

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

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) _____ 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? Yes No

Name: _____

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: _____

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: _____



For KCC Use ONLY

API # 15 - _____

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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

Operator: _____

Lease: _____

Well Number: _____

Field: _____

Number of Acres attributable to well: _____

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

Location of Well: County: _____

_____ feet from N / S Line of Section

_____ feet from E / W Line of Section

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

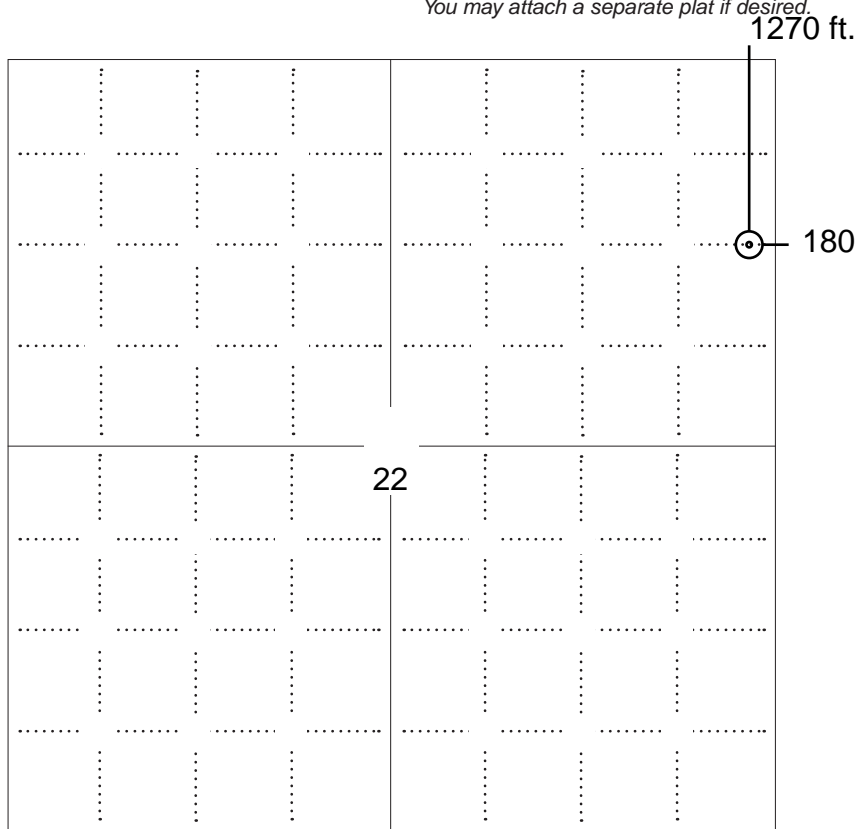
Is Section: Regular or Irregular

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

Section corner used: NE NW SE SW

PLAT

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



LEGEND

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



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

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

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

**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.	
Submitted Electronically			

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.

