For KCC Use:

Eff	e	ct	iv	е	Date

District	#	

SGA?	Yes	No

Form

KANSAS CORPORATION COMMISSION **OIL & GAS CONSERVATION DIVISION**

March 2010 Form must be Typed Form must be Signed All blanks must be Filled

Form C-1

1055875

NOTICE OF INTENT TO DRILL

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

Expected Spud Date:		Spot Description:	
month day	year	Sec Twp S. F	
OPERATOR: License#		feet from N /	
Name:		feet from L E / L	W Line of Section
Address 1:		Is SECTION: Regular Irregular?	
Address 2:		(Note: Locate well on the Section Plat on rever	se side)
City: State: Zip: _		County:	,
Contact Person:		Lease Name:	
Phone:		Field Name:	
CONTRACTOR: License#		Is this a Prorated / Spaced Field?	Yes No
Name:		Target Formation(s):	
	pe Equipment: Mud Rotary Air Rotary Cable	Nearest Lease or unit boundary line (in footage): Ground Surface Elevation: Water well within one-quarter mile: Public water supply well within one mile: Depth to bottom of fresh water: Depth to bottom of usable water: Surface Pipe by Alternate: I Length of Surface Pipe Planned to be set: Length of Conductor Pipe (if any): Projected Total Depth: Formation at Total Depth: Water Source for Drilling Operations:	feet MSL Yes No Yes No
Directional, Deviated or Horizontal wellbore?	Yes No	Well Farm Pond Other:	
If Yes, true vertical depth:		DWR Permit #:	
Bottom Hole Location:		(Note: Apply for Permit with DWR)	
KCC DKT #:		Will Cores be taken?	Yes No
		If Yes proposed zone.	

AFFIDAVIT

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

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

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

Submitted Electro	onically
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For KCC Use ONLY	
API # 15	
Conductor pipe required	feet
Minimum surface pipe required	feet per ALT.
Approved by:	
This authorization expires:	
Spud date: Agent:	

Remember to:

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

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



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:	Location of Well: County:
Lease:	feet from N / S Line of Section
Well Number:	feet from E / W Line of Section
Field:	Sec Twp S. R E 🗌 W
Number of Acres attributable to well: QTR/QTR/QTR/QTR of acreage:	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.



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).
- 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.

Side Two



KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION 1055875

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:	Pit is:			
Emergency Pit Burn Pit	Proposed	Existing	SecTwp	_R East West
Settling Pit Drilling Pit	If Existing, date cor	nstructed:	Feet from	North / South Line of Section
Workover Pit Haul-Off Pit (<i>If WP Supply API No. or Year Drilled</i>)	Pit capacity:		Feet from East / West Line of Section	
		(bbls)	County	
Is the pit located in a Sensitive Ground Water A	Area? Yes	No	Chloride concentration:	gency Pits and Settling Pits only)
Is the bottom below ground level?	Artificial Liner?	lo	How is the pit lined if a pla	astic liner is not used?
Pit dimensions (all but working pits):	Length (fee	et)	Width (feet)	N/A: Steel Pits
Depth fro	om ground level to dee	epest point:	(feet)	No Pit
Distance to nearest water well within one-mile of pit:		Depth to shallow Source of inform	vest fresh water nation:	feet.
feet Depth of water wellfeet		measured	well owner	electric log KDWR
Emergency, Settling and Burn Pits ONLY:		Drilling, Workover and Haul-Off Pits ONLY:		
Producing Formation:	Type of material utilized in drilling/workover:			
Number of producing wells on lease:		Number of working pits to be utilized:		
Barrels of fluid produced daily:	Abandonment p	rocedure:		
Does the slope from the tank battery allow all spilled fluids to flow into the pit? Yes No		Drill pits must be closed within 365 days of spud date.		
Submitted Electronically				
	KCC	OFFICE USE ON	ILY	Steel Pit
Date Received: Permit Num	ber:	Permit	Date: I	Lease Inspection: Yes No

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



KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

1055875

CERTIFICATION OF COMPLIANCE WITH THE KANSAS SURFACE OWNER NOTIFICATION ACT

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

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 #	Well Location:		
Name:			
Address 1:	County:		
Address 2:	Lease Name: Well #:		
City: Zip: + Contact Person:	If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:		
Phone: () Fax: ()			
Email Address:			
Surface Owner Information:			
Name:	When filing a Form T-1 involving multiple surface owners, attach an additional		
Address 1:	sheet listing all of the information to the left for each surface owner. Surface owner information can be found in the records of the register of deeds for the		
Address 2:	county, and in the real estate property tax records of the county treasurer.		
City: State: Zip:+			

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.

