



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

KANSAS CORPORATION COMMISSION 1050589
 OIL & GAS CONSERVATION DIVISION

Form C-1
 March 2010

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

NOTICE OF INTENT TO DRILL

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

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

Expected Spud Date: _____
 month day year

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

CONTRACTOR: License# _____
 Name: _____

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

Operator: _____
 Well Name: _____
 Original Completion Date: _____ Original Total Depth: _____

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

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

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

County: _____
 Lease Name: _____ Well #: _____
 Field Name: _____
 Is this a Prorated / Spaced Field? Yes No
 Target Formation(s): _____
 Nearest Lease or unit boundary line (in footage): _____
 Ground Surface Elevation: _____ feet MSL
 Water well within one-quarter mile: Yes No
 Public water supply well within one mile: Yes No
 Depth to bottom of fresh water: _____
 Depth to bottom of usable water: _____
 Surface Pipe by Alternate: I II
 Length of Surface Pipe Planned to be set: _____
 Length of Conductor Pipe (if any): _____
 Projected Total Depth: _____
 Formation at Total Depth: _____
 Water Source for Drilling Operations:
 Well Farm Pond Other: _____
 DWR Permit #: _____
 (Note: Apply for Permit with DWR)
 Will Cores be taken? Yes No
 If Yes, proposed zone: _____

AFFIDAVIT

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

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

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

Submitted Electronically

<p>For KCC Use ONLY</p> <p>API # 15 - _____</p> <p>Conductor pipe required _____ feet</p> <p>Minimum surface pipe required _____ feet per ALT. <input type="checkbox"/> I <input type="checkbox"/> II</p> <p>Approved by: _____</p> <p>This authorization expires: _____ (This authorization void if drilling not started within 12 months of approval date.)</p> <p>Spud date: _____ Agent: _____</p>

Remember to:

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

Well will not be drilled or Permit Expired Date: _____
 Signature of Operator or Agent: _____

E
 W



1050589

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

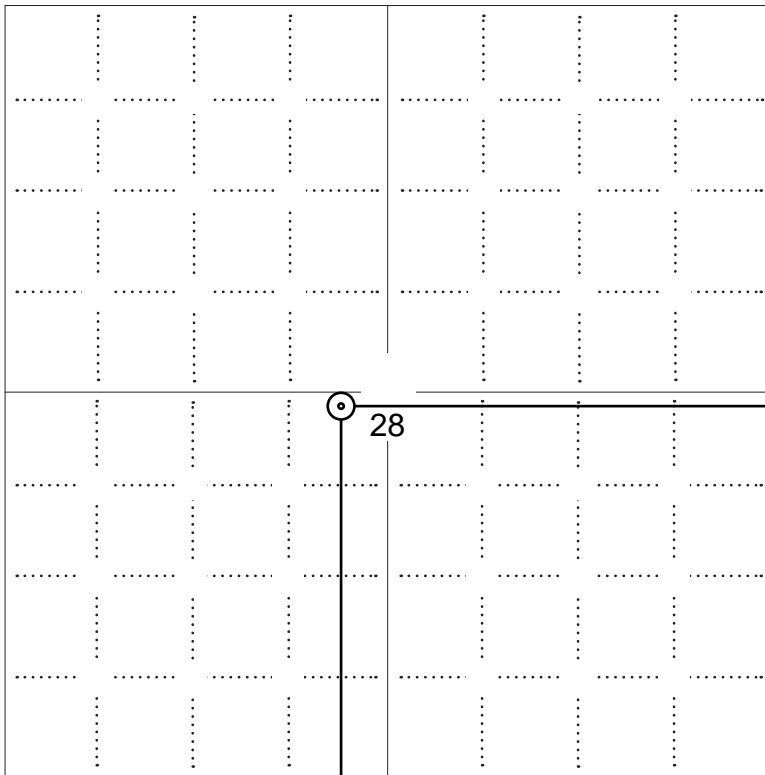
Is Section: Regular or Irregular

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

Section corner used: NE NW SE SW

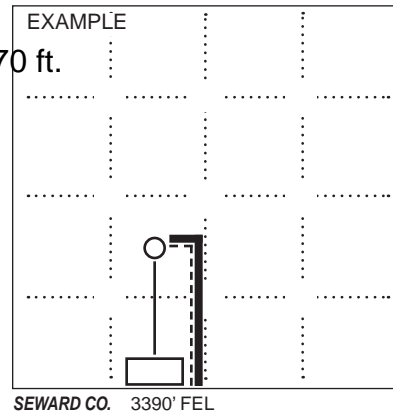
PLAT

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.

2539 ft.

