

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

SGA?

Kansas Corporation Commission Oil & Gas Conservation Division

Form C-1 March 2010 Form must be Typed Form must be Signed All blanks must be Filled

NOTICE OF INTENT TO DRILL

| Expected Spud Date: | Spot Description: |
|---|--|
| month day year | |
| OPERATOR: License# | (O/O/O/Q) feet from N / S Line of Section |
| Name: | feet from E / W Line of Section |
| Address 1: | Is SECTION: Regular Irregular? |
| Address 2: | (Note: Locate well on the Section Plat on reverse side) |
| City: State: Zip: + | County: |
| Contact Person: | Lease Name: Well #: |
| Phone: | Field Name: |
| CONTRACTOR: License# | Is this a Prorated / Spaced Field? |
| lame: | Target Formation(s): |
| Well Drilled For: Well Class: Type Equipment: | Nearest Lease or unit boundary line (in footage): |
| Oil Enh Rec Infield Mud Rotary | Ground Surface Elevation:feet MS |
| Gas Storage Pool Ext. Air Rotary | Water well within one-quarter mile: |
| Disposal Wildcat Cable | Public water supply well within one mile: |
| Seismic ; # of Holes Other | Depth to bottom of fresh water: |
| Other: | Depth to bottom of usable water: |
| | Surface Pipe by Alternate: I II |
| If OWWO: old well information as follows: | Length of Surface Pipe Planned to be set: |
| Operator: | Length of Conductor Pipe (if any): |
| Well Name: | Projected Total Depth: |
| Original Completion Date: Original Total Depth: | Formation at Total Depth: |
| | Water Source for Drilling Operations: |
| Directional, Deviated or Horizontal wellbore? | Well Farm Pond Other: |
| f Yes, true vertical depth: | DWR Permit #: |
| CCC DKT #: | (Note: Apply for Permit with DWR) |
| | Will Cores be taken? |
| | If Yes, proposed zone: |
| AFF | FIDAVIT |
| The undersigned hereby affirms that the drilling, completion and eventual plu | gging of this well will comply with K.S.A. 55 et. seq. |
| is agreed that the following minimum requirements will be met: | |
| Notify the appropriate district office <i>prior</i> 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 | |
| through all unconsolidated materials plus a minimum of 20 feet into the | · · |
| · | nci onice on billo lengin and biacement is necessary brior to billogino : |
| 4. If the well is dry hole, an agreement between the operator and the dist | |
| · · · · · · · · · · · · · · · · · · · | ed or production casing is cemented in; |
| 4. If the well is dry hole, an agreement between the operator and the dist5. The appropriate district office will be notified before well is either plugg6. If an ALTERNATE II COMPLETION, production pipe shall be cemented | ed or production casing is cemented in; |
| 4. If the well is dry hole, an agreement between the operator and the dist 5. The appropriate district office will be notified before well is either plugg 6. If an ALTERNATE II COMPLETION, production pipe shall be cemented. Or pursuant to Appendix "B" - Eastern Kansas surface casing order #1 | ed or production casing is cemented in; d from below any usable water to surface within 120 DAYS of spud date. |
| 4. If the well is dry hole, an agreement between the operator and the dist 5. The appropriate district office will be notified before well is either plugg 6. If an ALTERNATE II COMPLETION, production pipe shall be cemented. Or pursuant to Appendix "B" - Eastern Kansas surface casing order #1 | ed or production casing is cemented in; d from below any usable water to surface within 120 DAYS of spud date. 33,891-C, which applies to the KCC District 3 area, alternate II cementing |
| If the well is dry hole, an agreement between the operator and the dist The appropriate district office will be notified before well is either plugg If an ALTERNATE II COMPLETION, production pipe shall be cemented. Or pursuant to Appendix "B" - Eastern Kansas surface casing order #1 must be completed within 30 days of the spud date or the well shall be | ed or production casing is cemented in; d from below any usable water to surface within 120 DAYS of spud date. 33,891-C, which applies to the KCC District 3 area, alternate II cementing |
