



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

KANSAS CORPORATION COMMISSION 1057947
 OIL & GAS CONSERVATION DIVISION

Form C-1
 March 2010

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

NOTICE OF INTENT TO DRILL

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

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

Expected Spud Date: _____
month day year

Spot Description: _____

OPERATOR: License# _____

_____ - _____ - _____ Sec. _____ Twp. _____ S. R. _____ E W
(Q/Q/Q/Q)

Name: _____

_____ feet from N / S Line of Section

Address 1: _____

_____ feet from E / W Line of Section

Address 2: _____

Is SECTION: Regular Irregular?

City: _____ State: _____ Zip: _____ + _____

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

Contact Person: _____

County: _____

Phone: _____

Lease Name: _____ Well #: _____

CONTRACTOR: License# _____

Field Name: _____

Name: _____

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): _____

Well Drilled For: Well Class: Type Equipment:

- | | | | |
|------------------------------|-----------------------------------|------------------------------------|-------------------------------------|
| <input type="checkbox"/> Oil | <input type="checkbox"/> Enh Rec | <input type="checkbox"/> Infield | <input type="checkbox"/> Mud Rotary |
| <input type="checkbox"/> Gas | <input type="checkbox"/> Storage | <input type="checkbox"/> Pool Ext. | <input type="checkbox"/> Air Rotary |
| | <input type="checkbox"/> Disposal | <input type="checkbox"/> Wildcat | <input type="checkbox"/> Cable |

Seismic ; _____ # of Holes Other

Other: _____

If OWWO: old well information as follows:

Operator: _____

Well Name: _____

Original Completion Date: _____ Original Total Depth: _____

Nearest Lease or unit boundary line (in footage): _____

Ground Surface Elevation: _____ feet MSL

Water well within one-quarter mile: Yes No

Public water supply well within one mile: Yes No

Depth to bottom of fresh water: _____

Depth to bottom of usable water: _____

Surface Pipe by Alternate: I II

Length of Surface Pipe Planned to be set: _____

Length of Conductor Pipe (if any): _____

Projected Total Depth: _____

Formation at Total Depth: _____

Water Source for Drilling Operations:

Well Farm Pond Other: _____

DWR Permit #: _____

(Note: Apply for Permit with DWR)

Will Cores be taken? Yes No

If Yes, proposed zone: _____

Directional, Deviated or Horizontal wellbore? Yes No

If Yes, true vertical depth: _____

Bottom Hole Location: _____

KCC DKT #: _____

AFFIDAVIT

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

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

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

Submitted Electronically

For KCC Use ONLY

API # 15 - _____

Conductor pipe required _____ feet

Minimum surface pipe required _____ feet per ALT. I II

Approved by: _____

This authorization expires: _____
(This authorization void if drilling not started within 12 months of approval date.)

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

E
 W



1057947

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

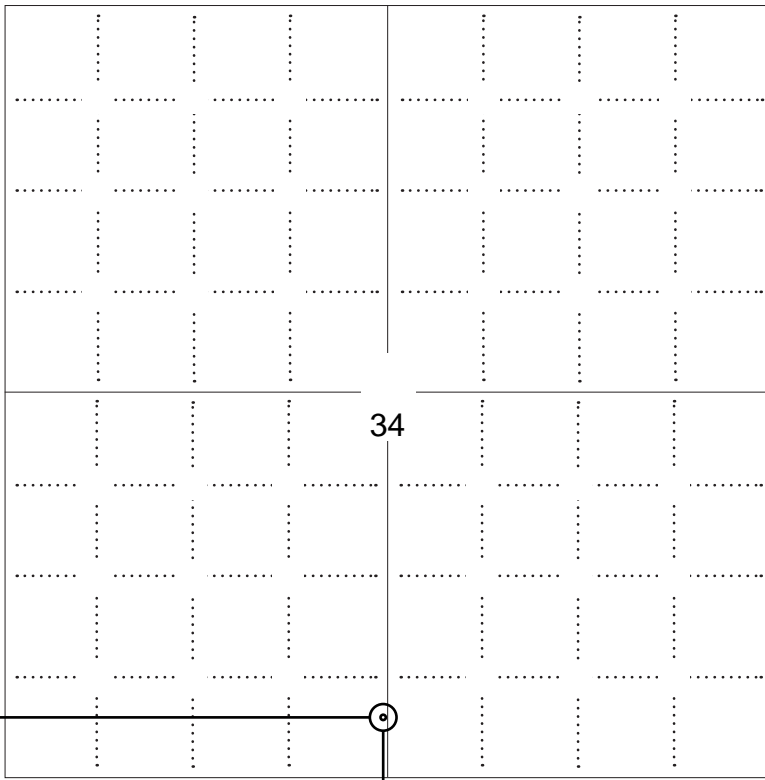
Is Section: Regular or Irregular

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.