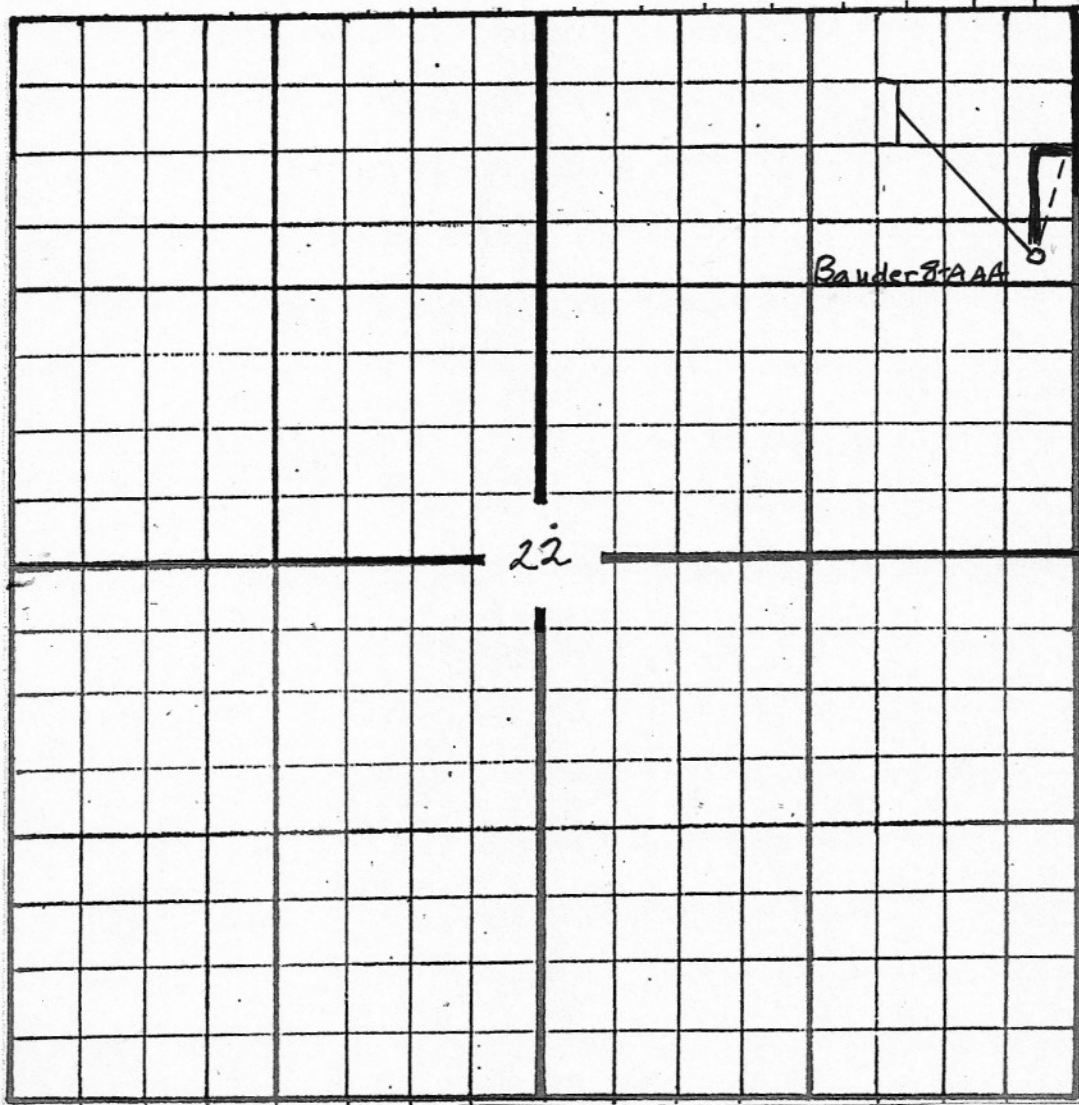
Select one of the following:

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



ASSIGNMENT OF OIL AND GAS LEASES

KNOW ALL PERSONS BY THESE PRESENTS:

That the undersigned Ed Triboulet and Carey Triboulet, his wife, dba C & E Oil Company, (hereinafter called Assignor) whether one or more, for and in consideration of Ten Dollars, and other valuable consideration, the receipt whereof is hereby acknowledged, does hereby sell, assign, transfer and set over unto John R. Bauder, a single person, (hereinafter called Assignee), an undivided one-half working interest in and to the oil and gas leases hereinafter described, to wit:

Bauder Leases

LESSOR: H. Louise Goodnight, a single person, Helen C. Reid, a single person,
M. Sue Bauder, a single person, and John R. Bauder, a single person
LESSEE: C & E OIL, LLC, a Kansas limited liability company
DATE: June 24, 2011
RECORDED: Book Ms 65, Page 448
COVERING: The Northwest Quarter (NW ¼) of Section Twenty-Three (23) EXCEPT a tract containing 15.49 acres, more or less, described as follows:
Commencing at the 1/8 post on the North side of the Northwest Quarter (NW¼) of said Section Twenty-three (23), thence running South 18 degrees and 3 minutes West 14 chains, thence South 74 degrees West 6 chains and 50 links, thence North 38 degrees West 8 chains and 50 links, thence North 11 degrees West 5 chains and 28 links, thence North 11 degrees West 5 chains and 28 links, thence North 79 degrees and 30 minutes East 17 chains and 12 links to place of beginning, in Township Thirty (30) South, Range 10 East of the Sixth Principal Meridian., Elk County, Kansas