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| 4. If the well is dry hole, an agreement between the operator and the dist 5. The appropriate district office will be notified before well is either plugg 6. If an ALTERNATE II COMPLETION, production pipe shall be cemented or pursuant to Appendix "B" - Eastern Kansas surface casing order #1 must be completed within 30 days of the spud date or the well shall be submitted Electronically For KCC Use ONLY | led or production casing is cemented in; d from below any usable water to surface within 120 DAYS of spud date. 33,891-C, which applies to the KCC District 3 area, alternate II cementing plugged. In all cases, NOTIFY district office prior to any cementing. Remember to: - File Certification of Compliance with the Kansas Surface Owner Notification Act (KSONA-1) with Intent to Drill; |
| 4. If the well is dry hole, an agreement between the operator and the dist 5. The appropriate district office will be notified before well is either plugg 6. If an ALTERNATE II COMPLETION, production pipe shall be cemented or pursuant to Appendix "B" - Eastern Kansas surface casing order #1 must be completed within 30 days of the spud date or the well shall be submitted Electronically For KCC Use ONLY API # 15 - | led or production casing is cemented in; Id from below any usable water to surface within 120 DAYS of spud date. 33,891-C, which applies to the KCC District 3 area, alternate II cementing plugged. In all cases, NOTIFY district office prior to any cementing. 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; |
| 4. If the well is dry hole, an agreement between the operator and the dist 5. The appropriate district office will be notified before well is either plugg 6. If an ALTERNATE II COMPLETION, production pipe shall be cemente. Or pursuant to Appendix "B" - Eastern Kansas surface casing order #1 must be completed within 30 days of the spud date or the well shall be Ubmitted Electronically For KCC Use ONLY API # 15 - Conductor pipe required | Remember to: - File Certification of Compliance with the Kansas Surface Owner Notification Act (KSONA-1) with Intent to Drill; - File Completion Form ACO-1 within 120 days of spud date; |
| 4. If the well is dry hole, an agreement between the operator and the dist 5. The appropriate district office will be notified before well is either plugg 6. If an ALTERNATE II COMPLETION, production pipe shall be cemented or pursuant to Appendix "B" - Eastern Kansas surface casing order #1 must be completed within 30 days of the spud date or the well shall be ### The complete of the image of the spud date or the well shall be sh | Remember to: File Certification of Compliance with the Kansas Surface Owner Notification Act (KSONA-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; |
| 4. If the well is dry hole, an agreement between the operator and the dist 5. The appropriate district office will be notified before well is either plugg 6. If an ALTERNATE II COMPLETION, production pipe shall be cemente. Or pursuant to Appendix "B" - Eastern Kansas surface casing order #1 must be completed within 30 days of the spud date or the well shall be ubmitted Electronically For KCC Use ONLY API # 15 | Remember to: File Certification of Compliance with the Kansas Surface Owner Notification Act (KSONA-1) with Intent to Drill; File Completion Form ACO-1 within 120 days of spud date; Notify appropriate district office 48 hours prior to workover or re-entry; |
| 4. If the well is dry hole, an agreement between the operator and the dist 5. The appropriate district office will be notified before well is either plugg 6. If an ALTERNATE II COMPLETION, production pipe shall be cemented or pursuant to Appendix "B" - Eastern Kansas surface casing order #1 must be completed within 30 days of the spud date or the well shall be ubmitted Electronically For KCC Use ONLY API # 15 | Remember to: File Certification of Compliance with the Kansas Surface Owner Notification Act (KSONA-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; |

