

Well will not be drilled or Permit Expired Date: _

Signature of Operator or Agent:

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

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

1050447

Form C-1

March 2010

Form must be Typed

Form must be Signed

All blanks must be Filled

NOTICE OF INTENT TO DRILL

Expected Spud Date:	Spot Description:
month day year	Sec Twp S. R
DPERATOR: License#	feet from N / S Line of Section
Name:	feet from E / W Line of Section
ddress 1:	Is SECTION: Regular Irregular?
ddress 2:	(Note: Locate well on the Section Plat on reverse side)
State:	County:
Contact Person:	Lease Name: Well #:
hone:	Field Name:
CONTRACTOR: License#	Is this a Prorated / Spaced Field?
lame:	Target Formation(s):
Well Drilled For: Well Class: Type Equipment:	Nearest Lease or unit boundary line (in footage):
Oil Enh Rec Infield Mud Rotary	Ground Surface Elevation:feet MS
Gas Storage Pool Ext. Air Rotary	Water well within one-quarter mile:
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: I II
	Length of Surface Pipe Planned to be set: Length of Conductor Pipe (if any):
Operator:	Projected Total Depth:
Well Name: Original Total Depth:	Formation at Total Depth:
Original Completion Date Original Total Deptil	Water Source for Drilling Operations:
Directional, Deviated or Horizontal wellbore?	Well Farm Pond Other:
f Yes, true vertical depth:	DWR Permit #:
Bottom Hole Location:	(Note: Apply for Permit with DWR)
(CC DKT #:	Will Cores be taken?
	If Yes, proposed zone:
AFF	If Yes, proposed zone:
	IDAVIT
The undersigned hereby affirms that the drilling, completion and eventual plu	IDAVIT
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The undersigned hereby affirms that the drilling, completion and eventual plu	FIDAVIT gging of this well will comply with K.S.A. 55 et. seq.
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Side Two



For KCC Use ONLY	
API # 15	

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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

ease:	
Vell Number:	feet from E / W Line of Section
ield:	Sec Twp S. R
Number of Acres attributable to well:	is Section. Trequial of Tirequial
	If Section is Irregular, locate well from nearest corner boundary.
	Section corner used: NE NW SE SW
lease roads, tank batteries, pipelines and electrical lines, as	PLAT st lease or unit boundary line. Show the predicted locations of required by the Kansas Surface Owner Notice Act (House Bill 2032). a separate plat if desired. ft.
360	ft.
<u> </u>	1740 ft. LEGEND
	O Well Location
	Tank Battery Location
	Pipeline Location
	: : Electric Line Location
	Lease Road Location
	Estato House Estation
	: :
	EXAMPLE : :
	EXAMPLE :
6	
	. 1980'FSL

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

In plotting the proposed location of the well, you must show:

- 1. The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, 4 sections, etc.
- 2. The distance of the proposed drilling location from the south / north and east / west outside section lines.
- 3. The distance to the nearest lease or unit boundary line (in footage).
- 4. If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (C0-7 for oil wells; CG-8 for gas wells).
- 5. The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.



KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

1050447

Form CDP-1
May 2010
Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name:			License Number:
Operator Address:			
Contact Person:			Phone Number:
Lease Name & Well No.:			Pit Location (QQQQ):
Type of Pit: Emergency Pit Burn Pit Settling Pit Workover Pit Haul-Off Pit (If WP Supply API No. or Year Drilled)	Pit is: Proposed If Existing, date continued in the continue	Existing nstructed:(bbls)	SecTwpR East WestFeet from North / South Line of SectionFeet from East / West Line of SectionCounty
Is the pit located in a Sensitive Ground Water A	rea? Yes	No	Chloride concentration: mg/l (For Emergency Pits and Settling Pits only)
Is the bottom below ground level?	Artificial Liner?	No	How is the pit lined if a plastic liner is not used?
Pit dimensions (all but working pits):	Length (fee	et)	Width (feet) N/A: Steel Pits
Depth fro	om ground level to dee	epest point:	(feet) No Pit
Distance to peacest water well within one mile of	of nit-	Donth to challe	west fresh waterfeet.
Distance to nearest water well within one-mile of pit:		Source of inform	nation:
feet Depth of water well	feet	measured	well owner electric log KDWR
Emergency, Settling and Burn Pits ONLY: Producing Formation: Number of producing wells on lease: Barrels of fluid produced daily:		Type of materia	ver and Haul-Off Pits ONLY: I utilized in drilling/workover: xing pits to be utilized: procedure:
Does the slope from the tank battery allow all s flow into the pit? Yes No	pilled fluids to	·	e closed within 365 days of spud date.
Submitted Electronically			
KCC OFFICE USE ONLY Liner Steel Pit RFAC RFAS			
Date Received: Permit Num	ber:	Permi	t Date: Lease Inspection: Yes No



Kansas Corporation Commission Oil & Gas Conservation Division

1050447

Form KSONA-1
July 2010
Form Must Be Typed
Form must be Signed
All blanks must be Filled

CERTIFICATION OF COMPLIANCE WITH THE KANSAS SURFACE OWNER NOTIFICATION ACT

This form must be submitted with all Forms C-1 (Notice of Intent to Drill); CB-1 (Cathodic Protection Borehole Intent); T-1 (Request for Change of Operator Transfer of Injection or Surface Pit Permit); and CP-1 (Well Plugging Application).

Any such form submitted without an accompanying Form KSONA-1 will be returned.

Select the corresponding form being filed: C-1 (Intent) CB-1 (CB-1)	Cathodic Protection Borehole Intent) T-1 (Transfer) CP-1 (Plugging Application)		
OPERATOR: License #	Well Location:		
Name:			
Address 1:	County:		
Address 2:	Lease Name: Well #:		
City:	If filing a Form T-1 for multiple wells on a lease, enter the legal description of		
Contact Person:	the lease below:		
Phone: () Fax: ()			
Email Address:			
Surface Owner Information:			
Name:	When filing a Form T-1 involving multiple surface owners, attach an additional		
Address 1:	sheet listing all of the information to the left for each surface owner. Surface owner information can be found in the records of the register of deeds for the		
Address 2:	county, and in the real estate property tax records of the county treasurer.		
City:			
the KCC with a plat showing the predicted locations of lease roads, tank	dic Protection Borehole Intent), you must supply the surface owners and a batteries, pipelines, and electrical lines. The locations shown on the plat in the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted.		
☐ I certify that, pursuant to the Kansas Surface Owner Notice A owner(s) of the land upon which the subject well is or will be to CP-1 that I am filing in connection with this form; 2) if the form to form; and 3) my operator name, address, phone number, fax, at ☐ I have not provided this information to the surface owner(s). I at KCC will be required to send this information to the surface owner(s).	cknowledge that, because I have not provided this information, the vner(s). To mitigate the additional cost of the KCC performing this		
task, I acknowledge that I am being charged a \$30.00 handling If choosing the second option, submit payment of the \$30.00 handling form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-	fee with this form. If the fee is not received with this form, the KSONA-1		
Submitted Electronically			

Bucholtz 31-6 (1046848) and Bucholtz 31-6B (1046849)

Second surface owner information:

Clover K. Lockard

7910 Finch Drive SE

Olympia, WA 98513

Ks/Neh/Colo Producers Form 88 - Paid Up

OIL AND GAS LEASE

This Oil and Gas Lease (the "Lease" Kurt Bucholtz and		ne 5, 200 M. Bucho		Effective Date"). The parties nd and wife	s to this Lease are
	HC 1 Re	72 54	Francia	Vancas 6775	
is Lessor (whether one or more), whose address and J. Fred Hambright, Inc., as Lessee, whose				CAUSAS 0//J	0
1. For the consideration of his Lesse, Lessor grants, lesses, and lets exclusive their lands or lesses for the purpose of carrying aving oil, gas, and other hydrocarbons, and concessary or convenient for the aconomical operations of the rman	ely to Lessee, the lan on geological, geophy constructing roads, le tion of the Lands alor	ds described below (i sical, or other exploi ying pipelines, build e, or with adjacent la	the "Lands"), with the right ration work, core drilling a ling tanks, storing cil, buil	nd the drilling, mining, and o ding power stations, telephor and take care of the oil and go	all or part of this Lease with operating for, producing, and se lines, and other structures
**Each tract is tr	eated as	separate	Oil and G	as lease as	set forth
below.** Township 6 South,	Range 39	West	This	VIE OF KANSAS,COUN s instrument was f	iled this 14th
Section 6: Tract # Tract # Section 8: Tract #	2 NE/4	(160	acres) and	recorded in Micro Page 270–271	FFE \$12.00
The Lands are deemed to contain _	480	acres for Whe	ther they contain the pro-		al (tenther) gister of Deeds