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

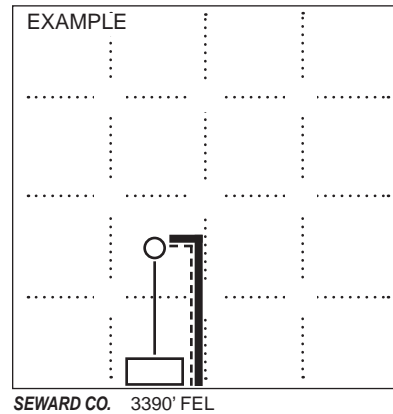
414 ft.

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

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

LEGEND

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





KANSAS CORPORATION COMMISSION 1057947
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

R. Evan Noll
(Petroleum Landman)

P.O. Box 1351
Hays, KS 67601
(785) 628-8774

June 18, 2011

Wesley P. & Grace N. Schlegel, Trustees
105 S. School
Ness City, KS 67560

RE: Schlegel #2-34 Well
405' SL & 2600' WL
Section 34-22S-23W
Hodgeman County, Kansas

Dear Mr. & Mrs. Schlegel:

Prior to issuing a permit to drill, the Kansas Corporation Commission is requiring the property owner be notified. The operator of the captioned well is:

American Warrior, Inc.
P.O. Box 399
Garden City, KS 67846
Contact Man: Joe Smith - (620) 271-2258 - jsmith@pmtank.com

I'm enclosing a copy of the intent to drill electronically filed with the KCC, a plat showing the Well Location, Lease Road, Tank Battery, Pipe & Electric Line locations. The Lease Road, Tank Battery, Pipe and Electric Line locations shown are non-binding and preliminary, being there simply to satisfy State requirement. The actual location will be determined after the dirt contractor is at the location.

Lowell Foes with Lowell Foes Oilfield Tractor Works, Bazine, Kansas, will be building the location.

If you want to be involved in Lease Road, Tank Battery, Pipe & Electric Line locations, contact Mr. Lowell Foes (785) 731-5612, reference the captioned well name and coordinate with him.

Sincerely,



R. Evan Noll

Contract Landman with American Warrior, Inc.

For KCC Use ONLY

API # 15

Slide Two

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: American Warrior, Inc.
 Lease: Schlegel
 Well Number: 2-34
 Field: Wildcat

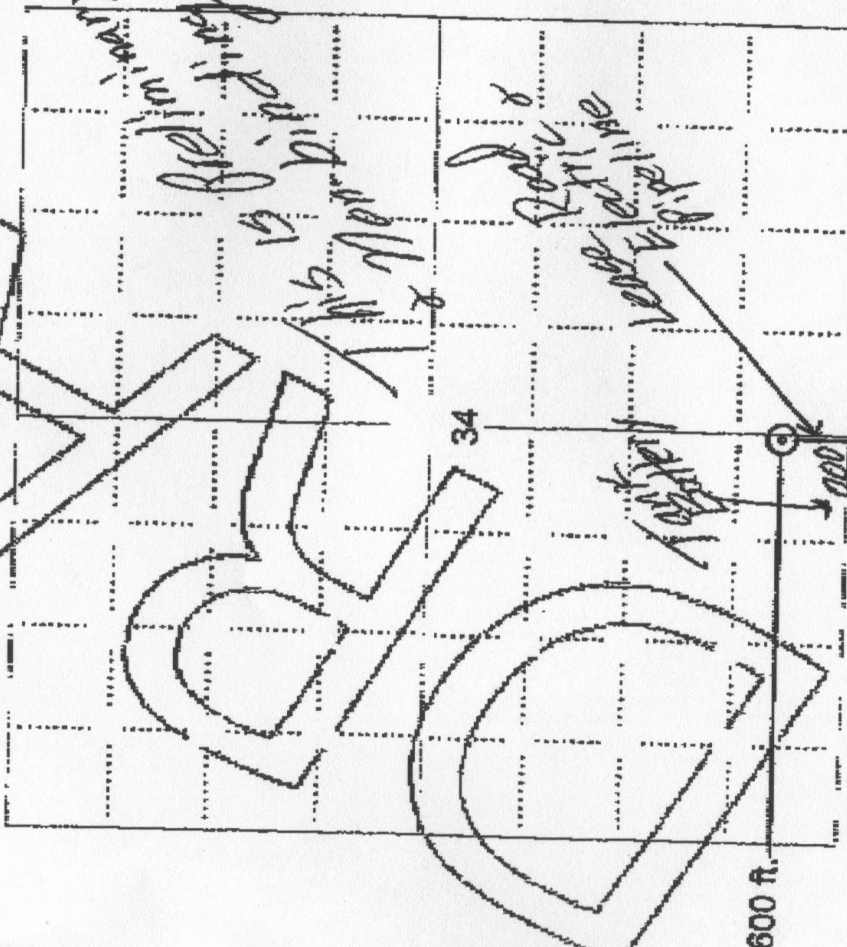
Location of Well: County: Hodgeman
 405 feet from N / E Line of Section
 2000 feet from E / W Line of Section
 Sec. 34 Twp. 22 S. R. 25 E W

