



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

KANSAS CORPORATION COMMISSION 1062859  
 OIL & GAS CONSERVATION DIVISION

Form C-1  
 March 2010

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

**NOTICE OF INTENT TO DRILL**

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

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

Expected Spud Date: \_\_\_\_\_  
 month day year

OPERATOR: License# \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Address 1: \_\_\_\_\_  
 Address 2: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ + \_\_\_\_\_  
 Contact Person: \_\_\_\_\_  
 Phone: \_\_\_\_\_

CONTRACTOR: License# \_\_\_\_\_  
 Name: \_\_\_\_\_

Well Drilled For:	Well Class:	Type Equipment:
<input type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input type="checkbox"/> Infield
<input type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input type="checkbox"/> Pool Ext.
	<input type="checkbox"/> Disposal	<input type="checkbox"/> Wildcat
<input type="checkbox"/> Seismic ; _____ # of Holes	<input type="checkbox"/> Other	<input type="checkbox"/> Mud Rotary
<input type="checkbox"/> Other: _____		<input type="checkbox"/> Air Rotary
		<input type="checkbox"/> Cable

If OWWO: old well information as follows:

Operator: \_\_\_\_\_  
 Well Name: \_\_\_\_\_  
 Original Completion Date: \_\_\_\_\_ Original Total Depth: \_\_\_\_\_

Directional, Deviated or Horizontal wellbore?  Yes  No  
 If Yes, true vertical depth: \_\_\_\_\_  
 Bottom Hole Location: \_\_\_\_\_  
 KCC DKT #: \_\_\_\_\_

Spot Description: \_\_\_\_\_  
 \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ Sec. \_\_\_\_\_ Twp. \_\_\_\_\_ S. R. \_\_\_\_\_  E  W  
 (Q/Q/Q/Q) \_\_\_\_\_ feet from  N /  S Line of Section  
 \_\_\_\_\_ feet from  E /  W Line of Section

Is SECTION:  Regular  Irregular?  
 (Note: Locate well on the Section Plat on reverse side)

County: \_\_\_\_\_  
 Lease Name: \_\_\_\_\_ Well #: \_\_\_\_\_

Field Name: \_\_\_\_\_  
 Is this a Prorated / Spaced Field?  Yes  No

Target Formation(s): \_\_\_\_\_  
 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: \_\_\_\_\_

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

E  
 W



1062859

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

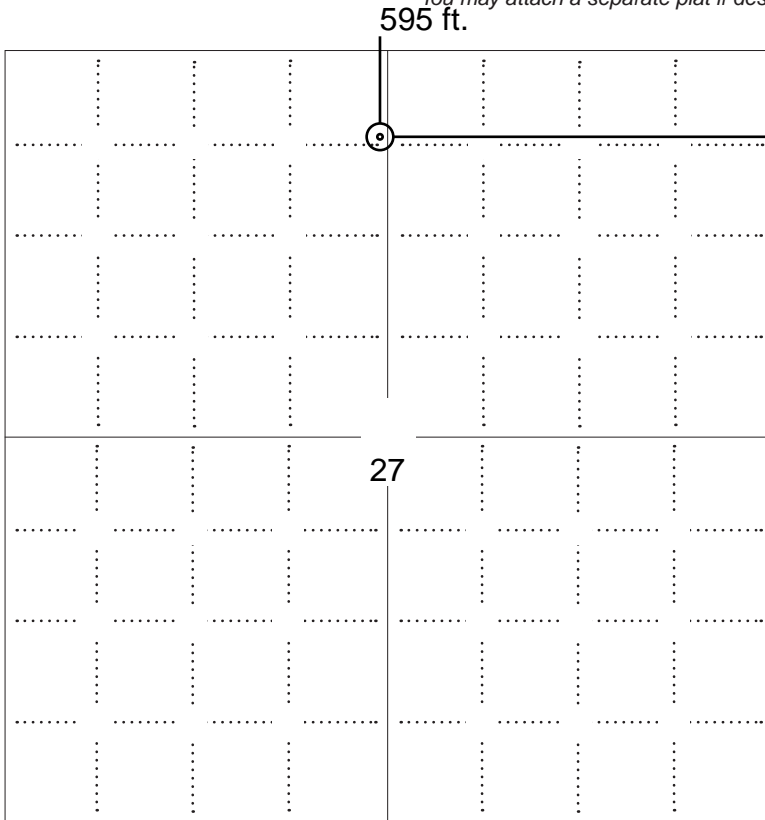
**If Section is Irregular, locate well from nearest corner boundary.**

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



1980' FSL

**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	
<b>Emergency, Settling and Burn Pits ONLY:</b> 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		<b>Drilling, Workover and Haul-Off Pits ONLY:</b> Type of material utilized in drilling/workover: _____ Number of working pits to be utilized: _____ Abandonment procedure: _____ Drill pits must be closed within 365 days of spud date.	
<p><b>Submitted Electronically</b></p>			

**KCC OFFICE USE ONLY**

Liner     Steel Pit     RFAC     RFAS

Date Received: \_\_\_\_\_ Permit Number: \_\_\_\_\_ Permit Date: \_\_\_\_\_ Lease Inspection:     Yes     No



# CERTIFICATION OF COMPLIANCE WITH THE KANSAS SURFACE OWNER NOTIFICATION ACT

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

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

OPERATOR: License # \_\_\_\_\_  
Name: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ + \_\_\_\_\_  
Contact Person: \_\_\_\_\_  
Phone: ( \_\_\_\_\_ ) \_\_\_\_\_ Fax: ( \_\_\_\_\_ ) \_\_\_\_\_  
Email Address: \_\_\_\_\_