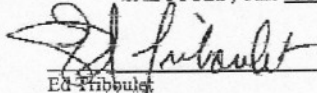
and

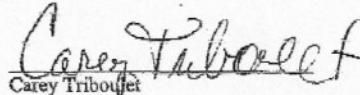
LESSOR: John R. Bauder, a single person
LESSEE: C & E OIL, LLC, a Kansas limited liability company
DATE: June 24, 2011
RECORDED: Book Ms 65, page 445
COVERING: A tract of land in the Northwest Quarter (NW¼) of SECTION Twenty-three (23) described as follows: Commencing at the 1/8 post on the North side of the Northwest Quarter (NW¼) of said Section Twenty-three (23), thence running South 18 degrees and 3 minutes West 14 chains, thence South 74 degrees West 6 chains and 50 links, thence North 38 degrees West 8 chains and 50 links, thence North 11 degrees West 5 chains and 28 links, thence North 11 degrees West 5 chains and 28 links, thence North 79 degrees and 30 minutes East 17 chains and 12 links to place of beginning, in Township Thirty (30) South, Range Ten (10) East of the Sixth Principal Meridian., Elk County, Kansas

together with the rights incident thereto and the personal property thereon, appurtenant thereto, or used or obtained in connection therewith.

And for the same consideration the Assignors covenants with the Assignee, its or his heirs, successors or assigns. That the Assignors are the lawful owners of and has good title to the interest above assigned in and to said leases, estates, rights and property, free and clear from all liens, encumbrances or adverse claims. That said leases are valid and subsisting leases on the land above described, and all rentals and royalties due thereunder have been paid and all conditions necessary to keep the same in full force have been duly performed, and that the Assignors will warrant and forever defend the same against all persons whomsoever, lawfully claiming or to claim the same.

EXECUTED, This 21st day of July, 2011.


Ed Triboulet


Carey Triboulet



ASSIGNMENT AND BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS:

THAT the undersigned C & E Oil, LLC, a Kansas limited liability company, AND John R. Bauder, a single person, (hereinafter called "Assignor"), for and in consideration of the sum of Ten and more Dollars (\$10.00 & More), the receipt of which is hereby acknowledged, does hereby grant, bargain, sell, transfer, assign, convey, and set over unto, Ed and Carey Triboulet d/b/a C & E Oil Company, (hereinafter called "Assignee") all right, title and interest in and to the following Oil and Gas Leases to wit:

Bauder Leases

LESSOR: H. Louise Goodnight, a single person, Helen C. Reid, a single person, M. Sue Bauder, a single person, and John R. Bauder, a single person
LESSEE: C & E OIL, LLC, a Kansas limited liability company
DATE: June 24, 2011
RECORDED: Book Ms 65, Page 448
COVERING: The Northwest Quarter (NW ¼) of Section Twenty-Three (23) EXCEPT a tract containing 15.49 acres, more or less, described as follows: Commencing at the 1/8 post on the North side of the Northwest Quarter (NW¼) of said Section Twenty-three (23), thence running South 18 degrees and 3 minutes West 14 chains, thence South 74 degrees West 6 chains and 50 links, thence North 38 degrees West 8 chains and 50 links, thence North 11 degrees West 5 chains and 28 links, thence North 11 degrees West 5 chains and 28 links, thence North 79 degrees and 30 minutes East 17 chains and 12 links to place of beginning, in Township Thirty (30) South, Range 10 East of the Sixth Principal Meridian., Elk County, Kansas