- 2. This Lease shall remain in force for a primary term of five (5) years (the "Primary Term") from the Riflective Date and as long thereafter as oil, gas, or other hydrocarbons are, or can be produced from the Lands. On or before five (5) years from the Biffective Date, if this Lease is not otherwise continued in force, Lessee, at its option may automatically renew this lease and extend the Primary Term for an additional five (5) years from the Effective Date, Lessee tenders consideration to Lessoe, in the amount equivalent to the infital bonus payment (per net mineral acro) as to the lands covered by this lease.
- 3. The royalites to be paid by Lessee are: (a) on oil and other liquid hydrocarbons, one-cighth (1/8th) of that produced and saved from said land, the same to be delivered at the wells, or to the credit of Lessor into the pipeline to which the wells may be connected; Lessee may from time to time purchase any royalty oil in its possession, paying the market price therefore prevailing for the field where produced on the date of purchase; (b) on gas and the constituents thereof produced from said land and sold or used off the premises or in the manufacture of products old at the well, the royalty shall be one-cighth (1/8th) of the net proceeds realized from such sale. All royalties paid on gas sold or used off the premises or in the manufacture of products therefrom will be paid after deducting from such royalty Lessor's proportionate amount of all post-production costs, including but not limited to gross production and severance taxes, gathering and transportation costs from the wellhead to the reting, compressing. On product sold at the well, the royalty shall be one-cighth (1/8th) of the net proceeds realized from such sale, after deducting from such royalty Lessor's proportionate amount of all of the above post-production costs and expenses, if any. Where there is a gas well or wells on the Lands subject to this Lesse or lands pooled with the Lands, whether before or after the Principal Torm, and the well or wells are shut-in and there is no other production, dilling operations or other operations being conducted on the Lands expande of keeping this Lesse in force under any of its terms or provisions, Lessee may pay as royalty to Lessor (and if within the Principal Torm such payment shall be in lieu of delay rentally the sum of \$1.00 oper year per are of the Lands the subject to this Lesse following, the expiration of 12 months from the date a well or the wells are shut-in, and if the wells remain shut-in following the anniversary date of this Lesse during the period the wells are shut-in. Upon payments bein
- 4. If at any time prior to the discovery of oil or gas or other hydrocarbons on the Lands, and during the Primary Term, Lessee drills a dry hole or holes on the Lands, this Lessee shall not terminate, provided operations for the drilling of a well shall be commenced by the next ensuing Rental Paying Date, or Lessee begins or resumes the payment of Rentals.
- 5. If Lessor owns a lesser interest in the Lands than the entire and undivided fee simple estate in the minerals, any royalty and Rentals which may be due or payable shall be paid to Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee. Lessee's failure to proportionately reduce Rentals shall have no effect on the right to reduce royalties to correspond with Lessor's actual interest in the mineral estate in the Lands.
- 6. Lessee is granted the right to use, free of cost, gas, oil, and water found on or under the Lands, for all of Lessee's operations, except water from Lessor's wells. When required by Lessor, Lessee will bury its pipelines crossing those portions of the Lands that are under cultivation below ordinary plow depth, and pay for demages caused by its operations to growing crops on the Lands. No well shall be drilled nearer than 200 feet to any house or barn located on the Lands on the Effective Date without the written consent of Lessor. Lessee has the right at any time during or after the expiration of this Lesse, to remove all machinery, fixtures, buildings, and other structures placed on the Lands, including the right to draw and remove all easing.
- 7. If the estate of either party is assigned, the privilege of assigning in whole or in part being expressly allowed, the terms of this Lease shall extend to the party's heirs, devisces, executors, administrators, successors, and assigns. No change of ownership in the Lands, Rentals or royallies, or any sum due, or the depository address of Lessor, under this Lease shall be binding on the Lessee until 60 days after it has been furnished with written notice of the change accompanied by the original recorded instrument or certified copy of the conveyance, a certified copy of the Will and probate proceedings of any decreased owner, or a certified copy of the proceedings showing the appointment of an administrator of the estate of any decreased owner, whichever its appropriate, together with all recorded instruments of conveyance or certified copies necessary to show a complete chain of title to the interest claimed. All advanced payment of Rentals made before the end of the 60-day period following Lessee's receipt of documents shall be binding to any direct or indirect assignce, grantee, devisee, administrator, executor, or heir of Lessor.
- 8. No change or division in the ownership of the Lands, Rentals, or royalties, bowever accomplished, shall entarge the obligation or diminish the rights of the Lessee. In the event of an assignment in whole or in part by Lessee, the liability for breach of any obligation of this Lesse shall rest exclusively on the owner of the portion of the Lesse committing the breach. Lessee has no obligation to offset wells on separate tracts into which the Lands may be divided by sale, device, descent or otherwise, or to furnish separate measuring devices or tanks. If this Lesse is assigned as to a segregated part or parts of the Lands and the holders or owners of any part is in default in the payment of the proportionate part of the Rentals due, the default shall not operate to affect this Lesse insofar as it covers a part of the Lands on which Lessee or any other assignce makes timely payment of Rentals. If six or more parties become entitled to royalty payments, Lessee may withhold payment until furnished with a recordable instrument executed by all the parties designating an agent to receive payment of royalties for all the parties.
- 9. Lessor warrants and agrees to defend fille to the Lands and agrees 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 Lands. If Lessee exercises this option it shall be subrogated to the rights of any holder or holders of the liens or claims and may reimburse itself by applying to the amounts paid to discharge any mortgage, tax or other lien, any royalty, abut in royalty, or Rentals accruing to the account of Lessor.
- 10. If Lessee commences operations for drilling at any time while this Lesse is in force, this Lesse shall remain in force and its terms shall continue so long as those operations are prosecuted. If production results from the operations, the Lesse shall remain in effect as long as production continues.
- 11. If, during the Primary Term, production on the Lands ceases from any cause, this Lease shall not terminate provided operations for the drilling of a well are commenced before or on the next enauing Rental Paying Date; or, Lessee begins or resumes the payment of Rentals in the manner and amount provided in paragraph 5 above. If after the expiration of the Primary Term, production on the Lands ceases from any cause, this Lease shall not terminate provided Lessee resumes operations of earling a well or commences rowerking operations on a well within one hundred and eighty (180) syr from the date of cessation of production. This Lease shall remain in force during the prosecution of the operations and, if production results or resumes, as long as production continues.

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- 12. At any time Lessee may surrender this Lease in whole or in part by delivering or mailing a release to the Lessor, or by placing the release of record in the county where the Lands are located. If the Lease is surrendered on only a portion of the Lands, all payments and liabilities that acroue as to the released portion of the Lands shall cease and any subsequent Rentals that may be paid may be apportioned on an acreage basis. As to the portion of the Lands not released, the terms and provisions of this Lease shall continue and remain in full force and effect for all purposes.
- 13. All provisions of this Lease, express or implied, shall be subject to all federal and state laws and the orders, rules, or regulations of all governmental agencies administering them. This Lease shall not in any way be terminated in whole or in part, nor shall Lessee be fisble in damages for failure to comply with any of the express or implied provisions of this Lease if the failure results from any such laws, orders, rules or regulations. If Lessee is prevented from drilling a well during the last six months of the Primary Term by the order of any constituted authority having jurisdiction, or if Lessee is unable during that period to drill a well due to the unavailability of necessary equipment, the Primary Term of this Lease shall continue for six months after the order is suspended and/or the equipment is available. Lessee shall pay Rentals during this extended time.
- 14. Lessee, at its option, is granted the right and power to voluntarily pool, unitize, or combine all or any portion of the Lands as to oil and/or gas, with any other adjacent lands, or lesses, when in Lessee's judgment it is necessary or advisable to do so in order to properly develop and operate the Lease, or to obtain the maximum production allowable for any well. Unless larger units are permitted, pooling may be in units not exceeding forty (40) seres for an oil well plus a tolerance of 10%. Larger units may be created to conform to any spacing or well unit pattern that may be prescribed by governmental authorities. Lessee or lessee's agent, shall record in the county where the Lends are located an instrument identifying the unit and describing the pooled acreage. All acreage pooled into a unit shall be treated for all purposes, except the payment of royalties, as if it were included in this Lesse. Drilling or reworking operations, production of oil, gas, or other hydrocarbons, or the completion of a well as a shut-in gas well shall be considered for all purposes, except the payment of royalties, as if the operations were on, the production form, or the completion were on the Lands, whether or not the well or wells are located on the Lands actually covered by this Lease. In fits of the royalty provided in this Lesse, including shut-in gas royalties, Lessor shall receive from a unit only that portion of the royalty provided for in this Lease, as that portion of the Lands placed in the unit, or bears to the total amount of acreage included in a Unit.