Submitted Electronically

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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: Mai Oil Operations, Inc.	Location of Well: County: Rus	isell
Lease: Anschutz-Krug Unit	2,375	feet from X N / S Line of Section
Well Number: 1	875	feet from X N / S Line of Section feet from E / W Line of Section S. R. 14 E X W
Field: Wildcat	Sec. 23 Twp. 13	S. R. 14E 🛛 W
Number of Acres attributable to well:	Is Section: Regular or	Irregular
	If Section is Irregular, locate	e 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.



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.





UNIT DESCRIPTION

That part of the Northeast Quarter and Southeast Quarter of Section 23, Township 13 South, Range 14 West of the 6th Principal Meridian, Russell County, Kansas, described as follows: Commencing at the northeast corner of said Section 23; thence on an assumed bearing of South, along the east line of the Northeast Quarter of said section, a distance of 2045.00 feet; thence on a bearing of West a distance of 545.00 feet to the point of beginning of the unit to be described; thence continuing on a bearing of West a distance of 660.00 feet; thence on a bearing of South a distance of 660.00 feet; thence on a bearing of East a distance of 660.00 feet; thence on a bearing of North a distance of 660.00 feet to the point of beginning. The above described unit contains 10.0 acres.

Controlling data is based upon the best maps and photographs available to us and upon a regular section of land containing 640 ocres.

Approximate section lines were determined using the normal standard of care of oilfield surveyors practicing in the state of Kansas. The section carners, which establish the precise section lines, were not necessarily located, and the avaat location of the drillsite location in the section is not quaranteed. Therefore, the operator securing this service and accepting this plot and all other parties relying therefore or the operator securing this service and accepting this plot and all other parties relying therefore are to hold Central Kansas Dilfield Services. Inc. its officers and employees harmless from all losses, costs and expenses and said entities released from any liability from incidental or consequential damages * Elevations derived from National Geodetic Vertical Datum.

May 2, 2011

Date _

CENTRAL KANSAS OILFIELD SERVICES, INC. (620)792-1977

FROM : Mai Oil Operations FAX NO. : 2142198885 Jul. 16 2008 11:49AM P4 R. 544

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1

FORM 88 - (PRODUCER'S SPECIAL) (PAID-3P)