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

Spud 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: | |
| | |

Side Two



| 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: | | | | | | |
|---------------------------------------|---|--|--|--|--|--|--|
| ease: | feet from N / S Line of Section | | | | | | |
| Vell Number: | feet from E / W Line of Section | | | | | | |
| ëeld: | SecTwp S. R | | | | | | |
| Number of Acres attributable to well: | Is Section: Regular or Irregular | | | | | | |
| QTR/QTR/QTR/QTR of acreage: | is Section. Regular or Integular | | | | | | |
| | If Section is Irregular, locate well from nearest corner boundary. | | | | | | |
| | Section corner used: NE NW SE SW | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | LAT | | | | | | |
| | ease or unit boundary line. Show the predicted locations of Juired by the Kansas Surface Owner Notice Act (House Bill 2032). | | | | | | |
| | | | | | | | |
| 2033 ft. | eparate plat if desired. | | | | | | |
| | | | | | | | |
| | LEGEND | | | | | | |
| | O Well Location | | | | | | |
| | Tank Battery Location | | | | | | |
| | Pipeline Location | | | | | | |
| | : Electric Line Location | | | | | | |
| | Lease Road Location | | | | | | |
| | 1926 ft. | | | | | | |
| | | | | | | | |
| | EXAMPLE | | | | | | |
| 5 | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | 1980' FSL | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | SEWARD CO. 3390' FEL | | | | | | |

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 OIL & GAS CONSERVATION DIVISION

059974

Form CDP-1 May 2010 Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

| Operator Name: | | | License Number: | | | |
|--|---|---|--|--|--|--|
| Operator Address: | | | | | | |
| Contact Person: | | Phone Number: | | | | |
| Lease Name & Well No.: | | | Pit Location (QQQQ): | | | |
| Type of Pit: Emergency Pit Burn Pit Settling Pit Drilling Pit Workover Pit Haul-Off Pit (If WP Supply API No. or Year Drilled) Is the pit located in a Sensitive Ground Water A | Pit is: Proposed Existing If Existing, date constructed: Pit capacity: (bbls) Area? Yes No | | SecTwpR East West West Feet from North / South Line of Section Feet from East / West Line of Section County Chloride concentration: mg/l mg/l mg/l mg/l mg/l (For Emergency Pits and Settling Pits only) | | | |
| Is the bottom below ground level? | Artificial Liner? Yes N | No | How is the pit lined if a plastic liner is not used? | | | |
| | Length (fee | | Width (feet) | | | |
| If the pit is lined give a brief description of the li material, thickness and installation procedure. | ilei | | dures for periodic maintenance and determining any special monitoring. | | | |
| Distance to nearest water well within one-mile of | of pit: | Depth to shallo Source of infor | west fresh water feet. mation: | | | |
| feet Depth of water well | feet | measured | well owner electric log KDWR | | | |
| Emergency, Settling and Burn Pits ONLY: | | Drilling, Work | over 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 | procedure: | | | |
| Does the slope from the tank battery allow all s flow into the pit? Yes No | pilled fluids to | · | be closed within 365 days of spud date. | | | |
| Submitted Electronically | | | | | | |
| KCC OFFICE USE ONLY Liner Steel Pit RFAC RFAS | | | | | | |
| Date Received: Permit Num | ber: | Permi | it Date: Lease Inspection: Yes No | | | |



Kansas Corporation Commission Oil & Gas Conservation Division

1059974

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

CERTIFICATION OF COMPLIANCE WITH THE KANSAS SURFACE OWNER NOTIFICATION ACT

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

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

| Select the corresponding form being filed: C-1 (Intent) CB-1 | (Cathodic Protection Borehole Intent) T-1 (Transfer) CP-1 (Plugging Application) |
|---|--|
| OPERATOR: License # | Well Location: |
| | County: |
| Address 1: | Lease Name: Well #: |
| Address 2: City: State: 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 sheet listing all of the information to the left for each surface owner. Surface |
| Address 1: | 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: | |
| the KCC with a plat showing the predicted locations of lease roads, tan are preliminary non-binding estimates. The locations may be entered of Select one of the following: I certify that, pursuant to the Kansas Surface Owner Notice A owner(s) of the land upon which the subject well is or will be I CP-1 that I am filing in connection with this form; 2) if the form form; and 3) my operator name, address, phone number, fax, a I have not provided this information to the surface owner(s). I a KCC will be required to send this information to the surface or | Act (House Bill 2032), I have provided the following to the surface located: 1) a copy of the Form C-1, Form CB-1, Form CB-1, Form CB-1, Form T-1, or Form being filed is a Form C-1 or Form CB-1, the plat(s) required by this and email address. Cacknowledge that, because I have not provided this information, the wner(s). To mitigate the additional cost of the KCC performing this gree, payable to the KCC, which is enclosed with this form. |
| If choosing the second option, submit payment of the \$30.00 handling form and the associated Form C-1, Form CB-1, Form T-1, or Form CP- | fee with this form. If the fee is not received with this form, the KSONA-1 will be returned. |
| Submitted Electronically | |
| | _ |