This Lease and all its terms, covenants, and conditions shall extend to and be binding on all successors grantees and assigns of Lessor and Lessee.

This Lease is executed by Lessor as of the date of the acknowledgment of Lessor's signature, but shall be deemed effective for all purposes as of the Effective Date stated above.

swied aurye.	
Rurt E. Bucholtz	Lessor Margaret M. Bucholtz Tex ID#
	within and for said county and state, on this 5th day of Kurt E. Bucholtz and Carange (1)
Margaret M. Bucholtz, husband	· · · · · · · · · · · · · · · · · · ·
set forth. IN WITNESS WHEREOF, I have hercunto so	free and voluntary act and deed for the uses and purposes therein et my hand and official seal the day and year last above written. G. Foster: Notary Public NOTARY PUBLIC STATE OF KANSAS JOHN G. FOSTER MY APPT. EXPIRES 8-06-0
COUNTY OF	
Notary Public, duly commissioned, in and for the courcame a corporation of the State of person who executed as such officer the foregoing ins acknowledged the execution of the same for himself a	nty of, before me, the undersigned, a nty of and State of, personally known to me to be such officer, and to be the same strument of writing in behalf of said corporation, and he duly and for said corporation for the uses and purposes therein set forth. set my hand and official seal the day and year last above written.
My commission expires	Notary Public

Ks/Neb/Colo Producers Form 88 - Paid Up

OIL AND GAS LEASE

This Oil and Gas Lease (the "Lease") is dated	June 5,	2003 ,	(the "Effective Date"). The parties to this Lease	e are
Clover Kay Lockard and	David Lee	Workman.	wife and bushand	
			and maddana	
as Lessor (whether one or more), whose address is 79	10 Finch Di	ive SE.	Olympia. Washington 9	8513
and J. Fred Hambright, Inc., as Lessee, whose address it				<u>0010</u> ,
uns Lesse, Lessor grans, neares, and lets exclusively to Lessor when the lands or leaves for the purpose of carrying on geolog saving oil, gas, and other hydrocarbons, and for construction of the Sherman coessary or convenient for the economical operation of the Sherman coessary or convenient for the economical operation of the Sherman countries of the Sherman countries of the Tract is treated as separate Township 6 South, Rang Section 6: Tract #1 NW Tract #2 NE VSection 8: Tract #3 NW Section 8: Tract #3 NW South the tarding any provisions of the	ssee, the lands described be ideal, geophysical, or other cing roads, laying pipelines, elands alone, or with adjac Kansas aby, Oil and Gas Leas (e. 39 West 16/4 (16/44))	tow (the "Lands"), work, consupporation and a see as set for a cres \$50 acres \$50 acres \$50 acres \$50 wording continuous contractions.	re drilling and the drilling, mining, and operating for, ing oil, building power stations, telephone lines, and duce, save, and take care of the oil and gas produced are described as follows: "th below.**))) cained in this Lease such as "the	this Lease with producing, and other structures. The Lands are
"the Lease", "Teasehold", or any sim be treated for all purposes as a sep	uar tems, each	of the separ	tely designated Tracts to this L	ease shall
ease shall be applicable to each se	perate Tract and	be construer	I of the provisions contained in I as if a separate Lease Agreemen	ithis ithad
Deen made and executed covering separate The Lands are deemed to contain	acres fo	r whether they contai	in more or less.	
2. This Lease shall remain in force (for a primary term of five (i) years (the "Priman	v Term") from the Effective Date and as long thereaft	er se oil ose or

- 2. This Lesse shall remain in force for a primary term of five (5) years (the "Primary Term") from the Effective Date and as long thereafter as oil, gas, or other hydrocarbons are, or can be produced from the Lands. On or before five (5) years from the Effective Date, if this Lesse is not obterwise continued in force, Lessee, at its option may automatically renew this lesses and extend the Primary Term for an additional five (5) year term if, on or before five (5) years from the Effective Date, Lessee tenders consideration to Lessor, in the amount equivalent to the initial bonus payment (per net mineral acre) as to the lands covered by this lesse.
- 3. The royalities to be paid by Lessee are: (a) on oil and other liquid hydrocarbons, one-cighth (1/8th) of that produced and saved from said land, the same to be delivered at the wells, or to the credit of Lessor into the pipeline to which the wells may be connected, Lessee may from time to time purchase any royalty oil in its possession, paying the market price therefore prevailing for the field where produced on the date of purchase; (b) on gas and the constituents thereof produced from said land and sold or used off the premises or in the manufacture of products therefrom, the market value at the well of one-cighth (1/8th) of the product sold or used. On product sold at the well, the royalty shall be one-cighth (1/8th) of the net proceeds realized from such sale. All royalties paid on gas sold or used off the premises or in the manufacture of products therefrom will be paid after deducting from such royalty Lessor's proportionate amount of all post-production costs, including but not limited to gross production and severance taxes, gathering and transportation costs from the wellhead to the wellhead to the realing, compression, and processing. On product sold at the well, the royalty shall be one-cighth (1/8th) of the act proceeds realized from such sale, after deducting from such royalty Lessor's proportionate amount of all of the above post-production costs and expenses, if any. Where there is a gas well or wells on the Lands using the sum of the post-production costs and expenses, if any. Where there is a gas well or wells on the Lands to this Lease or lands pooled with the Lands whether before or after the Primary Term, and the well or wells are shut-in and there is no other production, drilling operations or other operations being conducted on the Lands apable of keeping this Lease in force under any of its terms or provisions, Lessee may pay as royalty to Lessor (and if within the Primary Term such payment shall be in lieu of delay rentally the sum of \$1.000 per year pare of the Lands then sub
- 4. If at any time prior to the discovery of oil or gas or other hydrocarbons on the Lands, and during the Primary Term, Lessee drills a dry hole or holes on the Lands, this Lease shall not terminate, provided operations for the drilling of a well shall be commenced by the next ensuing Rental Paying Date, or Lessee begins or resumes the payment of Rentals.
- 5. If Lessor owns a lesser interest in the Lands than the entire and undivided fee simple estate in the minerals, any royalty and Rentals which may be due or payable shall be paid to Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee. Lessee's failure to proportionately reduce Rentals shall have no effect on the right to reduce royalties to correspond with Lessor's actual interest in the mineral estate in the Lands.
- 6. Lessee is granted the right to use, free of cost, gas, oil, and water found on or under the Lands, for all of Lessee's operations, except water from Lesser's wells. When required by Lesser, Lessee will bury its pipelines crossing those portions of the Lands that are under cultivation below ordinary plow depth, and pay for damages caused by its operations to growing crops on the Lands. No well shall be drilled nearer than 200 feet to any house or barn located on the Lands on the Bifective Date without the written consent of Lessor. Lessee has the right at any time during or after the expiration of this Lease, to remove all machinery, fixtures, buildings, and other structures placed on the Lands, including the right to draw and remove all casing.
- 7. If the estate of either party is assigned, the privilege of assigning in whole or in part being expressly allowed, the terms of this Lease shall extend to the party's heirs, devisees, executors, administrators, successors, and assigns. No change of ownership in the Lands, Rentals or royalties, or any sum due, or the depository address of Lessor, under this Lease shall be binding on the Lessee until 60 days after it has been furnished with written notice of the change accompanied by the original recorded instrument or certified copy of the conveyance, a certified copy of the Will and probate proceedings of any decreased owner, or a certified copy of the proceedings showing the appointment of an administrator of the estate of any decreased owner, whichever its appropriate, together with all recorded instruments of conveyance or extified copies necessary to show a complete chain of title to the interest claimed. All advanced payment of Rentals made before the end of the 60-day period following Lessee's receipt of documents shall be binding on any direct or indirect assignee, grantee, devisee, administrator, executor, or heir of Lessor.
- 8. No change or division in the ownership of the Lands, Rentals, or royalties, however accomplished, shall enlarge the obligation or diminish the rights of the Lessee. In the event of an assignment in whole or in part by Lessee, the liability for breach of any obligation of this Lesse shall rest exclusively on the owner of the portion of the Lesse committing the breach. Lessee has no obligation to offset wells on separate tracts into which the Lands may be divided by sale, devise, descent or otherwise, or to furnish separate measuring devices or tanks. If this Lesse is sasigned as to a segregated part or parts of the Lands and the holders or owners of any part is in default in the payment of the proportionate part of the Rentals due, the default shall not operate to a affect this Lesse insofar as it covers a part of the Lands on which Lessee or my other assignce makes timely payment of Rentals. If six or more parties become entitled to royalty payments, Lessee may withhold payment until furnished with a recordable instrument executed by all the parties designating an agent to receive payment of royalties for all the parties.
- 9. Lessor warrants and agrees to defend title to the Lands and agrees 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 Lands. If Lessee exercises this option it shall be subrogated to the rights of any holder or holders of the liens or claims and may reimburse itself by applying to the amounts paid to discharge any mortgage, tax or other lien, any royalty, shut in royalty, or Rentals accruing to the account of Lessor.
- 10. If Lessee commences operations for drilling at any time while this Lease is in force, this Lease shall remain in force and its terms shall continue so long as those operations are prosecuted. If production results from the operations, the Lesse shall remain in effect as long as production continues.
- 11. If, during the Primary Term, production on the Lands ceases from any cause, this Lesse shall not terminate provided operations for the drilling of a well are commenced before or on the next ensuing Rental Paying Date; or, Lessee begins or resumes the payment of Rentals in the manner and amount provided in paragraph 5 above. If after the expiration of the Primary Term, production on the Lands ceases from any cause, this Lease shall not terminate provided Lesses resumes operations for drilling a well or commences reworking operations on a well within one hundred and eighty (180) days from the date of essention of production. This Lesse shall remain in force during the prosecution of the operations and, if production results or resumes, as long as production continues.

