



1053248

For KCC Use ONLY

API # 15 - _____

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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

Operator: _____

Lease: _____

Well Number: _____

Field: _____

Number of Acres attributable to well: _____

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

Location of Well: County: _____

_____ feet from N / S Line of Section

_____ feet from E / W Line of Section

Sec. _____ Twp. _____ S. R. _____ E W

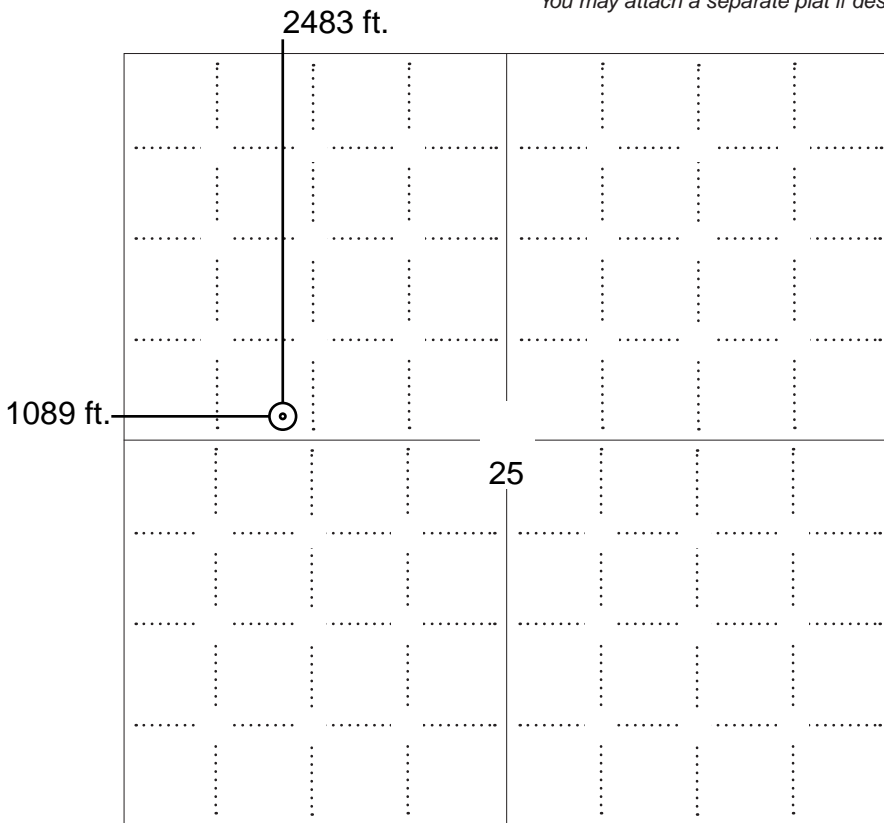
Is Section: Regular or Irregular

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

Section corner used: NE NW SE SW

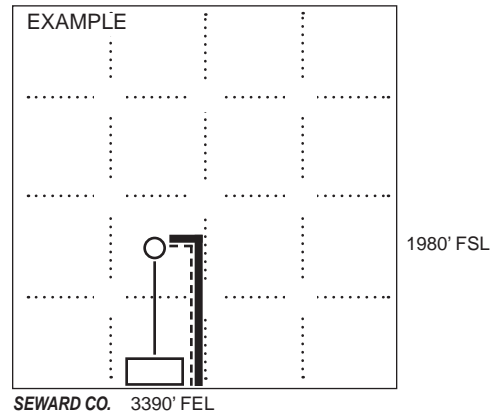
PLAT

Show location of the well. Show footage to the nearest lease or unit boundary line. Show the predicted locations of lease roads, tank batteries, pipelines and electrical lines, as required by the Kansas Surface Owner Notice Act (House Bill 2032). You may attach a separate plat if desired.



LEGEND

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



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

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

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 1053248
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



Pro-Stake LLC
Oil Field & Construction Site Staking
 P.O. Box 2324
 Garden City, Kansas 67846
 Office/Fax: (620) 276-6159
 Cell: (620) 272-1499



032511-P
 FLAT NO.

9270
 INVOICE NO.

Palomino Petroleum
 OPERATOR

#1 Engler-Bartows

Ness County, KS
 COUNTY

2463 FNI - 1089 FWL
 LOCATION SPOT

SCALE: **1" = 1000'**
 DATE: **Mar. 24th, 2011**
 MEASURED BY: **Ben R.**
 DRAWN BY: **Luke R.**
 AUTHORIZED BY: **Klee W.**

25 19s
 Sec. Twp. Rng.

25W
 LEASE NAME LOCATION SPOT

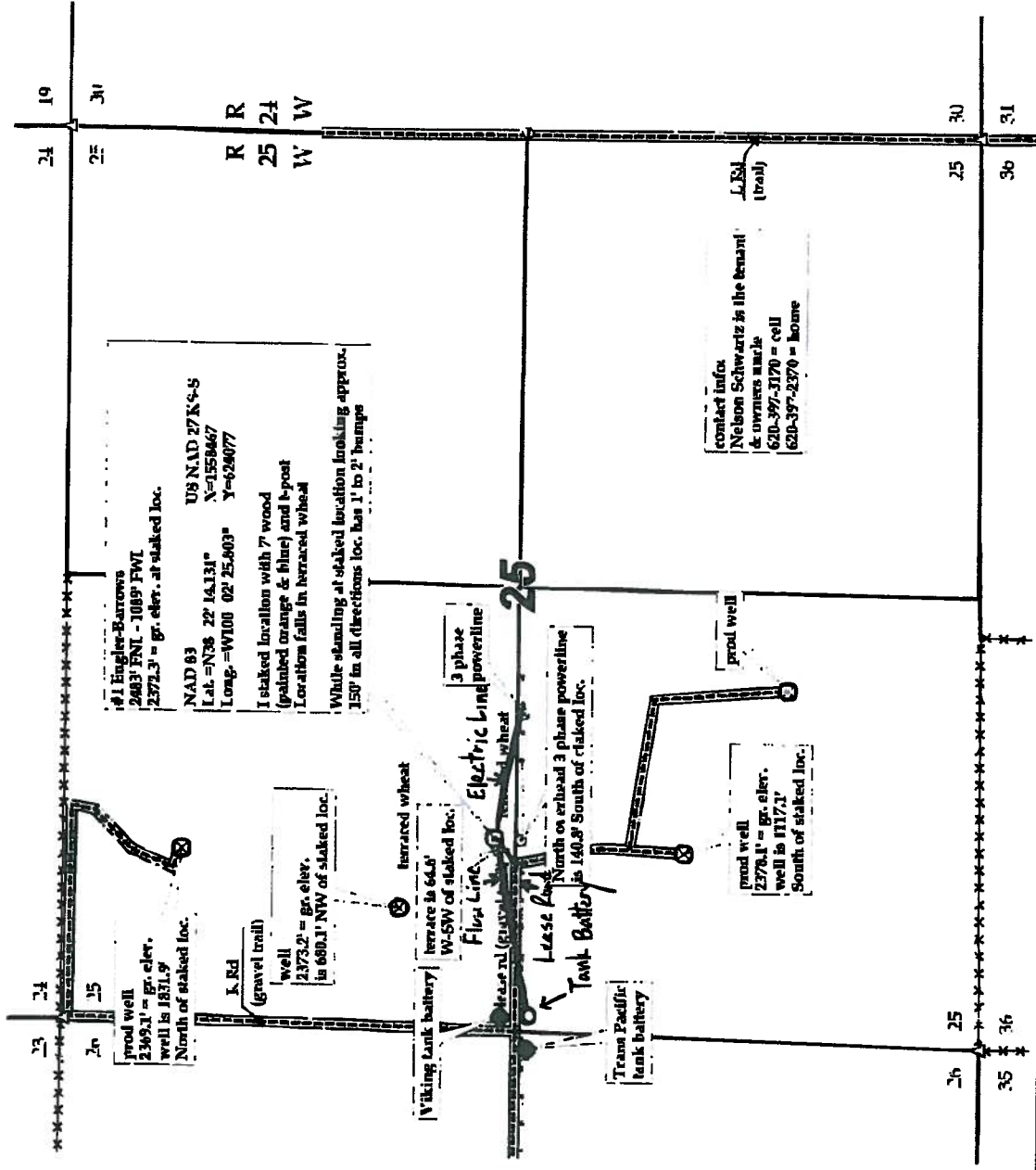
GR. ELEVATION: **2372.3'**

Directions: From the center of Ness City Ks at the intersection of Hwy 283 & Hwy 96 - Now go 8.6 miles West on Hwy 96 - Now go 5.5 miles South on J Rd/ Laird Rd - Now go 1 mile East on lease rd which is also 0.5 mile South of the NW corner of section 25-19s-25w - Now go 0.2 mile East on lease rd - Now go approx. 200' on East through wheat - Now go approx. 130' North through terraced wheat into staked location.

This drawing does not constitute a monumented survey or a land survey plat.

This drawing is for construction purposes only.

Final ingress must be verified with land owner or Operator.



63U (Rev. 1993)

OIL AND GAS LEASEReorder No. **KBP**
09-115**Kansas Blue Print**
700 S. Broadway, P.O. Box 793
Lawrence, KS 66044
316-284-9344 - 264-5185 fax
www.kbp.com • kbp@kbp.comAGREEMENT, Made and entered into the 10th day of February, 2011
by and between Engler Farms, Inc.whose mailing address is 2848 Road AA Deerfield, KS 67838 hereinafter called Lessor (whether one or more),
and James B. Devlin, Wichita, Kansas 67202hereinafter called Lessee:
Lessor, in consideration of One and More Dollars (\$ One (\$1.00)) in hand paid, receipt of which is here acknowledged and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring by geophysical and other means, prospecting drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases, and other structures constituent products, injecting gas, water, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, power stations, telephone lines, and other structures and things thereon to produce, save, take care of, treat, manufacture, process, store and transport said oil, liquid hydrocarbons, gases and their respective constituent products and other products manufactured therefrom, and housing and otherwise caring for its employees, the following described land, together with any reversionary rights and after-acquired interest, therein situated in County of Ness State of Kansas described as follows to-wit:

The Northwest Quarter (NW/4) except and excluding the 10 acres on which the Engler #1 well is centered that is subject to the oil and gas lease dated 5/18/1994 and recorded in Book 242, Pages 679-684.

In Section 25 Township 19 South Range 25 West and containing 160 acres, more or less, and all accretions thereto.Subject to the provisions herein contained, this lease shall remain in force for a term of 1 (ONE) years from this date (called "primary term"), and as long thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, or any of them, is produced from said land or land with which said land is pooled.

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

1st. To deliver to the credit of lessor, free of cost, in the pipe line to which lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay lessor for gas of whatsoever nature or kind produced and sold, or used off the premises, or used in the manufacture of any products therefrom, one-eighth (1/8) at the market price at the well, (but, as to gas sold by lessee, in no event more than one-eighth (1/8) of the proceeds received by lessee from such sales), for the gas sold, used off the premises, or in the manufacture of products therefrom, said payments to be made monthly. Where gas from a well producing gas only is not sold or used, lessee may pay or tender as royalty One Dollar (\$1.00) per year per net mineral acre retained hereunder, and if such payment or tender is made it will be considered that gas is being produced within the meaning of the preceding paragraph.