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

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



KANSAS CORPORATION COMMISSION 1050589
OIL & GAS CONSERVATION DIVISION

Form CDP-1
May 2010
Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

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

KCC OFFICE USE ONLY

Liner Steel Pit RFAC RFAS

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



CERTIFICATION OF COMPLIANCE WITH THE KANSAS SURFACE OWNER NOTIFICATION ACT

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

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

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

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

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

Surface Owner Information:

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

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

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

Select one of the following:

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

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

I Submitted Electronically

I

MID-CONTINENT ENERGY OPERATING COMPANY
 STROH LEASE
 SW.1/4, SECTION 28, T4S, R42W
 CHEYENNE COUNTY, KANSAS

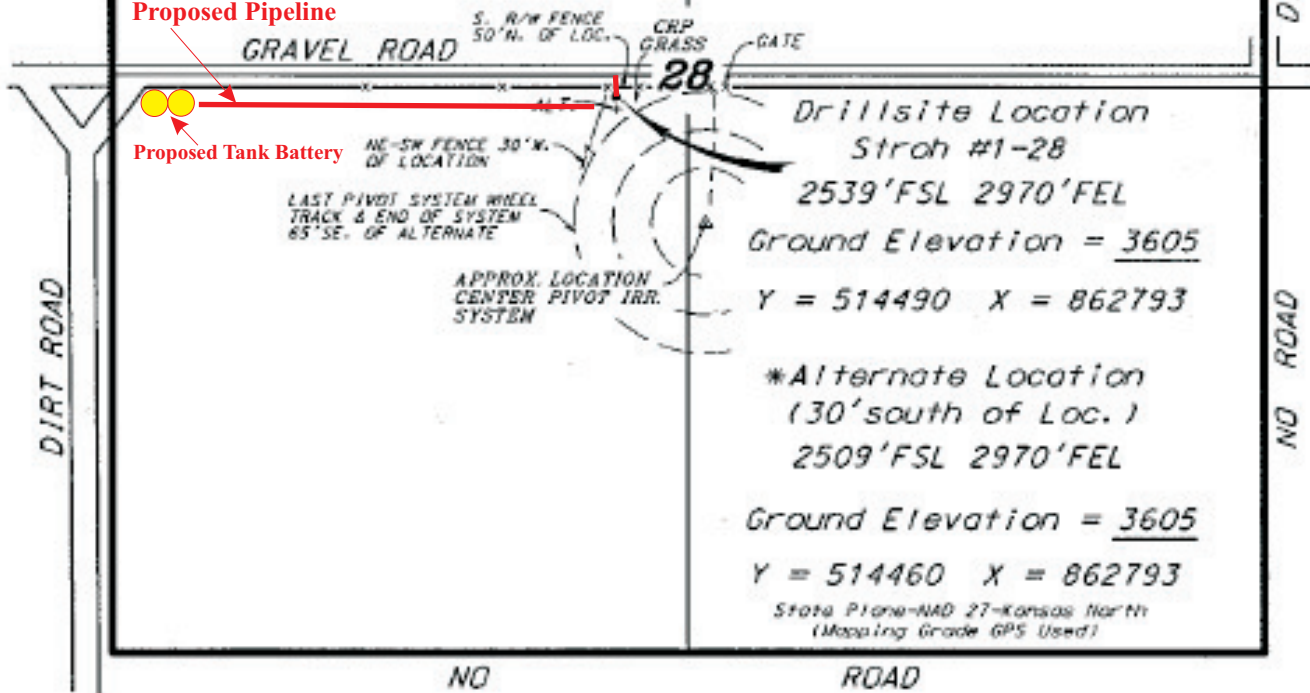
NO ROAD

Notes:

1. Set iron rod at location site.
2. All flagging Red & Yellow.
3. Overhead power available at E. line, Sec.28.
4. Kansas One Call System Inc. should be notified before excavation (1-800-344-7233).
5. CAUTION: Various pipelines in Sec.28.
6. Contact landowner for best access.
7. Location fell 50' south of a E-W road r/w fence and 30' east of a NE-SW fence, set alternate 30' south per instructions.

Proposed Pipeline

Proposed Tank Battery



NO ROAD



Mid-Continent Energy
 Operating Company

Cheyenne Project Area
 SurveyPlat

Stroh #1-28

Section 28 T4S - R42W

Cheyenne County, Kansas

100 West 5th, Suite 450, Tulsa, Oklahoma 74103
 (918) 587-6363 Fax (918) 592-0843

OIL AND GAS LEASE

THIS AGREEMENT, is made and entered into the 16th day of September, 2005, by and between Stron Farms, Inc., whose address is 5924 CR. QQ, Itala, CO 80235, hereinafter called Lessor (whether one or more) and LONETREE ENERGY & ASSOCIATES, LLC whose address is 950 17th Street, Suite 2000A, Denver, Colorado 80202, hereinafter called Lessee:

1. For and in consideration of—TEN AND MORE—DOLLARS (\$10.00 AND MORE) in hand paid, receipt of which is hereby acknowledged, and of the agreements of Lessee hereinafter set forth, Lessor hereby grants, demises, leases, and lets exclusively unto said Lessee the lands hereinafter described for the purpose of prospecting, exploring by geophysical and other methods, drilling, mining, operating for and producing oil or gas, or both, including, but not as a limitation, casinghead gas, casinghead gasoline, gas-condensate (distillate) and any substance, whether similar or dissimilar, produced in a gaseous state, together with the right to construct and maintain pipe lines, telephone and electric lines, tanks, power stations, ponds, roadways, plants, equipment, and structures thereon to produce, save and take care of said oil and gas, and the exclusive right to inject air, gas, water, brine and other fluids from any source into the subsurface strata and any and all other rights and privileges necessary, incident to, or convenient for the economical operation of said land, alone or conjointly with neighboring land, for the production, saving and taking care of oil and gas and the injection of air, gas, water, brine, and other fluids into the subsurface strata, said lands being situated in the County of Cheyenne, State of Kansas, and being described as follows, to-wit:

TOWNSHIP 4 SOUTH, RANGE 42 WEST, 6th P.M.