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- 12. At any time Lessee may surrender this Lesse in whole or in part by delivering or mailing a release to the Lessor, or by placing the release of record in the county where the Lands are located. If the Lesse is surrendered on only a portion of the Lands, all payments and liabilities that accrue as to the released portion of the Lands shall cease and any subsequent Rentals that may be paid may be apportioned on an acreage basis. As to the portion of the Lands not released, the terms and provisions of this Lesse shall continue and remain in full force and effect for all purposes.
- 13. All provisions of this Lease, express or implied, shall be subject to all federal and state laws and the orders, rules, or regulations of all governmental agencies administering them. This Lease shall not in any way be terminated in whole or in part, nor shall Leasee be liable in damages for feiture to comply with any of the express or implied provisions of this Lease if the failure results from any such laws, orders, rules or regulations. If Leasee is prevented from drilling a well during the last six months of the Primary Term by the order of any constituted authority having jurisdiction, or if Leasee is unable during that period to drill a well due to the unavailability of necessary equipment, the Primary Term of this Lease shall continue for six months after the order is suspended and/or the equipment is available. Lessee shall pay Rentals during this extended time.
- 14. Lessee, at its option, is granted the right and power to voluntarily pool, unitize, or combine all or any portion of the Lands as to oil and/or gas, with any other adjacent lands, or leases, when in Lessee's judgment it is necessary or advisable to do so in order to properly develop and operate the Lease, or to obtain the maximum production altowable for any well. Unless larger units are permitted, pooling may be in units not exceeding (or ty/d0) cares for an oil well plus a tolerance of 10%, and 640 acres for a gas well plus a tolerance of 10%. Larger units may be created to conform to any specing or well unit pattern that may be prescribed by governmental suthorities. Lessee or Lessee's agent, shall record in the county where the Lands are located an instrument identifying the unit and describing the pooled acreage. All acreage pooled into a unit shall be tested for all purposes, except the payment of royalties, as if it were included in the sease. Drilling or reworking operations, production of oil, gas, or other hydrocarbons, or the completion of a well as a shut-in gas well shall be considered for all purposes, except the payment of royalties, as if the operations were on, the production from, or the completion were on the Lands, whether or not the well or wells are located on the Lands actually covered by this Lease. In liteu of the royalty provided in this Lease, including shut-in gas royalties, Lessor shall receive from a unit only that portion of the royalty provided for in this Lease, as that portion of the Lands placed in the unit, or bears to the total amount of acreage included in a Unit.

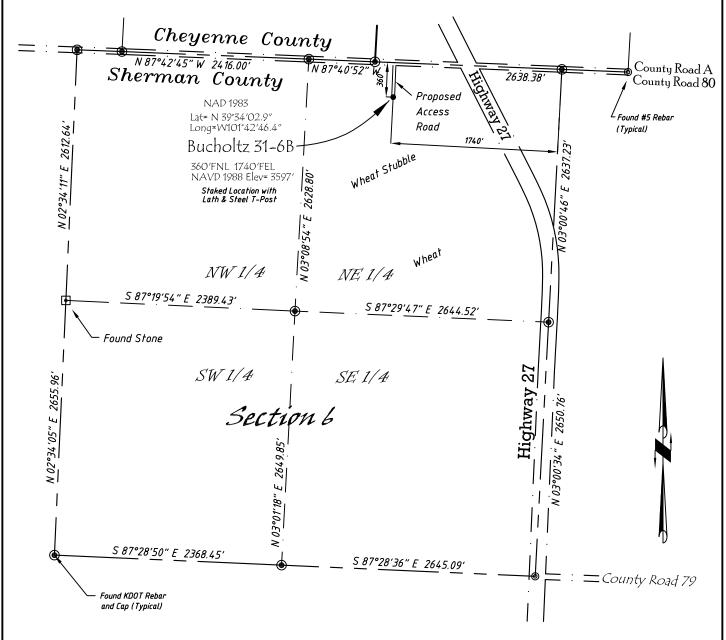
This Lease and all its terms, covenants, and conditions shall extend to and be binding on all successors grantees and assigns of Lessor and Lessee.

This Lease is executed by Lessor as of the date of the acknowledgment of Lessor's signature, but shall be deemed effective for all purposes as of the Effective Date stated above.
Lessor
Clover Kay Lockhard LOCKARD CAL David Lee Workman TAND#
Clover Kay Lockhard Lockard Cal David Lee Workman
SINIE OF KANSAS, COUNTY OF SERVAN, SS Acknowledgment For Individual SINIE OF KANSAS, COUNTY OF SERVAN, SS This instrument was filed this 13th day of November 2003 at 11:17 A.M.
STATE OF Washington SEAL and recorded in Microfilm Book 128 at Page 238-239 FFE \$12.00
COUNTY OF Thurston County of Microfilm Canal Canal Country of
Before me, the undersigned, a Notary Public, within and for said county and state, on this day of
June
David Lee Workman, wife and husband
to me personally known to be the identical person(s) who executed the within and foregoing instrument and acknowledged
to me that they executed the same as their free and voluntary act and deed for the uses and purposes therein
set forth.
IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.
My commission expires 2-29-04 Wolfary Public Scion English
Acknowledgment For Corporation B. David Platt
STATE OF
COUNTY OF
Be it remembered that on this day of 20, before me, the undersigned, a
Notary Public, duly commissioned, in and for the county of and State of,
came,president of,
a corporation of the State of, personally known to me to be such officer, and to be the same person who executed as such officer the foregoing instrument of writing in behalf of said corporation, and he duly 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 the day and year last above written.
My commission expires Notary Public

Well Location Map

Bucholtz 31-6B

NW 1/4, NE 1/4, Section 6, T6S, R39W, 6th P.M. Sherman County, Kansas 360' FNL - 1740' FEL Elev=3597



Direcțions:

From the Intersection of Hwy 27 & Hwy 36 @ Wheeler, KS, Go S on Hwy 27 Approximately 13 miles, to County Road A, then go W 0.15 miles, then S 360' to Staked location.

This Drawing is for Construction Purposes Only

Noble Energy, Inc.

DRAWN GP	DATE 11/21/10	Section 6 T6S, R39W, 6th P.M.
PB B73 P72	RQ HiPro	Sherman County, KS
SCALE	SHEET	PROJECT NO.
1'=1000'	1 of 1	1570 117



Copyright () 2010



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:

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

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

Form C-1 March 2010 Form must be Typed Form must be Signed All blanks must be Filled