Well Location:  
\_\_\_\_ - \_\_\_\_ - \_\_\_\_ - \_\_\_\_ Sec. \_\_\_\_ Twp. \_\_\_\_ S. R. \_\_\_\_  East  West  
County: \_\_\_\_\_  
Lease Name: \_\_\_\_\_ Well #: \_\_\_\_\_

*If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:*

### Surface Owner Information:

Name: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ + \_\_\_\_\_

*When filing a Form T-1 involving multiple surface owners, attach an additional sheet listing all of the information to the left for each surface owner. Surface owner information can be found in the records of the register of deeds for the county, and in the real estate property tax records of the county treasurer.*

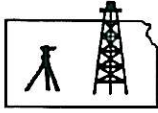
*If this form is being submitted with a Form C-1 (Intent) or CB-1 (Cathodic Protection Borehole Intent), you must supply the surface owners and the KCC with a plat showing the predicted locations of lease roads, tank batteries, pipelines, and electrical lines. The locations shown on the plat are preliminary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

### Select one of the following:

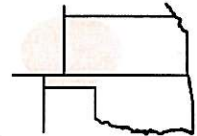
- I certify that, pursuant to the Kansas Surface Owner Notice Act (House Bill 2032), I have provided the following to the surface owner(s) of the land upon which the subject well is or will be located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form CP-1 that I am filing in connection with this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

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

I Submitted Electronically



**Pro-Stake LLC**  
 Oil Field & Construction Site Staking  
 P.O. Box 2324  
 Garden City, Kansas 67846  
 Office/Fax: (620) 276-6159  
 Cell: (620) 272-1499



**q082911n**  
 PLAT NO.

**9538**  
 INVOICE NO.

**Oil Producers Inc. of Kansas**

**Hawes Ranch #2A-27**

OPERATOR

LEASE NAME

**Ford County, KS**

**595' FNL - 2702' FEL - 2730' FWL**

COUNTY

**27**

**28s**

**23w**

LOCATION SPOT

Sec.

Twp.

Rng.

**2511.3'**

GR. ELEVATION:

