For KCC Use:

Eff	e	ct	iv	е	Date
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District	±	
DISTINCT	TT .	

SGA?	Yes	No

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

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

Form C-1

1062858

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:	Spot Description:
month day year	
OPERATOR: License#	feet from N / S Line of Section
Name:	feet from L 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?
Name:	Target Formation(s):
Well Drilled For: Well Class: Type Equipment: Oil Enh Rec Infield Mud Rotary Gas Storage Pool Ext. Air Rotary Disposal Wildcat Cable Seismic ; # of Holes Other Other:	Nearest Lease or unit boundary line (in footage): Ground Surface Elevation: Water well within one-quarter mile: Yes No Public water supply well within one mile: Yes No Depth to bottom of fresh water: Surface Pipe by Alternate: I Length of Surface Pipe Planned to be set: Length of Conductor Pipe (if any): Projected Total Depth: Formation at Total Depth: Water Source for Drilling Operations:
Directional, Deviated or Horizontal wellbore?	Well Farm Pond Other:
If Yes, true vertical depth:	DWR Permit #:
Bottom Hole Location:	(Note: Apply for Permit with DWR)
KCC DKT #:	Will Cores be taken?
	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 E	Electronically
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For KCC Use ONLY	
API # 15	
Conductor pipe required	feet
Minimum surface pipe required	feet per ALT.
Approved by:	
This authorization expires:	
Spud date: Agent:	

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

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:

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For KCC Use ONLY

API # 15 -_

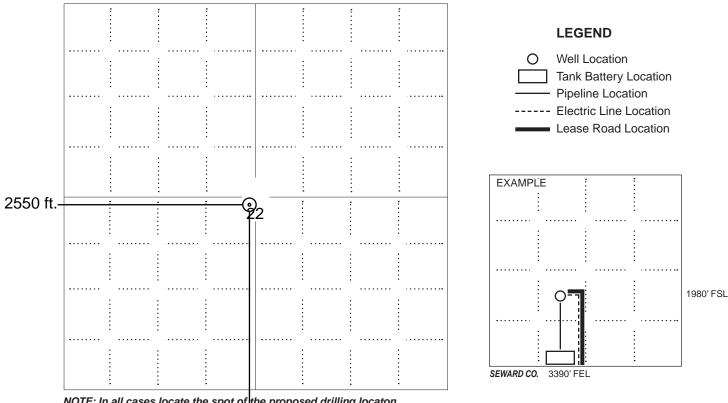
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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

Operator:	Location of Well: County:
Lease:	feet from N / S Line of Section
Well Number:	feet from E / W Line of Section
Field:	Sec Twp S. R E 📃 W
Number of Acres attributable to well: QTR/QTR/QTR/QTR of acreage:	Is Section: Regular or Irregular
	If Section is Irregular, locate well from nearest corner boundary.
	Section corner used: NE NW SE SW

PLAT

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



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

2530 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.

Side Two



KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION 1062858

Form CDP-1 May 2010 Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name:			License Number:			
Operator Address:						
Contact Person:			Phone Number:			
Lease Name & Well No.:			Pit Location (QQQQ):			
Type of Pit:	Pit is:		·			
Emergency Pit Burn Pit	Proposed	Existing	SecTwpR East West			
Settling Pit Drilling Pit	If Existing, date co	nstructed:	Feet from North / South Line of Section			
Workover Pit Haul-Off Pit (If WP Supply API No. or Year Drilled)	Pit capacity:		Feet from East / West Line of Section			
		(bbls)		County		
Is the pit located in a Sensitive Ground Water A	rea? Yes	No	Chloride concentration:	Pits and Settling Pits only)		
Is the bottom below ground level?	Artificial Liner?	No	How is the pit lined if a plastic l	liner is not used?		
Pit dimensions (all but working pits):	Length (fe	et)	Width (feet)	N/A: Steel Pits		
Depth fro	m ground level to dee	epest point:	(feet)	No Pit		
Distance to nearest water well within one-mile of pit: Depth to shallowest fresh water feet. Source of information: Source of information:						
feet Depth of water wellfeetfeet				electric log		
Emergency, Settling and Burn Pits ONLY:			over and Haul-Off Pits ONLY:			
Producing Formation:		Type of material utilized in drilling/workover:				
Number of producing wells on lease: Barrels of fluid produced daily:		Number of working pits to be utilized: Abandonment procedure:				
Does the slope from the tank battery allow all spilled fluids to			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 Num	oer:	Permi	t Date: Lease	e Inspection: Yes No		

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



KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

CERTIFICATION OF COMPLIANCE WITH THE KANSAS SURFACE OWNER NOTIFICATION ACT Form KSONA-1 July 2010 Form Must Be Typed Form must be Signed All blanks must be Filled

This form must be submitted with all Forms C-1 (Notice of Intent to Drill); CB-1 (Cathodic Protection Borehole Intent); T-1 (Request for Change of Operator Transfer of Injection or Surface Pit Permit); and CP-1 (Well Plugging Application). Any such form submitted without an accompanying Form KSONA-1 will be returned.