- ✓ Section 21: SW/4SW/4, SE/4
- ✓ Section 22: SW/4
- ✓ Section 28: NE/4, NW/4, E/2SW/4
- ✓ Section 29: Lots 1(9.78) & 2(8.86)

SEE EXHIBIT A ATTACHED HERETO AND MADE A PART HEREOF

it being the purpose and intent of Lessor to lease, and Lessor does hereby lease, all of the lands of interest in lands owned by Lessor which adjoin the lands above described of which lie in the section or sections herein specified. For all purposes of this lease, said lands shall be deemed to contain 778.64 acres.

2. Subject to the other provisions herein contained, this lease shall remain in force for a term of FIVE (5) years from this date (herein called "primary term") and as long thereafter as oil and gas, or either of them, is produced from the above described land or lands pooled therewith or drilling operations are continuously prosecuted as hereinafter provided. "Drilling operations" includes operations for the drilling a new well, the reworking, deepening or plugging back of a well or hole or other operations conducted in an effort to obtain or re-establish production of oil or gas; and drilling operations shall be considered to be "continuously prosecuted" if not more than 90 days shall elapse between the completion or abandonment of one well or hole and the commencement of drilling operations on another well or hole. If, at the expiration of the primary term of this lease, oil or gas is not being produced from the above described land but Lessee is then engaged in drilling operations, this lease shall continue in force so long as drilling operations are continuously prosecuted; and if production of oil or gas results from any such drilling operations, this lease shall continue in force so long as oil or gas shall be produced. If, after the expiration of the primary term of this lease, production from the above described land should cease, this lease shall not terminate if Lessee is then prosecuting drilling operations, or within 90 days after each such cessation of production commences drilling operations, and this lease shall remain in force so long as such operations are continuously prosecuted, and if production results therefrom, then as long thereafter as oil or gas is produced from the above described land.

3. Lessee shall deliver free of cost to Lessor, into the pipeline or storage tanks to which the wells may be connected, one-eighth (1/8) of all oil and other liquid hydrocarbons produced and saved from the leased premises, or, at Lessee's option, to pay to Lessor for such oil one-eighth (1/8) of the amount received by Lessee for all oil and other liquid hydrocarbons produced and saved from the lease premises.

4. Lessee shall pay to Lessor for gas, gas condensate, gas distillate, casinghead gas and all other gases, including their constituent parts, produced from the lease premises and sold or produced from said lands and used off the lease premises or in the manufacture of other products, a sum equal to one-eighth (1/8th) of the net proceeds received by Lessee from the sale of such produced substances where the same is sold at the mouth of the well or, if not sold at the mouth of the well, then one-eighth (1/8th) of the market value thereof at the mouth of the well, but in no event more than one-eighth (1/8th) of the actual amount received by Lessee for the sale thereof. Without limiting the foregoing, it is expressly agreed the Lessee shall at all times have the right to charge the Lessor's royalty share of gas produced hereunder, with a proportionate share of the costs, if any, of gathering, compression, transportation, dehydration and any other costs incurred for the delivery and transportation of such gas to the point of delivery to the first purchaser of such production, and all applicable production, severance and other taxes.

5. If a well capable of producing gas or gas and gas-condensate in paying quantities located on the leased premises (or on acreage pooled or consolidated with all or a portion of the leased premises into a unit for the drilling or operation of such well) is at any time shut in and no gas or gas-condensate therefrom is sold or used off the premises or for the manufacture of gasoline or other products then, notwithstanding any other provision to the contrary, such shut-in well shall be deemed to be a well on the leased premises producing gas in paying quantities and this lease will continue in force during all of the time or times while such well is so shut in, whether before or after the expiration of the primary term hereof. Lessee shall be obligated to pay or tender to Lessor within 45 days after the expiration of each period of one year in length (annual period) during which such well is so shut in, as royalty, an amount equal to one hundred dollars (\$100.00), provided that, if gas or gas-condensate from such well is sold or used as aforesaid before the end of any such annual period, or if at the end of any such annual period, this lease is being maintained in force and effect otherwise than by reason of such shut-in well, Lessee shall not be obligated to pay or tender, for that particular annual period, said sum of money. Such payment shall be deemed a royalty under all provisions of this lease. Royalty ownership as of the last day of each such annual period as shown by Lessee's records shall govern the determination of the party or parties entitled to receive payment.

6. If the interest Lessor owns in the land covered by this lease is less than the entire and undivided fee simple mineral estate therein, then whether or not such lesser interest is referred to or described herein, all royalties herein provided shall be paid to Lessor only in the proportion which his interest bears to the whole and undivided mineral fee.

7. If the estate of either party hereto is assigned or sublet, and the privilege of assigning or subletting in whole or in part is expressly allowed, the express and implied covenants hereof shall extend to the sublessees, successors and assigns of the parties; and in the event of an assignment or subletting by Lessee, Lessee shall be relieved and discharged as to the leasehold rights so assigned or sublet from any liability to Lessor thereafter accruing upon any of the covenants or conditions of this lease, either express or implied. No change in the ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee or require separate measuring or installation of separate tanks by Lessee. Notwithstanding any actual or constructive knowledge of or notice to Lessee, no change in ownership of said land or of the right to receive rentals or royalties hereunder, or of any interest therein, whether by reason of death, conveyance or any other matter, shall be binding on Lessee (except at Lessee's option in any particular case) until 90 days after Lessee has been furnished written notice thereof, and the supporting information hereinafter referred to, by the party claiming as a result of such change in ownership or interest. Such notice shall be supported by original or certified copies of all documents and other instruments or proceedings necessary in Lessee's opinion to establish the ownership of the claiming party.