Number of Acres attributable to well: _____
 OTR/QTR/QTR/OTR of acreage: NE SE SW

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 location.

405 ft. This was changed to 414 FSL

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.

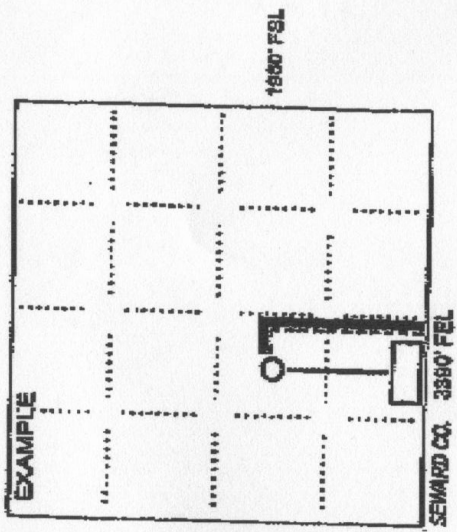
The distance of the proposed drilling location from the south / north and east / west outside section lines.
 The distance to the nearest lease or unit boundary line (in footage).

If proposed location is located within a prorated or spaced field, a certificate of acreage attribution plat must be attached: (CG-7 for all wells; CG-8 for gas wells).

The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.

LEGEND

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



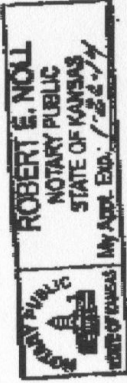
STATE OF Kansas }
COUNTY OF Woodeman }

The foregoing was acknowledged before me on the 15th day of April, 2010 by

Cecil O'Brate, Manager of O'Brate Realty, LLC


Robert E. Noll
(Notary Public)

My commission expires Feb. 14



DESCRIPTION RIDER

Township 22 South, Range 23 West

Section 13: E/2

Section 25: SW/4

Section 34: E/2

Section 35: ALL, except a tract in SE/4, described as follows: Commencing on the East line of said SE/4 at a point 720 feet North of the SE corner thereof and running thence South to the SE corner of said SE/4, thence West along the South line of said SE/4, a distance of 650 feet, thence North on a line parallel with the East line of said SE/4, a distance of 720 feet, thence East on a line parallel with the South line of said SE/4, a distance of 650 feet to the point of beginning, said excepted tract containing 10.764 acres, more or less

Section 36: All that part of the W/2, lying North of the abandoned Kansas & Oklahoma Railroad Right-of-Way, except a tract of land described as follows: Commencing at the NW corner of said Section 36, thence on the assumed bearing of South 00°00'00" East, along the West line of the NW/4 of said Section, for a distance of 2066.00 feet to the point of beginning, thence on the bearing of North 89°56'59" East for a distance of 266.50 feet, thence on a bearing of South 00°44'28" West for a distance of 128.69 feet, thence on a bearing of South 87°00'46" East for a distance of 45.47 feet, thence on a bearing of South 00°38'50" West for a distance of 44.77 feet, thence on a bearing of South 89°42'05" East for a distance of 11.18 feet, thence on a bearing of South 00°45'32" East for a distance of 119.28 feet, thence on a bearing of North 89°49'50" West for a distance of 342.50 feet to the West line of the Northwest Quarter, thence North along said West line to the point of beginning, said excepted tract containing 2.051 acres, more or less