SCALE: **1" = 1000'**

N

DATE STAKED: **Aug. 25<sup>th</sup>, 2011**

MEASURED BY: **Luke R.**

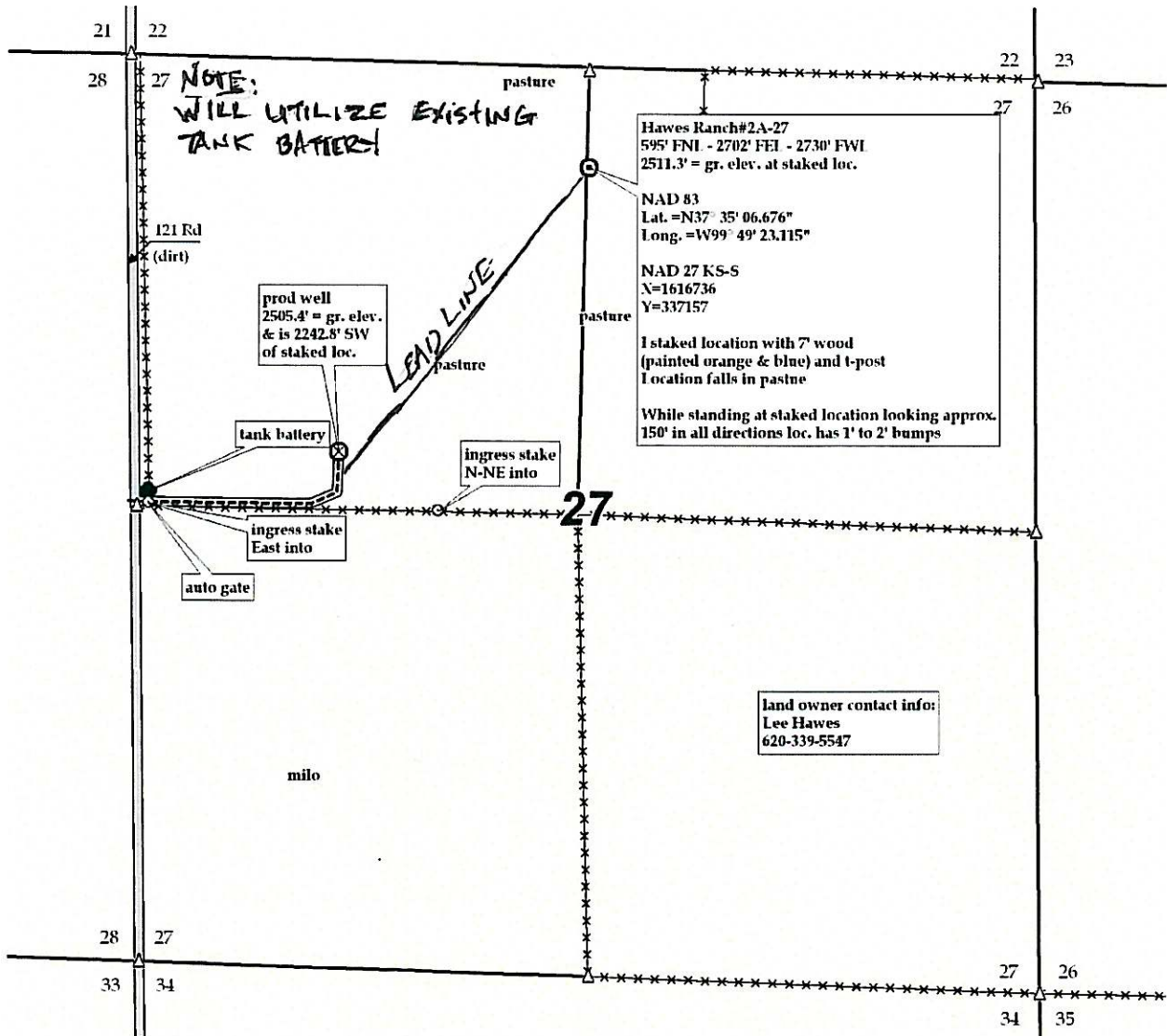
DRAWN BY: **Luke R.**

AUTHORIZED BY: **Lori Z. & Bob K.**

**Directions:** From the SE side of Kingsdown, KS at the intersection of Hwy 54, Hwy 94 South & Kingsdown Ford Rd North - Now go 2.3 miles North on Kingsdown Ford Rd - Now go 4.1 miles West on Million Dollar Rd - Now go 1 mile North on 121 Rd to the SW corner of section 27-28s-23w - Now go 0.5 mile North on 121 Rd to ingress stake East into - Now go 0.2 mile East on lease rd - Now go approx. 700' East through pasture to ingress stake N-NE into - Now go approx. 2230' N-NE through pasture into staked location.

**Final ingress must be verified with land owner or Operator.**

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



Kansas Producers 88 (Paid-Up)

OIL AND GAS LEASE

AGREEMENT, Made and entered into this December 1, 2009, (the Effective Date), by and between: Eleanor E. Hawes, a single woman, hereinafter called Lessor, and Cottrell Land Services, L.L.C., Meade, Kansas, hereinafter called Lessee:

WITNESSETH, That the said lessor, for and in consideration of TEN DOLLARS & other valuable consideration, cash in hand paid, receipt of which Lessor here acknowledges, and the covenants and agreements of Lessee in this Lease, Lessor grants, demises, leases and lets exclusively to Lessee, the lands described below, and with the right to unitize this lease or any part thereof with other leases, for the purposes of carrying on geological, geophysical and other exploratory work thereon, including core drilling, and the drilling, mining, operating for, producing, and taking care of, removing and selling all oil (including but not limited to distillate and condensate), all gases (including casinghead gas and helium and all other constituents), injecting gas, water, other fluids, and air into subsurface strata, and laying pipe lines, electric lines, building tanks, storing oil, building power stations and the erection of structures necessary or convenient to produce, save, store, make merchantable and transport all the oil or gas produced from the following described land, together with any reversionary rights and after-acquired interest, said tract of land situated in the County of FORD, State of KANSAS, and described as follows:

<u>Township 28-South, Range 23-West</u>	
Section 22:	S/2N/2 and S/2
Section 23:	SW/4NW/4 and W/2SW/4
Section 27:	NW/4 and W/2NE/4

containing 888.50 acres, more or less.

It is agreed that this lease shall remain in force for a term of **three (3) years** from this date (called primary term) and as long thereafter as oil, liquid hydrocarbons, gas, or other respective constituent products, or any of them, is produced from said land.

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

1<sup>st</sup>. To deliver to the credit of lessor, free of cost, in the pipe line to which may connect wells on said land, the equal five-thirtysecond (5/32) part of all oil produced and saved from the leased premises.

2<sup>nd</sup>. 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, five-thirtysecond (5/32), of the proceeds received by lessee from the sale of gas, gas condensate, gas distillate, casinghead gas, or gas used for the manufacture of gasoline or any other product, produced from the land herein leased. If such gas is not sold by the lessee, lessee may pay or tender annually at or before the end of each yearly period during which such gas is not sold, as a shut in royalty, whether one or more wells, an amount equal to one dollar per net mineral acre, and while said shut in royalty is so paid or tendered, it will be considered under all provisions of this lease that gas is being produced in paying quantities. The first yearly period during which such gas is not sold shall begin on the date the first well is completed for production of gas.

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

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein provided for shall be paid the said lessor only in the proportion which lessor's interest bears to the whole and undivided fee; however, in the event the title to any interest in said land should revert to lessor, or his heirs, or his or their grantee, this lease shall cover such reversion.

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 existing wells of lessor. When requested by lessor, lessee shall bury its pipe lines below plow depth and shall pay for damage caused by its operations to growing crops on said land. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of the lessor. Lessee shall have the right at any time during, or after the expiration of this lease to remove all machinery and fixtures placed on said premises, including the right to draw and remove all casing.

If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to 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.

Lessee 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 lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

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

Lessor hereby warrants and agrees to defend the title to the lands herein described and agrees that the lessee, at its option, may pay and discharge in whole or in part any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands and, in event it exercises such options it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying to the discharge of any such mortgage, tax or other lien, any royalty accruing hereunder.


If after the expiration of the primary term, production of oil or gas should cease from any cause, this lease shall not terminate if lessee commences additional drilling or reworking operations within one hundred-twenty (120) days thereafter, or if at the expiration of the primary term, oil or gas is not being produced on said land, but lessee is then engaged in drilling or reworking operations thereon, then in either event, this lease shall remain in force so long as operations are prosecuted either on the same well or any other well thereafter commenced, with no cessation of more than one hundred-twenty (120) consecutive days, and if they result in production of oil or gas, this lease shall remain in effect so long thereafter as there is production of oil or gas under any provision of this lease.