NOTICE OF INTENT TO DRILL

Expected Spud Date:	year	Spot Description:
monun day	year	Sec Twp S. R E
OPERATOR: License#		feet from N / S Line of S
Name:		feet from E / W Line of S
Address 1:		Is SECTION: Regular Irregular?
Address 2:		(Note: Locate well on the Section Plat on reverse side)
Dity: State: Zip: _		County:
Contact Person:		Lease Name: Well #:
Phone:		Field Name:
CONTRACTOR: License#		
Name:		
		Target Formation(s):
Well Drilled For: Well Class: Typ	pe Equipment:	Nearest Lease or unit boundary line (in footage):
Oil Enh Rec Infield	Mud Rotary	Ground Surface Elevation:fee
Gas Storage Pool Ext.	Air Rotary	Water well within one-quarter mile:
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:
		Surface Pipe by Alternate: III
If OWWO: old well information as follows:		Length of Surface Pipe Planned to be set:
Operator:		Length of Conductor Pipe (if any):
Well Name:		Projected Total Depth:
Original Completion Date: Original Total	al Depth:	Formation at Total Depth:
		Water Source for Drilling Operations:
Directional, Deviated or Horizontal wellbore?	Yes No	Well Farm Pond Other:
f Yes, true vertical depth:		DWR Permit #:
Bottom Hole Location:		(Note: Apply for Permit with DWR)
CC DKT #:		Will Cores be taken?
		If Yes, proposed zone:
	A = [FIDAVIT
The undersigned hereby affirms that the drilling comm		
The undersigned hereby affirms that the drilling, comp		gging of this well will comply with K.S.A. 55 et. seq.
t is agreed that the following minimum requirements v	will be met:	
Notify the appropriate district office <i>prior</i> to sput		
2. A copy of the approved notice of intent to drill s	•	• •
through all unconsolidated materials plus a min		by circulating cement to the top; in all cases surface pipe shall be set
		rict office on plug length and placement is necessary <i>prior to plugging</i> ;
5. The appropriate district office will be notified be	•	, , , , , , , , , , , , , , , , , , , ,
6. If an ALTERNATE II COMPLETION, production	pipe shall be cemented	d from below any usable water to surface within 120 DAYS of spud date.
Or pursuant to Appendix "B" - Eastern Kansas s	<u> </u>	33,891-C, which applies to the KCC District 3 area, alternate II cementing $$
	data ar tha wall aball ba	plugged. In all cases, NOTIFY district office prior to any cementing.
must be completed within 30 days of the spud of	ate of the well shall be	1 1 3 3 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
must be completed within 30 days of the spud of	date of the well shall be	, , , , , , , , , , , , , , , , , , , ,
·	date of the well shall be	
·	date of the well shall be	
ubmitted Electronically	Jake of the Well Shall be	Remember to:
,	date of the well shall be	
ubmitted Electronically	date of the well shall be	Remember to:
ubmitted Electronically For KCC Use ONLY API # 15 -		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;
ubmitted Electronically For KCC Use ONLY API # 15 Conductor pipe required	feet	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;
ubmitted Electronically For KCC Use ONLY API # 15 Conductor pipe required fe	feet et per ALT. I III	 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;
ubmitted Electronically For KCC Use ONLY API # 15 Conductor pipe required	feet et per ALT. I III	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;
ubmitted Electronically For KCC Use ONLY API # 15 Conductor pipe required fe	feet et per ALT. I III	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);
ubmitted Electronically For KCC Use ONLY API # 15 Conductor pipe required fe Approved by:	feet et per ALT. I II	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;

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

Spud date: _

Side Two



SEWARD CO. 3390' FEL

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:							_ Lo	cation of W	/ell: Cour	nty:			
_ease:										feet	from N /	S Line	of Section
Nell Numbe	er:									feet	from E /	W Line	of Section
Field:							_ Se	C	Twp	S.	. R	E	W
Number of A							– ls :	Section:	Regu	ılar or	Irregular		
								Section is			from nearest		dary.
					d electrica	l lines, as	required b		as Surfac		edicted location tice Act (House		
		:	: : :	: : : :		<u> </u>	:	:	_ 174	0 ft.	LEGEND		
											Well Locatio Tank Battery Pipeline Loc Electric Line Lease Road	Location ation Location	
	••••		· · · · · · · · · · · · · · · · · · ·	······································						EXAMPLE :			
			:	6		:	:	:					
			•			:							
						:					0-7		1980' FSL
		:	:	:		:	:	:		l :[:	

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

In plotting the proposed location of the well, you must show:

- 1. The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, 4 sections, etc.
- 2. The distance of the proposed drilling location from the south / north and east / west outside section lines.
- 3. The distance to the nearest lease or unit boundary line (in footage).
- 4. If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (C0-7 for oil wells; CG-8 for gas wells).
- 5. The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.



KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

1046849

Form CDP-1
May 2010
Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name:			License Number:	
Operator Address:				
Contact Person:		Phone Number:		
Lease Name & Well No.:		Pit Location (QQQQ):		
Type of Pit: Emergency Pit Burn Pit Settling Pit Drilling Pit Workover Pit Haul-Off Pit (If WP Supply API No. or Year Drilled)	Pit is: Proposed Existing If Existing, date constructed: Pit capacity: (bbls)		SecTwp R East WestFeet from North / South Line of SectionFeet from East / West Line of Section County	
Is the pit located in a Sensitive Ground Water A	rea? Yes	No	Chloride concentration: mg/l (For Emergency Pits and Settling Pits only)	
Is the bottom below ground level?	Artificial Liner?	No	How is the pit lined if a plastic liner is not used?	
Pit dimensions (all but working pits):	Length (fee	et)	Width (feet) N/A: Steel Pits	
If the pit is lined give a brief description of the li material, thickness and installation procedure.	om ground level to dee	Describe proce	dures for periodic maintenance and determining any special monitoring.	
Distance to nearest water well within one-mile of	of pit:	Depth to shallo Source of infor	west fresh water feet. mation:	
feet Depth of water well	feet	measured	well owner electric log 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? Yes No Submitted Electronically		Type of materia Number of work Abandonment p Drill pits must b	over and Haul-Off Pits ONLY: all utilized in drilling/workover: king pits to be utilized: procedure: de closed within 365 days of spud date.	
	KCC	OFFICE USE O	NLY	
Date Received: Permit Num	ber:		Liner Steel Pit RFAC RFAS t Date: Lease Inspection: Yes No	



Kansas Corporation Commission Oil & Gas Conservation Division

1046849

Form KSONA-1
July 2010
Form Must Be Typed
Form must be Signed
All blanks must be Filled

CERTIFICATION OF COMPLIANCE WITH THE KANSAS SURFACE OWNER NOTIFICATION ACT

This form must be submitted with all Forms C-1 (Notice of Intent to Drill); CB-1 (Cathodic Protection Borehole Intent); T-1 (Request for Change of Operator Transfer of Injection or Surface Pit Permit); and CP-1 (Well Plugging Application).

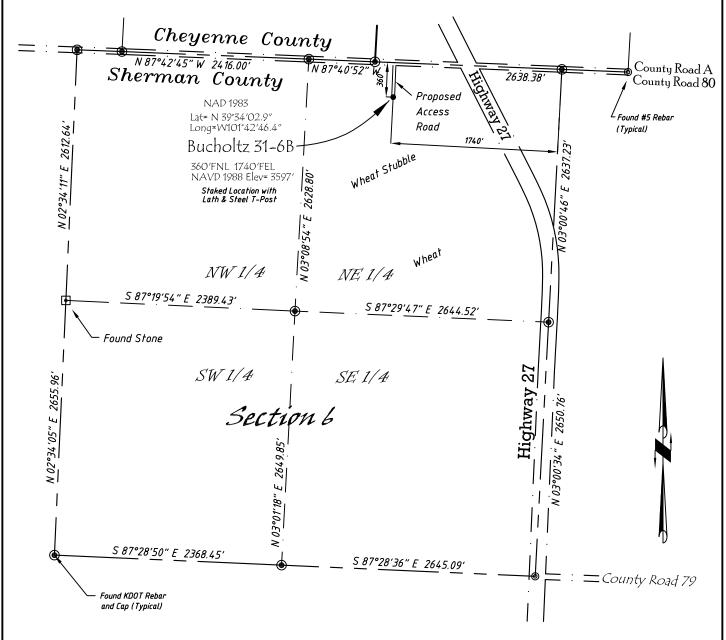
Any such form submitted without an accompanying Form KSONA-1 will be returned.

Select the corresponding form being filed: C-1 (Intent) CB-1 (CB-1)	Cathodic Protection Borehole Intent) T-1 (Transfer) CP-1 (Plugging Application)				
OPERATOR: License #	Well Location:				
Name:	SecTwpS. R East				
Address 1:	County:				
Address 2:	Lease Name: Well #:				
City: State: Zip:+	9 · · · · · · · · · · · · · · · · · · ·				
Contact Person:	the lease below:				
Phone: () Fax: ()					
Email Address:					
Surface Owner Information:					
Name:	When filing a Form T-1 involving multiple surface owners, attach an additional				
Address 1:	sheet listing all of the information to the left for each surface owner. Surface owner information can be found in the records of the register of deeds for the				
Address 2:	county, and in the real estate property tax records of the county treasurer.				
City:					
the KCC with a plat showing the predicted locations of lease roads, tank	dic Protection Borehole Intent), you must supply the surface owners and k batteries, pipelines, and electrical lines. The locations shown on the plat in the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted.				
☐ I certify that, pursuant to the Kansas Surface Owner Notice A owner(s) of the land upon which the subject well is or will be to CP-1 that I am filing in connection with this form; 2) if the form to form; and 3) my operator name, address, phone number, fax, at ☐ I have not provided this information to the surface owner(s). I at KCC will be required to send this information to the surface owner(s).	cknowledge that, because I have not provided this information, the vner(s). To mitigate the additional cost of the KCC performing this				
task, I acknowledge that I am being charged a \$30.00 handling If choosing the second option, submit payment of the \$30.00 handling form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-	fee with this form. If the fee is not received with this form, the KSONA-1				
Submitted Electronically					

Well Location Map

Bucholtz 31-6B

NW 1/4, NE 1/4, Section 6, T6S, R39W, 6th P.M. Sherman County, Kansas 360' FNL - 1740' FEL Elev=3597



Direcțions:

From the Intersection of Hwy 27 & Hwy 36 @ Wheeler, KS, Go S on Hwy 27 Approximately 13 miles, to County Road A, then go W 0.15 miles, then S 360' to Staked location.