Select the corresponding form being filed: C-1 (Intent) CB-1 (Cathodic Protection Borehole Intent) T-1 (Transfer) CP-1 (Plugging Application)

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

If this form is being submitted with a Form C-1 (Intent) or CB-1 (Cathodic Protection Borehole Intent), you must supply the surface owners and the KCC with a plat showing the predicted locations of lease roads, tank batteries, pipelines, and electrical lines. The locations shown on the plat are preliminary non-binding estimates. The locations may be entered on the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted.

Select one of the following:

- I certify that, pursuant to the Kansas Surface Owner Notice Act (House Bill 2032), I have provided the following to the surface owner(s) of the land upon which the subject well is or will be located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form CP-1 that I am filing in connection with this form; 2) if the form being filed is a Form C-1 or Form CB-1, the plat(s) required by this form; and 3) my operator name, address, phone number, fax, and email address.
- □ I have not provided this information to the surface owner(s). I acknowledge that, because I have not provided this information, the KCC will be required to send this information to the surface owner(s). To mitigate the additional cost of the KCC performing this task, I acknowledge that I am being charged a \$30.00 handling fee, payable to the KCC, which is enclosed with this form.

If choosing the second option, submit payment of the \$30.00 handling fee with this form. If the fee is not received with this form, the KSONA-1 form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-1 will be returned.

Submitted Electronically

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Form 88	(PRODUCER'S	SPECIAL)	(PAID-UP)
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63U (Rev. 1993)

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 20th day of October, 2009 by and between Mike Moeder and Melinda Moeder, Trustees of the Mike Moeder Revocable Trust dated March 18, 1998, and Melinda Moeder and Mike Moeder, Trustees of the Melinda Moeder Revocable Trust dated March 18, 1998

whose mailing address is _______ hereinafter called Lessor (whether one or more), and ______ Russell Oil, Inc.

_, hereinafter caller Lessee;

The South Half (S/2)

In Section <u>22</u>, Township <u>11 South</u>, Range <u>34 West</u>, and containing <u>320</u> acres, more or less, and all accretions thereto.

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

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

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

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

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

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

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

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

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

B

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

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

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

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

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

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

Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, when in lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises, such pooling to be of tracts contiguous to one another and to be into a unit or units not exceeding 60 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 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.

It is understood and agreed that no bonus moneys will be paid to Lessor for this lease if Lessee or its assigns drills a well on either the North Half (N/2) or South Half (S/2) of Sec. 22-T11S-R34W, Logan County, Kansas, prior to the end of the primary term hereof. If no well is drilled on said lands prior to the end of the primary term hereof, Lessee shall pay Lessor bonus moneys of \$6400.00 for two leases covering said lands.

If at the end of the primary term this lease is not otherwise continued in force under the provisions hereof, this lease shall expire, unless Lessee on or before the end of the primary term shall pay or tender to Lessor an additional sum of Ten Dollars (\$10.00) per net mineral acre owned by Lessor in the land above described and then subject to this lease; and subject to the other provisions of this lease, the primary term shall extend for an additional term of one (1) year from the end of the primary term hereof.

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

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF FOR SIGNATURES

150 186

Reorder No.