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.

This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors of said lessor and lessee.

This lease is executed by lessor as of the date of acknowledgment of lessor's signature, but shall be effective for all purposes as of the Effective Date stated above.

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

  
Eleanor E. Hawes

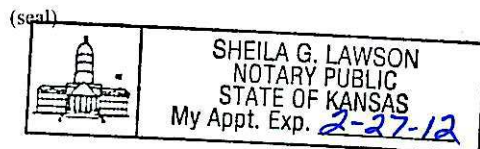
Acknowledgment

STATE OF KANSAS  
COUNTY OF FORD

The foregoing instrument was acknowledged before me this 1 day of December, 2009 by Eleanor E. Hawes, a single woman

My appointment expires Feb 27, 2012

  
Notary



**EXHIBIT "A"**

Attached to and made a part of that certain Oil and Gas Lease dated December 1, 2009, by and between Eleanor E. Hawes, a single woman, as Lessor and Cottrell Land Services, LLC, as Lessee.

The purpose of this addendum, to the oil and gas lease, is to set to words the intent of both the lessee and lessor to minimize the physical and visual effects of drilling for and producing oil and gas on those lands covered by the oil and gas lease.

It is agreed by Lessor that Lee B. Hawes is appointed the designated Surface Agent regarding all issues pertaining to the surface for this oil and gas lease.

The lessee agrees to the following date limitations for operations. Said operations include acquiring geophysical and/or geological data, building roads and locations, drilling, completion, and workover operations.

No operations between September 1 and November 30.  
Operations by Landowner consent between December 1 and February 28.  
Operations by Landowner notification between March 1 and August 31.

The lessee agrees that no full size pumping units will be used on those lands covered by the oil and gas lease. The lessee may use a "low profile" pumping unit, progressive cavity pump (commonly called a Moyno pump), or submersible pump for lifting fluids to the surface.

The lessee agrees to grade producing well locations with a berm of soil so as to obscure from view wellheads and electric panels. All above ground equipment, including wellheads and electric panels, will be painted Desert Storm Brown or whatever color determined by Lessor to fit the landscape. The lessee agrees to consult with landowner as to the location and height of said berm. If necessary, overhead electric lines will be buried to a depth of twenty-four inches.

Lessee shall consult with Lessor as to the location of all roads, drilling locations, cattle guards, gates, fences, overhead electric lines, tank battery locations and any other acreage to be used in Lessee's operations so as to conflict as little as possible with the use being made of the land.

The location for each well, tank battery, road and right-of-way for a pipeline or flow line shall use only so much of the surface as is necessary to conduct operations under this lease in a reasonable and prudent manner. Lessee agrees to maintain any roads on said lands used by Lessee, in good repair and condition at all times. No new road shall be constructed by Lessee without first securing the consent of Lessor as to the location of such road. Lessor's consent to the location of new road shall not be unreasonably withheld.



All pipelines laid by Lessee on said lands shall be buried to a depth of at least twenty-four inches (24") below the surface and the area occupied by all buried pipelines after installation, replacement or repair, shall be backfilled and tamped, and otherwise restored as nearly as practical to its condition prior to installation, replacement or repair. If necessary, said lines will be water-packed.

Lessee shall pay Lessor (surface owner) the customary and going rate for site damages, roads and pipelines but not less than \$1,000.00 per acre of land damaged or disturbed for reasonable site damages caused by oil and gas operations under this lease. Lessor may recover additional damages if operations cause unreasonable or extraordinary damage, or if any chemical or salt water is spilled or allowed to flow upon such land. Lessee shall reimburse Lessor for all damages and losses for injury and/or death of any of Lessor's (surface owner's) livestock (buffalo) caused by operation on the leased premises. All damages shall be paid upon demand by Lessor.

All operations conducted by Lessee on said lands shall be conducted in accordance with all applicable environmental laws and regulations and in such manner as will least interfere with the ranching and hunting operations of Lessor on said lands, and in this connection, Lessee shall not permit any salt water, oil, or other substance resulting from Lessee's operations to stand on or flow over Lessor's land, but shall confine the same within a pit or pits or in tanks at or near the respective production facilities and shall otherwise handle and dispose of the same in such a manner as will prevent pollution and be in conformity with law and with the rules and regulations of any governmental authority having jurisdiction. All operations of Lessee on said lands shall be conducted in such a manner that Lessee shall prevent the contamination of any and all waters in, under or on said lands whether in surface tanks or any other type of storage, in creek beds or river beds, and any and all surface and subsurface water bearing strata or formations.

Lessee shall keep the surface of said lands neat and clean and shall remove all waste material and debris as soon as may be practical and upon the completion of any drilling or reworking operations, Lessee shall fill and level all pits and ruts, remove all debris and restore the surface of said lands so used by Lessee as nearly as practicable to its condition prior to Lessee's use thereof except for such permanent production or marketing facilities as Lessee may maintain thereon.

It is further agreed by both parties that there will be no unauthorized hunting or fishing by Lessee's agents, employees, servants, subcontractors, service personnel or others entering on any portion of said lands or to take any rifle, shotgun, pistol or other firearms thereon for any purpose whatsoever. Lessor and Lessee's representatives may inspect any vehicle entering said lands and may deny access to said lands to anyone carrying firearms or fishing equipment. Lessor will not attempt to hold Lessee liable for damages for breach of any of its obligations under this Paragraph, but reserves the right to make claims against and/or prosecute individuals for violation of this provision, the hunting, game or fishing laws or regulations of the State of Kansas or other governmental authority.