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

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein provided for shall be paid the said lessor only in the proportion which lessor's interest bears to the whole and undivided fee.

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

When requested by lessor, lessee shall bury lessee's pipe lines below plow depth.

No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of lessor.

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

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

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

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

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

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

Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, when in lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises, such pooling to be of tracts contiguous to one another and to be into a unit or units not exceeding 40 acres each in the event of an oil well, or into a unit or units not exceeding 640 acres each in the event of a gas well. Lessee shall execute in writing and record in the conveyance records of the county in which the land herein leased is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit shall be treated, for all purposes except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on the pooled acreage, it shall be treated as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere herein specified, lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.

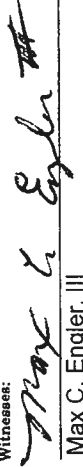
Royalty...it is agreed by the Lessor and Lessee that where the term "1/8th" appears in the Lease, it should read "3/16th" in each case.

It is the intention of Lessors that this lease cover all rights in the NW/4 of Section 25-19S-25W, Ness County, Kansas not covered by that oil and gas lease dated May 18, 1994 recorded in Book 242 at page 679.

See ADDENDUM attached hereto and made a part hereof.

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

Witnesses:


Max C. Engler, III

President and Secretary, Engler Farms, Inc.

State of Kansas - Ness County

Book: 339 Page: 107

Receipt #: 7866

Pages Recorded: 8

CASHIER Initials: MH Recording Fee: \$36.00

Date Recorded: 3/14/2011 11:05:00 AM



ADDENDUM to an oil and gas lease dated February 10, 2011, by and between Engler Farms, Inc., hereinafter referred to as Lessor, and James B. Devlin, Wichita, KS 67202, hereinafter referred to as Lessee, covering the following lands in NESS County, KS:

TOWNSHIP 19 SOUTH, RANGE 25 WEST, 6TH P. M.
SECTION 25: NW/4

Except and excluding the 10 acres on which the Engler #1 well is centered, or the acreage stated in the KCC approved notice of intent to drill (permit) for the Engler #1 well if greater, that is subject to the lease dated 05/18/1994 and recorded in Book 242, Pages 679-684.

Any reference to the "Lease" shall mean the above-referenced oil and gas lease of 2/10/2011 as modified and supplemented by this addendum. In the event of conflict between the printed terms of the oil and gas lease of 2/10/2011 and this addendum, the provisions of this addendum shall control.

1. ROYALTY PAYMENTS. The 3/16ths royalty to Lessor shall be free of all exploration, drilling and production costs and from costs incurred by Lessee, directly or indirectly, for the compression, gathering, transporting, delivery, dehydrating, processing and treating of gas. Lessee shall indemnify Lessor against liability for all claims and losses in connection with the transportation and delivery of oil to the purchaser of such oil produced for Lessor's credit, and Lessee shall be liable for the payment of royalty from oil production, in the event the oil purchaser fails to pay Lessor for whatever reason. Within sixty days following Lessor's written request, Lessee shall furnish Lessor with all information necessary in order to determine proper payment of royalty in accordance with this Lease, including but not limited to: authority to inspect lessee's records at a mutually convenient time and place, all sales information necessary to audit or verify royalty calculations, and copies of production reports sent to state and federal authorities, copies of reports of BTU for natural gas, copies of gas well meter charts, and copies of reports for basic sediment, water and specific gravity of oil.

2. SHUT-IN ROYALTY. Lessee shall have one (1) year, herein called "shut-in period," from the date of completion of a gas well in which to make pipeline connections from production or marketing of gas. During the shut-in period, Lessee shall pay to Lessor shut-in royalty at the rate of \$10.00 per acre per year, which royalty shall be due and payable on the anniversary date of this Lease. During the shut-in period, it shall be considered that gas is being produced from the leased premises in paying quantities so long as Lessee is paying shut-in royalty as herein provided.

3. MINIMUM ROYALTY PAYMENTS. Lessee agrees that at no time during the life of this Lease shall the royalty paid to Lessor for a yearly period commencing with first production from the well, including the value of gas used as provided in Paragraph 19 above, computed at the price being paid to Lessor for such gas, be less than \$25.00 per acre. Such deficiency, if any, shall be paid to Lessor by Lessee within thirty (30) days after notice and written demand thereof is

made by Lessor. In the event Minimum Royalty is payable for five consecutive years, Lessor may terminate this Lease by giving written notice of termination to Lessee.

4. POOLING AND UNITIZATION. Lessee shall not have the right to pool or combine the acreage covered by this Lease or any portion thereof with other land, lease or leases to form a production unit without Lessor's prior written consent and agreement as to the division of production and payment of royalty. Lessor will permit pooling only for new oil wells located less than 330' from the boundary line between the NW/4 Sec. 25-19S-25W and the SW/4 Sec. 25-19S-25W and a standard 10 acre drilling unit surrounding the well at the center. Lessor expressly consents to unit consisting of the NW/4 Sec. 25-19S-25W and SW/4 Sec. 25-19S-25W.

5. PARTIAL TERMINATION. It is expressly agreed, notwithstanding anything to the contrary herein, if this Lease be in force and effect at the expiration of the primary term, this Lease shall thereupon terminate as to:

- a) all leased lands not located in a "drill-site spacing unit" as hereinafter defined, and
- b) all zones or formations of the leased lands that are not producing oil or gas in paying quantities below the base of the deepest producing zone or formation except if drilling is in progress at the end of the extended primary term.

For purposes of this paragraph, a "drill-site spacing unit" is defined as all lands included in a drilling and production unit established for or attributed to a well by a regulatory governmental authority having jurisdiction and within which there is a well producing oil or gas. If there is no defined regulatory drilling and production unit established by a governmental authority, for purposes of this Lease a "drill-site spacing unit" is declared to be a contiguous 10 acres for an oil well, or 160 acres for a gas well, designated by lessee under authority of this Lease and within which there is a well producing oil or gas. Oil or gas produced from a well not located on the leasehold of this Lease, on lands pooled or unitized with leased lands, shall be attributed only to the same zones or formations of leased lands included in the drill-site spacing unit in which the well is located.

Prior to expiration of this Lease as to any zone or formation, Lessee may notify Lessor in writing of the designation certain zones or formations penetrated by Lessee's well or wells that have productive potential but are not then under production; and, as to such designated zones the operation of this paragraph shall be suspended for a period of two (2) additional years after the date this Lease would have expired in the absence of Lessee's designation. If on the expiration date Lessee is engaged in drilling or reworking operations on the leasehold, or on lands pooled or unitized with the leasehold, the operation of this paragraph shall be suspended for so long as

Lessee diligently continues such drilling or reworking operations with no cessation of more than ninety (90) consecutive days, and if such operations result in a well producing oil or gas, this Lease shall continue as to the lands and zones or formations attributed to such production. The operation of this paragraph shall further be suspended after the date of the completion or abandonment of such drilling or reworking operations on one well and the date of the

commencement of drilling or reworking operations on the next well as long as such period does not exceed ninety (90) days.

Lessee shall be obligated to file of record, in the appropriate public land title records of the county of this Lease, a release of the Lease covering expired lands, zones or formations within sixty (60) days following Lessor's written demand. If such release is not filed within said period, then Lessee shall be liable to Lessor for any damages suffered by Lessor and for attorney fees and costs incurred by Lessor in obtaining such release.

6. OPERATIONS ON LEASE PREMISES. The express covenants in this Lease that affect, benefit or restrict the use of the surface estate are intended to benefit and bind the surface owner. No right is granted to the Lessee to erect on any part of said premises any power station, above-ground telephone or electric lines, housing for employees, or manufacturing plant or facility for gasoline extraction or for the processing of oil, gas or other substances, except the equipment necessary to produce leased substances. Lessee will maintain well sites, storage tank locations, and other areas used in its lease operations reasonably free of weeds, but without the use of salt or chemical substances in such weed control. Lessee will use reasonable diligence in its operations to cause minimal interference with any cattle operations on said lands; and in the event there are livestock on the property described above, or on Lessor's request, prior to any operations Lessee shall (i) fence all producing wells, tank batteries, drilling pits, burning pits, separators, drip stations, pumps, engines and all other equipment placed on the leased premises by Lessee with a good and sufficient fence capable of turning livestock, (ii) maintain and keep the fences and cattle guards in good repair during the term of the Lease and (iii) keep all gates in said fences closed at all times or install a cattle guard in lieu thereof. Lessee will at all times indemnify and hold Lessor harmless from all claims and liabilities against Lessor, and for Lessor's costs and expenses including court costs and attorney's fees and expenses, for all acts and omissions of Lessee and its agents and persons with whom Lessee contracts on and in the vicinity of the leasehold premises. Lessor may require Lessee to provide and maintain adequate financial security for Lessee's obligations under this Lease.

7. LOCATION OF OPERATIONS AND EQUIPMENT. Lessee agrees to install necessary production and metering equipment along the access road to any well and where the well or wells can be safely produced, meter houses and other production equipment shall be located adjacent to any county, state, or federal road or highway adjoining the above described premises. Moreover, the location of any equipment, plant, facility, or structure of any kind shall be mutually agreed upon by the parties to this Lease so as to cause minimal interference with Lessor's use of the surface. No pipeline, equipment, plant, facility, or structure of any kind placed or erected on the leased premises shall be used to support production from acreage not part of this Lease unless agreed to by Owner in a separate written instrument. Lessee is not authorized and Lessee shall not conduct, operations within or adjacent to any confined livestock pens, whether existing or under construction at the time of such operations, without first obtaining Lessor's consent and an agreement with the surface owner regarding compensation for damages and business losses from Lessee's operations. No well shall be drilled nearer than 600 feet from any residence or 300 feet from any other building or water well now or later located on the leased premises.