8. Lessee may, at any time, execute and deliver to Lessor or place of record a release covering all or any part of the acreage embraced in the leased premises or covering any one or more zones, formations or depths underlying all or any part of such acreage, and thereupon shall be relieved of all obligations thereafter to accrue with respect to the acreage, zones, formations or depths covered by such release.

9. Lessee is granted the right, from time to time while this lease is in force, to pool into a separate operating unit or units all or any part of the land covered by this lease with other land, lease or leases, or interests therein (whether such other interests are pooled by a voluntary agreement on the part of the owners thereof or by the exercise of a right to pool by the Lesseees thereof) when in Lessee's judgment it is necessary or advisable in order to promote conservation, to properly develop or operate the land and interests to be pooled, or to obtain a multiple production allowable from any governmental agency having control over such matters. Any pooling hereunder may cover all oil and gas, or any one or more of the substances covered by this lease, and may cover one or more or all zones or formations underlying all or any portion or portions of the leased premises. Any unit formed by such pooling shall be of abutting or cornering tracts and shall not exceed 640 acres (plus a tolerance of 10%) for gas and gas-condensate and shall not exceed 40 acres (plus a tolerance of 10%) for any other substances covered by this lease; provided that if any governmental regulation or order shall prescribe a spacing pattern for the development of a field wherein the above described land, or a portion thereof, is located, or allocate a producing allowable based on acreage per well, then any such unit may embrace as much additional acreage as may be so prescribed or as may be permitted in such allocation of allowable. The area pooled and the zones or formations and substances pooled shall be set forth by Lessee in a "declaration of pooling" filed for record in the county or counties in which the pooled area is located. Such pooling shall be effective on the date such declaration is filed unless a later effective date is specified in such declaration. In lieu of the royalties elsewhere herein specified, except shut-in gas well royalties, Lessor shall be paid on pooled substances produced from any unit in the proportion, but only in the proportion, that Lessor's acreage interest

in the land covered by this lease and placed in the unit bears to the total acreage in the land placed in such unit. Nothing herein contained shall authorize or effect any transfer of any title to any leasehold, royalty or other interest pooled pursuant hereto. The commencement of a well, the conducting of other drilling operations, the completion of a well or of a dry hole, or the operation of a producing well on the pooled area, shall be considered for all purposes (except for royalty purposes) the same as if said well were located on, or such drilling operations were conducted upon, the lands covered by this lease whether or not such well is located upon, or such drilling operations are conducted upon, said lands. Lessee may terminate any pooling effected pursuant hereto at any time the pooled unit is not producing and no drilling operations are being conducted thereon by executing and filing of record in the county or counties in which the pooled area is located a written declaration of the termination of such pooling, provided that the pooling of all interests not covered by this lease which comprise a part of such pooled unit be also terminated in some effective manner.

10. Lessee shall have the right to use, free of cost, oil, gas and water produced on said land for its operations thereon except water from wells of Lessor. 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. No part of the surface of the leased premises shall, without the written consent of Lessee, be let, granted or licensed by Lessor to any other party for the location, construction or maintenance of structures, tanks, pits, reservoirs, equipment, or machinery to be used for the purpose of exploring, developing or operating adjacent lands for oil, gas or other minerals.

11. Lessee shall bury below plow depth its pipe lines on the leased premises when requested by a Lessor owning an interest in the surface. No well shall be drilled nearer than 200 feet to any house or barn now on said premises without the written consent of the owner of the surface on which such house or barn is located. Lessee shall pay for damages to growing crops caused by its operations on said lands.

12. Lessor hereby warrants and agrees to defend the title to the lands herein described, but if the interest of Lessor covered by this lease is expressly stated to be less than the entire fee or mineral estate, Lessor's warranty shall be limited to the interest so stated. Lessee may purchase or lease the rights of any party claiming any interest in said land and exercise such rights as may be obtained thereby but Lessee shall not suffer any forfeiture nor incur any liability to Lessor by reason thereof. Lessee shall have the right at any time to pay for Lessor, any mortgage, taxes or other lien on said lands, in the event of default of payment by Lessor, and be subrogated to the rights of the holder thereof, and any such payments made by Lessee for Lessor may be deducted from any amounts of money which may become due Lessor under this lease.

13. All express provisions and implied covenants of this lease shall be subject to all applicable laws, governmental orders, rules and regulations. This lease shall not be terminated in whole or in part, nor Lessee held liable in damages, because of a temporary cessation of production or of drilling operations due to the breakdown of equipment or due to the repairing of a well or wells, or because of failure to comply with any of the express provisions or implied covenants of this lease if such failure is the result of the exercise of governmental authority, war, armed hostilities, lack of market, act of God, strike, civil disturbance, fire, explosion, flood or any other cause reasonably beyond the control of Lessee.

14. Breach by Lessee of any obligations hereunder shall not constitute a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby or be grounds for cancellation hereof in whole or in part. In the event Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have sixty (60) days after receipt of such notice in which to commence compliance with the obligations imposed by this lease.