Township 23 South, Range 23 West

Section 2: Lots 3, 4, S/2 NW/4, a/d/a NW/4



Cecil O'Brate, Manager of O'Brate Realty, LLC



STATE OF KANSAS, WOODEMAN COUNTY, SS
CECIL O'BRATE, REGISTER OF DEEDS

Book: 0665 Page: 42

Pages Recorded: 2

Recording Fee: \$12.00

Date Recorded: 4/16/2010 1:17:06 PM

AMT-REG LEASE

OIL AND GAS LEASE

THIS AGREEMENT, Entered into this the 15th day of April, 20 10 between

O'Brate Realty, LLC

P.O. Box 399

Garden City, KS 67846

American Warrior, Inc.

hereinafter called Lessor (whether one or more), and American Warrior, Inc. hereinafter called Lessee; in consideration of Dollars 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, power stations, telephone lines, and other structures and things thereon to produce, save, take care of, treat, manufacture, process, store and transport solid oil, liquid hydrocarbons, gases and their respective constituent products and other products manufactured therefrom, and hauling and otherwise casing for its convenience, the following described land, together with any reversionary rights and after-acquired interest, therein situated in the County of Hodgson, State of Kansas, and described as follows to-wit:

See Description Rider attached hereto and made a part hereof

In Section XXX Township XXX Range XXX and containing 1767 - 644 acres, more or less, and all appurtenant interests.

Subject to the provisions herein contained, this lease shall remain in force for a term of fifteen 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 or can be produced from said land or land with which said land is pooled. If, due to circumstances beyond Lessee's control, Lessee is unable to obtain a rotary drilling rig prior to the expiration of the primary term, Lessor agrees that Lessee shall have a reasonable time, not to exceed ninety (90) days, within which to obtain such rotary drilling rig and commence operations for the drilling of a well.

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

1. To deliver to the credit of Lessor, free of cost, in the pipeline 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.

2. 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. At any time, either before or after the expiration of the primary term of this lease, if there is a gas well or wells on the above land (and, for the purposes of this clause, the term "gas well" shall include wells capable of producing natural gas, condensate, dissolved or any gaseous substances and wells classified as gas wells by any governmental authority) and such well or wells are shut-in, before or after production therefrom, Lessee or any assignee hereunder may pay or tender annually, within sixty (60) days after the end of each yearly period during which such gas well or gas wells are shut-in, as substitute gas royalty, One Dollar (\$1.00) per net mineral acre remained hereunder, for the acreage then held under this lease, by the party making such payments or tenders, and, if such payments or tenders are made, it shall be considered under all provisions of this lease that gas is being produced from the leased premises in paying quantities.

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.

Lessee shall bury Lessee's pipelines below plow depth.

No well shall be drilled nearer than 200 feet to the house of any person on said premises without written consent of Lessor. Lessee shall pay for damages caused by Lessee's operations 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, 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 duly sworn affidavit. 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 unless subsequent to the date of assignment, Lessee may at any time execute and deliver to Lessor or Lessor's assigns a release or releases governing 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 (re-lease) for lease, 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 in such manner, 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 of Lessee 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 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 unit or unit shall be treated, for all purposes except the payment of royalties on production from the pooled units 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, Lessee shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his average 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.

IN WITNESS WHEREOF, we sign the day and year first above written.

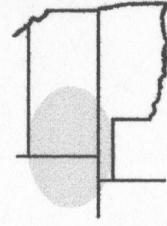

Cecil O'Brate, Manager of
O'Brate Realty, LLC



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



q062011-v
PLAT NO.

