

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

	(5) days prior to commencing well Surface Owner Notification Act, MUST be submitted with this form.
Expected Spud Date:	Spot Description:
month day year	Sec Twp S. R E W
OPERATOR 1' "	(Q/Q/Q/Q) feet from N / S Line of Section
OPERATOR: License#	feet from E / W Line of Section
Name:Address 1:	Is SECTION: Regular Irregular?
Address 2:	
City: State: Zip: +	(Note: Locate well on the Section Plat on reverse side)
Contact Person:	County:
Phone:	Lease Name: Well #:
CONTRACTOR: License#	Field Name:
Name:	Is this a Prorated / Spaced Field?
Name.	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 MSL
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 I II
II OVVVO. Old Well IIIIOITIation 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 Depth:	Formation at Total Depth:
Directional, Deviated or Horizontal wellbore?	Water Source for Drilling Operations:
	Well Farm Pond Other:
If Yes, true vertical depth:	DWR Permit #:
KCC DKT #:	(Note: Apply for Permit with DWR)
	Will Cores be taken? Yes No
	If Yes, proposed zone:
AFI	FIDAVIT
The undersigned hereby affirms that the drilling, completion and eventual plu	gging of this well will comply with K.S.A. 55 et. seq.
It is agreed that the following minimum requirements will be met:	
 Notify the appropriate district office <i>prior</i> to spudding of well; A copy of the approved notice of intent to drill <i>shall be</i> posted on each 	5 5 .
The minimum amount of surface pipe as specified below shall be set through all unconsolidated materials plus a minimum of 20 feet into th	
4. If the well is dry hole, an agreement between the operator and the dis	
5. The appropriate district office will be notified before well is either plugg	, , , , , , , , , , , , , , , , , , , ,
6. If an ALTERNATE II COMPLETION, production pipe shall be cemente	
	33,891-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.
Note with a different and a aller	
Submitted Electronically	
For KCC Use ONLY	Remember to:
	- File Certification of Compliance with the Kansas Surface Owner Notification
API # 15	Act (KSONA-1) with Intent to Drill;
Conductor pipe requiredfeet	- File Drill Pit Application (form CDP-1) with Intent to Drill;
Minimum surface pipe requiredfeet per ALT. I	 File Completion Form ACO-1 within 120 days of spud date; File acreage attribution plat according to field proration orders;
Approved by:	Notify appropriate district office 48 hours prior to workover or re-entry;
/ ipprovod by	- Submit plugging report (CP-4) after plugging is completed (within 60 days);
The second section of the sect	- Subitilit plugging report (CF -4) after plugging is completed (within 60 days).
This authorization expires:(This authorization void if drilling not started within 12 months of approval date.)	- Obtain written approval before disposing or injecting salt water.

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

Agent:

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:		



_ feet from

SEWARD CO. 3390' FEL

S Line of Section

For KCC Use ONLY	
API # 15	

Operator: _

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.

Location of Well: County: __

Well Number:	
Field:	SecTwpS. R L E L W
Number of Acres attributable to well:	is section. Thedulal of Tifedulal
	If Section is Irregular, locate well from nearest corner boundary.
	Section corner used: NE NW SE SW
	PLAT
	est lease or unit boundary line. Show the predicted locations of
	s required by the Kansas Surface Owner Notice Act (House Bill 2032).
You may attach	a separate plat if desired.
: : : :	: :
	LEGEND
	·
	O Well Location
	Tank Battery Location ———————————————————————————————————
: : : :	: : : Electric Line Location
	Lease Road Location
	•
	EXAMPLE
34	
	1980' FSL
00 ft. –	i i i i i i i i i i i i i i i i i i i
: : : :	
	· · · · · · · · · · · · · · · · · · ·

1050 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.

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

- 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

052440

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) Is the pit located in a Sensitive Ground Water A	Pit is: Proposed If Existing, date cor Pit capacity: rea? Yes Artificial Liner?	Existing instructed: (bbls)	SecTwp R East West Feet from North / South Line of Section Feet from East / West Line of Section County County Chloride concentration: mg/l
Yes No		lo	·
Pit dimensions (all but working pits): Depth fro	Length (fee		
If the pit is lined give a brief description of the line material, thickness and installation procedure.			dures for periodic maintenance and determining scluding any special monitoring.
Distance to nearest water well within one-mile of	of pit:	Depth to shallo Source of infor	west fresh water feet. nation:
feet Depth of water well	feet	measured	well owner electric log KDWR
Emergency, Settling and Burn Pits ONLY:		Drilling, Work	ver and Haul-Off Pits ONLY:
Producing Formation:		Type of materia	l utilized in drilling/workover:
Number of producing wells on lease:		Number of worl	king pits to be utilized:
Barrels of fluid produced daily:		Abandonment p	procedure:
Does the slope from the tank battery allow all splow into the pit? Yes No	pilled fluids to	Drill pits must b	e closed within 365 days of spud date.
Submitted Electronically			
	KCC	OFFICE USE O	NLY Liner Steel Pit RFAC RFAS
Date Received: Permit Numl	her:	Parmi	t Date: Lease Inspection: Yes No