8. ACCESS ROADS AND PIPELINES. Owner reserves the right to designate reasonable routes of ingress and egress. Said designation shall not be unreasonably withheld. Prior to the construction of any roads, pipelines, tank battery installations, or installation of other equipment on the leased premises, Lessee and the surface owner and/or tenant shall consult as to the location and direction of same. There shall be no oil road surfaces or hard surfacing of any access roads without the written consent of Owner. Lessee shall bury pipelines and utility lines to a depth of not less than forty-eight (48) inches from the surface to the top of the buried line and so laid as to not interfere with farming operations, and on new installations, Lessee will install locator wire at the time of installation. If Lessee crosses any existing buried pipelines or electrical lines, Lessee shall install Lessee's buried lines below existing lines. Should the contours of the land be changed, then, and in that event, Lessee shall lower any lines laid by it to maintain the minimum depth at its sole cost and expense. Nothing herein shall be interpreted as prohibiting Lessor's location and construction of fences, pipelines or ditches over, under or alongside any pipeline of the Lessee, as long as the same do not unreasonably interfere with Lessee's operations.
9. MAINTENANCE. Lessee agrees to maintain the soil surface to its original contour including terraces. Lessee will promptly remove trash and refuse generated from its operations, and Lessee will not store or maintain equipment, facilities, supplies and materials on the leasehold that are not then being used in Lessee's operations.
10. RESTORATION. All drilling pits shall be filled and leveled within sixty (60) days after well completion or abandonment. Within six (6) months from the date of completion of drilling operations, Lessee shall remove the equipment and fixtures not needed for production. Not later than one year after the completion of any operation that disturbs or contaminates topsoil, Lessee shall excavate, remove and dispose of all tainted or contaminated soil and restore the site using the original or similar topsoil to the same depth and restore the soil surface to its original elevation and contour. Lessee shall reimburse Owner for costs incurred for deep soil ripping to remedy soil compaction from Lessee's operations.
11. RESTRICTIONS ON USE OF FRESH WATER. Lessee shall specifically not have any right to use fresh water from the above described premises for the purpose of drilling operations on the leased premises. Lessee shall specifically not have any right to use fresh water from the above described premises for the purpose of water flooding or injection in any water flooding program in which the leased premises may, for any reason, be pooled or unitized.
12. ABANDONMENT. In the event there is no production in paying quantities found by any operations undertaken by Lessee during the primary term of the Lease and there is an abandonment of the Lease, the Lessee shall fill all pits, ponds, remove all structures and reasonably restore the premises to the condition existing at the time the Lease is executed. Within one (1) year after the cessation of production from any well, Lessee will plug the well in accordance with local and state requirements and have the obligation to restore, as nearly as practicable as possible, the leased premises to the same condition as received, natural wear

and tear and damages by the elements excepted, remove all of Lessee's equipment and fixtures, including well surface casing from the soil surface down to not less than 48 inches and remove and replace all soil tainted or contaminated from Lessee's operations with the same kind of soil as existed prior to operations.

13. POLLUTION; SALT WATER. Lessee agrees that it will comply with all regulations and statutes of all governmental entities having jurisdiction over compliance with environmental legislation and will use its best efforts and follow general practices customary within the industry to protect all fresh water strata and the surface from pollution by salt water and other refuse. Lessee shall indemnify and hold Lessor harmless from any claims, damages, actions or causes of action from any environmental damage or contamination caused or contributed to by Lessee subsequent to the commencement of this Lease. The injection of any gas, water or other fluids into subsurface strata or the disposal of salt water by Lessee shall not be permitted unless Lessee first obtains the written consent of Lessor; provided, Lessor will not unreasonably withhold consent to the injection of any gas, water or fluid or the disposal of salt water produced from the leasehold. Lessor will allow salt water disposal from producing wells located on Lessor's land and unitized wells that Lessor shares royalty from. All salt water disposals will be piped underground to the disposal well. No trucking of salt water to the disposal well will be allowed. All electric lines will be placed underground. Lessee shall not be permitted to use any existing well or well drilled on the leased premises as a salt water disposal well for salt water produced off the leasehold. Lessee duty to indemnify and hold Lessor harmless from liability for losses under this paragraph shall exist without regard to Lessee's compliance with the standards stated herein. Further, the payment of well-site damages will not release Lessee from liability under this paragraph.

14. DAMAGES. The following provisions shall govern damages incurred by Lessor during Lessee's operations:

- (a) Lessee shall pay Owner for all damages caused by its operations, including pipelines, on said land, to all property, real, personal, or mixed, caused by its operations on said land, including but specifically not limited to land, growing crops, grass, buildings, livestock, surface, fences and other improvements and personal property. Damages to Lessor's crops and for Lessor's cost of land restoration shall be computed by Owner on completion of Lessee's operations and paid by Lessee within thirty days of Lessor's demand. If Owner is prevented by Lessee's operations from planting a crop, Lessee shall pay Owner for the one-time loss of such crop in the same manner as if such crop had been growing at the time of Lessee's operations.
- (b) Lessee agrees to notify Owner prior to entering the leased premises for the purpose of drilling or re-working a well or other operations, including any surveying, or staking, and for any seismic operations. Lessee shall pay to Owner, as an estimate of reasonable and ordinary damages, not less than \$5,000.00 for each drill site location on the leased premises. If the drill site area exceeds two acres, Lessee will pay additional damages at the rate of \$2,500.00 per acre, exclusive of crop losses. In the event that actual damages exceed minimum amount, Lessee will be liable for the total amount of actual damages.

(c) In advance of any seismic operations or buried pipeline installation on the leasehold, Lessee shall pay land surface damages to the surface owner in an amount equal to the greater of the minimum amount or rate stated by the Southwest Kansas Royalty Owner's Association in its most recently published guidelines preceding Lessee's operations or the amount of \$15.00 per linear rod for each pipeline placed or installed on the leasehold premises or \$15 per acre for seismic operations.

(d) If any part of the leased premises are now or are ever subject to or enrolled in the Conservation Reserve Program, or any similar government sponsored land conservation program, Lessee shall restore and reseed any surface area disturbed in connection with Lease operations as required by the applicable administrative agency laws, rules and policies and indemnify and hold Lessor harmless from lost revenue or payments and from any penalties or liquidated damages that are curtailed or assessed by the applicable administrative agency as a result of such leasehold operations.

15. ASSIGNMENT. Lessee shall not be relieved of its obligations under this Lease by assignment, unless prior to such assignment Lessor has consented to the assignment in writing, which consent will not be unreasonably withheld when the proposed assignee provides and commits to maintain adequate financial security for its obligations under the Lease, including the obligation to plug all wells and restore all well sites constructed or operated under this Lease.

16. LESSOR'S TITLE. Lessor is not obligated to warrant and defend Lessor's title against claims other than title claims made by or through Lessor. In accepting this Lease, Lessee acknowledges that Lessee has examined Lessor's title and finds the same acceptable to Lessee. Lessee will pay all of Lessee's abstracting charges in connection with this Lease.

17. BINDING EFFECT. The Lease shall extend to and be binding on all of the heirs, administrators, executors, trustees, successors and assigns of Lessor and Lessee. IN WITNESS WHEREOF, the Lessor has signed this Addendum effective the 28 day of February 2011.

Engler Farms, Inc.

By: 

Max Engler, III

President, Engler Farms, Inc.

63U (Rev. 1993)

OIL AND GAS LEASE

2011

AGREEMENT, Made and entered into the 10th day of February

by and between Max C. Engler III and Catherine J. Engler, his wife

Luetta M. Engler, a single person

Charlene K. Engler, a single person

whose mailing address is 12690 Cook Road Deerfield, KS 67838

hereinafter called Lessor (whether one or more),

and James B. Devlin, Wichita, Kansas 67202

hereinafter called Lessee:

Lessor, in consideration of One and More Dollars (\$ One (\$1.00)) in hand paid, receipt of which

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

The Northwest Quarter (NW/4) except and excluding the 10 acres on which the Engler #1 well is centered that is subject to the oil and gas lease dated 5/18/1994 and recorded in Book 242, Pages 679-684.

In Section 25 Township 19 South Range 25 West 160 and containing _____ acra, more or less, and all accretions thereto.

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

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

1st. To deliver to the credit of lessor, free of cost, in the pipe line to which lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay lessor for gas of whatsoever nature or kind produced and sold, or used off the premises, or used in the manufacture of any products therefrom, one-eighth (1/8) at the market price at the well, (but, as to gas sold by lessee, in no event more than one-eighth (1/8) of the proceeds received by lessee from such sales), for the gas sold, used off the premises, or in the manufacture of products therefrom, said payments to be made monthly. Where gas from a well producing gas only is not sold or used, lessee may pay or tender as royalty One Dollar (\$1.00) per year per net mineral acre retained hereunder, and if such payment or tender is made it will be considered that gas is being produced within the meaning of the preceding paragraph.

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

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein provided for shall be paid the said lessor only in the proportion which lessor's interest bears to the whole and undivided fee.

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

When requested by lessor, lessee shall bury lessee's pipe lines below plow depth.

No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of lessor.

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

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

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

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

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

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

Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, when in lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises, such pooling to be of tracts contiguous to one another and to be into a unit or units not exceeding 40 acres each in the event of an oil well, or into a unit or units not exceeding 640 acres each in the event of a gas well. Lessee shall execute in writing and record in the conveyance records of the county in which the land herein leased is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a pool or unit shall be treated, for all purposes except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on the pooled acreage, it shall be treated as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere herein specified, lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.

Royalty...it is agreed by the Lessor and Lessee that where the term "1/8th" appears in the Lease, it should read "3/16th" in each case.

It is the intention of Lessors that this lease cover all rights in the NW/4 of Section 25-19S-25W, Ness County, Kansas, not covered by that oil and gas lease dated May 18, 1994 recorded in Book 242, Pages 679-684.

See ADDENDUM attached hereto and made a part hereof.

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

Witness:
Max C. Engler, III

Max C. Engler, III

Luetta M. Engler

Luetta M. Engler

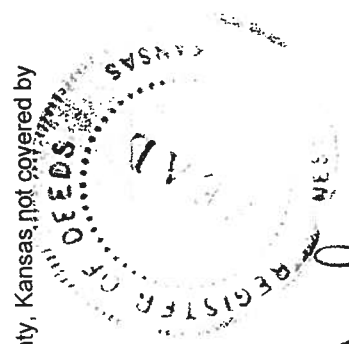
Luetta M. Engler

Catherine J. Engler

Catherine J. Engler

Charlene K. Engler

Charlene K. Engler



ADDENDUM to an oil and gas lease dated February 10, 2011, by and between Max C. Engler III and Catherine J. Engler, his wife; Luetta M. Engler and Charlene K. Engler hereinafter referred to as Lessor, and James B. Devlin, Wichita, KS 67202, hereinafter referred to as Lessee, covering the following lands in NESS County, KS:

TOWNSHIP 19 SOUTH, RANGE 25 WEST, 6TH P. M.
SECTION 25: NW/4

Except and excluding the 10 acres on which the Engler #1 well is centered, or the acreage stated in the KCC approved notice of intent to drill (permit) for the Engler #1 well if greater, that is subject to the lease dated 05/18/1994 and recorded in Book 242, Pages 679-684.

Any reference to the "Lease" shall mean the above-referenced oil and gas lease of 2/10/2011 as modified and supplemented by this addendum. In the event of conflict between the printed terms of the oil and gas lease of 2/10/2011 and this addendum, the provisions of this addendum shall control.