9421
INVOICE NO.

American Warrior, Inc.
OPERATOR
Hodgeman County, KS
COUNTY

Schlegel # 2-34 (restake)
LEASE NAME
414' FSL - 2600' FWL
LOCATION SPOT

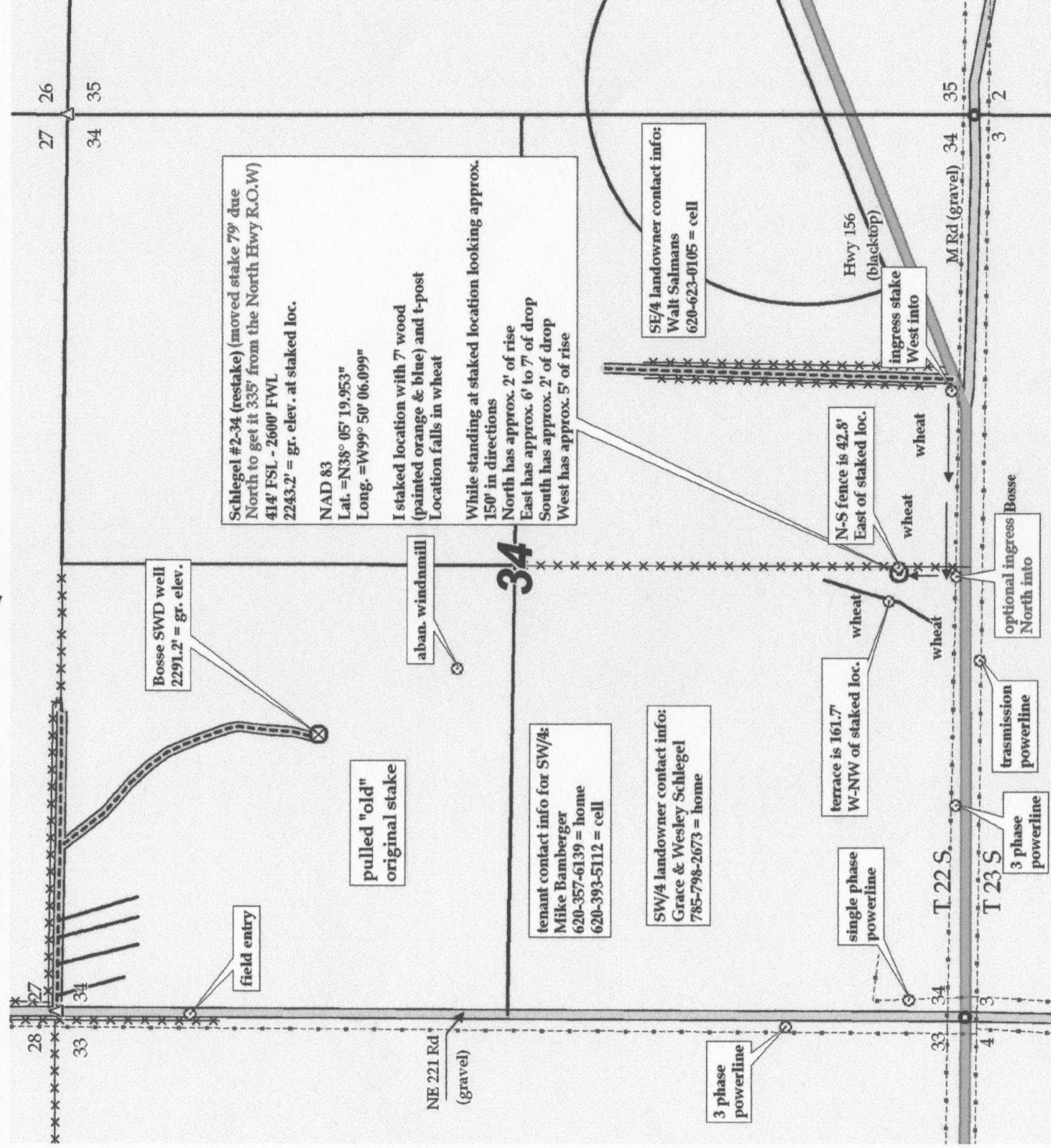
SCALE: **1" = 1000'**
DATE STAKED: **June 20th, 2011**
MEASURED BY: **Ben R.**
DRAWN BY: **Luke R.**
AUTHORIZED BY: **Cecil O.**

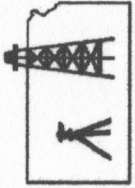
GR. ELEVATION: **2243.2'**
PROSPECT

Directions: From the North side of Jetmore, Ks at the intersection of Hwy 156 & Hwy 283 - Now go 2.7 miles East on Hwy 156 to the SW corner of section 34-22s-23w - Now go 0.7 mile East on Hwy 156 to ingress stake West into - Now go approx. 1160' West through wheat to N-S fence - Now go approx. 330' North through wheat along West side of fence into staked location.

Final ingress must be verified with land owner or Operator.

This drawing does not constitute a monumented survey or a land survey plat.
This drawing is for construction purposes only.

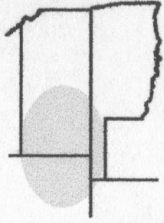




Pro-Stake LLC

Oil Field & Construction Site Staking

P.O. Box 2324
Garden City, Kansas 67846
Office/Fax: (620) 276-6159
Cell: (620) 272-1499



q062011-v
PLAT NO.

9421
INVOICE NO.

American Warrior, Inc.