Kansas Corporation Commission Oil & Gas Conservation Division

1052440

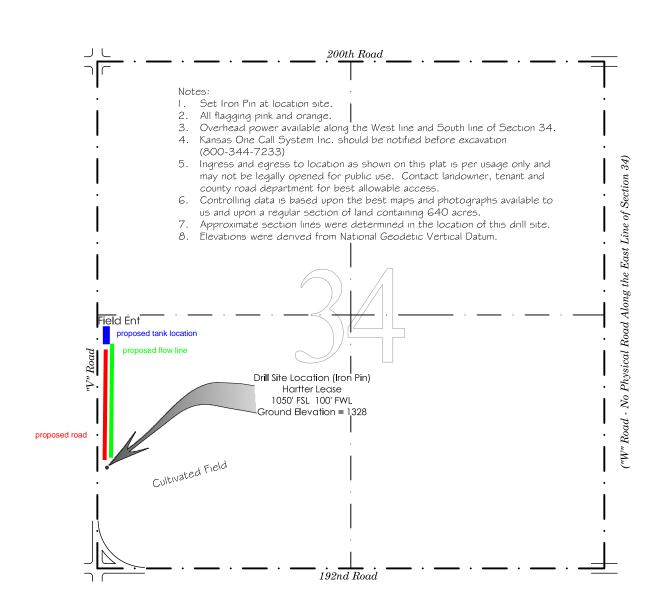
Form KSONA-1
July 2010
Form Must Be Typed
Form must be Signed
All blanks must be Filled

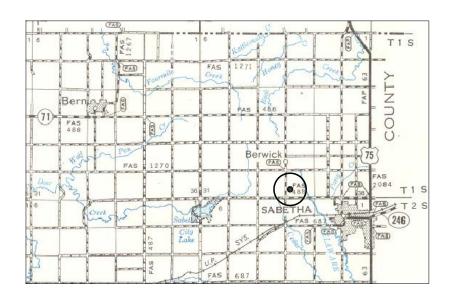
CERTIFICATION OF COMPLIANCE WITH THE KANSAS SURFACE OWNER NOTIFICATION ACT

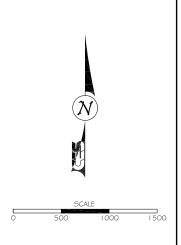
This form must be submitted with all Forms C-1 (Notice of Intent to Drill); CB-1 (Cathodic Protection Borehole Intent); T-1 (Request for Change of Operator Transfer of Injection or Surface Pit Permit); and CP-1 (Well Plugging Application).

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

Select the corresponding form being filed: C-1 (Intent) CB-1 (C	Cathodic Protection Borehole Intent)
OPERATOR: License #	Well Location:
Name:	SecTwpS. R
Address 1:	County:
Address 2:	Lease Name: Well #:
City: State: Zip:+	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: State: Zip:+	
the KCC with a plat showing the predicted locations of lease roads, tank	dic Protection Borehole Intent), you must supply the surface owners and 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 Adowner(s) of the land upon which the subject well is or will be lo CP-1 that I am filing in connection with this form; 2) if the form b form; and 3) my operator name, address, phone number, fax, are	ct (House Bill 2032), I have provided the following to the surface potential: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form the being filed is a Form C-1 or Form CB-1, the plat(s) required by this end email address. 1) cknowledge that, because I have not provided this information, the
KCC will be required to send this information to the surface ow	ner(s). To mitigate the additional cost of the KCC performing this fee, payable to the KCC, which is enclosed with this form.
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-1	fee with this form. If the fee is not received with this form, the KSONA-1 1 will be returned.
Submitted Electronically	







Date: 3/10/11

WO# 101727

Dtl'd. By: ngr Ck'd. By: rap



Kinney Oil Company Hartter Lease SW/4 Section 34-T1S-R14E Nemaha County, Kansas LL88-1 Form 88 (Producers) 1983 . Kans. – Okla. – Colo. DAS-082707: Paid-Up