| 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: Blake Exploration, LLC | Location of Well: County: Logan |
|--|--|
| Lease: Berkgren | 2033 feet from X N / S Line of Section |
| Well Number: 2 | 1926 feet from X E / W Line of Section |
| Field: Elkader | Sec. 5 Twp. 14 S. R. 32 EXW |
| Number of Acres attributable to well: QTR/QTR/QTR/QTR of acreage: NW _ SF _ SW _ NE | Is Section: X Regular or Irregular |
| | If Section is Irregular, locate well from nearest corner boundary. Section corner used: NE NW SE SW |
| PLA | |
| Show location of the well. Show footage to the nearest lea | se or unit boundary line. Show the predicted locations of |
| lease roads, tank batteries, pipelines and electrical lines, as requi | red by the Kansas Surface Owner Notice Act (House Bill 2032). |
| You may attach a sep- 2033 ft. 7 | arate plat if desired. TANK BAHERY |
| | RoAD LEGEND |
| | Well Location Tank Battery Location Pipeline Location |
| | Electric Line Location Lease Road Location |
| | 1926 ft. |
| | EXAMPLE : |
| 5 | |
| | |
| | 1980' FSL |
| | |
| | : : : : : : : : : : : : : : : : : : : |

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

- 1. The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, 4 sections, etc.
- 2. The distance of the proposed drilling location from the south / north and east / west outside section lines.

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

- 3. The distance to the nearest lease or unit boundary line (in footage).
- 4. If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (C0-7 for oil wells; CG-8 for gas wells).
- 5. The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.

CHEADUCAS LEASE Commence AGREEMENT, Made and entered into this 16th day of January 2011. By and between: Gerald E. Berkgren and Edith F. Berkgren, Husband and Wife A SINGLE DEX SON 118 Maple Avenue Oakley, Kansas 67748 Party of the first part, hereinafter called lessor (whether one or more) and Blake Exploration, LLC P.O. Box 150 Bogue Kansas 67625 Party of the second part, hereinafter called lessee. WITNESSETH, That the said lessor, for and in consideration of Ten and O.V.C. -----DOLLARS, cash in hand paid, receipt of which is hereby acknowledged, and of the covenants and agreements hereinafter contained on the part of the lessee to be paid, kept and performed, has granted, demised, leased and let and by these presents does grant, demise, lease and let unto said lessee, for the sole and only purpose of mining and operating for oil and gas, and laying pipe lines, and building tanks, power stations and structures thereon to produce, save and take care of said products, all that certain tract of land situated in the Logan State of Kansas, described as follows, to wit: The Northeast Quarter (NE/4) of Section Township 14s Range 32wand containing 160 acres more or less. It is agreed that this lease shall be in full force for a term of _____ Five (5) months from this date, and as long thereafter as oil or gas, or either of them, is produced from said land by the lessee. 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 his wells, the equal one-eighth (1/8) part of all oil and gas produced and saved from the leased premises. If no well be commenced on said land on or before the _____1st day of May 2011 this lease shall terminate as to both parties. If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided shall be paid the lessor only in the proportion which his interest bears to the whole and undivided fee and the signing of this agreement shall be binding on each of the above named parties who sign, regardless of whether it is signed by any of the other parties. Lessee shall have the right to use, free of cost, oil and gas produced on said land for its operation thereon. When requested by lessor, lessee shall bury his pipelines below plow depth. No well shall be drilled nearer than 200 feet to the house or barn now on said premises, without the written consent of the lessor. Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing. 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 the like effect as if such well had been completed within the term of years herein first mentioned. 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.

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; and it is hereby agreed in the event this lease shall be assigned as to a part or as to parts of the above described lands and the assignee or assignees of such part or parts shall fail or make default in the payment of the proportionate part of the rents due from him or them, such default shall not operate or defeat or affect this lease in so far as it covers a part or parts of said lands upon which the said lessee or any assignee thereof shall make due payments of said rentals.