OPERATOR

Schlegel # 2-34 (restake)

LEASE NAME

Hodgeman County, KS

COUNTY

414' FSL - 2600' FWL

LOCATION SPOT

34 Sec. 22s Twp. 23w Rug.

SCALE: N/A

PROSPECT

DATE STAKED: June 20th, 2011

GR. ELEVATION: 2243.2'

MEASURED BY: Ben R.

Directions: From the North side of Jetmore, Ks at the intersection of Hwy 156 & Hwy 283 - Now go 2.7 miles East on Hwy 156 to the SW corner of section 34-22s-23w - Now go 0.7 mile East on Hwy 156 to ingress stake West into - Now go approx. 1160' West through wheat to N-S fence - Now go approx. 330' North through wheat along West side of fence into staked location.

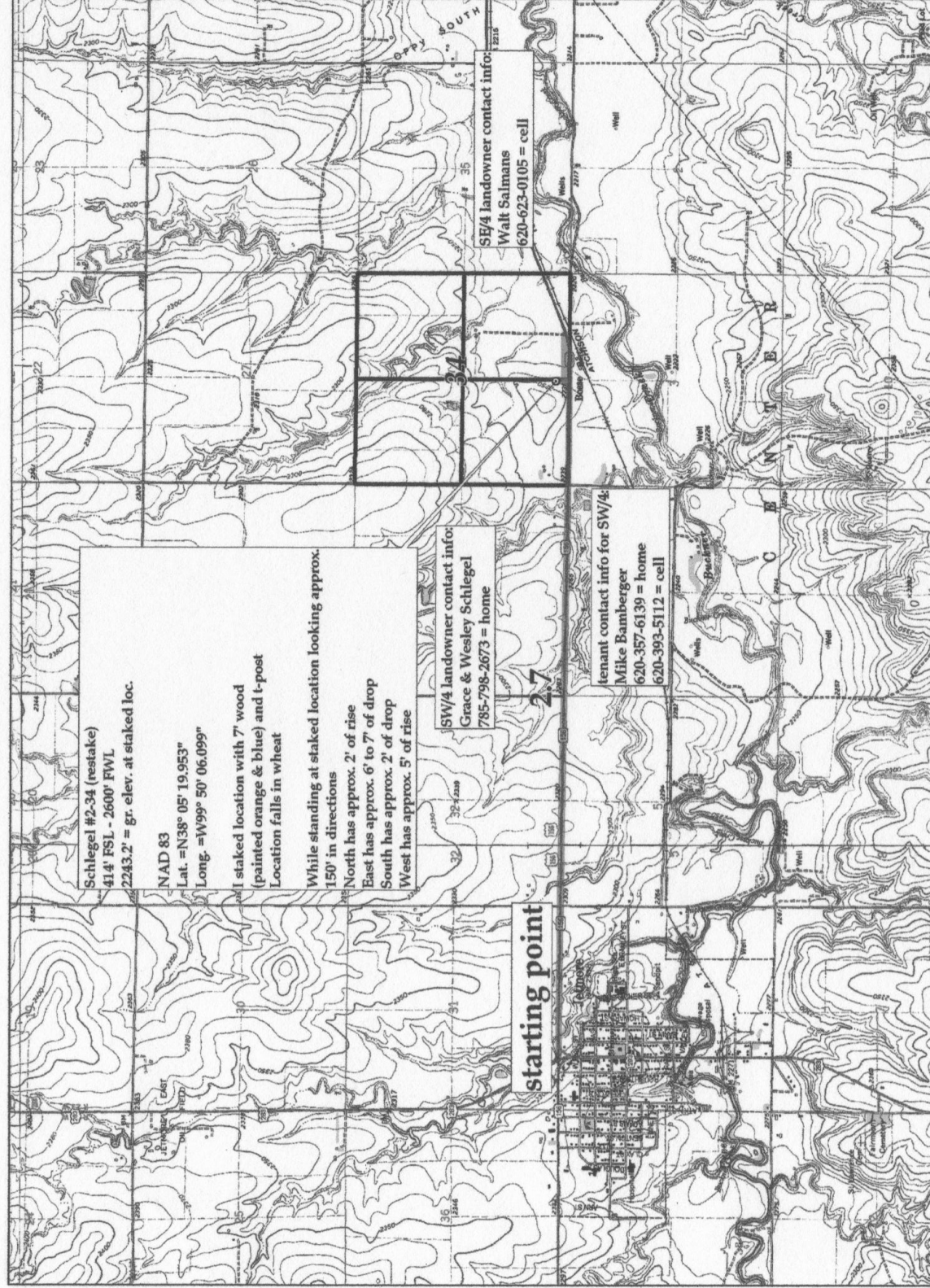
DRAWN BY: Luke R.