and

LESSOR: John R. Bauder, a single person
LESSEE: C & E OIL, LLC, a Kansas limited liability company
DATE: June 24, 2011
RECORDED: Book Ms 65, page 445
COVERING: A tract of land in the Northwest Quarter (NW¼) of SECTION Twenty-three (23) described as follows: Commencing at the 1/8 post on the North side of the Northwest Quarter (NW¼) of said Section Twenty-three (23), thence running South 18 degrees and 3 minutes West 14 chains, thence South 74 degrees West 6 chains and 50 links, thence North 38 degrees West 8 chains and 50 links, thence North 11 degrees West 5 chains and 28 links, thence North 11 degrees West 5 chains and 28 links, thence North 79 degrees and 30 minutes East 17 chains and 12 links to place of beginning, in Township Thirty (30) South, Range Ten (10) East of the Sixth Principal Meridian., Elk County, Kansas

together with the rights incident thereto and the personal property thereon, appurtenant thereto, or used or obtained in connection therewith.

The interests conveyed are subject to their proportionate share of any royalty and overriding royalty burdens which appear of record.

And for the same consideration the Assignor covenants with the Assignee, its or his heirs, successors or assigns: that the Assignor is the lawful owner of and has good title to the interest above assigned in and to said lease, estate rights and property, free and clear from all liens, encumbrances or adverse claims, that said lease is a valid and subsisting lease on the land above described, and all rentals and royalties due thereunder have been paid and all conditions necessary to keep the same in full force have been duly performed.

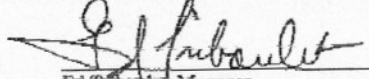
This Assignment and Bill of Sale may be executed in counterparts, each of which shall be considered to be original.

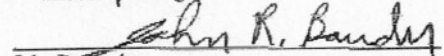
This Assignment is made without warranty of title, either express or implied.

Executed this 21st day of July, 2011.

ASSIGNORS

C & E OIL, LLC a Kansas limited liability company

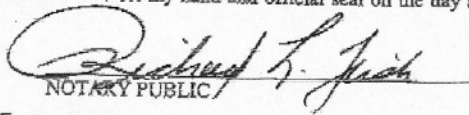

Ed Triboulet, Manager


John R. Bauder

STATE OF KANSAS, COUNTY OF ELK, ss:

Be it remembered that on this 21st day of July, 2011, before me, the undersigned, a Notary Public, duly commissioned, in and for the county and state aforesaid, came Ed Triboulet and Carey Triboulet, husband and wife, dba C & E Oil Company, and they duly acknowledged the execution of the same for himself and for said corporation for the uses and purposes therein set forth.

IN WITNESS THEREOF, I have hereunto set my hand and official seal on the day and year last above written.


NOTARY PUBLIC

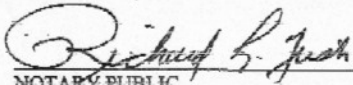
My Commission Expires: 7-25-2013



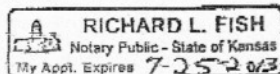
STATE OF KANSAS, COUNTY OF ELK, ss:

Be it remembered that on this 21st day of July, 2011, before me, the undersigned, a Notary Public, duly commissioned, in and for the county and State aforesaid, came Ed Triboulet, manager of C & E. Oil, LLC, a Kansas limited liability company, and they duly acknowledged the execution of the same for himself and for said corporation for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day and year last above written.


NOTARY PUBLIC

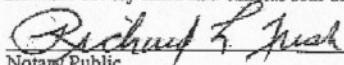
My Commission Expires: 7-25-2013



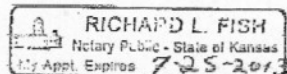
STATE OF KANSAS, COUNTY OF ELK ss:

On this 21st day of July, 2011, before me personally appeared John R. Bauder, a single person, who, being by me duly sworn, did affirm that he executed the above document.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day and year last above written.