OIL AND GAS LEASE

THIS AGREEMENT, Entered into this 20 th day of September 20	10
David D. Hartter and Beth R. Hartter, Trustees under the Hartter Family Living Trust dated February 22, 2007	
2225 192 nd Road, Sabetha, Kansas 66534 hereinafter called le	essor,
And Kinney Oil Company - 1401 17th Street, Suite 870, Denver, Colorado 80202 hereinafter called lessee, does with	ness:
1. That lessor, for and in consideration of the sum of *** Ten & More *** Dollars in hand paid and of the cover and agreements hereinafter contained to be performed by the lessee, has this day granted, leased, and let and by these presents does hereby grant, lease, and let exclusively unto the less hereinafter described land, with any reversionary rights therein, and with the right to unitize this lease or any part thereof with other oil and gas leases as to all or any part of the lands covered the hereinafter provided, for the purpose of carrying on geological, geophysical and other exploratory work thereon, including core drilling and the drilling and operating for, producing and saving all o gas, gas condensate, gas distillate, casinghead gasoline and their respective constituent vapors, and all other gases, found thereon, the exclusive right or injecting water, brine, and other flux substances into the surface strata, and for constructing roads, laying pipe lines, building tanks, storing oil, building power stations, electrical lines and other structures thereon necessary or convet the economical operation of said land alone or conjointly with neighboring lands, to produce, save, take care of, and manufacture all of such substances, and the injection of water, brine, and substances into the subsurface strata, said tract of land being situated in the County of Nemaha. State of Kansas and described as for the subsurface strata, said tract of land being situated in the County of Nemaha.	see the ereby as f the oil, aids and nient for d other
Township 1 South, Range 14 East, 6 th P.M. Section 34: SW/4	
containing 160 acres, more or less.	
2. This lease shall remain in force for a term of	y of the
3. The lessee shall deliver to lessor as royalty, free of cost, on the lease, or into the pipe line to which lessee may connect its wells the equal one-eighth part of all oil produced and saved leased premises, or at the lessee's option may pay to the lessor for such one-eighth royalty the market price at the wellhead for oil of like grade and gravity prevailing on the day such oil is run into line or into storage tanks.	
4. The lessee shall pay to the lessor, as a royalty, one-eighth (1/8 th) of the proceeds received by the lessee from the sale of gas, gas condensate, gas distillate, casinghead gas, gas user manufacture of gasoline or any other product, and all other gases, including their constituent parts, produced from the land herein leased. If such gas is not sold by the lessee lessee may pay of annually at or before the end of each yearly period during which such gas is not sold, as a shut-in royalty, whether one or more wells, an amount equal to the delay rental provided in paragraph 5 and while said shut-in royalty is so paid or tendered, it will be considered under all provisions of this lease that gas is being produced in paying quantities. The first yearly period during which such not sold shall begin on the date the first well is completed for production of gas.	r tender hereof,
5. This lease is a Paid-Up lease and may be maintained during the primary term without further payments or drilling operations.	
6. In the event said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein then the royalties herein provided for shall be paid to sai only in the proportion which his interest bears to the whole and undivided fee; however, in the event the title to any interest in said land should revert to lessor, or his heirs, or his or their grantee, the shall cover such reversion.	
7. The lessee shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from existing wells of the lessor. When required by lessee shall bury its pipe lines below plow depth and shall pay for damage caused by its operations to growing crops on said land. No well shall be drilled nearer than 200 feet to the house or barn said premises without written consent of the lessor. Lessee shall have the right at any time during, or after the expiration of this lease to remove all machinery, fixtures, houses, buildings, are structures placed on said premises, including the right to draw and remove all casing.	now on
8. If the estate of either party hereto is assigned (and the privilege of assigning in whole or in part is expressly allowed), the covenants hereof shall extend to the heirs, devisees, ex administrators, successors, and assigns, but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of and no change of ownership in the land or in the royalties or any sum due under this lease shall be binding on the lessee until it has been furnished with either the original recorded instru conveyance or a duly certified copy thereof, or a certified copy of the will of any deceased owner and of the probate thereof, or certified copy of the proceedings showing appointment of an admit for the estate of any deceased owner, whichever is appropriate, together with all original recorded instruments of conveyance or duly certified copies thereof necessary in showing a complete chait back to lessor of the full interest claimed, and all advance payments of rentals made hereunder before receipt of said documents shall be binding on any direct or indirect assignee, grantee, deviadministrator, executor, or heir of lessor.	lessee, ment of nistrator n of title
9. If the leased premises are now or shall hereafter be owned in severalty or in separate tracts, the premises may nonetheless be developed and operated as one lease, and all royalties a hereunder shall be divided among and paid to such separate owners in the proportion that the acreage owned by each separate owner bears to the entire leased acreage. There shall be no oblig the part of the lessee to offset wells on separate tracts into which the land covered by this lease may now or hereafter be divided by sale, devise, descent or otherwise, or to furnish separate meas receiving tanks.	ation on
10. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the lessee, at its option, may pay and discharge in whole or in part any taxes, mortgother liens existing, levied, or assessed on or against the above described lands and, in event it exercises such options it shall be subrogated to the rights of any holder or holders thereof a reimburse itself by applying to the discharge of any such mortgage, tax or other lien, any royalty accruing hereunder.	
11. If after the expiration of the primary term, production of oil or gas should cease from any cause, this lease shall not terminate if lessee commences additional drilling or reworking op within one hundred-twenty (120) days thereafter, or if at the expiration of the primary term, oil or gas is not being produced on said land, but lessee is then engaged in drilling or reworking op thereon, then in either event, this lease shall remain in force so long as operations are prosecuted either on the same well or any other well thereafter commenced, with no cessation of more the hundred-twenty (120) consecutive days, and if they result in the production of oil or gas, this lease shall remain in effect so long thereafter as there is production of oil or gas under any provision lease.	erations nan one
12. Lessee may at any time surrender or cancel this lease in whole or in part by delivering or mailing such release to the lessor, or by placing same of record in the proper county. In call lease is surrendered and canceled as to only a portion of the acreage covered thereby, then all payments and liabilities thereafter accruing under the terms of said lease as to the portion cancel cease and determine, but as to the portion of the acreage not released the terms and provisions of this lease shall continue and remain in full force and effect for all purposes.	
13. All provisions hereof, express or implied, shall be subject to all federal and state laws and the orders, rules, or regulations (and interpretations thereof) of all governmental a administering the same, and this lease shall not be in any way terminated wholly or partially nor shall the lessee be liable in damages for failure to comply with any of the express or implied preferred if such failure accords with any such laws, orders, rules or regulations (or interpretations thereof). If lessee should be prevented during the last six months of the primary term hereof from well hereunder by the order of any constituted authority having jurisdiction there over, the primary term of this lease shall continue until six months after said order is suspended.	ovisions
14. Lessee, at its option, is hereby given the right and power to pool or combine into one or more units the land covered by this lease, or any portion thereof, with other land covered by lease, or leases when, in lessee's judgment, it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of such mineral under said land, such pooling to be in a unit or units not exceeding 40 acres each in the event of an oil well, or into a unit not exceeding 640 acres each in the event of a gas and/or conded distillate well, plus a tolerance of ten percent (10%) to conform to Governmental Survey quarter sections. Lessee shall execute in writing and file for record in the county in which the land is situinstrument identifying and describing the pooled acreage. The entire acreage so pooled into a unit or units shall be treated for all purposes, except the payments of royalties on production from the unit, as if it were included in this lease. If production is found on any part of the pooled acreage it shall be treated as if production is had from this lease whether any well is located on the land covernments. Any well drilled on any such unit shall be and constitute a well hereunder. In lieu of the royalties elsewhere herein specified lessor shall receive on production from the unit so only such portion of the royalty stipulated herein as the amount of his net royalty interest therein on an acreage basis bears to the total mineral acreage so pooled in the particular unit involved.	s in and nsate or lated an pooled rered by
15. TOP LEASING: If at any time within the primary term of this lease or during the time this lease is in effect, Lessor receives any bona fide offer from any third party, acceptable to Le grant an additional lease (top lease) covering all or any part of the leased premises described above, Lessee or its assigns shall have the continuing option to acquire such top lease by meeting a offer. Any offer must be in writing and must set forth the proposed Lessee's name, including the client name if purchased through an independent broker, bonus consideration and royalty conside be paid for such lease, and include a copy of the Lease form to be utilized, which form should reflect all pertinent and relevant terms and conditions of the proposed top lease. Lessee, or its assign have thirty (30) days after receipt from Lessor of the information required herein, to meet any such bona fide offer and enter into an oil and gas lease of equivalent terms and conditions. If Lesse assigns, fails to notify Lessor within the aforesaid time period of its election to meet the bona fide offer, Lessor shall have the right to accept the third party's offer.	ny such ration to ns, shall
16. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors of said lessor and lessee.	
17. Lessee agrees to pay for damages caused by its operations on said land, and to restore the surface to its original contour as nearly as practicable upon completion of their operations.	
IN WITNESS WHEREOF, we sign the day and year first above written.	
Lease # 07-518	
David D. Hartter, Trustee Beth R. Hartter, Trustee Beth R. Hartter, Trustee	