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. The Lessee does not assume any responsibility for any prior wells, plugged or unplugged, on the above outlined tract of land.

Lessee agrees to pay for any damages caused by seismograph, testing, core drilling or its drilling operations.

This lease shall be extended to August 1, 2012 by the commencement of drilling operations by Blake Exploration, L.L.C. anywhere on Section 5, Township 14s, Range 32w, Logan County, Kansas by May 1, 2011.

Whereof witness our hands as of the day and year first above written. Witness to the mark:

Gerald & Berlannon

16th Commence AGREEMENT, Made and entered into this January 2011. day of Gerald E. Berkgren and Edith F. Berkgren, Husband and Wife By and between: ASINGLE DERSON 118 Maple Avenue Oakley, Kansas 67748 Party of the first part, hereinafter called lessor (whether one or more) and Blake Exploration, LLC P.O. Box 150 Bogue **Kansas** 67625 Party of the second part, hereinafter called lessee. WITNESSETH, That the said lessor, for and in consideration of Ten and O.V.C. ------DOLLARS, cash in hand paid, receipt of which is hereby acknowledged, and of the covenants and agreements hereinafter contained on the part of the lessee to be paid, kept and performed, has granted, demised, leased and let and by these presents does grant, demise, lease and let unto said lessee, for the sole and only purpose of mining and operating for oil and gas, and laying pipe lines, and building tanks, power stations and structures thereon to produce, save and take care of said products, all that certain tract of land situated in the

State of Kansas, described as follows, to wit:

The Northwest Quarter (NW/4)

| of Section | 5 | Township | 14s | Range | 32w | and co | ontaining | 160 | acres m | ore or less. | |
|-----------------|--------------|-----------------------|-------------|---------------|-------------|-----------------|---------------|-----------|-------------------|--------------------|---|
| It is a | greed that | t this lease shall be | e in full f | orce for a te | rm of | Five | e (5) months | from from | om this date, ar | nd as long | |
| thereafter as o | il or gas, o | or either of them, i | s produc | ed from said | l land by t | the lesse | e. | | | | |
| In co | nsideratio | n of the premises, | the said | lessee cover | ants and | agrees: | | | | | |
| 1st. ' | Γo deliver | to the credit of les | ssor, free | of cost, in t | he pipe li | ne to wh | nich lessee m | nay conn | ect his wells, th | ne equal one-eight | h |
| (1/8) part of a | ll oil and g | gas produced and s | saved from | m the leased | l premises | S. | | | | | |
| If no | well be co | ommenced on said | land on | or before the | e | 1 st | _day of | M | Iay 2011 | , | |

this lease shall terminate as to both parties. If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided shall be paid the lessor only in the proportion which his interest bears to the whole and undivided fee and the signing of this agreement shall be binding on each of the above named parties who sign, regardless of whether it

is signed by any of the other parties.

Logan

County of

Lessee shall have the right to use, free of cost, oil and gas produced on said land for its operation thereon.

When requested by lessor, lessee shall bury his pipelines below plow depth.

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

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

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 the like effect as if such well had been completed within the term of years herein first mentioned.

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.

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; and it is hereby agreed in the event this lease shall be assigned as to a part or as to parts of the above described lands and the assignee or assignees of such part or parts shall fail or make default in the payment of the proportionate part of the rents due from him or them, such default shall not operate or defeat or affect this lease in so far as it covers a part or parts of said lands upon which the said lessee or any assignee thereof shall make due payments of said rentals.

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. The Lessee does not assume any responsibility for any prior wells, plugged or unplugged, on the above outlined tract of land.

Lessee agrees to pay for any damages caused by seismograph, testing, core drilling or its drilling operations.

SS#

This lease shall be extended to August 1, 2012 by the commencement of drilling operations by Blake Exploration, L.L.C. anywhere on Section 5, Township 14s, Range 32w, Logan County, Kansas by May 1, 2011.

Whereof witness our hands as of the day and year first above written. Witness to the mark:

Gerald E. Berkgren