Notary Public

My Commission Expires 7-25-2013





✓ State of Kansas SS 10. 00
✓ Elk County
✓ This instrument was filed for record on
the 2 day of May 2000
2 o'clock P M and duly recorded
in Book 562 of MS Page 339

OIL AND GAS AGREEMENT

Naess H. White
Register of Deeds
Loretta A. Perkins Deputy

Agreement made January 2, 2000, between H. Louise Goodnight, a single person, Helen C. Reid, a single person, M. Sue Bauder, a single person, John R. Bauder, a single person, and Wilfred L. Bauder, a single person, here referred to as lessor (whether one or more); and Ed Triboulet and Carey Triboulet as joint tenants with the right of survivorship and not as tenants in common, an undivided one-half interest and John R. Bauder, an undivided one half interest, here referred to as lessee.

RECITALS.

A. Lessor, for and in consideration of One Dollars (\$1.00) the receipt of which is hereby acknowledged, and the covenants and agreements contained in this lease on the part of lessee to be paid, kept, and performed, has granted, demised, leased and let, and by these presents does grant, demise, lease, and let unto the lessee for the sole and only purpose of mining and operating for oil and gas and of laying pipelines, and of building tanks, power stations, and structures on the premises to produce, save and take care of oil and gas products, all that tract of land situated in Elk County, Kansas, described as follows:

- a. The Northeast Quarter of Section Twenty-two, and the South Sixty (60) Acres of the Southeast Quarter of Section Fifteen (15), Township Thirty south, Range Ten East of the Sixth Principal Meridian, except the East Six Hundred Feet (600') thereof

B. It is agreed that this lease shall remain in force for a primary term of two years from this date and if lessee shall commence to drill within the primary term or any extension thereof, lessee shall have the right to continue drilling to completion with reasonable diligence and the term shall extend as long thereafter as oil and gas, or either of them is produced by lessee from the land or from a communitized unit as provided in this lease.

In consideration of the premises, the parties covenant and agree as follows:

SECTION ONE.

DELIVERY OF OIL ROYALTY IN KIND

Lessee agrees to deliver to the credit of lessor, free of cost, into tank reservoirs or into the pipeline to which lessee may connect wells on the land, the equal of one-eighth (1/8th) of all oil produced and saved from the leased premises.

SECTION TWO.

GAS ROYALTY

Lessee agrees to pay lessor one-eighth percent (1/8th) of the gross proceeds for the gas from each well where gas only is found, while the same is being used off the premises, payable monthly at the prevailing market rate for gas. Where such gas is not sold or used for a period of one year, lessee shall pay or tender as royalty an amount equal to the yearly delay rental as provided by the provisions of this lease, payable annually at the end of each year during which such gas is not sold or used, and while such royalty is so paid or tendered this lease shall be considered producing property under the above paragraph setting forth the primary term of the lease. Lessor is to have gas free of cost from any well for all stoves and all inside lights in the dwellings on the land during the same time, by making lessor's own connections with the well at lessor's own risk and expense.

SECTION THREE.

GAS USED BY LESSEE OFF PREMISES

Lessee agrees to pay lessor for gas produced from any oil well and used off the premises in the manufacture of gasoline or any other product a royalty of one-eighth (1/8th) of the proceeds payable monthly at the prevailing market rate at the mouth of the well.

SECTION FOUR.

PROPORTIONATE REDUCTION

If lessor owns an interest in the above-described land less than the entire undivided fee simple estate therein, then the royalties and rentals provided for in this lease shall be paid lessor only in the proportion

that lessor's interest bears to the whole and undivided fee.

SECTION FIVE.

DIVIDED INTERESTS

If the leased premises are now or shall hereafter be owned in severally or in separate tracts, the premises, nevertheless, shall be developed and operated as one lease and all royalties accruing under the lease shall be treated as an entirety and shall be divided among and paid to such separate owners in the proportion that the acreage owned by each separate owner bears to the entire leased acreage. Provided, however, if the leased premises consist of two or more non-abutting tracts, this section shall apply separately to each non-abutting tract, and further provided that if a portion of the leased premises is hereafter consolidated with other lands for the purpose of operating the consolidated tract as one lease, this section shall be inoperative as to the portion so consolidated. There shall be no obligation on the part of lessee to offset wells on separate tracts into which the land covered by this lease may be hereafter divided by sale, devise, or otherwise or to furnish separate measuring or receiving tanks.