Lessee shall not have the right under this lease to use water from the leased lands for pressure maintenance or any type of secondary recovery operations without the express written consent of Lessor.

Any water well drilled by Lessee shall be cased and gravel packed. If Lessee desires to abandon any water well drilled by it hereunder, prior to doing so Lessee shall tender such water well or wells to Lessor, and if Lessor shall elect to accept the same, such water well and all casing therein shall be and become the property of Lessor and thereafter Lessor will assume all risks and obligations attendant to Lessor's ownership and use of said water well or wells.

Lessee shall fence all slush pits and areas containing equipment, chemicals or other substances which may be harmful to livestock (buffalo) of Lessor and/or Lessor's surface tenant.

Lessee shall not cut any fence for any purpose or install any cattle guards or gates in any fence without first having obtained the approval of Lessor, which approval shall not be unreasonably withheld. All gates, whether installed by Lessee or Lessor, shall be kept closed at all times to prevent the escape of livestock/buffalo. In the event that any gate installed by Lessee is removed, Lessee shall repair the fences and leave the fences thereafter in as good condition as when the fences were cut, using the same type of net wire as in existing ranch fences.

Notwithstanding anything to the contrary herein, if this lease or any portion thereof is unitized for gas production, it shall be unitized only with lands owned by the Hawes family, which is under lease by Lessee. No gas well shall be unitized to contain more than a total of 320 acres.

SIGN FOR IDENTIFICATION

*Eleanor E. Hawes*  
Eleanor E. Hawes

INDEXED  
GRANTOR  
GRANTEE  
NUMERICAL  
PHOTOGRAPHED

STATE OF KANSAS }  
FORD COUNTY } ss:

This instrument was filed in this office on the 22 day of Dec. A.D. 20 09 at 9:00 o'clock AM and duly Recorded in Book 55 at O+G Lease Page 138-142 Fee \$ 24.00 Register of Deeds



*Brenda Proge*

OIL AND GAS LEASE

AGREEMENT, Made and entered into this December 1, 2009, (the Effective Date), by and between: Kay Lori Hawes and Adam Keener, wife and husband, hereinafter called Lessor, and Cottrell Land Services, L.L.C., Meade, Kansas, hereinafter called Lessee:

WITNESSETH, That the said lessor, for and in consideration of TEN DOLLARS & other valuable consideration, cash in hand paid, receipt of which Lessor here acknowledges, and the covenants and agreements of Lessee in this Lease, Lessor grants, demises, leases and lets exclusively to Lessee, the lands described below, and with the right to unitize this lease or any part thereof with other leases, for the purposes of carrying on geological, geophysical and other exploratory work thereon, including core drilling, and the drilling, mining, operating for, producing, and taking care of, removing and selling all oil (including but not limited to distillate and condensate), all gases (including casinghead gas and helium and all other constituents), injecting gas, water, other fluids, and air into subsurface strata, and laying pipe lines, electric lines, building tanks, storing oil, building power stations and the erection of structures necessary or convenient to produce, save, store, make merchantable and transport all the oil or gas produced from the following described land, together with any reversionary rights and after-acquired interest, said tract of land situated in the County of FORD, State of KANSAS, and described as follows:

Township 28-South, Range 23-West  
✓ Section 22: S/2N/2 and S/2  
✓ Section 23: SW/4NW/4 and W/2SW/4  
✓ Section 27: NW/4 and W/2NE/4

containing 888.50 acres, more or less.

It is agreed that this lease shall remain in force for a term of three (3) years from this date (called primary term) and as long thereafter as oil, liquid hydrocarbons, gas, or other respective constituent products, or any of them, is produced from said land.

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

1<sup>st</sup>. To deliver to the credit of lessor, free of cost, in the pipe line to which may connect wells on said land, the equal five-thirtysecond (5/32) part of all oil produced and saved from the leased premises.

2<sup>nd</sup>. 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, five-thirtysecond (5/32), of the proceeds received by lessee from the sale of gas, gas condensate, gas distillate, casinghead gas, or gas used for the manufacture of gasoline or any other product, produced from the land herein leased. If such gas is not sold by the lessee, lessee may pay or tender annually at or before the end of each yearly period during which such gas is not sold, as a shut in royalty, whether one or more wells, an amount equal to one dollar per net mineral acre, and while said shut in royalty is so paid or tendered, it will be considered under all provisions of this lease that gas is being produced in paying quantities. The first yearly period during which such gas is not sold shall begin on the date the first well is completed for production of gas.

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

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein provided for shall be paid the said lessor only in the proportion which lessor's interest bears to the whole and undivided fee; however, in the event the title to any interest in said land should revert to lessor, or his heirs, or his or their grantee, this lease shall cover such reversion.

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 existing wells of lessor. When requested by lessor, lessee shall bury its pipe lines below plow depth and shall pay for damage caused by its operations to growing crops on said land. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of the lessor. Lessee shall have the right at any time during, or after the expiration of this lease to remove all machinery and fixtures placed on said premises, including the right to draw and remove all casing.

If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to 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.

Lessee 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 lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

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

Lessor hereby warrants and agrees to defend the title to the lands herein described and agrees that the lessee, at its option, may pay and discharge in whole or in part any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands and, in event it exercises such options it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying to the discharge of any such mortgage, tax or other lien, any royalty accruing hereunder.