09-115

Kansas Blue Print

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AGR	EEMENT, Mode and	entered into the20th			ober, 2009			
by and betw	een	eder and Melind						
	dated Ma	arch 18, 1998,	and Melin	ida Moeder i	and Mike Mo	eder, Trust	tees of t	the
	Melinda	Moeder Revocab	le Trust	dated Marc	h 18, 1998			
whose maili	ng address is	· · · · · · · · · · · · · · · · · · ·				hereinafter	called Lessor (wl	nether one or more),
andR	ussell Oil	Inc.						<u> </u>
		· · · · · · · · · · · · · · · · · · ·			-		, herei	nafter caller Lessee:
Less	or, in consideration of	ten and more	2		Dollars (S	0.00+) in hand pa	id, receipt of which
of investigat constituent j and things th products ma	number of the nu	oyalities herein provided and physical and other means, p , water, other fluids, and air is e, take care of, treat, manufac and housing and otherwise c Logan	or the agreements prospecting drilling nto subsurface stra ture, process, store caring for its emplo	, mining and operations and transport said off opees, the following d	contained, hereby gran ng for and producing storing oil, building ta l, liquid hydrocarbons escribed land, togethe	its, leases and lets exc oil, liquid hydrocarb nks, power stations, t , gases and their respe	lusively unto les ons, all gases, a elephone lines, a clive constituent ry rights and afte	see for the purpose and their respective and other structures products and other r-acquired interest.
	The Nort	th Half (N/2)	A					
In Section _ accretions d		Township 11 South						more or less, and all
as oil, líquic In c Ist, from the lea	l hydrocarbons, gas or consideration of the pr To deliver to the cro used premises.	herein contained, this lease sl other respective constituent emises the said leasee covena dit of lessor, free of cost, in t as of whatsoever nature or ki	products, or any of nts and agrees: the pipe line to whi	f them, is produced fr	om said land or land :t wells on said land, (with which said land : the equal one-eighth (!	is pooled, %) part of all oil	produced and saved
at the mark premises, or as royalty (at price at the well, (It in the manufacture of	out, as to gas sold by lesses, i of products therefrom, said pa year per net mineral acre r	in no event more t ayments to be mad	han one-eighth (%) of le monthly. Where ga	f the proceeds receive as from a well produci	d by lessee from such ing gas only is not so	sales), for the g ld or used, lesse	as sold, used off the te may pay or tender
of this lease found in pa	e or any extension the ying quantities, this le	ained during the primary ter reaf, the lessee shall have th pase shall continue and be in a interest in the above descri	e right to drill suc force with like effe	h well to completion of as if such well had	with reasonable dilig been completed with	ence and dispatch, an in the term of years fi	d if oil or gas, o rst mentioned.	or either of them, be
the said less Les	ior only in the proport see shall have the righ	ion which lessor's interest be at to use, free of cost, gas, oil	ars to the whole as and water produce	nd undivided fee. ed on said land for les				
	• •	, lessee shall bury lessee's pip earer than 200 feet to the hou	-	•	it written consent of l	essor.		
	• •	ages caused by lessee's operat at at any time to remove all a		-	romises including the	right to draw and re	nove casing	
lf t executors, s lessee has l	he estate of either pa administrators, succes been furnished with a	arty hereto is assigned, and sors or assigns, but no char written transfer or assignme on or portions arising subseq	the privilege of a nge in the owners int or a true copy t	ssigning in whole or hip of the land or as thereof. In case lessee	in part is expressly ssignment of rentals	allowed, the covenant or royalties shall be l	a hereof shall e binding on the l	essee until after the
Les surrender ti	see may at any time his lease as to such po	execute and deliver to lessor rtion or portions and be reliev	or place of record	a release or releases ns as to the acreage s	a covering any portion surrendered.	n or portions of the at	ove described p	remises and thereby
All	express or implied co in part, nor lessee he	venants of this lease shall be ld liable in damages, for fail	subject to all Fed	loral and State Laws,	Executive Orders, Ru	ales or Regulations, an such failure is the rea	nd this lease sha sult of, any such	ll not be terminated, Law, Order, Rule or
any moriga signed less	ages, taxes or other lie ors, for themselves ar	nd agrees to defend the litle i ms on the above described la id their heirs, successors and dead may in any way affect t	nds, in the event o 1 assigns, hereby i	of default of payment surrender and release	t by lessor, and be suit a all right of dower a	brogated to the rights	of the holder the	ereof, and the under-
immediate conservatio or units na record in t pooled into found on tl royalties el	vicinity thereof, when on of oil, gas or other it exceeding 40 acrees the conveyance record a tract or unit shall be pooled acreage, it al laewhere herein apeci.	tereby given the right and po n in lessee's judgment it is minerals in and under and it each in the event of an oil w s of the county in which the be treated, for all purposes e hall be treated as if productitu fied, lessor shall receive on interest therein on an acreage	necessary or advi that may be produ ell, or into a unit (e land herein leas xcepi the payment on is had from this production from	isable to do so in ord ced from said premis or units not exceeding red is situated an inu- t of royaltics on prod s lease, whether the w a unit so pooled onl	der to properly develu tes, such pooling to be g 640 acress each in th strument identifying uction from the poole rell or wells be located ly such portion of the	op and operate said l e of tracts contiguous he event of a gas well, and describing the p d unit, as if it were in on the premises covo e royalty stipulated h	ease premises s to one another o . Lessez shall ex coled acreage. T .cluded in this le red by this lease	o as to promole the and to be into a unit ecute in writing and he entire acreage so ase. If production is or not. In lieu of the
the No	rth Half (N/2) or	reed that no bonus m South Half (S/2) of Se aid lands prior to the e	c. 22-T11S-R	34W, Logan Co	unty, Kansas, p	rior to the end of	f the primary	term hereof.

two leases covering said lands.

If at the end of the primary term this lease is not otherwise continued in force under the provisions hereof, this lease shall expire, unless Lessee on or before the end of the primary term shall pay or tender to Lessor an additional sum of Ten Dollars (\$10.00) per net mineral acre owned by Lessor in the land above described and then subject to this lease; and subject to the other provisions of this lease, the primary term shall extend for an additional term of one (1) year from the end of the primary term hereof.

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

...

SEE EXHIPTT "A" ATTACHED HERETO AND MADE A PART HEREOF FOR SIGNATURES



Proposed lead line (underground)

...... -----

Proposed lease road

© 2011 Google Image © 2011 DigitalGlobe Image USDA Farm Service Agency

39.082822 -101.081977-

N Proposed Moeder A Unit #1 2530' FSL; 2550' FWL Sec. 22-T11S-R34W C2010 Google Eye alt 12784 ft 🔘