15. This lease and all provisions thereof shall be applicable to and binding upon the parties and their respective successor and assigns. Reference herein to Lessor and Lessee shall include reference to their respective successors and assigns. Should any one or more of the parties named above as Lessor not execute this lease, it shall nevertheless be binding upon the party or parties executing same.

16. For the above consideration, Lessee is granted an option to renew this lease under the same terms and provisions for an additional three (3) years from the end of the primary term hereof, and as long thereafter as oil and gas is produced from said lands or lands pooled therewith. Lessee may exercise this option by paying to Lessor the sum of \$20.00 per net acre (as bonus and paid up rentals) prior to the expiration of said lease.

IN WITNESS WHEREOF, this lease is executed as of the day and year first above written.

Stroh Farms, Inc.

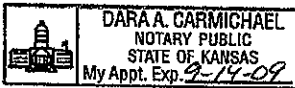
by: William M. Stroh
Title: Secy / Treas

STATE OF _____ }
COUNTY OF _____ } ss. Oklahoma, Kansas, New Mexico, Wyoming, Montana, Colorado, Utah, Nebraska, North Dakota, South Dakota
ACKNOWLEDGEMENT - INDIVIDUAL

On the 16th day of November, A.D. 2005, personally appeared before me William M. Stroh, the signers of the above instrument, who duly acknowledged to me that they executed the same. WITNESS my hand and official seal.

My commission expires: 9-14-09

Dara A. Carmichael
Notary Public
Residing at: St. Louis, MO



STATE OF _____ }
COUNTY OF _____ } ss. ACKNOWLEDGEMENT (For use by Corporation)

On the _____ day of _____, A.D. 20____, personally appeared before me _____, who being duly sworn, did say that he is the _____ of _____, a corporation, and that said instrument was signed in behalf of said corporation by authority of a resolution of its Board of Directors and said _____ acknowledged to me that said corporation executed same. WITNESS my hand and official seal.

My commission expires: _____
Notary Public

EXHIBIT A

ADDENDUM TO OIL AND GAS LEASE

Attached hereto and made a part hereof that certain Oil and Gas Lease dated the 16th day of September, 2005, by and between Stroh Farms, Inc. as LESSOR and LoneTree Energy & Associates, LLC, 950 17th Street, Suite 2000-A, Denver, CO 80202, as LESSEE, covering the following described lands to wit:

TOWNSHIP 4 SOUTH, RANGE 42 WEST, 6th P.M.

Section 21: SW/4SW/4, SE/4

Section 22: SW/4

Section 28: NE/4, NW/4, E/2SW/4

Section 29: Lots 1(9.78) & 2(8.86)

Containing 778.64 acres more or less.

1. Notwithstanding the provisions of this lease to the contrary, this lease shall terminate at the end of the primary term as to all of the leased land except those lands within a producing spacing unit prescribed by law or administrative authority on which is located a well producing or capable of producing oil or gas on which lessee is engaged in drilling or reworking operations. This lease shall not terminate so long as drilling or reworking operations are being continuously prosecuted if not more than one-hundred twenty (120) days shall lapse between the completion or abandonment of one well and the beginning operations for the drilling of another well.
2. Upon commencement of a drilling operation, Lessee agrees to remove and stockpile all topsoil for the purpose of site reclamation. At the end of each drilling operation, the Lessee shall proceed with reasonable diligence to restore the surface of the leased premises to as near its original condition as practicable, and shall pay Lessor in full for all damages to crops, livestock, land or improvements situated on the leased premises caused by Lessee's operations.
3. The parties shall mutually agree to the location of any roads or rights-of-way over and across the subject premises prior to the beginning of any construction.
4. Lessee agrees to build any facilities for the production of gas, oil or other minerals in such a manner as may be necessary so as to not interfere with the operation of a sprinkler, irrigation system, or any other type of irrigation.

SIGNED FOR ACKNOWLEDGEMENT:

Stroh Farms, Inc.

William M. Stroh
By:

Greg H. Treas
Title:

STATE OF KANSAS, CHEYENNE COUNTY
This instrument was filed for record on the
19th day of December, 2005
at 11:30 o'clock A.M. and recorded
in Book 146 Page 63-65
Greg H. Treas
Register of Deeds



OIL AND GAS LEASE

THIS AGREEMENT, is made and entered into the 20th day of September, 2005, by and between Royce Wiley and JoAnn Wiley, Trustees of the Royce Wiley Revocable Trust, dated 7-29-94 and the JoAnn Wiley Revocable Trust, dated 7-29-94 whose address is 225 Eldridge St., Burlington, CO 80807, hereinafter called Lessor (whether one or more) and LONETREE ENERGY & ASSOCIATES, LLC whose address is 950 17th Street, Suite 2000A, Denver, Colorado 80202, hereinafter called Lessee:

1. For and in consideration of ---TEN AND MORE---DOLLARS (\$10.00 AND MORE) in hand paid, receipt of which is hereby acknowledged, and of the agreements of Lessee hereinafter set forth, Lessor hereby grants, demises, leases, and lets exclusively unto said Lessee the lands hereinafter described for the purpose of prospecting, exploring by geophysical and other methods, drilling, mining, operating for and producing oil or gas, or both, including, but not as a limitation, casinghead gas, casinghead gasoline, gas-condensate (distillate) and any substance, whether similar or dissimilar, produced in a gaseous state, together with the right to construct and maintain pipe lines, telephone and electric lines, tanks, power stations, ponds, roadways, plants, equipment, and structures thereon to produce, save and take care of said oil and gas, and the exclusive right to inject air, gas, water, brine and other fluids from any source into the subsurface strata and any and all other rights and privileges necessary, incident to, or convenient for the economical operation of said land, alone or conjointly with neighboring land, for the production, saving and taking care of oil and gas and the injection of air, gas, water, brine, and other fluids into the subsurface strata, said lands being situated in the County of Cheyenne, State of Kansas, and being described as follows, to-wit:

TOWNSHIP 4 SOUTH, RANGE 42 WEST, 6th P.M.