If after the expiration of the primary term, production of oil or gas should cease from any cause, this lease shall not terminate if lessee commences additional drilling or reworking operations within one hundred-twenty (120) days thereafter, or if at the expiration of the primary term, oil or gas is not being produced on said land, but lessee is then engaged in drilling or reworking operations thereon, then in either event, this lease shall remain in force so long as operations are prosecuted either on the same well or any other well thereafter commenced, with no cessation of more than one hundred-twenty (120) consecutive days, and if they result in production of oil or gas, this lease shall remain in effect so long thereafter as there is production of oil or gas under any provision of this lease.

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.

This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors of said lessor and lessee.

This lease is executed by lessor as of the date of acknowledgment of lessor's signature, but shall be effective for all purposes as of the Effective Date stated above.

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

  
\_\_\_\_\_  
Kay Lori Hawes

  
\_\_\_\_\_  
Adam Keener

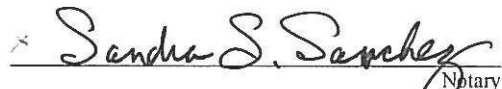
Acknowledgment

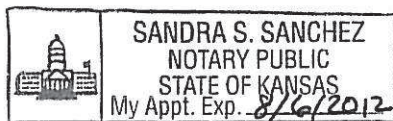
STATE OF KANSAS

COUNTY OF Wyandotte

The foregoing instrument was acknowledged before me this 11<sup>th</sup> day of December, 2009 by Kay Lori Hawes and Adam Keener, wife and husband

My appointment expires 8/6/2012  
(seal) ✓

  
\_\_\_\_\_  
Notary



## EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated December 1, 2009, by and between Kay Lori Hawes and Adam Keener, wife and husband, as Lessor and Cottrell Land Services, LLC, as Lessee.

The purpose of this addendum, to the oil and gas lease, is to set to words the intent of both the lessee and lessor to minimize the physical and visual effects of drilling for and producing oil and gas on those lands covered by the oil and gas lease.

It is agreed by Lessor that Lee B. Hawes is appointed the designated Surface Agent regarding all issues pertaining to the surface for this oil and gas lease.

The lessee agrees to the following date limitations for operations. Said operations include acquiring geophysical and/or geological data, building roads and locations, drilling, completion, and workover operations.

No operations between September 1 and November 30.

Operations by Landowner consent between December 1 and February 28.

Operations by Landowner notification between March 1 and August 31.

The lessee agrees that no full size pumping units will be used on those lands covered by the oil and gas lease. The lessee may use a "low profile" pumping unit, progressive cavity pump (commonly called a Moyno pump), or submersible pump for lifting fluids to the surface.

The lessee agrees to grade producing well locations with a berm of soil so as to obscure from view wellheads and electric panels. All above ground equipment, including wellheads and electric panels, will be painted Desert Storm Brown or whatever color determined by Lessor to fit the landscape. The lessee agrees to consult with landowner as to the location and height of said berm. If necessary, overhead electric lines will be buried to a depth of twenty-four inches.

Lessee shall consult with Lessor as to the location of all roads, drilling locations, cattle guards, gates, fences, overhead electric lines, tank battery locations and any other acreage to be used in Lessee's operations so as to conflict as little as possible with the use being made of the land.

The location for each well, tank battery, road and right-of-way for a pipeline or flow line shall use only so much of the surface as is necessary to conduct operations under this lease in a reasonable and prudent manner. Lessee agrees to maintain any roads on said lands used by Lessee, in good repair and condition at all times. No new road shall be constructed by Lessee without first securing the consent of Lessor as to the location of such road. Lessor's consent to the location of new road shall not be unreasonably withheld.

All pipelines laid by Lessee on said lands shall be buried to a depth of at least twenty-four inches (24") below the surface and the area occupied by all buried pipelines after installation, replacement or repair, shall be backfilled and tamped, and otherwise restored as nearly as practical to its condition prior to installation, replacement or repair. If necessary, said lines will be water-packed.

Lessee shall pay Lessor (surface owner) the customary and going rate for site damages, roads and pipelines but not less than \$1,000.00 per acre of land damaged or disturbed for reasonable site damages caused by oil and gas operations under this lease. Lessor may recover additional damages if operations cause unreasonable or extraordinary damage, or if any chemical or salt water is spilled or allowed to flow upon such land. Lessee shall reimburse Lessor for all damages and losses for injury and/or death of any of Lessor's (surface owner's) livestock (buffalo) caused by operation on the leased premises. All damages shall be paid upon demand by Lessor.

All operations conducted by Lessee on said lands shall be conducted in accordance with all applicable environmental laws and regulations and in such manner as will least interfere with the ranching and hunting operations of Lessor on said lands, and in this connection, Lessee shall not permit any salt water, oil, or other substance resulting from Lessee's operations to stand on or flow over Lessor's land, but shall confine the same within a pit or pits or in tanks at or near the respective production facilities and shall otherwise handle and dispose of the same in such a manner as will prevent pollution and be in conformity with law and with the rules and regulations of any governmental authority having jurisdiction. All operations of Lessee on said lands shall be conducted in such a manner that Lessee shall prevent the contamination of any and all waters in, under or on said lands whether in surface tanks or any other type of storage, in creek beds or river beds, and any and all surface and subsurface water bearing strata or formations.

Lessee shall keep the surface of said lands neat and clean and shall remove all waste material and debris as soon as may be practical and upon the completion of any drilling or reworking operations, Lessee shall fill and level all pits and ruts, remove all debris and restore the surface of said lands so used by Lessee as nearly as practicable to its condition prior to Lessee's use thereof except for such permanent production or marketing facilities as Lessee may maintain thereon.