LL88-1 Form 88 (producers) Rev. 1-83 Kans. - Okla. - Colo.

OIL AND GAS LEASE

THIS AGREEMENT, Entered into this 28th	10 vsn	ugust Lortscher b	usband and wife	
203 S. Was	hington, Sabe	tha, Kansas	66534	
nd KINNEY OIL COMPANY - 1401	*** Te	n & More ***	hereinafter ca	alled lessee, does witness:
nd agreements hereinafter contained to be performed by the	ne lessee, has this day gran	ted, leased, and let and by	these presents does hereby grant,	lease, and let exclusively
nto the lessee the hereinafter described land, with any revio all or any part of the lands covered thereby as hereinafte	r provided, for the purpose	of carrying on geological, ge	eophysical and other exploratory wo	rk thereon, including core
rilling and the drilling, mining, and operating for, producing apors, and all other gases, found thereon, the exclusive rig sying pipe lines, building tanks, storing oil, building power	tht of injecting water, brine, stations, electrical lines and	and other fluids and substa other structures thereon ne	ances into the subsurface strata, as ecessary or convenient for the eco	nd for constructing roads, nomical operation of said
and alone or conjointly with neighboring lands, to produce, not the subsurface strata, said tract of land being situated in the				
state of Kansas	, and described as foll	ows:		
*** See	Legal Descrip	tion on Rever	se ***	
ontaining 79				
This lease shall remain in force for a term of	Five (5)		rimary term") and as long thereafter	as oil, gas, casinghead gas.
asinghead gasoline or any of the products covered by this leas 3 The lessee shall deliver to lessor as royalty, free of cosuced and saved from the leased premises, or at the lesse	st, on the lease, or into the			
and gravity prevailing on the day such oil is run into the pipe line	e or into storage tanks.	J		·
4. The lessee shall pay to the lessor, as a royalty, one-eigas, gas used for the manufacture of gasoline or any other not sold by the lessee, lessee may pay or tender annually more wells, an amount equal to the delay rental provided in of this lease that gas is being produced in paying quantities.	product, and all other gase at or before the end of eac paragraph 5 hereof, and w	s, including their constituent th yearly period during which thile said shut-in royalty is so	parts, produced from the land her h such gas is not sold, as a shut-i o paid or tendered, it will be consi	ein leased. If such gas is n royalty, whether one or idered under all provisions
oroduction of gas. 5. If operations for the drilling of a well for oil or gas are not	commenced on said land on	or before the28th	day of August	19
his lease shall terminate as to both parties, unless the le $\frac{Farmers\ State\ Bank}{}$ which Bank and its successors are the lessor's agent and s	shall continue as the deposit	ank at Sabetha, lory of any and all sums pay	Kansas 66534 yable under this lease regardless of	changes of ownership in
said land or in the oil and gas or in the rentals to accrue hereun which shall operate as a rental and cover the privilege of	der, the sum of	nt of operations for drilling	79.00	Dollar
which shall operate as a rental and cover the privilege or ments or tenders the commencement of operations for drill essee or any assignee thereof, mailed or delivered on or t agreed that the consideration first recited herein, the down the lessee's option of extending that period as aforesaid an ment or tender of rentals in the manner above shall be binding	ng may further be deferred before the rental paying dat a payment, covers not only and any and all other rights of	for like periods successively, e, either direct to lessor or the privilege granted to the conferred. Notwithstanding th	. All payments or tenders may be a assigns or to said depository bank, date when said first rental is paya as death of the lessor or his succe	made by check or draft of and it is understood and able as aforesaid, but als
6. In the event said lessor owns a less interest in the abvided for shall be paid to said lessor only in the proportion should revert to lessor, or his heirs, or his or their granter niversary after written notice of such reversion by lessor to lessor.	which his interest bears to e, this lease shall cover suc	the whole and undivided fee th reversion, and rentals her	e; however, in the event the title t reunder shall be increased at the r	o any interest in said lar next succeeding rental a
7. The lessee shall have the right to use, free of cost, garequired by lessor, the lessee shall bury its pipe lines belowed nearer than 200 feet to the house or barn now on saiction of this lease to remove all machinery, fixtures, house or barn now on the contraction of this lease to remove all machinery.	v plow depth and shall pay d premises without written o	for damage caused by its op- consent of the lessor. Lesser	perations to growing crops on said e shall have the right at any time	land. No well shall be dr during, or after the expir
8. If the estate of either party hereto is assigned (and the visees, executors, administrators, successors, and assigns, I large the obligations or diminish the rights of lessee, and in the lessee until it has been furnished with either the origin owner and of the probate thereof, or certified copy of the riate, together with all original recorded instruments of conterest claimed, and all advance payments of rentals made administrator, executor, or heir of lessor.	but no change or division in o change of ownership in that al recorded instrument of co proceedings showing appo veyance or duly certified co	n ownership of the land, ren ne land or in the rentals or r priveyance or a duly certified intment of an administrator pies thereof necessary in sh	itals, or royalties, however accompl royalties or any sum due under this copy thereof, or a certified copy o for the estate of any deceased ov lowing a complete chain of title ba	ished, shall operate to els lease shall be binding of if the will of any decease wher, whichever is approj ck to lessor of the full i
