the request of the Lessee, be designated and the width thereof shall be sufficient for normal operations. Lessee will require ingress and egress to well location without delay.
3. All pipelines which shall be constructed under this lease shall be buried to a minimum depth of 42 inches and so laid as to not interfere with irrigated farming operations. Nothing herein shall be interpreted as prohibiting Lessor's location and construction of fences, temporary structures, irrigation water and/or gas pipelines or ditches over, under or alongside any pipeline of the Lessee and the easement area herein granted. Should any pipelines laid by the Lessee cease to be so used, Lessee covenants that it will at its sole cost and expense, take up and remove said pipeline or any replacement thereof within six (6) months from the date of last use or service and restore the soil condition affected by such removal.
4. In the event production is secured and a tank battery installation is necessary, such tank battery shall be located in any corner of the described quarter section as desired by Lessor, but in no event shall it be installed closer than 1,320 feet to the center of said land. No other installation shall be placed upon any part of said land that would prohibit or interfere with the use of an irrigation system similar to what is commonly called a "center-pivot irrigation system" unless agreed to in writing by Lessor. It is the intention of the parties to reduce the amount of land used by Lessee to a minimum. No ramps shall be used to allow an irrigation system to clear any equipment placed on the property for the drilling, exploration, or production of oil or gas.
5. Lessee shall pay for all loss of crops, grasses, and damages to the land occasioned by its operations and reasonably restore the premises as nearly as possible to its original contours and the condition existing at the time the lease is executed, including but not limited to the filling of all pits, ponds, and the removal of all structures placed thereon during the term of said lease; and, upon abandonment, Lessee shall similarly comply with the provisions of restoration herein set forth within ninety (90) days from the termination of this lease.
6. There shall be no disposal of salt-water on the leased premises without prior written consent of Lessor.
7. It is expressly agreed, notwithstanding anything to the contrary herein, that if this lease be in force and effect for two (2) years after the expiration of the primary term, the lease shall thereupon terminate as to the oil and gas rights in all zones and formations of the leased premises below a depth of five hundred (500) feet below the deepest penetration by the Lessee. Lessee shall file of record in the Courthouse the release of the zones below such depth within (60) days following written demand of Lessor thereof.
8. In the event this lease is extended beyond the primary term solely by production from a well in a unit which comprises a portion of the lands covered hereby and other lands, Lessee agrees to release all lands not included in any such unit six (6) months subsequent to the end of the primary term.

9. Lessor expressly reserve ownership and use of all fresh water from or on the described premises, included but not limited to wells, tanks, ponds and irrigation channels on or appurtenant to said premises.

10. Lessee agrees to furnish Lessor an abstract supplement covering the described tract under the leased premises which will show the abstracter's entries concerning the attached oil and gas lease and entries resulting therefrom covering the period of time said described tract remains under this lease.

11. Notwithstanding anything herein to the contrary, no gas well may be held by the payment of shut-in royalties for more than three (3) years past the expiration date of this lease, or past the completion of such shut-in gas well, whichever first occurs.

12. Except for the provision for shut-in royalty as provided herein, if Lessor is not paid a minimum royalty in the amount of at least Eight Hundred (\$800.00) annually, Lessee shall have the option to pay Lessor the difference between royalties received and \$800.00 within sixty (60) days of the receipt of written notice from Lessor of any such deficiency, or this lease shall terminate and Lessee shall release the lease of record. Such annual period shall be for any calendar year.

SIGNED FOR IDENTIFICATION ONLY

X 
Ronald Horney

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: Shelby Resources LLC/ Captiva Energy LLC