It is further agreed by both parties that there will be no unauthorized hunting or fishing by Lessee's agents, employees, servants, subcontractors, service personnel or others entering on any portion of said lands or to take any rifle, shotgun, pistol or other firearms thereon for any purpose whatsoever. Lessor and Lessee's representatives may inspect any vehicle entering said lands and may deny access to said lands to anyone carrying firearms or fishing equipment. Lessor will not attempt to hold Lessee liable for damages for breach of any of its obligations under this Paragraph, but reserves the right to make claims against and/or prosecute individuals for violation of this provision, the hunting, game or fishing laws or regulations of the State of Kansas or other governmental authority.

Lessee shall not have the right under this lease to use water from the leased lands for pressure maintenance or any type of secondary recovery operations without the express written consent of Lessor.

Any water well drilled by Lessee shall be cased and gravel packed. If Lessee desires to abandon any water well drilled by it hereunder, prior to doing so Lessee shall tender such water well or wells to Lessor, and if Lessor shall elect to accept the same, such water well and all casing therein shall be and become the property of Lessor and thereafter Lessor will assume all risks and obligations attendant to Lessor's ownership and use of said water well or wells.


Lessee shall fence all slush pits and areas containing equipment, chemicals or other substances which may be harmful to livestock (buffalo) of Lessor and/or Lessor's surface tenant.

Lessee shall not cut any fence for any purpose or install any cattle guards or gates in any fence without first having obtained the approval of Lessor, which approval shall not be unreasonably withheld. All gates, whether installed by Lessee or Lessor, shall be kept closed at all times to prevent the escape of livestock/buffalo. In the event that any gate installed by Lessee is removed, Lessee shall repair the fences and leave the fences thereafter in as good condition as when the fences were cut, using the same type of net wire as in existing ranch fences.

Notwithstanding anything to the contrary herein, if this lease or any portion thereof is unitized for gas production, it shall be unitized only with lands owned by the Hawes family, which is under lease by Lessee. No gas well shall be unitized to contain more than a total of 320 acres.

SIGN FOR IDENTIFICATION

  
\_\_\_\_\_  
Kay Lori Hawes

x   
\_\_\_\_\_  
Adam Keener

INDEXED  
GRANTOR  
GRANTEE  
NUMERICAL  
PHOTOGRAPHED

STATE OF KANSAS }  
FORD COUNTY } ss:



This instrument was filed in this office  
on the 22 day of Dec. A.D.  
20 09 at 9:00 o'clock Am  
and duly Recorded in Book 55  
at O+G Lease Page 163-167  
Fee \$ 24.00  
Register of Deeds



OIL AND GAS LEASE

AGREEMENT, Made and entered into this December 1, 2009, (the Effective Date), by and between: Lee B. Hawes and Tamie L. Hawes, husband and wife, hereinafter called Lessor, and Cottrell Land Services, L.L.C., Meade, Kansas, hereinafter called Lessee:

WITNESSETH, That the said lessor, for and in consideration of TEN DOLLARS & other valuable consideration, cash in hand paid, receipt of which Lessor here acknowledges, and the covenants and agreements of Lessee in this Lease, Lessor grants, demises, leases and lets exclusively to Lessee, the lands described below, and with the right to unitize this lease or any part thereof with other leases, for the purposes of carrying on geological, geophysical and other exploratory work thereon, including core drilling, and the drilling, mining, operating for, producing, and taking care of, removing and selling all oil (including but not limited to distillate and condensate), all gases (including casinghead gas and helium and all other constituents), injecting gas, water, other fluids, and air into subsurface strata, and laying pipe lines, electric lines, building tanks, storing oil, building power stations and the erection of structures necessary or convenient to produce, save, store, make merchantable and transport all the oil or gas produced from the following described land, together with any reversionary rights and after-acquired interest, said tract of land situated in the County of FORD, State of KANSAS, and described as follows:

Township 28-South, Range 23-West  
Section 22: S/2N/2 and S/2  
Section 23: SW/4NW/4 and W/2SW/4  
Section 27: NW/4 and W/2NE/4

containing 888.50 acres, more or less.

It is agreed that this lease shall remain in force for a term of **three (3) years** from this date (called primary term) and as long thereafter as oil, liquid hydrocarbons, gas, or other respective constituent products, or any of them, is produced from said land.

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

1<sup>st</sup>. To deliver to the credit of lessor, free of cost, in the pipe line to which may connect wells on said land, the equal five-thirtysecond (5/32) part of all oil produced and saved from the leased premises.

2<sup>nd</sup>. 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, five-thirtysecond (5/32), of the proceeds received by lessee from the sale of gas, gas condensate, gas distillate, casinghead gas, or gas used for the manufacture of gasoline or any other product, produced from the land herein leased. If such gas is not sold by the lessee, lessee may pay or tender annually at or before the end of each yearly period during which such gas is not sold, as a shut in royalty, whether one or more wells, an amount equal to one dollar per net mineral acre, and while said shut in royalty is so paid or tendered, it will be considered under all provisions of this lease that gas is being produced in paying quantities. The first yearly period during which such gas is not sold shall begin on the date the first well is completed for production of gas.

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

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein provided for shall be paid the said lessor only in the proportion which lessor's interest bears to the whole and undivided fee; however, in the event the title to any interest in said land should revert to lessor, or his heirs, or his or their grantee, this lease shall cover such reversion.