9. If the leased premises are now or shall hereafter be dall royalties and rentals accruing hereunder shall be divided to the entire leased acreage. There shall be no obligation hereafter be divided by sale, devise, descent or otherwise signed as to a part or as to parts of the above described of the rent due from him or them, such default shall not on.	among and paid to such so on the part of the lessee to or to furnish separate me land and the holder or own	eparate owners in the propo o offset wells on separate t easuring or receiving tanks, er of any such part or parts	ortion that the acreage owned by e tracts into which the land covered It is hereby agreed that in the ev s shall make default in the paymen	each separate owner bea by this lease may now ent this lease shall be a t of the proportionate pa
hereof shall make due payment of said rentals. 10. Lessor hereby warrants and agrees to defend the title any taxes, mortgages, or other liens existing, levied, or ass	sessed on or against the ab	ove described lands and, in	event it exercises such options it	shall be subrogated to the
rights of any holder or holders thereof and may reimburse itsel 11. If at any time prior to discovery of oil or gas on said cease from any cause, this lease shall not terminate if less within the primary term) commences or resumes the paym the date of completion of the dry hole or cessation of proc gaged in drilling or reworking operations thereon, the leas	land, lessee should drill a disee commences additional dent or tender of rentals on duction. If at the expiration te shall remain in force so	dry hole or holes thereon, or rilling or reworking operation or before the rental payment of the primary term oil or ga long as operations are pros-	if after discovery of oil or gas the s within one hundred-twenty (120) t date next ensuing after the expira as is not being produced on said la ecuted either on the same well or	e production thereof should days thereafter or (if it batton of three months fround, but lessee is then er any other well thereafter.
commenced, with no cessation of more than one hundred- long thereafter as there is production of oil or gas under any pr 12. Lessee may at any time surrender or cancel this lease	rovision of this lease.			
county. In case said lease is surrendered and canceled as to of said lease as to the portion canceled shall cease and ca reage not released the terms and provisions of this lease shall	to only a portion of the acre letermine and any rentals th	eage covered thereby, then a nereafter paid may be appor	all payments and liabilities thereafte tioned on an acreage basis, but as	r accruing under the term
13. All provisions hereof, express or implied, shall be subjagencies administering the same, and this lease shall not to of the express or implied provisions hereof if such failure a ing the last six months of the primary term hereof from drease shall continue until six months after said order is suspen.	be in any way terminated w accords with any such laws, illing a well hereunder by the	holly or partially nor shall the orders, rules or regulations ne order of any constituted a	ne lessee be liable in damages for (or interpretations thereof). If lesses authority having jurisdiction thereove	failure to comply with an e should be prevented du
14. Lessee, at its option, is hereby given the right and pland covered by another lease, or leases when, in lessee's to promote the conservation of such minerals in and under unit or units not exceeding 640 acres each in the event of quarter sections. Lessee shall execute in writing and file for entire acreage so pooled into a unit or units shall be treathis lease. If production is found on any part of the pooles by this lease or not. Any well drilled on any such unit shall duction from the unit so pooled only such portion of the addition from the unit so pooled only such portion of the ad	power to pool or combine in judgment, it is necessary or said land, such pooling to a gas and/or condensate or record in the county in wited for all purposes, except acreage it shall be treated all be and constitute a well	nto one-or more units the later advisable to do so in order be in a unit or units not expending the later and the land is situated and the payments of royalties as if production is had from hereunder. In lieu of the ro	and covered by this lease, or any er to properly develop and operate xceeding 40 acres each in the eve ince of ten percent (10%) to confor instrument identifying and describing on production from the pooled uni m this lease whether any well is lease yalties elsewhere herein specified in yalties elsewhere herein specified	said lease premises so and of an oil well, or into me to Governmental Surving the pooled acreage. Tit, as if it were included cated on the land coverlessor shall receive on pressor shall receive o
eral acreage so pooled in the particular unit involved. 15. This lease and all its terms, conditions, and stipulations s	hall extend to and be binding	on all successors of said less	or and lessee.	
IN WITNESS WHEREOF, we sign the day and year first above	e written.			
Mary Lortscher			1 P	
Mary Lortscher		MA	ha Lortscher	
mary bortscher		ка	un Lortscher	