- ✓ Section 21: SW/4SW/4, SE/4
- ✓ Section 22: SW/4
- ✓ Section 28: NE/4, NW/4, E/2SW/4
- ✓ Section 29: Lots 1(9.78) & 2(8.86)

SEE EXHIBIT A ATTACHED HERETO AND MADE A PART HEREOF

it being the purpose and intent of Lessor to lease, and Lessor does hereby lease, all of the lands or interests in lands owned by Lessor which adjoin the lands above described or which lie in the section or sections herein specified. For all purposes of this lease, said lands shall be deemed to contain 778.64 acres.

2. Subject to the other provisions herein contained, this lease shall remain in force for a term of FIVE (5) years from this date (herein called "primary term") and as long thereafter as oil and gas, or either of them, is produced from the above described land or lands pooled therewith or drilling operations are continuously prosecuted as hereinafter provided. "Drilling operations" includes operations for the drilling of a new well, the reworking, deepening or plugging back of a well or hole or other operations conducted in an effort to obtain or re-establish production of oil or gas; and drilling operations shall be considered to be "continuously prosecuted" if not more than 90 days shall elapse between the completion or abandonment of one well or hole and the commencement of drilling operations on another well or hole. If, at the expiration of the primary term of this lease, oil or gas is not being produced from the above described land but Lessee is then engaged in drilling operations, this lease shall continue in force so long as drilling operations are continuously prosecuted; and if production of oil or gas results from any such drilling operations, this lease shall continue in force so long as oil or gas shall be produced. If, after the expiration of the primary term of this lease, production from the above described land should cease, this lease shall not terminate if Lessee is then prosecuting drilling operations, or within 90 days after each such cessation of production commences drilling operations, and this lease shall remain in force so long as such operations are continuously prosecuted, and if production results therefrom, then as long thereafter as oil or gas is produced from the above described land.

3. Lessee shall deliver free of cost to Lessor, into the pipeline or storage tanks to which the wells may be connected, one-eighth (1/8) of all oil and other liquid hydrocarbons produced and saved from the leased premises, or, at Lessee's option, to pay to Lessor for such oil one-eighth (1/8) of the amount received by Lessee for all oil and other liquid hydrocarbons produced and saved from the lease premises.

4. Lessee shall pay to Lessor for gas, gas condensate, gas distillate, casinghead gas and all other gases, including their constituent parts, produced from the lease premises and sold or produced from said lands and used off the lease premises or in the manufacture of other products, a sum equal to one-eighth (1/8th) of the net proceeds received by Lessee from the sale of such produced substances where the same is sold at the mouth of the well or, if not sold at the mouth of the well, then one-eighth (1/8th) of the market value thereof at the mouth of the well, but in no event more than one-eighth (1/8th) of the actual amount received by Lessee for the sale thereof. Without limiting the foregoing, it is expressly agreed the Lessee shall at all times have the right to charge the Lessor's royalty share of gas produced hereunder, with a proportionate share of the costs, if any, of gathering, compression, transportation, dehydration and any other costs incurred for the delivery and transportation of such gas to the point of delivery to the first purchaser of such production, and all applicable production, severance and other taxes.

5. If a well capable of producing gas or gas and gas-condensate in paying quantities located on the leased premises (or on acreage pooled or consolidated with all or a portion of the leased premises into a unit for the drilling or operation of such well) is at any time shut in and no gas or gas-condensate therefrom is sold or used off the premises or for the manufacture of gasoline or other products then, notwithstanding any other provision to the contrary, such shut-in well shall be deemed to be a well on the leased premises producing gas in paying quantities and this lease will continue in force during all of the time or times while such well is so shut in, whether before or after the expiration of the primary term hereof. Lessee shall be obligated to pay or tender to Lessor within 45 days after the expiration of each period of one year in length (annual period) during which such well is so shut in, as royalty, an amount equal to one hundred dollars (\$100.00), provided that, if gas or gas-condensate from such well is sold or used as aforesaid before the end of any such annual period, or if at the end of any such annual period, this lease is being maintained in force and effect otherwise than by reason of such shut-in well, Lessee shall not be obligated to pay or tender, for that particular annual period, said sum of money. Such payment shall be deemed a royalty under all provisions of this lease. Royalty ownership as of the last day of each such annual period as shown by Lessee's records shall govern the determination of the party or parties entitled to receive payment.

6. If the interest Lessor owns in the land covered by this lease is less than the entire and undivided fee simple mineral estate therein, then whether or not such lesser interest is referred to or described herein, all royalties herein provided shall be paid to Lessor only in the proportion which his interest bears to the whole and undivided mineral fee.