OIL AND GAS LEASE

AG	REMENT, Made and	entered into the	6*	duyc	f March		2006
by and between	Don E Anschu	tz and Marlene	K. Anschutz,	husband	and wife		
whose mailing ad	chrosa is 4552 1	83 rd Blvd., Russ	eil, KS 67665	5	nin an anna an t-t-t-t-transmission factor gans the film	an a ^{gun} da taran an a	hereinafter called Lessor (whether one or norw)
	il Operations, Inc		an Maria Santa Santary				
· · · · · · · · · · · · · · · · · · ·	T average				and and a second s		annan 1967 - 1 - 1 Amerikan digi segara 1 - 1 Ferrana dan salah seran s
products, injecting products, injecting produce, save, cd	or, in consideration of teknowledged and of the loring by geophysical a g gas, water, other fluids	and other neans, prosp s, and air i no subsurfac acture, process, store a	secure duling, mi se surate, laying pip and transport said	oil, fiquid by	to and building tanks. drocarboos, gases at	power stations, to d their respective	
Thereis situated i	in County of Russe	ell	State of	Kansz	iš		described as follows to wit.
All of North	cast Quarter (NE	1/4)					
In Section	23 . Township	135	1	14 W	and containing	160	Acres, more or loss, and all accretions thereto.
hydrocarbons, gas	or other respective con	shipent products, or an	y of them, is produ	force for a to ced from said	rm of <u>3</u> years for land or land with wh	on the date (calle tich said land is po	ed "pelasary terre"), and as long thereafter as oil, liquid oled.
				bich lessee m	ay connect wells on s	said land, the equa	z one-eighthig purt of all oil produced and saved from
2 nd market price at the manufacture of pr	To pay leasant for gas of e well, (but, as to gas so oducts, and paymonts to	d by lessee, in no even be made monthly. W	t more flow one-eighere gas from a we	thth (%) of the	proceeds neceived by as only is not sold of	v lesses inyn such usod, hesser naty	acture of any products therefrom, one-zigith it the sales), for the gas hold, used off the premises, or in the pay or tracer as royally One Dollar (\$1.00) per year per anneg of the preceding paragraph.
lease or any exter	lease may be maintainen rsion thereof, the lesses are shall continue and be	shall have the right to	dril such well to	completion v	ith reasonable dilige	ace and dispatch,	e shall commence to drill a well within the torm of this and if oil or gas, or either of them, be found in paying loned.
	d lessor owns a loss into proportion which lessor				divided fee simple a	state therein, then	the royalties harein provided for shall be paid the said
				uzed on said la	nd tor lessee's opera	tion thereon, excep	at water from the wells of lessor
	et shall bury lesses's pip (e) shall be drilled ucare			an said premis	es without written co	nseul af lessor.	
	e duali pay for dainages						
	to shall bave the right at						
a written transfer operations arising au	creasons or assigns, but i or assignment or a true ibsequent to the date of i	no change in the owner onpy thereof. In case assignment.	ship of the land or less on assigns this	assignment of lesse, in who	frentsis or royalties : le or in part, lessee :	shall be binding on shall be relieved o	covenants hereof shall extend to their heirs, executors, the lessee until after the lessee has been furnished with f all obligations with respect to the assigned pertion or
lease as to such po	ortion or portions and be	relieved of all obligation	ons as to the acreag	ge surrendered			he above described premises and thereby surrender this
whole or in part, a	or lessee held liabic in d	lamages, for failure to e	somply therewith, i	if compliance	is prevented by, or if	such fulure in the	Regulations, and this lease shall not be terminated, in result of, any such L-aw, Order, Rule or Regulation.
montgages, taxes to themselves and the homestand may in	or other hears on the above wir hears, successers an any way affect the parp	ve described lands, in the od assigns, hereby sum- oses for which this least	he event of default caller and release at it made, as recite	all right of d ed herein.	ever and homestead	ogatec to the right in the premises	right at any time to redeem for lessor, by payment my s of the holder thereof, and the undersigned lessors, for described horein, in so far as said right of dower and
promotive victory gas or other minen in the event of an of which the land her payment of royalti leave, whether the	¹ Index, when n lesses als in and under and that all well, or into a units of eth lessed is situated an less on production from to well or wells be located wortion of the noyalty sti- portion of the noyalty sti-	a judgaton it is necess, trany be produced from or units tot exceeding 6 instrument identifying the pooled unit, as if it d on the premises cover	ary or advisable to a said premises, suc 40 acres each in th and describing the were included in t med by this lease o	do so in orde ch pooling to ac event of a g pooled acrea- this lease. If a pot in her	t to property develop be of tracts contiguot as well. Lesson shall be. The canire across production is found : a fithe rowthice dev	and operate said 15 to out another a 1 execute in writin 1 execute in	portion thereof with other land, lease or leaves in the lease premises so as to promote the conservation of oil, and to be into a unit or units not exceeding 40 acros each g and recard in the conveyance records of the county in used or unit shall be treated, for all purposes except the age, it shall be unded as if production is had from this lifted, leasor shall meetive on production from a unit so an acrossing basis bears to the total acrossic so pooled in
		1 - 1996 - 1-2					

IN WITNESS WHEREOF, the under signed execute this agreement as of the day and year first above written.

Wimesses: Non E Deo E. Anschutz L.

Marlene K. Anschutz

BOOK 205 FAGE 0584

2010

OIL AND GAS LEASE

Anu of

78

AUKE	ENTERAL, Mane and entered mits me 20 Oily of Dobr	7	2010
ŧ	y and between Krug Land and Cattle, Inc., Gerald M. Krug President		
whos	e mailing address is 3740 U.S. HWY 281.Russell, KS 67665		hereinafter called Lessor (whether one or more),
and	MAST DRILLING, INC.		
			hereinafter called Lessee:
	Lessor, in consideration of One and O.V.C	·	Dollars (\$ 1.00) in hand paid,