1. ROYALTY PAYMENTS. The 3/16ths royalty to Lessor shall be free of all exploration, drilling and production costs and from costs incurred by Lessee, directly or indirectly, for the compression, gathering, transporting, delivery, dehydrating, processing and treating of gas. Lessee shall indemnify Lessor against liability for all claims and losses in connection with the transportation and delivery of oil to the purchaser of such oil produced for Lessor's credit, and Lessee shall be liable for the payment of royalty from oil production, in the event the oil purchaser fails to pay Lessor for whatever reason. Within sixty days following Lessor's written request, Lessee shall furnish Lessor with all information necessary in order to determine proper payment of royalty in accordance with this Lease, including but not limited to: authority to inspect lessee's records at a mutually convenient time and place, all sales information necessary to audit or verify royalty calculations, and copies of production reports sent to state and federal authorities, copies of reports of BTU for natural gas, copies of gas well meter charts, and copies of reports for basic sediment, water and specific gravity of oil.
2. SHUT-IN ROYALTY. Lessee shall have one (1) year, herein called "shut-in period," from the date of completion of a gas well in which to make pipeline connections from production or marketing of gas. During the shut-in period, Lessee shall pay to Lessor shut-in royalty at the rate of \$10.00 per acre per year, which royalty shall be due and payable on the anniversary date of this Lease. During the shut-in period, it shall be considered that gas is being produced from the leased premises in paying quantities so long as Lessee is paying shut-in royalty as herein provided.
3. MINIMUM ROYALTY PAYMENTS. Lessee agrees that at no time during the life of this Lease shall the royalty paid to Lessor for a yearly period commencing with first production from the well, including the value of gas used as provided in Paragraph 19 above, computed at the price being paid to Lessor for such gas, be less than \$25.00 per acre. Such deficiency, if any, shall be paid to Lessor by Lessee within thirty (30) days after notice and written demand thereof is

made by Lessor. In the event Minimum Royalty is payable for five consecutive years, Lessor may terminate this Lease by giving written notice of termination to Lessee.

4. POOLING AND UNITIZATION. Lessee shall not have the right to pool or combine the acreage covered by this Lease or any portion thereof with other land, lease or leases to form a production unit without Lessor's prior written consent and agreement as to the division of production and payment of royalty. Lessor will permit pooling only for new oil wells located less than 330' from the boundary line between the NW/4 Sec. 25-19S-25W and the SW/4 Sec. 25-19S-25W and a standard 10 acre drilling unit surrounding the well at the center. Lessor expressly consents to unit consisting of the NW/4 Sec. 25-19S-25W and SW/4 Sec. 25-19S-25W.

5. PARTIAL TERMINATION. It is expressly agreed, notwithstanding anything to the contrary herein, if this Lease be in force and effect at the expiration of the primary term, this Lease shall thereupon terminate as to:

- a) all leased lands not located in a "drill-site spacing unit" as hereinafter defined, and
- b) all zones or formations of the leased lands that are not producing oil or gas in paying quantities below the base of the deepest producing zone or formation except if drilling is in progress at the end of the extended primary term.

For purposes of this paragraph, a "drill-site spacing unit" is defined as all lands included in a drilling and production unit established for or attributed to a well by a regulatory governmental authority having jurisdiction and within which there is a well producing oil or gas. If there is no defined regulatory drilling and production unit established by a governmental authority, for purposes of this Lease a "drill-site spacing unit" is declared to be a contiguous 10 acres for an oil well, or 160 acres for a gas well, designated by lessee under authority of this Lease and within which there is a well producing oil or gas. Oil or gas produced from a well not located on the leasehold of this Lease, on lands pooled or unitized with leased lands, shall be attributed only to the same zones or formations of leased lands included in the drill-site spacing unit in which the well is located.

Prior to expiration of this Lease as to any zone or formation, Lessee may notify Lessor in writing of the designation certain zones or formations penetrated by Lessee's well or wells that have productive potential but are not then under production; and, as to such designated zones the operation of this paragraph shall be suspended for a period of two (2) additional years after the date this Lease would have expired in the absence of Lessee's designation. If on the expiration date Lessee is engaged in drilling or reworking operations on the leasehold, or on lands pooled or unitized with the leasehold, the operation of this paragraph shall be suspended for so long as

Lessee diligently continues such drilling or reworking operations with no cessation of more than ninety (90) consecutive days, and if such operations result in a well producing oil or gas, this Lease shall continue as to the lands and zones or formations attributed to such production. The operation of this paragraph shall further be suspended after the date of the completion or abandonment of such drilling or reworking operations on one well and the date of the

commencement of drilling or reworking operations on the next well as long as such period does not exceed ninety (90) days.

Lessee shall be obligated to file of record, in the appropriate public land title records of the county of this Lease, a release of the Lease covering expired lands, zones or formations within sixty (60) days following Lessor's written demand. If such release is not filed within said period, then Lessee shall be liable to Lessor for any damages suffered by Lessor and for attorney fees and costs incurred by Lessor in obtaining such release.

6. OPERATIONS ON LEASE PREMISES. The express covenants in this Lease that affect, benefit or restrict the use of the surface estate are intended to benefit and bind the surface owner. No right is granted to the Lessee to erect on any part of said premises any power station, above-ground telephone or electric lines, housing for employees, or manufacturing plant or facility for gasoline extraction or for the processing of oil, gas or other substances, except the equipment necessary to produce leased substances. Lessee will maintain well sites, storage tank locations and other areas used in its lease operations reasonably free of weeds, but without the use of salt or chemical substances in such weed control. Lessee will use reasonable diligence in its operations to cause minimal interference with any cattle operations on said lands; and In the event there are livestock on the property described above, or on Lessor's request, prior to any operations Lessee shall (i) fence all producing wells, tank batteries, drilling pits, burning pits, separators, drip stations, pumps, engines and all other equipment placed on the leased premises by Lessee with a good and sufficient fence capable of turning livestock, (ii) maintain and keep the fences and cattle guards in good repair during the term of the Lease and (iii) keep all gates in said fences closed at all times or install a cattle guard in lieu thereof. Lessee will at all times indemnify and hold Lessor harmless from all claims and liabilities against Lessor, and for Lessor's costs and expenses including court costs and attorney's fees and expenses, for all acts and omissions of Lessee and its agents and persons with whom Lessee contracts on and in the vicinity of the leasehold premises. Lessor may require Lessee to provide and maintain adequate financial security for Lessee's obligations under this Lease.

7. LOCATION OF OPERATIONS AND EQUIPMENT. Lessee agrees to install necessary production and metering equipment along the access road to any well and where the well or wells can be safely produced, meter houses and other production equipment shall be located adjacent to any county, state, or federal road or highway adjoining the above described premises. Moreover, the location of any equipment, plant, facility, or structure of any kind shall be mutually agreed upon by the parties to this Lease so as to cause minimal interference with Lessor's use of the surface. No pipeline, equipment, plant, facility, or structure of any kind placed or erected on the leased premises shall be used to support production from acreage not part of this Lease unless agreed to by Owner in a separate written instrument. Lessee is not authorized and Lessee shall not conduct, operations within or adjacent to any confined livestock pens, whether existing or under construction at the time of such operations, without first obtaining Lessor's consent and an agreement with the surface owner regarding compensation for damages and business losses from Lessee's operations. No well shall be drilled nearer than 600 feet from any residence or 300 feet from any other building or water well now or later located on the leased premises.

8. ACCESS ROADS AND PIPELINES. Owner reserves the right to designate reasonable routes of ingress and egress. Said designation shall not be unreasonably withheld. Prior to the construction of any roads, pipelines, tank battery installations, or installation of other equipment on the leased premises, Lessee and the surface owner and/or tenant shall consult as to the location and direction of same. There shall be no oil road surfaces or hard surfacing of any access roads without the written consent of Owner. Lessee shall bury pipelines and utility lines to a depth of not less than forty-eight (48) inches from the surface to the top of the buried line and so laid as to not interfere with farming operations, and on new installations, Lessee will install locator wire at the time of installation. If Lessee crosses any existing buried pipelines or electrical lines, Lessee shall install Lessee's buried lines below existing lines. Should the contours of the land be changed, then, and in that event, Lessee shall lower any lines laid by it to maintain the minimum depth at its sole cost and expense. Nothing herein shall be interpreted as prohibiting Lessor's location and construction of fences, pipelines or ditches over, under or alongside any pipeline of the Lessee, as long as the same do not unreasonably interfere with Lessee's operations.
9. MAINTENANCE. Lessee agrees to maintain the soil surface to its original contour including terraces. Lessee will promptly remove trash and refuse generated from its operations, and Lessee will not store or maintain equipment, facilities, supplies and materials on the leasehold that are not then being used in Lessee's operations.
10. RESTORATION. All drilling pits shall be filled and leveled within sixty (60) days after well completion or abandonment. Within six (6) months from the date of completion of drilling operations, Lessee shall remove the equipment and fixtures not needed for production. Not later than one year after the completion of any operation that disturbs or contaminates topsoil, Lessee shall excavate, remove and dispose of all tainted or contaminated soil and restore the site using the original or similar topsoil to the same depth and restore the soil surface to its original elevation and contour. Lessee shall reimburse Owner for costs incurred for deep soil ripping to remedy soil compaction from Lessee's operations.
11. RESTRICTIONS ON USE OF FRESH WATER. Lessee shall specifically not have any right to use fresh water from the above described premises for the purpose of drilling operations on the leased premises. Lessee shall specifically not have any right to use fresh water from the above described premises for the purpose of water flooding or injection in any water flooding program in which the leased premises may, for any reason, be pooled or unitized.
12. ABANDONMENT. In the event there is no production in paying quantities found by any operations undertaken by Lessee during the primary term of the Lease and there is an abandonment of the Lease, the Lessee shall fill all pits, ponds, remove all structures and reasonably restore the premises to the condition existing at the time the Lease is executed. Within one (1) year after the cessation of production from any well, Lessee will plug the well in accordance with local and state requirements and have the obligation to restore, as nearly as practicable as possible, the leased premises to the same condition as received, natural wear

and tear and damages by the elements excepted, remove all of Lessee's equipment and fixtures, including well surface casing from the soil surface down to not less than 48 inches and remove and replace all soil tainted or contaminated from Lessee's operations with the same kind of soil as existed prior to operations.

13. POLLUTION; SALT WATER. Lessee agrees that it will comply with all regulations and statutes of all governmental entities having jurisdiction over compliance with environmental legislation and will use its best efforts and follow general practices customary within the industry to protect all fresh water strata and the surface from pollution by salt water and other refuse. Lessee shall indemnify and hold Lessor harmless from any claims, damages, actions or causes of action from any environmental damage or contamination caused or contributed to by Lessee subsequent to the commencement of this Lease. The injection of any gas, water or other fluids into subsurface strata or the disposal of salt water by Lessee shall not be permitted unless Lessee first obtains the written consent of Lessor; provided, Lessor will not unreasonably withhold consent to the injection of any gas, water or fluid or the disposal of salt water produced from the leasehold. Lessor will allow salt water disposal from producing wells located on Lessor's land and unitized wells that Lessor shares royalty from. All salt water disposals will be piped underground to the disposal well. No trucking of salt water to the disposal well will be allowed. All electric lines will be placed underground. Lessee shall not be permitted to use any existing well or well drilled on the leased premises as a salt water disposal well for salt water produced off the leasehold. Lessee duty to indemnify and hold Lessor harmless from liability for losses under this paragraph shall exist without regard to Lessee's compliance with the standards stated herein. Further, the payment of well-site damages will not release Lessee from liability under this paragraph.

14. DAMAGES. The following provisions shall govern damages incurred by Lessor during Lessee's operations:

(a) Lessee shall pay Owner for all damages caused by its operations, including pipelines, on said land, to all property, real, personal, or mixed, caused by its operations on said land, including but specifically not limited to land, growing crops, grass, buildings, livestock, surface, fences and other improvements and personal property. Damages to Lessor's crops and for Lessor's cost of land restoration shall be computed by Owner on completion of Lessee's operations and paid by Lessee within thirty days of Lessor's demand. If Owner is prevented by Lessee's operations from planting a crop, Lessee shall pay Owner for the one-time loss of such crop in the same manner as if such crop had been growing at the time of Lessee's operations.