TATE OF Kansas OUNTY OF Nemaha The foregoing instrument was acknowled	ACKNOWLEDGMENT FO	OR INDIVIDUAL (KsOkCoNe) ust	19 98
ovKahn Lortscher		and	
	Evil on 2.2 Year its the party of the year of the College	N - ON X-00,0	\
My commission expires Feb. 19, 20	163	Notary Public	7
	NOTARY PUBLIC State of Kansas My Appointment Expires:	David A. Stillings	3
STATE OF		OR INDIVIDUAL (KsOkCoNe)	
COUNTY OF	ged before me this day of		19

My commission expires		Notary Public	
ه مات	* * * * * * * * * * * * * * * * * *		* * * * * *
*****	LEGAL DESCRIPTION		X
Township 1 South Pango 1			
Township 1 South, Range 14 Section 33: S\sigma SE\frac{1}{4} Except	a tract described as follows:		
	the SE Corner of said Section thence North, on a line part		
line of said	Section 33, 249 feet, thence	East, on a line parall	el to
	ction line of said Section 33, line of said Section 33, ther		
	the point of beginning.		
Nemaha County, Kansas.			
* * * * * * * * * * * * * * *	* * * * * * * * * * * * * * * * * * * *	* * * * * * * * * * * * *	* * * * *
		u	
		This instrument was filed for record on the 31st of August 19.98 3:21 o.clock P.M., and duly recorded book 385 Page 557-8 of records of this office. Regult of Deeds.	
m	61	August August O-clock P.M., and duly recorded Soffice. Regulth of Deeds.	
EAS	Rec.	and on the duly duly	
L F		or record , and du 557-8 Reguin	
AS LE	Term ,	Pake	
	County	s file	2 %
FR F	Col	This instrument was fiday of August at 3:21 o-clock— in Book 385 the records of this office.	Fee: \$8.00 When recorded, return to VID A. STILLINGS BOX 4453
L AN Lortsc scher, Kinney	N KA	ument At At 385	STILLINGS 4453
L Lo		instr	\$8.00 recorded. A. STIL X 4453
OIL AN Kahn Lorts Lortscher, Kinney	on – lif Ac – lif Ac – lif Ac – lift C	Phis ins	se: \$8 hen rec ID A. BOX
A OT	Date	This day of _ at _ 3: in Book	Fee: When I DAVID / P.O. BOS
' '-			Fee: When r DAVID A
	· · · · · · · · · · · · · · · · · · ·		
STATE OF	ACKNOWLEDGMENT F	OR CORPORATION (KsOkCoNe)	
COUNTY OF	dged before me this day of		, 19
The folegoing monument was acknown			