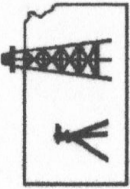
AUTHORIZED BY: Cecil O.

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

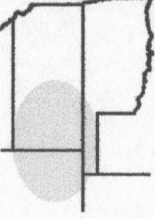
This drawing is for construction purposes only.

Final ingress must be verified with land owner or Operator.





Pro-Stake LLC



q062011-v
PLAT NO.

Garden City, Kansas 67846
Office/Fax: (620) 276-6159
Cell: (620) 272-1499

9421
INVOICE NO.

American Warrior, Inc.
OPERATOR
Hodgeman County, KS
COUNTY

Schlegel # 2-34 (restake)
LEASE NAME
414' FSL - 2600' FWL
LOCATION SPOT

34 Sec. **22s** Twp. **23w** Rng.

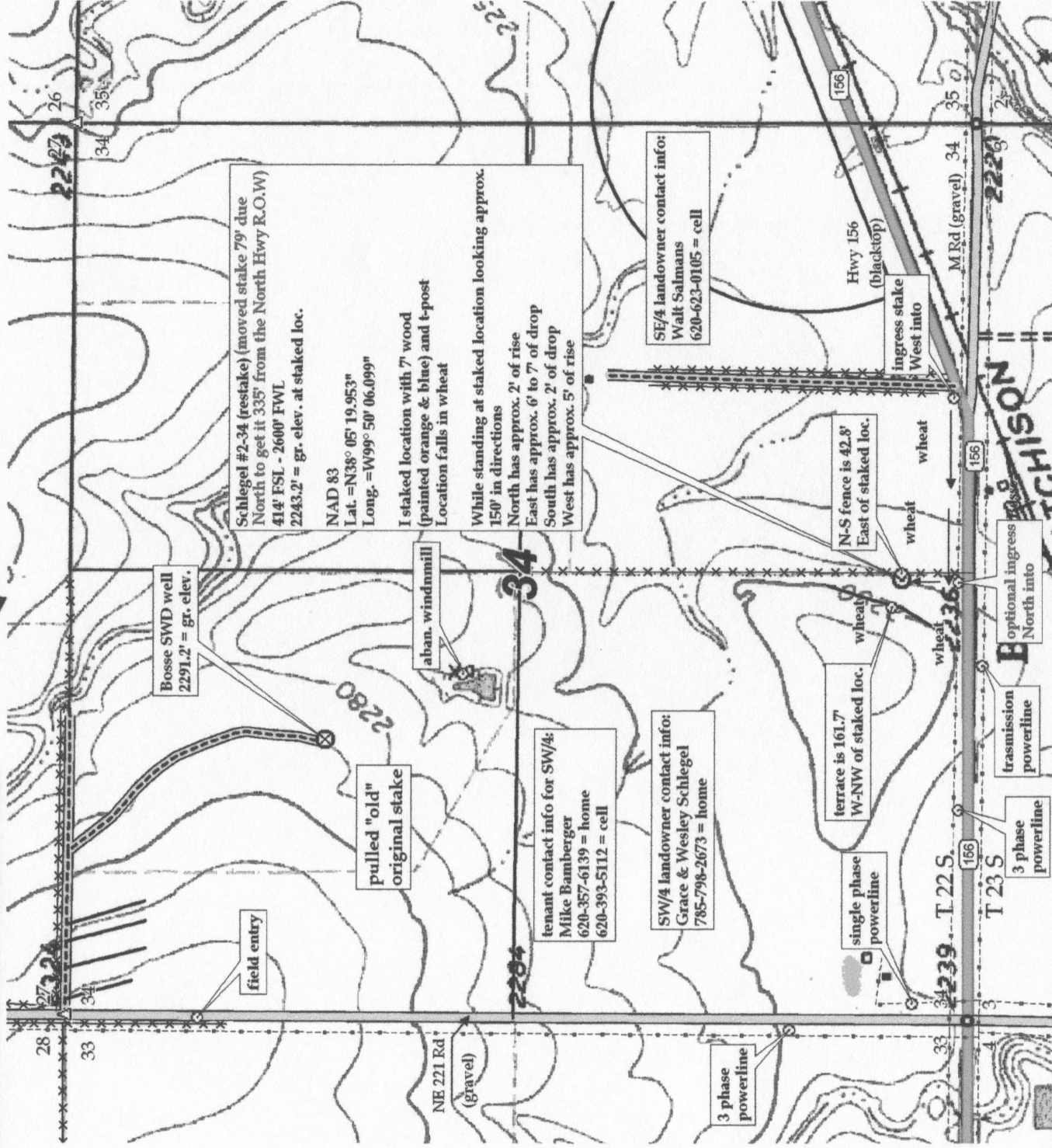
SCALE: 1" = 1000'
DATE STAKED: June 20th, 2011
MEASURED BY: Ben R.
DRAWN BY: Luke R.
AUTHORIZED BY: Cecil O.