SECTION SIX.

LESSEE'S OPERATIONS

Lessee shall have the right to use, free of cost, gas, oil, and water produced on the land for lessee's operation on the land except water from the wells of lessor. When requested by lessor, lessee shall bury lessee's pipeline below deep plow depth. No well shall be drilled nearer than _____ feet to the house or barn now on the premises without the prior written consent of lessor. Lessee shall pay for damages caused to growing crops by lessee's operations. Lessee shall have the right at any time to remove all machinery and fixtures placed on the premises, including the right to draw and remove casing.

SECTION SEVEN.

AUTHORIZATION OF POOLING OPERATIONS

For the purpose of oil or gas development and production under this lease, lessor grants to lessee the right to pool or communitize any part of the premises with other land to comprise an oil development unit of not more than approximately 320 acres or a gas development unit of not more than approximately 640 acres, but lessee shall in no event be required to drill more than one well on the unit. If such oil or gas well shall be drilled on the premises herein leased it shall nevertheless be deemed to be on the leased premises within the meaning of all covenants expressed or implied in this lease and lessor shall participate in the one-eighth (1/8) royalty from such oil or gas development unit only in the proportion that the number of acres owned by lessor within the limitations of such development unit bears to the total number of acres included in the unit. At the option of lessee, a diagonal well spacing pattern may be followed.

SECTION EIGHT.

REFERENCE TO GOVERNMENTAL REGULATIONS

Notwithstanding anything to the contrary contained in this lease or implied by law, all present and future rules and regulations of any governmental agency pertaining to well spacing, use of material, and equipment or otherwise shall be binding on the parties to this lease with like effect as though incorporated at length in this lease.

SECTION NINE.

WARRANTY OF TITLE

Lessor warrants and agrees to defend the title to the lands described in this lease and agrees that lessee shall have the right at any time to redeem, for lessor, by payment of any mortgage, taxes, or other liens on the lands in the event of default of payment by lessor, and be subrogated to the rights of the holder, and lessor, on behalf of lessor and heirs, successors, and assigns of lessor, surrenders and releases all rights of dower and homestead in the premises described in this lease, insofar as the right of dower and homestead may in any way affect the purposes for which this lease is made.

SECTION TEN.

ASSIGNMENTS

If the estate of either party to this lease 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 lessee until after lessee has been furnished with a written transfer or assignment or a true copy thereof; and it is agreed that 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 default in the payment of the proportionate part of the rents due, such defaults shall not operate to defeat or affect this lease insofar as it covers a part or parts of lands on which lessee or any assignee shall make due payments of rentals.

SECTION ELEVEN.

SURRENDER OR RELEASE

Lessee may at any time surrender this lease as to all or any part of the lands covered by the lease, by delivering or mailing a release to lessor, if the lease is not recorded, or by placing a release of record in the proper county, if the lease is recorded; and if surrendered only as to a part of the lands, any delay rentals or acreage payments which may thereafter be payable shall be reduced proportionately.

John R. Bauder

M. Sue Bauder

Helen C. Reid

Wilfred L. Bauder

H. Louise Goodnight

STATE OF KANSAS, COUNTY OF ELK, ss:

On this ~~April~~ ^{MAY 1} ~~21~~ ²⁷ 2000 before me personally appeared H. Louise Goodnight, who, being by me duly sworn, did affirm that she executed the above document a single person,

Robert L. Vinette
Notary Public

My Commission Expires SEPT. 5, 2001.