(b) Lessee agrees to notify Owner prior to entering the leased premises for the purpose of drilling or re-working a well or other operations, including any surveying, or staking, and for any seismic operations. Lessee shall pay to Owner, as an estimate of reasonable and ordinary damages, not less than \$5,000.00 for each drill site location on the leased premises. If the drill site area exceeds two acres, Lessee will pay additional damages at the rate of \$2,500.00 per acre, exclusive of crop losses. In the event that actual damages exceed minimum amount, Lessee will be liable for the total amount of actual damages.

(c) In advance of any seismic operations or buried pipeline installation on the leasehold, Lessee shall pay land surface damages to the surface owner in an amount equal to the greater of the minimum amount or rate stated by the Southwest Kansas Royalty Owner's Association in its most recently published guidelines preceding Lessee's operations or the amount of \$15.00 per linear rod for each pipeline placed or installed on the leasehold premises or \$15 per acre for seismic operations.

(d) If any part of the leased premises are now or are ever subject to or enrolled in the Conservation Reserve Program, or any similar government sponsored land conservation program, Lessee shall restore and reseed any surface area disturbed in connection with Lease operations as required by the applicable administrative agency laws, rules and policies and indemnify and hold Lessor harmless from lost revenue or payments and from any penalties or liquidated damages that are curtailed or assessed by the applicable administrative agency as a result of such leasehold operations.

15. ASSIGNMENT. Lessee shall not be relieved of its obligations under this Lease by assignment, unless prior to such assignment Lessor has consented to the assignment in writing, which consent will not be unreasonably withheld when the proposed assignee provides and commits to maintain adequate financial security for its obligations under the Lease, including the obligation to plug all wells and restore all well sites constructed or operated under this Lease.

16. LESSOR'S TITLE. Lessor is not obligated to warrant and defend Lessor's title against claims other than title claims made by or through Lessor. In accepting this Lease, Lessee acknowledges that Lessee has examined Lessor's title and finds the same acceptable to Lessee. Lessee will pay all of Lessee's abstracting charges in connection with this Lease.


17. BINDING EFFECT. The Lease shall extend to and be binding on all of the heirs, administrators, executors, trustees, successors and assigns of Lessor and Lessee. IN WITNESS WHEREOF, the Lessor has signed this Addendum effective the 24 day of February 2011.



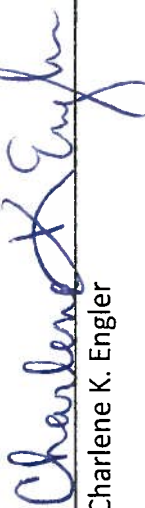
Max C. Engler III



Catherine J. Engler



Luetta M. Engler



Charlene K. Engler

63U (Rev. 1993)


 Reorder No. 09-115
 700 S. Broadway, PO Box 793
 Wichita, KS 67201-0793
 316-684-8444 (toll free)
 www.kbp.com kbp@kbp.com

OIL AND GAS LEASE

2011

AGREEMENT, Made and entered into the 10th day of February

by and between Verlyn R. Engler and Nancie J. Linville-Engler, his wife

 whose mailing address is 996 Dogwood Drive Golden, Colorado 80401 hereinafter called Lessor (whether one or more),
 and James B. Devlin, Wichita, Kansas 67202

hereinafter called Lessee:

Lessor, in consideration of _____ Dollars (\$ One (\$1.00)) in hand paid, receipt of which is here acknowledged and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring by geophysical and other means, prospecting drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases, and their respective constituent products, including gas, water, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, power stations, telephone lines, and other structures and things thereon to produce, save, take care of, treat, manufacture, process, store and transport said oil, liquid hydrocarbons, gases and their respective constituent products and other products manufactured therefrom, and housing and otherwise caring for its employees, the following described land, together with any reversionary rights and after-acquired interest, therein situated in County of _____ State of _____ described as follows to-wit:

One and More

The Northwest Quarter (NW/4) except and excluding the 10 acres on which the Engler #1 well is centered that is subject to the oil and gas lease dated 5/18/1994 and recorded in Book 242, Pages 679-684.

In Section 25 Township 19 South Range 25 West 160 acres, more or less, and all accretions thereto.

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

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

1st. To deliver to the credit of lessor, free of cost, in the pipe line to which lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay lessor for gas of whatsoever nature or kind produced and sold, or used off the premises, or in the manufacture of any products therefrom, one-eighth (1/8) at the market price at the well, (but, as to gas sold by lessee, in no event more than one-eighth (1/8) of the proceeds received by lessee from such sales), for the gas sold, used off the premises, or in the manufacture of products therefrom, said payments to be made monthly. Where gas from a well producing gas only is not sold or used, lessee may pay or tender as royalty One Dollar (\$1.00) per year per net mineral acre retained hereunder, and if such payment or tender is made it will be considered that gas is being produced within the meaning of the preceding paragraph.

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

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein provided for shall be paid the said lessor only in the proportion which lessor's interest bears to the whole and undivided fee.

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

When requested by lessor, lessee shall bury lessee's pipe lines below plow depth.

No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of lessor.

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

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

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

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

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

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

Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, when in lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises, such pooling to be of tracts contiguous to one another and to be into a unit or units not exceeding 40 acres each in the event of an oil well, or into a unit or units not exceeding 640 acres each in the event of a gas well. Lessee shall execute in writing and record in the conveyance records of the county in which the land herein leased is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit shall be treated, for all purposes except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on the pooled acreage, it shall be treated as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere herein specified, lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.

Royalty...it is agreed by the Lessor and Lessee that where the term "1/8th" appears in the Lease, it should read "3/16th" in each case.

It is the intention of Lessors that this lease cover all rights in the NW/4 of Section 25-19S-25W, Ness County, Kansas not covered by that oil and gas lease dated May 18, 1994 recorded in Book 242 at page 679.

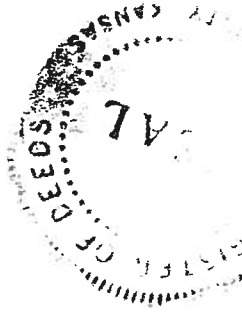
See ADDENDUM attached hereto and made a part hereof.

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

Witnesses:

Verlyn R. Engler

Nancie J. Linville-Engler



State of Kansas - Ness County

Book: 339 Page: 115

Receipt #: 7866 Recording Fee: \$36.00

Pages Recorded: 8

Cashier Initials: MH

Date Recorded: 3/14/2011 11:10:00 AM

ADDENDUM to an oil and gas lease dated February 10, 2011, by and between Verlyn R. Engler and Nancy J. Linville-Engler, his wife hereinafter referred to as Lessor, and James B. Devlin, Wichita, KS 67202, hereinafter referred to as Lessee, covering the following lands in NESS County, KS:

TOWNSHIP 19 SOUTH, RANGE 25 WEST, 6TH P. M.
SECTION 25: NW/4

Except and excluding the 10 acres on which the Engler #1 well is centered, or the acreage stated in the KCC approved notice of intent to drill (permit) for the Engler #1 well if greater, that is subject to the lease dated 05/18/1994 and recorded in Book 242, Pages 679-684.

Any reference to the "Lease" shall mean the above-referenced oil and gas lease of 2/10/2011 as modified and supplemented by this addendum. In the event of conflict between the printed terms of the oil and gas lease of 2/10/2011 and this addendum, the provisions of this addendum shall control.

1. ROYALTY PAYMENTS. The 3/16ths royalty to Lessor shall be free of all exploration, drilling and production costs and from costs incurred by Lessee, directly or indirectly, for the compression, gathering, transporting, delivery, dehydrating, processing and treating of gas. Lessee shall indemnify Lessor against liability for all claims and losses in connection with the transportation and delivery of oil to the purchaser of such oil produced for Lessor's credit, and Lessee shall be liable for the payment of royalty from oil production, in the event the oil purchaser fails to pay Lessor for whatever reason. Within sixty days following Lessor's written request, Lessee shall furnish Lessor with all information necessary in order to determine proper payment of royalty in accordance with this Lease, including but not limited to: authority to inspect lessee's records at a mutually convenient time and place, all sales information necessary to audit or verify royalty calculations, and copies of production reports sent to state and federal authorities, copies of reports of BTU for natural gas, copies of gas well meter charts, and copies of reports for basic sediment, water and specific gravity of oil.
2. SHUT-IN ROYALTY. Lessee shall have one (1) year, herein called "shut-in period," from the date of completion of a gas well in which to make pipeline connections from production or marketing of gas. During the shut-in period, Lessee shall pay to Lessor shut-in royalty at the rate of \$10.00 per acre per year, which royalty shall be due and payable on the anniversary date of this Lease. During the shut-in period, it shall be considered that gas is being produced from the leased premises in paying quantities so long as Lessee is paying shut-in royalty as herein provided.
3. MINIMUM ROYALTY PAYMENTS. Lessee agrees that at no time during the life of this Lease shall the royalty paid to Lessor for a yearly period commencing with first production from the well, including the value of gas used as provided in Paragraph 19 above, computed at the price being paid to Lessor for such gas, be less than \$25.00 per acre. Such deficiency, if any, shall be paid to Lessor by Lessee within thirty (30) days after notice and written demand thereof is

made by Lessor. In the event Minimum Royalty is payable for five consecutive years, Lessor may terminate this Lease by giving written notice of termination to Lessee.

4. POOLING AND UNITIZATION. Lessee shall not have the right to pool or combine the acreage covered by this Lease or any portion thereof with other land, lease or leases to form a production unit without Lessor's prior written consent and agreement as to the division of production and payment of royalty. Lessor will permit pooling only for new oil wells located less than 330' from the boundary line between the NW/4 Sec. 25-19S-25W and the SW/4 Sec. 25-19S-25W and a standard 10 acre drilling unit surrounding the well at the center. Lessor expressly consents to unit consisting of the NW/4 Sec. 25-19S-25W and SW/4 Sec. 25-19S-25W.

5. PARTIAL TERMINATION. It is expressly agreed, notwithstanding anything to the contrary herein, if this Lease be in force and effect at the expiration of the primary term, this Lease shall thereupon terminate as to:

- a) all leased lands not located in a "drill-site spacing unit" as hereinafter defined, and
- b) all zones or formations of the leased lands that are not producing oil or gas in paying quantities below the base of the deepest producing zone or formation except if drilling is in progress at the end of the extended primary term.

For purposes of this paragraph, a "drill-site spacing unit" is defined as all lands included in a drilling and production unit established for or attributed to a well by a regulatory governmental authority having jurisdiction and within which there is a well producing oil or gas. If there is no defined regulatory drilling and production unit established by a governmental authority, for purposes of this Lease a "drill-site spacing unit" is declared to be a contiguous 10 acres for an oil well, or 160 acres for a gas well, designated by lessee under authority of this Lease and within which there is a well producing oil or gas. Oil or gas produced from a well not located on the leasehold of this Lease, on lands pooled or unitized with leased lands, shall be attributed only to the same zones or formations of leased lands included in the drill-site spacing unit in which the well is located.