GR. ELEVATION: 2243.2'
PROSPECT

Directions: From the North side of Jetmore, Ks at the intersection of Hwy 156 & Hwy 283 – Now go 2.7 miles East on Hwy 156 to the SW corner of section 34-22s-23w – Now go 0.7 mile East on Hwy 156 to ingress stake West into – Now go approx. 1160' West through wheat to N-S fence – Now go approx. 330' North through wheat along West side of fence into staked location.

Final ingress must be verified with land owner or Operator.

This drawing does not constitute a monumented survey or a land survey plat.
This drawing is for construction purposes only.



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

63U (Rev. 1993)

Reorder No. **KBP**
09-115
Kansas Blue Print
700 S. Broadway, PO Box 703
Wichita, KS 67201-0708
316-264-6544-264-6708 fax
www.kbp.com - kbp@kbp.com

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 24th day of March, 2010

by and between Wesley P. Schlegel and Grace N. Schlegel, Co-Trustees of the following trusts:
1) Wesley P. Schlegel Trust dated April 26, 1982; and 2) Grace N. Schlegel Trust
dated April 26, 1982

whose mailing address is 105 S. School, Ness City, KS 67560 hereinafter called Lessor (whether one or more),
and American Warrior, Inc.

Leasor, in consideration of Ten & more Dollars (\$ 10,000) in hand paid, receipt of which 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, producing gas, water, other fluids, and air into subsurface strata, laying pipe lines, stowing 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, hereinafter situated in County of KANSAS State of KANSAS described as follows to-wit:

Township 22 South, Range 23 West
Section 34: The Southwest Quarter (SW¹)

in Section XXX Township XXX Range XXX and containing 1.60 acres, more or less, and all accretions thereon.

Subject to the provisions herein contained, this lease shall remain in force for a term of three (3) 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:
Let. 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.

And. 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) of this lease or any extension thereof, the lessor 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 to said lessor only in the proportion which lessor's interest bears to the whole and undivided fee.

When requested by lessor, lessee shall bury lessor's pipe lines below plow depth. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for lessor's operation thereon, except water from the wells of lessor.

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 lessor'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, said 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 estate 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 operate 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, wholed 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 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 undivided 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 lessor'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 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 obtained 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 pooled in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.

See Exhibit "A" attached hereto and made a part hereof.

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

Wesley P. Schlegel, Co-Trustee
Wesley P. Schlegel, Co-Trustee

Grace N. Schlegel, Co-Trustee
Grace N. Schlegel, Co-Trustee

Conservation Division
Finney State Office Building
130 S. Market, Rm. 2078
Wichita, KS 67202-3802



Phone: 316-337-6200
Fax: 316-337-6211
<http://kcc.ks.gov/>

Mark Sievers, Chairman
Ward Loyd, Commissioner
Thomas E. Wright, Commissioner

Sam Brownback, Governor

June 28, 2011

Cecil O'Brate
American Warrior, Inc.
3118 Cummings Rd
PO BOX 399
GARDEN CITY, KS 67846

Re: Drilling Pit Application
Schlegel 2-34
SW/4 Sec.34-22S-23W
Hodgeman County, Kansas

Dear Cecil O'Brate:

District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed **without slots**, the bottom shall be flat and reasonably level and the free fluids must be removed. The fluids are to be removed from the reserve pit as soon as the Hutchinson Salt section has been drilled through and displacement of the fluids into the reserve pit has occurred. The fluids should be removed again within 96 hours after drilling operations have ceased.

If production casing is set all completion fluids shall be removed from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve pit.

The fluids should be taken to an authorized disposal well. Please call the District Office at (620) 225-8888 when the fluids have been removed. Please file form CDP-5 (August 2008), Exploration and Production Waste Transfer, through KOLAR within 30 days of fluid removal.

A copy of this letter should be posted in the doghouse along with the approved Intent to Drill. If you have any questions or concerns please feel free to contact the District Office at (620) 225-8888.