This Drawing is for Construction Purposes Only

Noble Energy, Inc.

DRAWN GP	DATE 11/21/10	Section 6 T6S, R39W, 6th P.M.				
PB B73 P72	RQ HiPro	Sherman County, KS				
SCALE	SHEET	PROJECT NO.				
1'=1000'	1 of 1	1570 117				



Copyright () 2010

Bucholtz 31-6 (1046848) and Bucholtz 31-6B (1046849)

Second surface owner information:

Clover K. Lockard

7910 Finch Drive SE

Olympia, WA 98513

Ks/Neh/Colo Producers Form 88 - Paid Up

OIL AND GAS LEASE

This Oil and Gas Lease (the "Lease") is Kurt Bucholtz and M	argaret	ne 5, 2003 (the "Effective Date"). The parties to this I M. Bucholtz, husband and wife	,ease are
as Lessor (whether one or more), whose address is and J. Fred Hambright, Inc., as Lessee, whose ac		Ox 73, St. Francis, Kansas 67756 Aarket, #1415, Wichita, KS 67202.	
this Lesse, Lessor grants, lesses, and lets exclusively other lands or lessess for the purpose of carrying on saving oil, gas, and other hydrocarbons, and for concessary or convenient for the economical operation. Sherman	to Lessee, the lan geological, geophy nstructing roads, lo n of the Lands alon Ka County,	20 & more) Dollars, the receipt of which Lessor acknowledges, and Lessee's covenant de deacribed below (the "Lands"), with the right to unitize, pool, or combine all or particle or other exploration work, core drilling and the drilling, mining, and operating lying pipelines, building twiks, storing oil, building power stations, telephone lines, e, or with adjacent lands, and to produce, save, and take care of the oil and gas produced in the same and are described as follows:	nt of this Lease with for, producing, and and other structures and. The Lands are
Each tract 1s tre below. Township 6 South, R		——————————————————————————————————————	SHERMAN,SS this 14th
✓Section 6: Tract #1 Tract #2 ✓Section 8: Tract #3	NE/4	(160 acres) and recorded in Microfilm I (160 acres) at Page 270-271	TEE \$12.00
The Lands are deemed to contain	480	SEAL MICROFILM INDEXED	r of Deeds
other hydrocarbons are, or can be produced from th	e Lands. On or be	y letm of five (5) years (the "Primary Term") from the Riffective Date and as long thei fore five (5) years from the Biffective Date, if this Leaso is not otherwise continued in In for an additional five (5) year term if, on or before five (5) years from the Riffective)	force, Lessee, at it

- nasideration to Lesson, in the amount equivalent to the initial bonus payment (per net mineral acre) as to the lands covered by this lease
- 3. The royalties to be paid by Lessee are: (a) on oil and other liquid hydrocarbons, one-cighth (1/8th) of that produced and saved from said land, the same to be delivered at the wells, or to the credit of Lessor into the pipeline to which the wells may be connected; Lessee may from time to time purchase any royalty oil in its possession, paying the market price therefore prevailing for the field where produced on the date of purchase; (b) on gas and the constituents thereof produced from said land and sold or used off the premises or in the manufacture of products alterefrom will be paid after deducting from such sale. All royalties paid on gas sold or used off the product sold or used. On product sold at the well, the royalty shall be one-cighth (1/8th) of the net proceeds realized from such sale. All royalties paid on gas sold or used off the premises or in the manufacture of products therefrom will be paid after deducting from such royalty Lessor's proportionale amount of all post-production costs, including but not limited to gross production and severance taxes, gentering and transportation costs from the wellhead to the reting, compressing, and processing. On product sold at the well, the royalty shall be one-cighth (1/8th) of the net proceeds realized from such sale, after deducting from such royalty Lessor's proportionale amount of all of the above post-production costs and expenses, if any. Where there is a gas well or wells on the Lands subject to this Lease or lands pooled with the Lands, whether bafore or after the Primary Torm, and the well or wells are shut-in and there is no other production, drilling operations or other operations being conducted on the Lands expable of keeping this Lease in force under any of its terms or provisions, Lessee may pay as royally to Lessor (and if within the Primary Term such payment shall be in lieu of delay rentally the sum of \$1.00 per year per are of the Lands the subject to this Lease following the expiration of 12 months from the date a well or the wel deemed to be maintained in full force and effect.
- 4. If at any time prior to the discovery of oil or gas or other hydrocarbons on the Lands, and during the Primary Term, Lessee drills a dry hole or holes on the Lands, this Lessee shall not terminate, provided operations for the drilling of a well shall be commenced by the next ensuing Rental Paying Date, or Lessee begins or resumes
- 5. If Lessor owns a lesser interest in the Lands than the entire and undivided fee simple estate in the minerals, any royalty and Rentals which may be due or payable shall be paid to Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee. Lessee's failure to proportionately reduce Rentals shall have no effect on the right to reduce royalties to correspond with Lessor's actual interest in the mineral estate in the Lands.
- 6. Lessee is granted the right to use, free of cost, gas, oil, and water found on or under the Lands, for all of Lessee's operations, except water from Lessor's wells. When required by Lessor, Lessee will bury its pipelines crossing those portions of the Lands that are under cultivation below ordinary plow depth, and pay for damages caused by its operations to growing crops on the Lands. No well shall be drilled nearer than 200 feet to any house or barn located on the Lands on the Effective Date without the written consent of Lessoe. Lessee has the right at any time during or after the expiration of this Lesse, to remove all machinery, fixtures, buildings, and other structures placed on the Lands, including the right to draw and remove all casing.
- 7. If the catate of either party is assigned, the privilege of assigning in whole or in part being expressly allowed, the terms of this Lease shall extend to the party's heirs, devisces, executors, administrators, successors, and assigns. No change of ownership in the Lands, Rentals or royallies, or any sum due, or the depository address of Lessor, under this Lease shall be binding on the Lessee until 60 days after it has been furnished with written notice of the change accompanied by the original recorded instrument or certified copy of the conveyance, a certified copy of the Will and probate proceedings of any decreased owner, or a certified copy of the proceedings showing the appointment of an administrator of the estate of any decreased owner, whichever its appropriate, together with all recorded instruments of conveyance or extilled copies necessary to show a complete chain of title to the interest claimed. All advanced payment of Rentals made before the end of the 60-day period following Lessee's receipt of documents shall be binding on any direct or indirect assignce, grantee, devisee, administrator, executor, or heir of Lessor.
- 8. No change or division in the ownership of the Lands, Rentals, or royalties, however accomplished, shall enlarge the obligation or diminish the rights of the Lessee. In the event of an assignment in whole or in part by Lessee, the liability for breach of any obligation of this Lesse shall rest exclusively on the owner of the portion of the Lesse committing the breach. Lessee has no obligation to offset wells on separate traits into which the Lands may be divided by sale, devise, descent or otherwise, or to furnish separate measuring devices or tanks. If this Lesse is assigned as to a segregated part or parts of the Lends and the holders or owners of any part is in default in the payment of the proportionate part of the Rentals due, the default shall not operate to affect this Lesse insofar as it covers a part of the Lands on which Lessee or any other assignee makes timely payment of Rentals. If six or more parties become entitled to royalty payments, Lessee may withhold payment until furnished with a recordable instrument executed by all the parties designating an agent to receive payment of royalties for all the parties.
- 9. Lessor warrants and agrees to defend title to the Lands and agrees 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 Lands. If Lessee exercises this option it shall be subrogated to the rights of any holder or holders of the liens or claims and may reimburse itself by applying to the amounts paid to discharge any mortgage, tax or other lien, any royalty, shut-in royalty, or Rentals accruing to the account of
- 10. If Lessee commences operations for drilling at any time while this Lesse is in force, this Lesse shall remain in force and its terms shall continue so long as those operations are prosecuted. If production results from the operations, the Lesse shall remain in effect as long as production continues.
- 11. If, during the Primary Term, production on the Lands ceases from any cause, this Lease shall not terminate provided operations for the drilling of a well are commenced before or on the next crawing Rental Paying Date; or, Lessee begins or resumes the payment of Rentals in the manner and amount provided in paragraph 5 above. If after the expiration of the Primary Term, production on the Lands ceases from any cause, this Lease shall not terminate provided Lessee resumes operations for drilling a well or commences reworking operations on a well within one hundred and eighty (180) days from the date of cessation of production. This Lesse shall remain in force during the prosecution of the operations and, if production results or resumes, as long as production continues.