Prior to expiration of this Lease as to any zone or formation, Lessee may notify Lessor in writing of the designation certain zones or formations penetrated by Lessee's well or wells that have productive potential but are not then under production; and, as to such designated zones the operation of this paragraph shall be suspended for a period of two (2) additional years after the date this Lease would have expired in the absence of Lessee's designation. If on the expiration date Lessee is engaged in drilling or reworking operations on the leasehold, or on lands pooled or unitized with the leasehold, the operation of this paragraph shall be suspended for so long as

Lessee diligently continues such drilling or reworking operations with no cessation of more than ninety (90) consecutive days, and if such operations result in a well producing oil or gas, this Lease shall continue as to the lands and zones or formations attributed to such production. The operation of this paragraph shall further be suspended after the date of the completion or abandonment of such drilling or reworking operations on one well and the date of the

commencement of drilling or reworking operations on the next well as long as such period does not exceed ninety (90) days.

Lessee shall be obligated to file of record, in the appropriate public land title records of the county of this Lease, a release of the Lease covering expired lands, zones or formations within sixty (60) days following Lessor's written demand. If such release is not filed within said period, then Lessee shall be liable to Lessor for any damages suffered by Lessor and for attorney fees and costs incurred by Lessor in obtaining such release.

6. OPERATIONS ON LEASE PREMISES. The express covenants in this Lease that affect, benefit or restrict the use of the surface estate are intended to benefit and bind the surface owner. No right is granted to the Lessee to erect on any part of said premises any power station, above-ground telephone or electric lines, housing for employees, or manufacturing plant or facility for gasoline extraction or for the processing of oil, gas or other substances, except the equipment necessary to produce leased substances. Lessee will maintain well sites, storage tank locations and other areas used in its lease operations reasonably free of weeds, but without the use of salt or chemical substances in such weed control. Lessee will use reasonable diligence in its operations to cause minimal interference with any cattle operations on said lands; and in the event there are livestock on the property described above, or on Lessor's request, prior to any operations Lessee shall (i) fence all producing wells, tank batteries, drilling pits, burning pits, separators, drip stations, pumps, engines and all other equipment placed on the leased premises by Lessee with a good and sufficient fence capable of turning livestock, (ii) maintain and keep the fences and cattle guards in good repair during the term of the Lease and (iii) keep all gates in said fences closed at all times or install a cattle guard in lieu thereof. Lessee will at all times indemnify and hold Lessor harmless from all claims and liabilities against Lessor, and for Lessor's costs and expenses including court costs and attorney's fees and expenses, for all acts and omissions of Lessee and its agents and persons with whom Lessee contracts on and in the vicinity of the leasehold premises. Lessor may require Lessee to provide and maintain adequate financial security for Lessee's obligations under this Lease.

7. LOCATION OF OPERATIONS AND EQUIPMENT. Lessee agrees to install necessary production and metering equipment along the access road to any well and where the well or wells can be safely produced, meter houses and other production equipment shall be located adjacent to any county, state, or federal road or highway adjoining the above described premises. Moreover, the location of any equipment, plant, facility, or structure of any kind shall be mutually agreed upon by the parties to this Lease so as to cause minimal interference with Lessor's use of the surface. No pipeline, equipment, plant, facility, or structure of any kind placed or erected on the leased premises shall be used to support production from acreage not part of this Lease unless agreed to by Owner in a separate written instrument. Lessee is not authorized and Lessee shall not conduct, operations within or adjacent to any confined livestock pens, whether existing or under construction at the time of such operations, without first obtaining Lessor's consent and an agreement with the surface owner regarding compensation for damages and business losses from Lessee's operations. No well shall be drilled nearer than 600 feet from any residence or 300 feet from any other building or water well now or later located on the leased premises.

8. ACCESS ROADS AND PIPELINES. Owner reserves the right to designate reasonable routes of ingress and egress. Said designation shall not be unreasonably withheld. Prior to the construction of any roads, pipelines, tank battery installations, or installation of other equipment on the leased premises, Lessee and the surface owner and/or tenant shall consult as to the location and direction of same. There shall be no oil road surfaces or hard surfacing of any access roads without the written consent of Owner. Lessee shall bury pipelines and utility lines to a depth of not less than forty-eight (48) inches from the surface to the top of the buried line and so laid as to not interfere with farming operations, and on new installations, Lessee will install locator wire at the time of installation. If Lessee crosses any existing buried pipelines or electrical lines, Lessee shall install Lessee's buried lines below existing lines. Should the contours of the land be changed, then, and in that event, Lessee shall lower any lines laid by it to maintain the minimum depth at its sole cost and expense. Nothing herein shall be interpreted as prohibiting Lessor's location and construction of fences, pipelines or ditches over, under or alongside any pipeline of the Lessee, as long as the same do not unreasonably interfere with Lessee's operations.
9. MAINTENANCE. Lessee agrees to maintain the soil surface to its original contour including terraces. Lessee will promptly remove trash and refuse generated from its operations, and Lessee will not store or maintain equipment, facilities, supplies and materials on the leasehold that are not then being used in Lessee's operations.
10. RESTORATION. All drilling pits shall be filled and leveled within sixty (60) days after well completion or abandonment. Within six (6) months from the date of completion of drilling operations, Lessee shall remove the equipment and fixtures not needed for production. Not later than one year after the completion of any operation that disturbs or contaminates topsoil, Lessee shall excavate, remove and dispose of all tainted or contaminated soil and restore the site using the original or similar topsoil to the same depth and restore the soil surface to its original elevation and contour. Lessee shall reimburse Owner for costs incurred for deep soil ripping to remedy soil compaction from Lessee's operations.
11. RESTRICTIONS ON USE OF FRESH WATER. Lessee shall specifically not have any right to use fresh water from the above described premises for the purpose of drilling operations on the leased premises. Lessee shall specifically not have any right to use fresh water from the above described premises for the purpose of water flooding or injection in any water flooding program in which the leased premises may, for any reason, be pooled or unitized.
12. ABANDONMENT. In the event there is no production in paying quantities found by any operations undertaken by Lessee during the primary term of the Lease and there is an abandonment of the Lease, the Lessee shall fill all pits, ponds, remove all structures and reasonably restore the premises to the condition existing at the time the Lease is executed. Within one (1) year after the cessation of production from any well, Lessee will plug the well in accordance with local and state requirements and have the obligation to restore, as nearly as practicable as possible, the leased premises to the same condition as received, natural wear

and tear and damages by the elements excepted, remove all of Lessee's equipment and fixtures, including well surface casing from the soil surface down to not less than 48 inches and remove and replace all soil tainted or contaminated from Lessee's operations with the same kind of soil as existed prior to operations.

13. POLLUTION; SALT WATER. Lessee agrees that it will comply with all regulations and statutes of all governmental entities having jurisdiction over compliance with environmental legislation and will use its best efforts and follow general practices customary within the industry to protect all fresh water strata and the surface from pollution by salt water and other refuse. Lessee shall indemnify and hold Lessor harmless from any claims, damages, actions or causes of action from any environmental damage or contamination caused or contributed to by Lessee subsequent to the commencement of this Lease. The injection of any gas, water or other fluids into subsurface strata or the disposal of salt water by Lessee shall not be permitted unless Lessee first obtains the written consent of Lessor; provided, Lessor will not unreasonably withhold consent to the injection of any gas, water or fluid or the disposal of salt water produced from the leasehold. Lessor will allow salt water disposal from producing wells located on Lessor's land and unitized wells that Lessor shares royalty from. All salt water disposals will be piped underground to the disposal well. No trucking of salt water to the disposal well will be allowed. All electric lines will be placed underground. Lessee shall not be permitted to use any existing well or well drilled on the leased premises as a salt water disposal well for salt water produced off the leasehold. Lessee duty to indemnify and hold Lessor harmless from liability for losses under this paragraph shall exist without regard to Lessee's compliance with the standards stated herein. Further, the payment of well-site damages will not release Lessee from liability under this paragraph.

14. DAMAGES. The following provisions shall govern damages incurred by Lessor during Lessee's operations:

(a) Lessee shall pay Owner for all damages caused by its operations, including pipelines, on said land, to all property, real, personal, or mixed, caused by its operations on said land, including but specifically not limited to land, growing crops, grass, buildings, livestock, surface, fences and other improvements and personal property. Damages to Lessor's crops and for Lessor's cost of land restoration shall be computed by Owner on completion of Lessee's operations and paid by Lessee within thirty days of Lessor's demand. If Owner is prevented by Lessee's operations from planting a crop, Lessee shall pay Owner for the one-time loss of such crop in the same manner as if such crop had been growing at the time of Lessee's operations.

(b) Lessee agrees to notify Owner prior to entering the leased premises for the purpose of drilling or re-working a well or other operations, including any surveying, or staking, and for any seismic operations. Lessee shall pay to Owner, as an estimate of reasonable and ordinary damages, not less than \$5,000.00 for each drill site location on the leased premises. If the drill site area exceeds two acres, Lessee will pay additional damages at the rate of \$2,500.00 per acre, exclusive of crop losses. In the event that actual damages exceed minimum amount, Lessee will be liable for the total amount of actual damages.

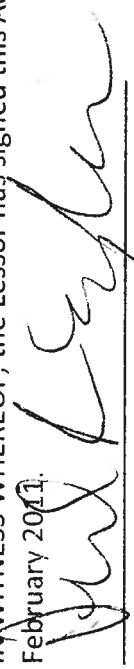
(c) In advance of any seismic operations or buried pipeline installation on the leasehold, Lessee shall pay land surface damages to the surface owner in an amount equal to the greater of the minimum amount or rate stated by the Southwest Kansas Royalty Owner's Association in its most recently published guidelines preceding Lessee's operations or the amount of \$15.00 per linear rod for each pipeline placed or installed on the leasehold premises or \$15 per acre for seismic operations.

(d) If any part of the leased premises are now or are ever subject to or enrolled in the Conservation Reserve Program, or any similar government sponsored land conservation program, Lessee shall restore and reseed any surface area disturbed in connection with Lease operations as required by the applicable administrative agency laws, rules and policies and indemnify and hold Lessor harmless from lost revenue or payments and from any penalties or liquidated damages that are curtailed or assessed by the applicable administrative agency as a result of such leasehold operations.

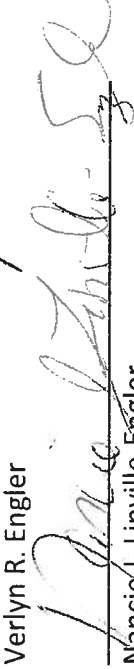
15. ASSIGNMENT. Lessee shall not be relieved of its obligations under this Lease by assignment, unless prior to such assignment Lessor has consented to the assignment in writing, which consent will not be unreasonably withheld when the proposed assignee provides and commits to maintain adequate financial security for its obligations under the Lease, including the obligation to plug all wells and restore all well sites constructed or operated under this Lease.

16. LESSOR'S TITLE. Lessor is not obligated to warrant and defend Lessor's title against claims other than title claims made by or through Lessor. In accepting this Lease, Lessee acknowledges that Lessee has examined Lessor's title and finds the same acceptable to Lessee. Lessee will pay all of Lessee's abstracting charges in connection with this Lease.