7. If the estate of either party hereto is assigned or sublet, and the privilege of assigning or subletting in whole or in part is expressly allowed, the express and implied covenants hereof shall extend to the sublessees, successors and assigns of the parties; and in the event of an assignment or subletting by Lessee, Lessee shall be relieved and discharged as to the leasehold rights so assigned or sublet from any liability to Lessor thereafter accruing upon any of the covenants or conditions of this lease, either express or implied. No change in the ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee or require separate measuring or installation of separate tanks by Lessee. Notwithstanding any actual or constructive knowledge of or notice to Lessee, no change in ownership of said land or of the right to receive rentals or royalties hereunder, or of any interest therein, whether by reason of death, conveyance or any other matter, shall be binding on Lessee (except at Lessee's option in any particular case) until 90 days after Lessee has been furnished written notice thereof, and the supporting information hereinafter referred to, by the party claiming as a result of such change in ownership or interest. Such notice shall be supported by original or certified copies of all documents and other instruments or proceedings necessary in Lessee's opinion to establish the ownership of the claiming party.

8. Lessee may, at any time, execute and deliver to Lessor or place of record a release covering all or any part of the acreage embraced in the leased premises or covering any one or more zones, formations or depths underlying all or any part of such acreage, and thereupon shall be relieved of all obligations thereafter to accrue with respect to the acreage, zones, formations or depths covered by such release.

9. Lessee is granted the right, from time to time while this lease is in force, to pool into a separate operating unit or units all or any part of the land covered by this lease with other land, lease or leases, or interests therein (whether such other interests are pooled by a voluntary agreement on the part of the owners thereof or by the exercise of a right to pool by the Lessee(s) thereof) when in Lessee's judgment it is necessary or advisable in order to promote conservation, to properly develop or operate the land and interests to be pooled, or to obtain a multiple production allowable from any governmental agency having control over such matters. Any pooling hereunder may cover all oil and gas, or any one or more of the substances covered by this lease, and may cover one or more or all zones or formations underlying all or any portion or portions of the leased premises. Any unit formed by such pooling shall be of abutting or cornering tracts and shall not exceed 640 acres (plus a tolerance of 10%) for gas and gas-condensate and shall not exceed 40 acres (plus a tolerance of 10%) for any other substances covered by this lease; provided that if any governmental regulation or order shall prescribe a spacing pattern for the development of a field wherein the above described land, or a portion thereof, is located, or allocate a producing allowable based on acreage per well, then any such unit may embrace as much additional acreage as may be so prescribed or as may be permitted in such allocation of allowable. The area pooled and the zones or formations and substances pooled shall be set forth by Lessee in a "declaration of pooling" filed for record in the county or counties in which the pooled area is located. Such pooling shall be effective on the date such declaration is filed unless a later effective date is specified in such declaration. In lieu of the royalties elsewhere herein specified,

EXHIBIT A

ADDENDUM TO OIL AND GAS LEASE

Attached hereto and made a part hereof that certain Oil and Gas Lease dated the 16th day of September, 2005, by and between Royce Wiley and JoAnn Wiley, Trustees of the Royce Wiley Revocable Trust, dated 7-29-94 and the JoAnn Wiley Revocable Trust, dated 7-29-94 as LESSOR and LoneTree Energy & Associates, LLC, 950 17th Street, Suite 2000-A, Denver, CO 80202, as LESSEE, covering the following described lands to wit:

Township 4 South, Range 42 West, 6th P.M.

Section 21: SW/4SW/4, SE/4

Section 22: SW/4

Section 28: NE/4, NW/4, E/2SW/4

Section 29: Lots 1 (9.78) & 2 (8.86)

Containing 778.64 acres more or less.

1. Notwithstanding the provisions of this lease to the contrary, this lease shall terminate at the end of the primary term as to all of the leased land except those lands within a producing spacing unit prescribed by law or administrative authority on which is located a well producing or capable of producing oil or gas on which lessee is engaged in drilling or reworking operations. This lease shall not terminate so long as drilling or reworking operations are being continuously prosecuted if not more than one-hundred twenty (120) days shall lapse between the completion or abandonment of one well and the beginning operations for the drilling of another well.
2. Upon commencement of a drilling operation, Lessee agrees to remove and stockpile all topsoil for the purpose of site reclamation. At the end of each drilling operation, the Lessee shall proceed with reasonable diligence to restore the surface of the leased premises to as near its original condition as practicable, and shall pay Lessor in full for all damages to crops, livestock, land or improvements situated on the leased premises caused by Lessee's operations.
3. The parties shall mutually agree to the location of any roads or rights-of-way over and across the subject premises prior to the beginning of any construction.
4. Lessee agrees to build any facilities for the production of gas, oil or other minerals in such a manner as may be necessary so as to not interfere with the operation of a sprinkler, irrigation system, or any other type of irrigation.