K610125

- 12. At any time Lessee may surrender this Lesse in whole or in part by delivering or mailing a release to the Lessor, or by placing the release of record in the county where the Lands are located. If the Lesse is surrendered on only a portion of the Lands, all payments and liabilities that acrue as to the released portion of the Lands shall cease and any subsequent Rentals that may be paid may be apportioned on an acreage basis. As to the portion of the Lands not released, the terms and provisions of this Lesse shall continue and remain in full force and effect for all purposes.
- 13. All provisions of this Lease, express or implied, shall be subject to all federal and state laws and the orders, rules, or regulations of all governmental agencies administering them. This Lease shall not in any way be terminated in whole or in part, nor shall Leasee be liable in damages for failure to comply with any of the express or implied provisions of this Lease if the failure results from any such laws, orders, rules or regulations. If Leasee is prevented from drilling a well during the last six months of the Primary Term by the order of any constituted authority having jurisdiction, or if Leasee is unable during that period to drill a well due to the unavailability of necessary equipment, the Primary Term of this Lease shall continue for six months after the order is suspended and/or the equipment is available. Lessee shall pay Rentals during this extended time.
- 14. Lessee, at its option, is granted the right and power to voluntarily pool, unitize, or combine all or any portion of the Lands as to oil and/or gas, with any other adjacent lends, or leases, when in Lessee's judgment it is necessary or advisable to do so in order to properly develop and operate the Lease, or to obtain the maximum production allowable for any well. Unless larger units are permitted, pooling may be in units not exceeding forty (40) seres for an oil well plus a tolerance of 10%, and 640 acres for a gas well plus a tolerance of 10%. Larger units may be created to conform to any spacing or well unit pattern that may be prescribed by governmental authorities. Lessee or Lessee's gent, shall record in the county where the Lands are located an instrument identifying the unit and describing the pooled acreage. All acreage pooled into a unit shall be treated for all purposes, except the payment of royalities, as if it were included in this Lesse. Drilling or reworking operations, production of oil, gas, or othe hydrocarbons, or the completion of a well as a shut-in gas well shall be considered for all purposes, except the payment of royalities, as if the operations were on, the production from, or the completion were on the Lands, whether or not the well or wells use located on the Lands actually covered by this Lesse. In flue of the royalty provided in this Lesse, including shut-in gas royalties, Lesser shall receive from a unit only that portion of the royalty provided for in this Lesse, as that portion of the Lands placed in the unit, or bears to the total amount of acreage included in a Unit.

This Lease and all its terms, covenants, and conditions shall extend to and be binding on all successors grantees and assigns of Lessor and Lessoe.

This Lease is executed by Lessor as of the date of the acknowledgment of Lesso stated above.	r's signature, but shall be deemed effective for all purposes as of the Effective Date
Rurt E. Bucholtz	Mayaret M. Bucholtz
Acknowledgment For Individual	
STATE OF Kansas	
COUNTY OF Cheyenne	
Before me, the undersigned, a Notary Public, within and	I for said county and state, on this 5th day of
June , 20 03, personally appeared Kurt Margaret M. Bucholtz, husband and w	
to me personally known to be the identical person(s) who execut	ed the within and foregoing instrument and acknowledged
to me that they executed the same as their free and	• •
set forth. IN WITNESS WHEREOF, I have hereunto set my hand	d and official seal the day and year last above written.
My commission expires 8/06/06 Jan G. Foster	Mary Public
Acknowledgment For Corporation	NOTARY PUBLIC
STATE OF MY	STATE OF KANSAS JOHN G. FOSTER APPT. EXPIRES <u>S-06-0</u> (
COUNTY OF	· · · · · · · · · · · · · · · · · · ·
	, 20, before me, the undersigned, a
Notary Public, duly commissioned, in and for the county of	and State of
came	president of
a corporation of the State of, per person who executed as such officer the foregoing instrument or acknowledged the execution of the same for himself and for sain	rsonally known to me to be such officer, and to be the same f writing in behalf of said corporation, and he duly d corporation for the uses and purposes therein set forth.
IN WITNESS WHEREOF, I have hereunto set my har	nd and official seal the day and year last above written.
My commission expires	Notary Public

Ks/Neb/Colo Producers Form 88 - Paid Up

OIL AND GAS LEASE

This Oil and Gas Lease (th	o "Lease") is datedJui	ne 5, 2003,	(the "Effective Date"). The parties to this Leas	e are
Clover Kay Loc	kard and David	l Lee Workman	n, wife and husband	
	····			
		·		,
as Lessor (whether one or more), who	e address is	ich Drive SE	, Olympia, Washington 9	8513
and J. Fred Hambright, Inc., as Less	ce, whose address is, 125 N. Ma	ket, #1415, Wichita, KS 6	57202.	
this Lease, Lessor grants, leases, and lei other lands or leases for the purpose of saving oil, gas, and other hydrocarbon necessary or convenient for the econom Sherman located in	s exclusively to Lessee, the lands carrying on geological, geophysic, and for constructing roads, layin ical operation of the Lands alone, Kans	described below (the "Lands") ral, or other exploration work, ug pipelines, building tanks, st or with adjacent lands, and to p 3 & 8	f which Lessor acknowledges, and Lessee's covenants an with the right to unitize, pool, or combine all or part of core deilling and the drilling, mining, and operating for, oring vil, building power stations, telephone lines, and produce, save, and take care of the oil and gas produced d are described as follows:	this Lease with producing, and
Fach tract is treated			orth below.	
Township 6 Sou				
Section 6: Tra	ct #2 NE/4	(160 acres (160 acres	₅)	÷
√Section 8: Tra	ct #3 NW/4	(160 acres	3)	
'the Lease'', ''leasehold'', e treated for all puipos	or any similar tem es as a separate ard e to each separate Tr wering separate Trac	s, each of the sep distinct Lease, act and be constru	ntained in this Lease such as "the ertely designated Tracts to this I All of the provisions contained in ed as if a separate Lease Agreement main more or less.	ease shall this
2. This Leaso sh	all remain in force for a primary to	rm of five (5) years (the "Prin	nary Term") from the Effective Date and as long thereaft	er as oil, gas, or