17. BINDING EFFECT. The Lease shall extend to and be binding on all of the heirs, administrators, executors, trustees, successors and assigns of Lessor and Lessee. IN WITNESS WHEREOF, the Lessor has signed this Addendum effective the 10th day of February 2011.



Verlyn R. Engler



Mancia J. Linville-Engler

Date Recorded: 3/14/2011 11:25:00 AM

FORM 88 - (PRODUCER'S SPECIAL) (PAID-UP)

63U (Rev. 1993)

Recorder No. **KBP**
09-115
Kansas Blue Print
700 S. Broadway, PO Box 783
Wichita, KS 67201-0783
316-264-8441 284-1165 fax
www.kbp.com kbp@kbp.com

OIL AND GAS LEASE

2011

February

10th

AGREEMENT, Made and entered into the _____ day of _____, 2011
George M. Brady and Janice E. Brady, Trustees of the George M. Brady and Janice E. Brady Revocable Trust

by and between _____
dated 10-12-06

whose mailing address is 1302 Grand Parsons, KS 67357 hereinafter called Lessor (whether one or more),
and James B. Devlin, Wichita, Kansas 67202

_____ hereinafter called Lessee:
Lessor, in consideration of One and More Dollars (\$ One (\$1.00)) in hand paid, receipt of which is here acknowledged and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring by geophysical and other means, prospecting, drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases, and their respective constituent products, injecting gas, water, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, power stations, telephone lines, and other structures and things thereon to produce, save, take care of, treat, manufacture, process, store and transport said oil, liquid hydrocarbons, gases and their respective constituent products and other products manufactured therefrom, and housing and otherwise caring for its employees, the following described land, together with any reversionary rights and after-acquired interest, therein situated in County of Ness State of Kansas described as follows to-wit:

The Northwest Quarter (NW/4) except and excluding the 10 acres on which the Engler #1 well is centered that is subject to the oil and gas lease dated 5/18/1994 and recorded in Book 242, Pages 679-684.

In Section 25 Township 19 South Range 25 West and containing 160 acres, more or less, and all accretions thereto.

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

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

1st. To deliver to the credit of lessor, free of cost, in the pipe line to which lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay lessor for gas of whatever nature or kind produced and sold, or used off the premises, or used in the manufacture of any products therefrom, one-eighth (1/8) at the market price at the well, (but, as to gas sold by lessee, in no event more than one-eighth (1/8) of the proceeds received by lessee from such sales), for the gas sold, used off the premises, or in the manufacture of products therefrom, said payments to be made monthly. Where gas from a well producing gas only is not sold or used, lessee may pay or tender as royalty One Dollar (\$1.00) per year per net mineral acre retained hereunder, and if such payment or tender is made it will be considered that gas is being produced within the meaning of the preceding paragraph.

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

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein provided for shall be paid the said lessor only in the proportion which lessor's interest bears to the whole and undivided fee.

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

When requested by lessor, lessee shall bury lessee's pipe lines below plow depth.

No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of lessor.

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

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

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

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

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

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

Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land; lease or leases in the immediate vicinity thereof, when in lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises, such pooling to be of tracts contiguous to one another and to be into a unit or units not exceeding 40 acres each in the event of an oil well, or into a unit or units not exceeding 640 acres each in the event of a gas well. Lessee shall execute in writing and record in the conveyance records of the county in which the land herein leased is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit shall be treated, for all purposes except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on the pooled acreage, it shall be treated as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere herein specified, lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.

Royalty...it is agreed by the Lessor and Lessee that where the term "1/8th" appears in the Lease, it should read "3/16th" in each case.

It is the intention of Lessors that this lease cover all rights in the NW/4 of Section 25-19S-25W, Ness County, Kansas not covered by that oil and gas lease dated May 18, 1994 recorded in Book 242 at page 679.

See ADDENDUM attached hereto and made a part hereof.



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

Witness:

George M. Brady, Trustee

Janice E. Brady, Trustee

George M. Brady and Janice E. Brady Revocable Trust

George M. Brady and Janice E. Brady Revocable Trust

dated 10-12-06

dated 10-12-06

ADDENDUM to an oil and gas lease dated February 10, 2011, by and between George M. Brady and Janice E. Brady, Trustees of the George M. Brady and Janice E. Brady Revocable Trust dated 10-12-06, hereinafter referred to as Lessor and James B. Devlin, Wichita, KS 67202 hereinafter referred to as Lessee, covering the following lands in NESS County, KS:

TOWNSHIP 19 SOUTH, RANGE 25 WEST, 6TH P. M.
SECTION 25: NW/4

Except and excluding the 10 acres on which the Engler #1 well is centered, or the acreage stated in the KCC approved notice of intent to drill (permit) for the Engler #1 well if greater, that is subject to the lease dated 05/18/1994 and recorded in Book 242, Pages 679-684.

Any reference to the "Lease" shall mean the above-referenced oil and gas lease of 2/10/2011 as modified and supplemented by this addendum. In the event of conflict between the printed terms of the oil and gas lease of 2/10/2011 and this addendum, the provisions of this addendum shall control.

1. ROYALTY PAYMENTS. The 3/16ths royalty to Lessor shall be free of all exploration, drilling and production costs and from costs incurred by Lessee, directly or indirectly, for the compression, gathering, transporting, delivery, dehydrating, processing and treating of gas. Lessee shall indemnify Lessor against liability for all claims and losses in connection with the transportation and delivery of oil to the purchaser of such oil produced for Lessor's credit, and Lessee shall be liable for the payment of royalty from oil production, in the event the oil purchaser fails to pay Lessor for whatever reason. Within sixty days following Lessor's written request, Lessee shall furnish Lessor with all information necessary in order to determine proper payment of royalty in accordance with this Lease, including but not limited to: authority to inspect lessee's records at a mutually convenient time and place, all sales information necessary to audit or verify royalty calculations, and copies of production reports sent to state and federal authorities, copies of reports of BTU for natural gas, copies of gas well meter charts, and copies of reports for basic sediment, water and specific gravity of oil.
2. SHUT-IN ROYALTY. Lessee shall have one (1) year, herein called "shut-in period," from the date of completion of a gas well in which to make pipeline connections from production or marketing of gas. During the shut-in period, Lessee shall pay to Lessor shut-in royalty at the rate of \$10.00 per acre per year, which royalty shall be due and payable on the anniversary date of this Lease. During the shut-in period, it shall be considered that gas is being produced from the leased premises in paying quantities so long as Lessee is paying shut-in royalty as herein provided.
3. MINIMUM ROYALTY PAYMENTS. Lessee agrees that at no time during the life of this Lease shall the royalty paid to Lessor for a yearly period commencing with first production from the well, including the value of gas used as provided in Paragraph 19 above, computed at the price being paid to Lessor for such gas, be less than \$25.00 per acre. Such deficiency, if any, shall be paid to Lessor by Lessee within thirty (30) days after notice and written demand thereof is

made by Lessor. In the event Minimum Royalty is payable for five consecutive years, Lessor may terminate this Lease by giving written notice of termination to Lessee.

4. POOLING AND UNITIZATION. Lessee shall not have the right to pool or combine the acreage covered by this Lease or any portion thereof with other land, lease or leases to form a production unit without Lessor's prior written consent and agreement as to the division of production and payment of royalty. Lessor will permit pooling only for new oil wells located less than 330' from the boundary line between the NW/4 Sec. 25-19S-25W and the SW/4 Sec. 25-19S-25W and a standard 10 acre drilling unit surrounding the well at the center. Lessor expressly consents to unit consisting of the NW/4 Sec. 25-19S-25W and SW/4 Sec. 25-19S-25W.

5. PARTIAL TERMINATION. It is expressly agreed, notwithstanding anything to the contrary herein, if this Lease be in force and effect at the expiration of the primary term, this Lease shall thereupon terminate as to:

- a) all leased lands not located in a "drill-site spacing unit" as hereinafter defined, and
- b) all zones or formations of the leased lands that are not producing oil or gas in paying quantities below the base of the deepest producing zone or formation except if drilling is in progress at the end of the extended primary term.

For purposes of this paragraph, a "drill-site spacing unit" is defined as all lands included in a drilling and production unit established for or attributed to a well by a regulatory governmental authority having jurisdiction and within which there is a well producing oil or gas. If there is no defined regulatory drilling and production unit established by a governmental authority, for purposes of this Lease a "drill-site spacing unit" is declared to be a contiguous 10 acres for an oil well, or 160 acres for a gas well, designated by lessee under authority of this Lease and within which there is a well producing oil or gas. Oil or gas produced from a well not located on the leasehold of this Lease, on lands pooled or unitized with leased lands, shall be attributed only to the same zones or formations of leased lands included in the drill-site spacing unit in which the well is located.

Prior to expiration of this Lease as to any zone or formation, Lessee may notify Lessor in writing of the designation certain zones or formations penetrated by Lessee's well or wells that have productive potential but are not then under production; and, as to such designated zones the operation of this paragraph shall be suspended for a period of two (2) additional years after the date this Lease would have expired in the absence of Lessee's designation. If on the expiration date Lessee is engaged in drilling or reworking operations on the leasehold, or on lands pooled or unitized with the leasehold, the operation of this paragraph shall be suspended for so long as

Lessee diligently continues such drilling or reworking operations with no cessation of more than ninety (90) consecutive days, and if such operations result in a well producing oil or gas, this Lease shall continue as to the lands and zones or formations attributed to such production. The operation of this paragraph shall further be suspended after the date of the completion or abandonment of such drilling or reworking operations on one well and the date of the

commencement of drilling or reworking operations on the next well as long as such period does not exceed ninety (90) days.

Lessee shall be obligated to file of record, in the appropriate public land title records of the county of this Lease, a release of the Lease covering expired lands, zones or formations within sixty (60) days following Lessor's written demand. If such release is not filed within said period, then Lessee shall be liable to Lessor for any damages suffered by Lessor and for attorney fees and costs incurred by Lessor in obtaining such release.

6. OPERATIONS ON LEASE PREMISES. The express covenants in this Lease that affect, benefit or restrict the use of the surface estate are intended to benefit and bind the surface owner. No right is granted to the Lessee to erect on any part of said premises any power station, above-ground telephone or electric lines, housing for employees, or manufacturing plant or facility for gasoline extraction or for the processing of oil, gas or other substances, except the equipment necessary to produce leased substances. Lessee will maintain well sites, storage tank locations and other areas used in its lease operations reasonably free of weeds, but without the use of salt or chemical substances in such weed control. Lessee will use reasonable diligence in its operations to cause minimal interference with any cattle operations on said lands; and In the event there are livestock on the property described above, or on Lessor's request, prior to any operations Lessee shall (i) fence all producing wells, tank batteries, drilling pits, burning pits, separators, drip stations, pumps, engines and all other equipment placed on the leased premises by Lessee with a good and sufficient fence capable of turning livestock, (ii) maintain and keep the fences and cattle guards in good repair during the term of the Lease and (iii) keep all gates in said fences closed at all times or install a cattle guard in lieu thereof. Lessee will at all times indemnify and hold Lessor harmless from all claims and liabilities against Lessor, and for Lessor's costs and expenses including court costs and attorney's fees and expenses, for all acts and omissions of Lessee and its agents and persons with whom Lessee contracts on and in the vicinity of the leasehold premises. Lessor may require Lessee to provide and maintain adequate financial security for Lessee's obligations under this Lease.