SIGNED FOR ACKNOWLEDGEMENT:

Royce W. Wiley

Royce Wiley, Trustee of the Royce Wiley Revocable Trust, dated 7-29-94 and
Trustee of the JoAnn Wiley Revocable Trust, dated 7-29-94

JoAnn Wiley

JoAnn Wiley, Trustee of the Royce Wiley Revocable Trust, dated 7-29-94 and
Trustee of the JoAnn Wiley Revocable Trust, dated 7-29-94

STATE OF KANSAS, CHEYENNE COUNTY

This instrument was filed for record on the

19th day of December 2005

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

in Book 146 Page 69-71

[Signature]
Register of Deeds



STATE OF KANSAS §
COUNTY OF CHEYENNE §

NOTICE OF LEASE EXTENSION

KNOW ALL MEN BY THESE PRESENTS:

Notice is hereby given to the Public that the primary term of the following oil and gas lease has been extended pursuant to the provisions contained therein:

Oil and Gas Lease (the "Lease") dated September 16, 2005, recorded in Cheyenne County, Kansas, at Book 146, Page 69, executed by Royce Wiley and JoAnn Wiley, Trustees of the Royce Wiley Revocable Trust, dated 7-29-94 and the Joann Wiley Revocable Trust, dated 7-29-94, as the Lessor, in favor of Lonetree Energy & Associates, LLC, as Lessee; insofar as it covered the following described lands:

T04S, R42W
SEC. 21: SW/4 SW/4, SE/4
SEC. 22: SW/4
SEC. 28: NE/4, NW/4, E/2 SW/4
SEC. 29: LOTS 1 (9.78), & 2 (8.86) (ada ALL)
CHEYENNE COUNTY, KANSAS
CONTAINING 778.04 GROSS ACRES MORE OR LESS

Rosewood Resources, Inc. ("Lessee") is the successor in interest to Lonetree Energy & Associates, LLC. We have affirmatively exercised our exclusive and irrevocable option to renew and extend said Lease for an additional primary term of three (3) years (from September 16, 2010 through September 16, 2013) under the terms and conditions set forth in said Lease, by tendering to the Lessor the agreed upon payment amount stipulated as consideration for any such extension for the following lands (the "Lands"):

T04S, R42W
✓ SEC. 21: SW/4 SW/4, SE/4
✓ SEC. 28: NE/4, NW/4, E/2 SW/4
✓ SEC. 29: LOTS 1 (9.78), & 2 (8.86) (ada ALL)
CHEYENNE COUNTY, KANSAS
CONTAINING 618.04 GROSS ACRES MORE OR LESS

All members of the Public are further notified that said Oil and Gas Lease is renewed, and continues to be in full force and effect; and the covenants contained therein are binding upon the Lessor, Lessee, and their respective heirs, executors, successors and assigns.

EXECUTED as of this 11th day of May, 2010.

LESSEE:
ROSEWOOD RESOURCES, INC

REGISTER OF DEEDS, CHEYENNE COUNTY, KANSAS MARY M. MORROW
Book: 157 Page: 241
Recording Fee: \$8.00
Date Recorded: 5/17/2010 11:30:06 AM

Gary Taraba
Gary Taraba
Vice President and General Counsel

Mary M. Morrow



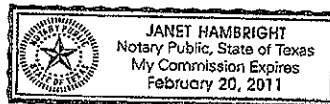
ACKNOWLEDGEMENT

STATE OF TEXAS §
COUNTY OF DALLAS §

This instrument was acknowledged before me on this 11th day of May, 2010, by GARY TARABA, Vice President and General Counsel of ROSEWOOD RESOURCES, INC., a Delaware corporation, on behalf of said corporation.

My Commission Expires:
2-20-2011

Janet Hambright
Notary Public



STATE OF KANSAS
COUNTY OF CHEYENNE

Mary M. Morrow



PARTIAL RELEASE OF OIL AND GAS LEASES

ROSEWOOD RESOURCES, INC., with an address of 2101 Cedar Springs Road, Suite 1500, Dallas, Texas 75201, does hereby release, relinquish and surrender all of its right, title, and interest in the Oil and Gas Leases (the Leases) located in Cheyenne County, Kansas that is described below.

LEASE NO.: KS2 /887-0189-01-B
LEASE DATE: September 16, 2005
LESSOR: Stroh Farms, Inc.
LESSEE: Lonetree Energy & Assoc., LLC
RECORDED: Book 146, Page 63

DESCRIPTION: ONLY INsofar AS LEASE COVERS THE FOLLOWING LANDS:
 Township 04 South, Range 42 West, 6th P.M.
Section 22: SW/4 (160 acres, more or less).

LEASE NO.: KS2 /887-0189-02-B
LEASE DATE: September 20, 2005
LESSOR: Royce Wiley and JoAnn Wiley, Trustees of the Royce Wiley Revocable Trust, dated 7-29-94 and the JoAnn Wiley Revocable Trust, dated 7-29-94
LESSEE: Lonetree Energy & Assoc., LLC
RECORDED: Book 146, Page 69

DESCRIPTION: ONLY INsofar AS LEASE COVERS THE FOLLOWING LANDS:
Township 04 South, Range 42 West, 6th P.M.
Section 22: SW/4 (160 acres, more or less).

The undersigned expressly reserve all right, title and interest in and to the Leases insofar as to all of the following remaining lease lands (618.04 acres, more or less):

Township 04 South, Range 42 West, 6th P.M.
Section 21: SW/4 SW/4
Section 28: NE/4, NW/4, E/2 SW/4
Section 29: Lots 1 (9.78) & 2 (8.86) (ada ALL)

DATED this 11th day of May, 2010.

ROSEWOOD RESOURCES, INC.

By: *Gary Taraba*
// Gary Taraba, Vice President

STATE OF TEXAS
COUNTY OF DALLAS

This instrument was acknowledged before me on this 11th day of May, 2010, by GARY TARABA, Vice President of ROSEWOOD RESOURCES, INC., a Delaware corporation, on behalf of said corporation.

Janet Hambright
Notary Public In and For the State of Texas

My Commission Expires: 2-20-2011