ROBERT L. VINETTE

STATE OF ~~MISSOURI~~ ^{KANSAS}, COUNTY OF ELK, ss:

On this April ~~21~~ ²⁷ 2000 before me personally appeared Helen C. Reid, who, being by me duly sworn, did affirm that she executed the above document a single person,

Robert L. Vinette
Notary Public

My Commission Expires SEPT 5, 2001

ROBERT L. VINETTE

STATE OF KANSAS, COUNTY OF ELK, ss:

On this ~~April~~ ^{MAY 1} ~~21~~ ²⁷ 2000 before me personally appeared M. Sue Bauder, a single person, John R. Bauder, a single person, and Wilfred L. Bauder, a single person who, being by me duly sworn, did affirm that they executed the above document

Robert L. Vinette
Notary Public

My Commission Expires SEPT. 5, 2001

ROBERT L. VINETTE

AFFIDAVIT OF MARITAL STATUS

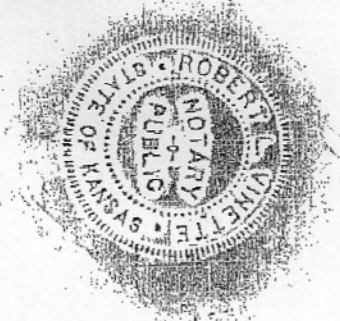
STATE OF KANSAS)
) ss:
COUNTY OF ELK)

I, M. Sue Bauder, being first sworn on my oath, state and affirm, that Russell Marvin Zimmers, Grantor in a certain Deed in Possession, executed on December 15, 1999, acknowledged on January 27, 2000, and filed in Book 92 of Deeds at page 479 of the records of the office of the Register of Deeds in Elk County, Kansas, on February 4, 2000, at 10:15 A.M., was a single person at the time of the execution of said deed.

Further affiant saith not.

M. Sue Bauder
M. Sue Bauder

Subscribed and sworn to before me, a notary public in and for the State and County afore mentioned on March 23, A.D. 2000.



Robert L. Vinette
Robert L. Vinette, Notary Public
My commission expires September 5, 2001.



✓
State of Kansas 886.00
Elk County
This instrument was filed for record on
the 3 day of May 2000
3 o'clock P.M. and duly recorded
in Book 54 of Misc. Page 342
Mara L. Watter
Register of Deeds
Walter W. Kerby Deputy



July 22, 2011

ED TRIBOULET
Triboulet, Ed dba C & E Oil Co.
RR1
BOX 1B2
MOLINE, KS 67353

Re: Drilling Pit Application
API 15-049-22552-00-00
BAUDER 8-AAA
NE/4 Sec.22-30S-10E
Elk County, Kansas

Dear ED TRIBOULET:

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 practical 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) 432-2300 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) 432-2300.

Summary of Changes

Lease Name and Number: BAUDER 8-AAA

API/Permit #: 15-049-22552-00-00

Doc ID: 1060038

Correction Number: 1

Approved By: Rick Hestermann 07/22/2011

Field Name	Previous Value	New Value
Elevation Source	Estimated	Surveyed
ElevationPDF	1033 Estimated	1039 Surveyed
Feet to Nearest Water Well Within One-Mile of Pit	N/A	n/a
Ground Surface Elevation	1033	1039
KCC Only - Approved By	Rick Hestermann 06/14/2011	Rick Hestermann 07/22/2011
KCC Only - Approved Date	06/14/2011	07/22/2011
KCC Only - Date Received	06/14/2011	07/22/2011
KCC Only - Production Comment		Oil & Gas leases attached.
KCC Only - Regular Section Quarter Calls	S2 SE NE NE	SE SE NE NE
LocationInfoLink	https://solar.kgs.ku.edu/kcc/detail/locationInformation.cfm?section=22&t	https://solar.kgs.ku.edu/kcc/detail/locationInformation.cfm?section=22&t

Summary of changes for correction 1 continued

Field Name	Previous Value	New Value
Nearest Lease Or Unit Boundary	330	180
Number of Feet East or West From Section Line	330	180
Number of Feet East or West From Section Line	330	180
Quarter Call 4 - Smallest	S2	SE
Quarter Call 4 - Smallest	S2	SE
Save Link	../..kcc/detail/operatorEditDetail.cfm?docID=1057659	../..kcc/detail/operatorEditDetail.cfm?docID=1060038

Summary of Attachments

Lease Name and Number: BAUDER 8-AAA

API: 15-049-22552-00-00

Doc ID: 1060038

Correction Number: 1

Approved By: Rick Hestermann 07/22/2011

Attachment Name

Fluid