- 2. This Lease shall remain in force for a primary term of five (5) years (the "Primary Term") from the Effective Date and as long thereafter as oil, gas, or other hydrocarbons are, or can be produced from the Lands. On or before five (5) years from the Effective Date, if this Lease is not obterwise continued in force, Lessee, at its option may automatically renow this lease, and extend the Primary Term for an additional five (5) years from the rent from the Effective Date, Lessee tenders consideration to Lessor, in the amount equivalent to the initial bonus payment (per net mineral acre) as to the lands covered by this lease.
- 3. The royalities to be paid by Lessee are: (a) on oil and other liquid hydrocarbons, one-cighth (1/8th) of that produced and saved from said land, the same to be delivered at the wells, or to the credit of Lessor into the pipelina to which the wells may be connected, Lessee may from time to time purchase any royalty oil in its possession, paying the market price therefore prevailing for the field where produced on the date of purchase; (b) on gas and the constituents thereof produced from said land and sold or used off the premises or in the manufacture of products therefrom will be paid after deducting from such toyalty Lessor's proportionate amount of all post-production costs, including but not limited to gross production and severance taxes, gathering and transportation costs from the wellhead to the wells, the royalty shall be one-eighth (1/8th) of the net proceeds realized from such sale, after deducting from such royalty Lessor's proportionate amount of all post-production costs, including but not limited to gross production and severance taxes, gathering and transportation costs from the wellhead to the wellhead to the string, compression, and processing. On product sold at the well, the royalty shall be one-eighth (1/8th) of the net proceeds realized from such sale, after deducting from such royalty Lessor's proportionate amount of all of the above post-production costs and expenses, if any. Where there is a gas well or wells on the Lands such sale, after deducting from such royalty Lessor's proportionate amount of all of the above post-production costs and expenses, if any. Where there is a gas well or wells on the Lands such sale, after deducting from such royalty are to the Lands applied of keeping this Lease in force under any of its terms or provisions, Lessee may as royalty to Lessor (and if within the Primary Term such payment shall be in lieu of delay rentally the sum of 1.00 per year par are of the Lands then subject to this Lease (the shart only payly). Payments being made this Lesse s
- 4. If at any time prior to the discovery of oil or gas or other hydrocarbons on the Lands, and during the Primary Term, Lessee drills a dry hole or holes on the Lands, this Lesses shall not terminate, provided operations for the drilling of a well shall be commenced by the next ensuing Rental Paying Date, or Lessee begins or resumes the payment of Rentals.
- 5. If Lessor owns a lesser interest in the Lands than the entire and undivided fee simple estate in the minerals, any royalty and Rentals which may be due or payable shall be paid to Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee. Lessee's failure to proportionately reduce Rentals shall have no effect on the right to reduce royalties to correspond with Lessor's actual interest in the mineral estate in the Lands.
- 6. Lessee is granted the right to use, free of cost, gas, oil, and water found on or under the Lands, for all of Lessee's operations, except water from Lessor's wells. When required by Lessor, Lessee will bury its pipelines crossing those portions of the Lands that are under cultivation below ordinary plow depth, and pay for damages caused by its operations to growing crops on the Lands. No well shall be drilled nearer than 200 feet to any house or barn located on the Lands on the Bifective Date without the written consent of Lessor. Lessee has the right at any time during or after the expiration of this Lesse, to remove all machinery, fixtures, buildings, and other structures placed on the Lands, including the right to draw and remove all casing.
- 7. If the estate of either party is assigned, the privilege of assigning in whole or in part being expressly allowed, the terms of this Lease shall extend to the party's beirs, devisees, executors, administrators, successors, and assigns. No change of ownership in the Lands, Rentals or royalties, or any sum due, or the depository address of Lessor, under this Lease shall be binding on the Lessee until 60 days after it has been furnished with written notice of the change accompanied by the original recorded instrument or certified copy of the conveyance, a certified copy of the Will and proble proceedings of any decessed owner, or a certified copy of the proceedings showing the appointment of an administrator of the estate of any decessed owner, whichever is appropriate, together with all recorded instruments of conveyance or extilled copies necessary to show a complete chain of title to the interest claimed. All advanced payment of Rentals made before the end of the 60-day period following Lessee's receipt of documents shall be binding on any direct or indirect assignee, grantee, devisee, administrator, executor, or heir of Lessor.
- 8. No change or division in the ownership of the Lands, Rentals, or royalties, however accomplished, shall enlarge the obligation or diminish the rights of the Lessee. In the event of an assignment in whole or in part by Lessee, the liability for breach of any obligation of this Lesse shall rest exclusively on the owner of the portion of the Lesse committing the breach. Lessee has no obligation to offset wells on separate tracts into thick the Lands may be divided by sele, devise, descent or otherwise, or to furnish separate measuring devices or tanks. If this Lesse is assigned as to a segregated part or parts of the Lands and the holders or owners of any part is in default in the payment of the Rentals due, the default shall not operate to affect this Lesse insofar as it covers a part of the Lands on which Lessee or any other assignce makes limely payment of Rentals. If six or more parties become entitled to royalty payments, Lessee may withhold payment until furnished with a recordable instrument executed by all the parties designating an agent to receive payment of royalties for all the parties.
- 9. Lessor warrants and agrees to defend tille to the Lands and agrees Lessee, at its option, may pay and discharge in whole or in part any taxes, mortgages or other liens existing, levited or assessed on or against the Lands. If Lessee exercises this option it shall be subrogated to the rights of any holder or holders of the liens or claims and may reimburse itself by applying to the amounts paid to discharge any mortgage, tax or other lien, any royalty, shut-in toyalty, or Rentels accruing to the account of
- 10. If Lessee commences operations for drilling at any time while this Lesse is in force, this Lesse shall remain in force and its terms shall continue so long as those operations are prosecuted. If production results from the operations, the Lesse shall remain in effect as long as production continues.
- 11. If, during the Primary Term, production on the Lands ceases from any cause, this Lease shall not terminate provided operations for the drilling of a well are commenced before or on the next ensuing Rental Paying Date; or, Lessee begins or resumes the payment of Rentals in the manner and amount provided in paragraph 5 above. If after the expiration of the Primary Term, production on the Lands ceases from any cause, this Lease shall not terminate provided Lessee resumes operations for drilling a well or commences reworking operations on a well within one hundred and eighty (180) days from the date of cessation of production. This Lesse shall remain in force during the prosecution of the operations and, if production results or resumes, as long as production continues.

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12. At any time Lessee may surrender this Lesse in whole or in part by delivering or mailing a release to the Lessor, or by placing the release of record in the county where the Lands are located. If the Lesse is surrendered on only a portion of the Lands, all payments and liabilities that accrue as to the released portion of the Lands shall cease and any subsequent Rentals that may be paid may be apportioned on an acreage basis. As to the portion of the Lands not released, the terms and provisions of this Lesse shall continue and remain in full force and effect for all purposes.

13. All provisions of this Lesse, express or implied, shall be subject to all federal and state laws and the orders, rules, or regulations of all governmental agencies administering them. This Lesse shall not in any way be terminated in whole or in part, nor shall Lessee be liable in damages for failure to comply with any of the express or implied provisions of this Lesse if the failure results from any such laws, orders, rules or regulations. If Lessee is prevented from drilling a well during the last six months of the Primary Term by the order of any constituted authority having jurisdiction, or if Lessee is unable during that period to drill a well due to the unavailability of necessary equipment, the Primary Term of this Lessee shall continue for six months after the order is suspended and/or the equipment is available. Lessee shall pay Rentals during this extended time.

14. Lessee, at its option, is granted the right and power to voluntarily pool, unitize, or combine all or any portion of the Lands as to oil and/or gas, with any other adjacent lands, or leases, when in Lessee's judgment it is necessary or advisable to do so in order to properly develop and operate the Lesse, or to obtain the maximum production allowable for any well. Unless larger units are permitted, pooling may be in units not exceeding forty (40) scress for an oil well plus a tolerance of 10%, and 640 acres for a gas well plus a tolerance of 10%. Larger units may be created to conform to any specific or well unit pattern that may be prescribed by governmental sutherities. Lessee or Lessee's agent, shall record in the county where the Lands are located an instrument identifying the unit and describing the pooled acreage. All acreage pooled into a unit shall be treated for all purposes, except the payment of royellies, as if it were included in this Lesse. Drilling or reworking operations, production of oil, gas, or othe hydrocarbons, or the completion of a well as a shut-in gas well shall be considered for all purposes, except the payment of royellies, as if the operations were on, the production from, or the completion were on the Lands, whether or not the well or well are located on the Lands actually covered by this Lesse. In lieu of the royalty provided in this Lesse, including shut-in gas royelites, Lesses shall receive from a unit only that portion of the royalty provided for in this Lesse, as that portion of the Lands placed in the unit, or bears to the total amount of acreage included in a Unit.

This Lease and all its terms, covenants, and conditions shall extend to and be binding on all successors grantees and assigns of Leasor and Lessee.

This Lease is executed by Lessor as of the date of the acknowledgment of Lessor's signature, but shall be deemed effective for all purposes as of the Effective Date stated above

Lessor
Sover Kay Soaberl Fand fee Worlaman
Clover Kay Lockhard Lockard Col David Lee Workman Touth
Acknowledgment For Individual STATE OF Washington COUNTY OF Thurston STATE OF Thurston STATE OF Washington Area State Of Deeds Register of Deeds Register of Deeds Advoctory And State Of Washington Microfilm Register of Deeds And State Of Washington And State Of Washington And State Of Washington And State Of Deeds Advoctory And State Of Washington And State Of Deeds And State Of Management For Individual STATE OF Washington And State Of Management For Individual STATE OF Washington And State Of Washington And State Of Management For Individual And State Of Managem
June ,2003, personally appeared Clover Kay Lockard and
David Lee Workman, wife and husband
to me personally known to be the identical person(s) who executed the within and foregoing instrument and acknowledged
to me that <u>they</u> executed the same as <u>their</u> free and 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.
My commission expires 2.29-04 Wolfary Public O. SSION E. T.
Acknowledgment For Corporation B. David Platt
STATE OF PUBLIC
COUNTY OF
Be it remembered that on this day of, 20, before me, the undersigned, a
Notary Public, duly commissioned, in and for the county of and State of
came,president of
a corporation of the State of, personally known to me to be such officer, and to be the same person who executed as such officer the foregoing instrument of writing in behalf of said corporation, and he duly 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 the day and year last above written.
My commission expires Notary Public