Rent

Dollars (\$ 1.00) in band pair in the provide and of the royalties herein provide and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusive unto lessee for the purpose of investigating, exploring by geophysical and other means, prospecting drilling, mining and operating for and producing oil, liquit hydrocarbons, all gases, and their respective constituent products, injecting gas, water, other fluids, and air into subsurface strats, laying pipe lines, storing oil, buildin 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, rt said oil

therein situated in County of	Russell	State of	Kansas	described as follows to wit:
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The South East Quarter (SE/4) of Section Twenty -Three (23) and the Southwest Quarter (SW/4) of Section Twenty-Four (24)

Acres, more or less, and all accretion thereto. , Range 14. _, Township ____ 13 and containing 320 XX

In Section <u>XX</u>, Township <u>13</u>, Range <u>14</u> and containing <u>320</u> thereto. Subject to the provisions harein contained, this lease shall remain in force for a term of <u>320</u> thereto. Subject to the provisions harein contained, this lease shall remain in force for a term of <u>320</u> thereto. Notwithstanding anything to the contrary contained herein, Lessee is hereby granted the exclusive coption, to be exercised prior to the date on which this Lease or any portion thereof would expire in accordance with its terms and provisions, of extending this Lease for an additional period of one (1) years as to all of the acreage described harein that is expiring. The only action required by Lessee to exercise this option being payment to Lesseor of an additional consideration of the sum of \$10,00 per net mineral acrease extended which payment shall cover the entire one (1) year extended primary term. Such tender shall be via check or sight draft mailed to or delivered to Lessor at the above address (or such other address as Lessor may hareinafter firmish Lessee via written notice). Should this option be exercised as harein provided it shall be opnicdered for all purposes as though this Lease originally provided for a primary term of four (4) years. If this Lease is extended as to only a portion of the acreage the novee the ready, Lessee that additional period of the aprimary term of the acreage the address (or such the acreage the acreage the acreage the acreage the acreage the acreage the address of a large the acreage the acreage the address of a large the acreage the acreage the acreage the acreage the acreage the address of the address is though this Lease originally provided for a primary term of four (4) years. If this Lease is extended as to only a portion of the acreage the accessent hereby, Lessee the accessent period by a recordable instrument.

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

AGDEEMENT Made and enterned into the

1". 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 (%) part of all oil 3 ed and saved from the leased premises.

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 (%), at the market price at the well, (but, as to gas sold by lessee, in no event more than one-sighth (%) of the proceeds received by lessee from such sales), for the gas sold, used off the premises, or in the manufacture of products, 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 lesse 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 lesse or any extension thereof, the lesses shall have the right to drill such well to completion with reasonable dilgence and dispatch, and if oil or gas, or either of them, be found in paying quantities, this lesse shall continue and be in force with like effect as if such well had been completed within the term of years first mantioned.

If said lessor owns a less interest in the above described land than the entire and undivided fee simple catate 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 premis es 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 in heirs, executors, administrators, successors or assigns, but no obange in the ownership of the land or assignment of rentals or royalties shall be binding on the acc until after the lessee has been furnished with a written transfer or assignment or a true copy thereof. In case lessee assigns this lesse, in whole or in part, lessee all be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment. their heirs,

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

All express or implied covenants of this lesse shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall no ated, 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 be terminated, in whole or in part, nor such Law, Order, Rule or Regulation.

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 made, 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 surronder and relases 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 reoited 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 fhereof with other land, lease or leases in the immediate vicinity thereof, when n lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said lesse 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 on instrument identifying and describing the pooled screage. The entire acreage so pooled into a tract or unit shall be treated, for all purposes except the payment of regulation, from the pooled unit, as if it were included in this lesse. If production is found on the pooled acreage, it shall be treaded as if production is hed from this lesse, whether the well or wells be located on the premises covered by this lesse or not. In lieu of the royalties cleavener of the suit prediced 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 weit of as oil prediced 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 unit or his royalty interest therein on an acreage basis bears to the total acreag

IN WITNESS WHEREOF, the undersigned execute this agreement as of the day and year first above write

Gergie Land & Allen Gergie M. Krug, president of Krug land	i haven	10 m Kur Pro	redent	
Gerale M. Krug, president of Krug land	and Cattle, Inc.	11		

2009-03-06 01:41

ADMA

Page 1

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