Lease: C-H Unit

Well Number: #1-25

Field: Wildcat

Number of Acres attributable to well: 320

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

Location of Well: County: Pratt

788 feet from N / S Line of Section

2,285 feet from E / W Line of Section

Sec. 25 Twp. 29 S. R. 14 E W

Is Section: Regular or Irregular

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

Section corner used: NE NW SE SW

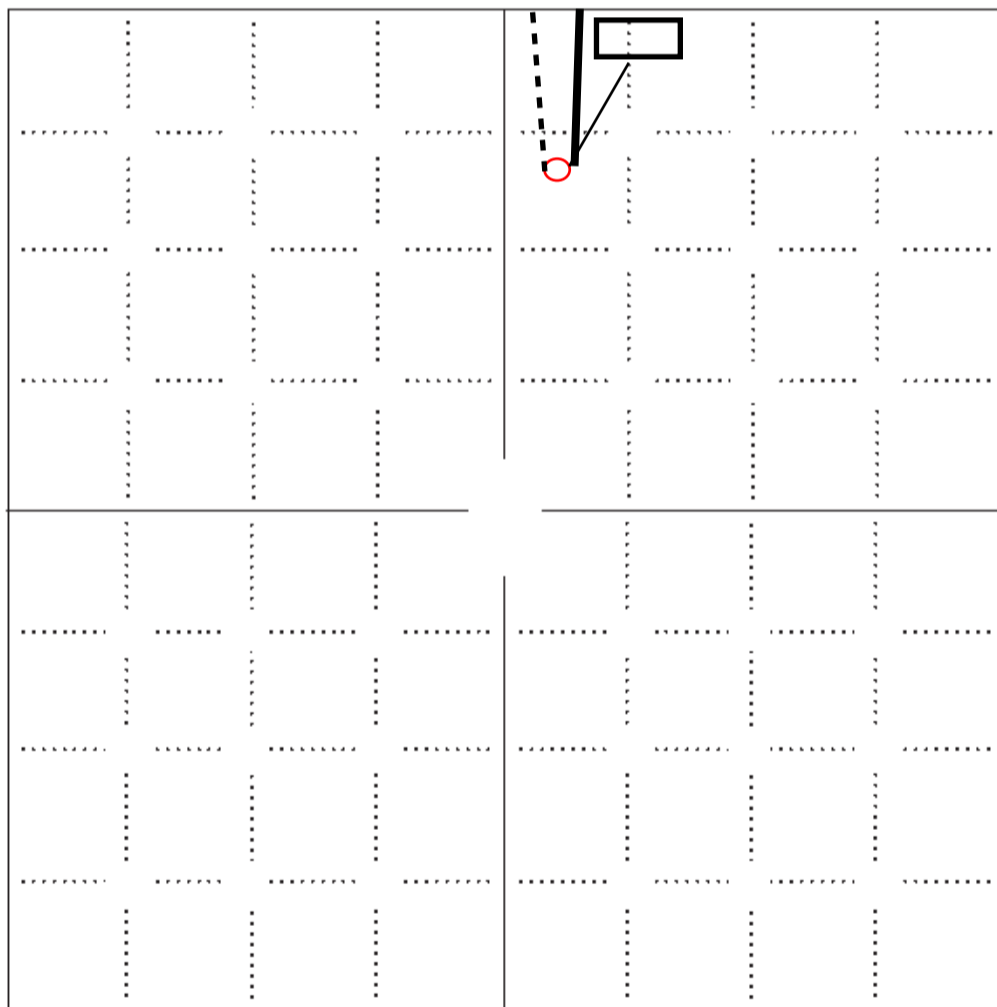
PLAT

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.

Pratt County

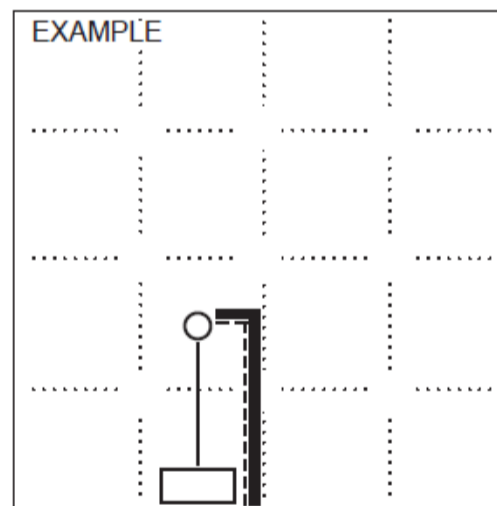
788' FNL



LEGEND

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

2285' FEL



1980' FSL

SEWARD CO. 3390' FEL

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

November 24, 2010

Chris Gottschalk
Shelby Resources LLC
2717 Canal Blvd
Suite C
HAYS, KS 67601

Re: Drilling Pit Application
C-H Unit 1-25
NE/4 Sec.25-29S-14W
Pratt County, Kansas

Dear Chris Gottschalk:

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

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

The fluids should be taken to an authorized disposal well. Please call the District Office at (620) 225-8888 when the fluids have been removed. Please file form CDP-5 (August 2008), Exploration and Production Waste Transfer, through KOLAR within 30 days of fluid removal.

A copy of this letter should be posted in the doghouse along with the approved Intent to Drill. If you have any questions or concerns please feel free to contact the District Office at (620) 225-8888.