7. LOCATION OF OPERATIONS AND EQUIPMENT. Lessee agrees to install necessary production and metering equipment along the access road to any well and where the well or wells can be safely produced, meter houses and other production equipment shall be located adjacent to any county, state, or federal road or highway adjoining the above described premises. Moreover, the location of any equipment, plant, facility, or structure of any kind shall be mutually agreed upon by the parties to this Lease so as to cause minimal interference with Lessor's use of the surface. No pipeline, equipment, plant, facility, or structure of any kind placed or erected on the leased premises shall be used to support production from acreage not part of this Lease unless agreed to by Owner in a separate written instrument. Lessee is not authorized and Lessee shall not conduct, operations within or adjacent to any confined livestock pens, whether existing or under construction at the time of such operations, without first obtaining Lessor's consent and an agreement with the surface owner regarding compensation for damages and business losses from Lessee's operations. No well shall be drilled nearer than 600 feet from any residence or 300 feet from any other building or water well now or later located on the leased premises.

8. ACCESS ROADS AND PIPELINES. Owner reserves the right to designate reasonable routes of ingress and egress. Said designation shall not be unreasonably withheld. Prior to the construction of any roads, pipelines, tank battery installations, or installation of other equipment on the leased premises, Lessee and the surface owner and/or tenant shall consult as to the location and direction of same. There shall be no oil road surfaces or hard surfacing of any access roads without the written consent of Owner. Lessee shall bury pipelines and utility lines to a depth of not less than forty-eight (48) inches from the surface to the top of the buried line and so laid as to not interfere with farming operations, and on new installations, Lessee will install locator wire at the time of installation. If Lessee crosses any existing buried pipelines or electrical lines, Lessee shall install Lessee's buried lines below existing lines. Should the contours of the land be changed, then, and in that event, Lessee shall lower any lines laid by it to maintain the minimum depth at its sole cost and expense. Nothing herein shall be interpreted as prohibiting Lessor's location and construction of fences, pipelines or ditches over, under or alongside any pipeline of the Lessee, as long as the same do not unreasonably interfere with Lessee's operations.

9. MAINTENANCE. Lessee agrees to maintain the soil surface to its original contour including terraces. Lessee will promptly remove trash and refuse generated from its operations, and Lessee will not store or maintain equipment, facilities, supplies and materials on the leasehold that are not then being used in Lessee's operations.

10. RESTORATION. All drilling pits shall be filled and leveled within sixty (60) days after well completion or abandonment. Within six (6) months from the date of completion of drilling operations, Lessee shall remove the equipment and fixtures not needed for production. Not later than one year after the completion of any operation that disturbs or contaminates topsoil, Lessee shall excavate, remove and dispose of all tainted or contaminated soil and restore the site using the original or similar topsoil to the same depth and restore the soil surface to its original elevation and contour. Lessee shall reimburse Owner for costs incurred for deep soil ripping to remedy soil compaction from Lessee's operations.

11. RESTRICTIONS ON USE OF FRESH WATER. Lessee shall specifically not have any right to use fresh water from the above described premises for the purpose of drilling operations on the leased premises. Lessee shall specifically not have any right to use fresh water from the above described premises for the purpose of water flooding or injection in any water flooding program in which the leased premises may, for any reason, be pooled or unitized.

12. ABANDONMENT. In the event there is no production in paying quantities found by any operations undertaken by Lessee during the primary term of the Lease and there is an abandonment of the Lease, the Lessee shall fill all pits, ponds, remove all structures and reasonably restore the premises to the condition existing at the time the Lease is executed. Within one (1) year after the cessation of production from any well, Lessee will plug the well in accordance with local and state requirements and have the obligation to restore, as nearly as practicable as possible, the leased premises to the same condition as received, natural wear

and tear and damages by the elements excepted, remove all of Lessee's equipment and fixtures, including well surface casing from the soil surface down to not less than 48 inches and remove and replace all soil tainted or contaminated from Lessee's operations with the same kind of soil as existed prior to operations.

13. POLLUTION; SALT WATER. Lessee agrees that it will comply with all regulations and statutes of all governmental entities having jurisdiction over compliance with environmental legislation and will use its best efforts and follow general practices customary within the industry to protect all fresh water strata and the surface from pollution by salt water and other refuse. Lessee shall indemnify and hold Lessor harmless from any claims, damages, actions or causes of action from any environmental damage or contamination caused or contributed to by Lessee subsequent to the commencement of this Lease. The injection of any gas, water or other fluids into subsurface strata or the disposal of salt water by Lessee shall not be permitted unless Lessee first obtains the written consent of Lessor; provided, Lessor will not unreasonably withhold consent to the injection of any gas, water or fluid or the disposal of salt water produced from the leasehold. Lessor will allow salt water disposal from producing wells located on Lessor's land and unitized wells that Lessor shares royalty from. All salt water disposals will be piped underground to the disposal well. No trucking of salt water to the disposal well will be allowed. All electric lines will be placed underground. Lessee shall not be permitted to use any existing well or well drilled on the leased premises as a salt water disposal well for salt water produced off the leasehold. Lessee duty to indemnify and hold Lessor harmless from liability for losses under this paragraph shall exist without regard to Lessee's compliance with the standards stated herein. Further, the payment of well-site damages will not release Lessee from liability under this paragraph.

14. DAMAGES. The following provisions shall govern damages incurred by Lessor during Lessee's operations:

(a) Lessee shall pay Owner for all damages caused by its operations, including pipelines, on said land, to all property, real, personal, or mixed, caused by its operations on said land, including but specifically not limited to land, growing crops, grass, buildings, livestock, surface, fences and other improvements and personal property. Damages to Lessor's crops and for Lessor's cost of land restoration shall be computed by Owner on completion of Lessee's operations and paid by Lessee within thirty days of Lessor's demand. If Owner is prevented by Lessee's operations from planting a crop, Lessee shall pay Owner for the one-time loss of such crop in the same manner as if such crop had been growing at the time of Lessee's operations.

(b) Lessee agrees to notify Owner prior to entering the leased premises for the purpose of drilling or re-working a well or other operations, including any surveying, or staking, and for any seismic operations. Lessee shall pay to Owner, as an estimate of reasonable and ordinary damages, not less than \$5,000.00 for each drill site location on the leased premises. If the drill site area exceeds two acres, Lessee will pay additional damages at the rate of \$2,500.00 per acre, exclusive of crop losses. In the event that actual damages exceed minimum amount, Lessee will be liable for the total amount of actual damages.

(c) In advance of any seismic operations or buried pipeline installation on the leasehold, Lessee shall pay land surface damages to the surface owner in an amount equal to the greater of the minimum amount or rate stated by the Southwest Kansas Royalty Owner's Association in its most recently published guidelines preceding Lessee's operations or the amount of \$15.00 per linear rod for each pipeline placed or installed on the leasehold premises or \$15 per acre for seismic operations.

(d) If any part of the leased premises are now or are ever subject to or enrolled in the Conservation Reserve Program, or any similar government sponsored land conservation program, Lessee shall restore and reseed any surface area disturbed in connection with Lease operations as required by the applicable administrative agency laws, rules and policies and indemnify and hold Lessor harmless from lost revenue or payments and from any penalties or liquidated damages that are curtailed or assessed by the applicable administrative agency as a result of such leasehold operations.

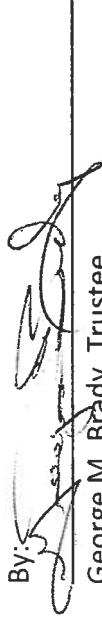
15. ASSIGNMENT. Lessee shall not be relieved of its obligations under this Lease by assignment, unless prior to such assignment Lessor has consented to the assignment in writing, which consent will not be unreasonably withheld when the proposed assignee provides and commits to maintain adequate financial security for its obligations under the Lease, including the obligation to plug all wells and restore all well sites constructed or operated under this Lease.

16. LESSOR'S TITLE. Lessor is not obligated to warrant and defend Lessor's title against claims other than title claims made by or through Lessor. In accepting this Lease, Lessee acknowledges that Lessee has examined Lessor's title and finds the same acceptable to Lessee. Lessee will pay all of Lessee's abstracting charges in connection with this Lease.

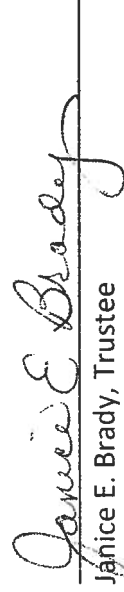
17. BINDING EFFECT. The Lease shall extend to and be binding on all of the heirs, administrators, executors, trustees, successors and assigns of Lessor and Lessee. IN WITNESS WHEREOF, the Lessor has signed this Addendum effective the 24 day of February 2011.

George M. Brady and Janice E. Brady Revocable Trust dated 10-12-06

By:



George M. Brady, Trustee



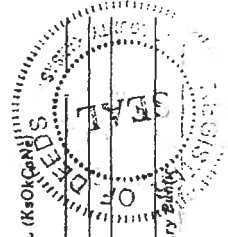
Janice E. Brady, Trustee

STATE OF Colorado **ACKNOWLEDGMENT FOR INDIVIDUAL (K&O&CoNe)**
 COUNTY OF Jefferson
 The foregoing instrument was acknowledged before me this 30 day of July 2005
 by Charles W. Barrows, Trustee
Charles W. Barrows
 My commission expires 05/17/2008 Karen Rees Notary Public

STATE OF _____ **ACKNOWLEDGMENT FOR INDIVIDUAL (K&O&CoNe)**
 COUNTY OF _____
 The foregoing instrument was acknowledged before me this _____ day of _____
 by _____ and _____
 My commission expires _____ Notary Public

STATE OF _____ **ACKNOWLEDGMENT FOR INDIVIDUAL (K&O&CoNe)**
 COUNTY OF _____
 The foregoing instrument was acknowledged before me this _____ day of _____
 by _____ and _____
 My commission expires _____ Notary Public

STATE OF _____ **ACKNOWLEDGMENT FOR INDIVIDUAL (K&O&CoNe)**
 COUNTY OF _____
 The foregoing instrument was acknowledged before me this _____ day of _____
 by _____ and _____
 My commission expires _____ Notary Public



TO _____
 FROM **OIL AND GAS LEASE**

Date _____
 Section _____ Twp _____ Rge _____
 No. of Acres _____ Term _____
 County _____
 STATE OF Kansas
 County Neosho
 This instrument was filed for record on the 19 day of August, 2005
 at 1:00 o'clock P. M. and duly recorded in Book 295 Page 335 of the records of this office.
 By Mack Hollman Register of Deeds
 When recorded, return to _____
 Recording Fee \$8.00 Tech Fee \$4.00

STATE OF _____ **ACKNOWLEDGMENT FOR CORPORATION (K&O&CoNe)**
 COUNTY OF _____
 The foregoing instrument was acknowledged before me this _____ day of _____
 by _____ of _____
 corporation, on behalf of the corporation.
 My commission expires _____ Notary Public