Notary Public

My commission expires ___

LL88-1 Form 88 (producers) Rev. 1-83

OIL AND GAS LEASE

THIS AGREEMENT, Entered into the	his 26th day of	August	19 98
etween	Rt. 4 - Box 238, Sabet	ha, Kansas 66534	
 That lessor, for and in consider d agreements hereinafter contain to the lessee the hereinafter det all or any part of the lands cov- tling and the drilling, mining, an- pors, and all other gases, found ing pipe lines, building tanks, si 	ation of the sum of	Ren & More *** Dollars in hand anted, leased, and let and by these presents does hereby grant, and with the right to unitize this lease or any part thereof with ot see of carrying on geological, geophysical and other exploratory wo, gas, gas condensate, gas distillare, casinghead gasoline and the, and other fluids and substances into the subsurface strata, and other structures thereon necessary or convenient for the econanufacture all of such substances, and the injection of water, bri	l paid and of the covenants lease, and let exclusively ther oil and gas leases as ork thereon, including core eir respective constituent and for constructing roads, anomical operation of said
· · · · · · · · · · · · · · · · · · ·	of land being situated in the County of	Nemaha	
ate 01	Township 1 South		
	Section 33: NE¼,	· · · · · · · · · · · · · · · · · · ·	
ontaining240	acres, more		
	roducts covered by this lease is or can be produced.	years (called "primary term") and as long thereafter	
uced and saved from the leased nd gravity prevailing on the day suc	premises, or at the lessee's option may pay to the choil is run into the pipe line or into storage tanks.	he pipe line to which lessee may connect its wells the equal one le lessor for such one-eighth royalty the market price at the wel	llhead for oil of like grade
as, gas used for the manufacture of sold by the lessee, lessee manore wells, an amount equal to the this lease that gas is being prograduction of gas.	e of gasoline or any other product, and all other g ay pay or tender annually at or before the end of he delay rental provided in paragraph 5 hereof, and oduced in paying quantities. The first yearly period	ads received by the lessee from the sale of gas, gas condensate isses, including their constituent parts, produced from the land her land	rein leased. If such gas is in royalty, whether one or idered under all provisions first well is completed for
5. If operations for the drilling of		on or before the	
Farmers S which Bank and its successors are	tate Bank e the lessor's agent and shall continue as the dep	Bank at Sabetha, Kansas 66534 ository of any and all sums payable under this lease regardless o	or its successors f changes of ownership in
which shall operate as a rental a nents or tenders the commencen essee or any assignee thereof, in greed that the consideration first the lessee's option of extending t	ind cover the privilege of deferring the commence ment of operations for drilling may further be deferr nailed or delivered on or before the rental paying t recited herein, the down payment, covers not or	ment of operations for drilling for a period of one year. In like ned for like periods successively. All payments or tenders may be late, either direct to lessor or assigns or to said depository bank by the privilege granted to the date when said first rental is payars conferred. Notwithstanding the death of the lessor or his successcutors, and administrators of such persons.	nanner and upon like pay made by check or draft o ;, and it is understood an able as aforesaid, but als
ided for shall be paid to said les hould revert to lessor, or his he	sor only in the proportion which his interest bears eirs, or his or their grantee, this lease shall cover	the entire and undivided fee simple estate therein then the royalt to the whole and undivided fee; however, in the event the title t such reversion, and rentals hereunder shall be increased at the is received by lessee at least 30 days prior to any such rental annivers	to any interest in said lan next succeeding rental ar
equired by lessor, the lessee sha ed nearer than 200 feet to the h	all bury its pipe lines below plow depth and shall p house or barn now on said premises without writte	n said land for its operations thereon, except water from existing by for damage caused by its operations to growing crops on said n consent of the lessor. Lessee shall have the right at any time structures placed on said premises, including the right to dra	land. No well shall be dri during, or after the expira
8. If the estate of either party isees, executors, administrators, arge the obligations or diminish the lessee until it has been furnishmer and of the probate thereo late, together with all original rec	hereto is assigned (and the privilege of assigning is successors, and assigns, but no change or division the rights of lessee, and no change of ownership in shed with either the original recorded instrument of of, or certified copy of the proceedings showing a corded instruments of conveyance or duly certified payments of rentals made hereunder before receipt	n whole or in part is expressly allowed), the covenants hereof sha in ownership of the land, rentals, or royalties, however accomple the land or in the rentals or royalties or any sum due under this conveyance or a duly certified copy thereof, or a certified copy of pointment of an administrator for the estate of any deceased ov copies thereof necessary in showing a complete chain of title ba of said documents shall be binding on any direct or indirect ass	all extend to the heirs, de lished, shall operate to er s lease shall be binding of of the will of any decease wner, whichever is appropack to lessor of the full in
ill royalties and rentals accruing o the entire leased acreage. The nereafter be divided by sale, dev ligned as to a part or as to part	hereunder shall be divided among and paid to sucere shall be no obligation on the part of the lesse vise, descent or otherwise, or to furnish separate is of the above described land and the holder or or m, such default shall not operate to defeat or affe	reparate tracts, the premises may nonetheless be developed and on separate owners in the proportion that the acreage owned by the to offset wells on separate tracts into which the land covered measuring or receiving tanks. It is hereby agreed that in the ewwher of any such part or parts shall make default in the payment of this lease insofar as it covers a part of said land upon which the separate tracts.	each separate owner bea by this lease may now ovent this lease shall be a not of the proportionate pa
any taxes, mortgages, or other lie	ens existing, levied, or assessed on or against the	cribed and agrees that the lessee, at its option, may pay and dis above described lands and, in event it exercises such options it rge of any such mortgage, tax or other lien, any royalty or rentals acc	shall be subrogated to the
11. If at any time prior to disco cease from any cause, this lease within the primary term) commenthe date of completion of the dagaged in drilling or reworking opcommenced, with no cessation o	overy of oil or gas on said land, lessee should drill e shall not terminate if lessee commences additionances or resumes the payment or tender of rentals y hole or cessation of production. If at the expirations thereon, the lease shall remain in force	a dry hole or holes thereon, or if after discovery of oil or gas the drilling or reworking operations within one hundred-twenty (120) on or before the rental payment date next ensuing after the expir or of the primary term oil or gas is not being produced on said lesso long as operations are prosecuted either on the same well of days, and if they result in the production of oil or gas, this least	e production thereof shou days thereafter or (if it b ation of three months fro land, but lessee is then e or any other well thereaft
county. In case said lease is surrof said lease as to the portion of reage not released the terms and p 13. All provisions hereof, expres	rendered and canceled as to only a portion of the canceled shall cease and determine and any rental provisions of this lease shall continue and remain in fu ss or implied, shall be subject to all federal and st.	delivering or mailing such release to the lessor, or by placing sa icreage covered thereby, then all payments and liabilities thereaftes is thereafter paid may be apportioned on an acreage basis, but a force and effect for all purposes. It laws and the orders, rules, or regulations (and interpretations of wholly or partially nor shall the lessee be liable in damages for	er accruing under the term is to the portion of the a thereof) of all government
of the express or implied provision ing the last six months of the provision	ons hereof if such failure accords with any such la- rimary term hereof from drilling a well hereunder b	vs, orders, rules or regulations (or interpretations thereof). If lesse, the order of any constituted authority having jurisdiction thereove ay delay rentals herein provided during such extended time.	e should be prevented du
and covered by another lease, of opportunition of sunit or units not exceeding 640 quarter sections. Lessee shall exentire acreage so pooled into a this lease. If production is found by this lease or not. Any well do by this lease or not. Any well do	or leases when, in lessee's judgment, it is necessal such minerals in and under said land, such pooling acres each in the event of a gas and/or condensate ecute in writing and file for record in the county in unit or units shall be treated for all purposes, exi- d on any part of the pooled acreage it shall be tre- trilled on any such unit shall be and constitute a vi-	a into one-or more units the land covered by this lease, or any or advisable to do so in order to properly develop and operate to be in a unit or units not exceeding 40 acres each in the eve or distillate well, plus a tolerance of ten percent (10%) to conform which the land is situated an instrument identifying and describe the payments of royalties on production from the pooled united as if production is had from this lease whether any well is I rell hereunder. In lieu of the royalties elsewhere herein specified is the amount of his net royalty interest therein on an acreage be	e said lease premises so ent of an oil well, or into orm to Governmental Surv ing the pooled acreage. T it, as if it were included located on the land cover lessor shall receive on p
eral acreage so pooled in the parti 15. This lease and all its terms, c	cular unit involved. conditions, and stipulations shall extend to and be bind	ing on all successors of said lessor and lessee.	
IN WITNESS WHEREOF, we sign	n the day and year first above written.	GARBER FARM, INC.	
P In	1 Lorler	By: Allen & Garbe	. /
Rose Mary Ga	rber, Sec./Treasurer	Allen G. Garber, President	