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 existing wells of lessor. When requested by lessor, lessee shall bury its pipe lines below plow depth and shall pay for damage caused by its operations to growing crops on said land. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of the lessor. Lessee shall have the right at any time during, or after the expiration of this lease to remove all machinery and fixtures placed on said premises, including the right to draw and remove all casing.

If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to 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.

Lessee 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 lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.



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

Lessor hereby warrants and agrees to defend the title to the lands herein described and agrees that the lessee, at its option, may pay and discharge in whole or in part any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands and, in event it exercises such options it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying to the discharge of any such mortgage, tax or other lien, any royalty accruing hereunder.


If after the expiration of the primary term, production of oil or gas should cease from any cause, this lease shall not terminate if lessee commences additional drilling or reworking operations within one hundred-twenty (120) days thereafter, or if at the expiration of the primary term, oil or gas is not being produced on said land, but lessee is then engaged in drilling or reworking operations thereon, then in either event, this lease shall remain in force so long as operations are prosecuted either on the same well or any other well thereafter commenced, with no cessation of more than one hundred-twenty (120) consecutive days, and if they result in production of oil or gas, this lease shall remain in effect so long thereafter as there is production of oil or gas under any provision of this lease.


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.

This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors of said lessor and lessee.

This lease is executed by lessor as of the date of acknowledgment of lessor's signature, but shall be effective for all purposes as of the Effective Date stated above.

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

  
Lee B. Hawes


  
Tamie L. Hawes

Acknowledgment

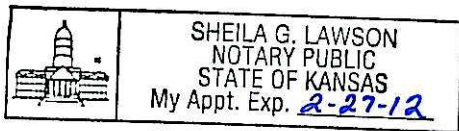
STATE OF KANSAS  
COUNTY OF FORD

The foregoing instrument was acknowledged before me this 1 day of December, 2009 by Lee B. Hawes and Tamie L. Hawes, husband and wife

My appointment expires Feb 27, 2012

  
Notary

(seal)



## EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated December 1, 2009, by and between Lee B. Hawes and Tamie L. Hawes, husband and wife, as Lessor and Cottrell Land Services, LLC, as Lessee.

The purpose of this addendum, to the oil and gas lease, is to set to words the intent of both the lessee and lessor to minimize the physical and visual effects of drilling for and producing oil and gas on those lands covered by the oil and gas lease.

It is agreed by Lessor that Lee B. Hawes is appointed the designated Surface Agent regarding all issues pertaining to the surface for this oil and gas lease.

The lessee agrees to the following date limitations for operations. Said operations include acquiring geophysical and/or geological data, building roads and locations, drilling, completion, and workover operations.

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Lessee shall consult with Lessor as to the location of all roads, drilling locations, cattle guards, gates, fences, overhead electric lines, tank battery locations and any other acreage to be used in Lessee's operations so as to conflict as little as possible with the use being made of the land.

The location for each well, tank battery, road and right-of-way for a pipeline or flow line shall use only so much of the surface as is necessary to conduct operations under this lease in a reasonable and prudent manner. Lessee agrees to maintain any roads on said lands used by Lessee, in good repair and condition at all times. No new road shall be constructed by Lessee without first securing the consent of Lessor as to the location of such road. Lessor's consent to the location of new road shall not be unreasonably withheld.

All pipelines laid by Lessee on said lands shall be buried to a depth of at least twenty-four inches (24") below the surface and the area occupied by all buried pipelines after installation, replacement or repair, shall be backfilled and tamped, and otherwise restored as nearly as practical to its condition prior to installation, replacement or repair. If necessary, said lines will be water-packed.

Lessee shall pay Lessor (surface owner) the customary and going rate for site damages, roads and pipelines but not less than \$1,000.00 per acre of land damaged or disturbed for reasonable site damages caused by oil and gas operations under this lease. Lessor may recover additional damages if operations cause unreasonable or extraordinary damage, or if any chemical or salt water is spilled or allowed to flow upon such land. Lessee shall reimburse Lessor for all damages and losses for injury and/or death of any of Lessor's (surface owner's) livestock (buffalo) caused by operation on the leased premises. All damages shall be paid upon demand by Lessor.

All operations conducted by Lessee on said lands shall be conducted in accordance with all applicable environmental laws and regulations and in such manner as will least interfere with the ranching and hunting operations of Lessor on said lands, and in this connection, Lessee shall not permit any salt water, oil, or other substance resulting from Lessee's operations to stand on or flow over Lessor's land, but shall confine the same within a pit or pits or in tanks at or near the respective production facilities and shall otherwise handle and dispose of the same in such a manner as will prevent pollution and be in conformity with law and with the rules and regulations of any governmental authority having jurisdiction. All operations of Lessee on said lands shall be conducted in such a manner that Lessee shall prevent the contamination of any and all waters in, under or on said lands whether in surface tanks or any other type of storage, in creek beds or river beds, and any and all surface and subsurface water bearing strata or formations.

Lessee shall keep the surface of said lands neat and clean and shall remove all waste material and debris as soon as may be practical and upon the completion of any drilling or reworking operations, Lessee shall fill and level all pits and ruts, remove all debris and restore the surface of said lands so used by Lessee as nearly as practicable to its condition prior to Lessee's use thereof except for such permanent production or marketing facilities as Lessee may maintain thereon.

It is further agreed by both parties that there will be no unauthorized hunting or fishing by Lessee's agents, employees, servants, subcontractors, service personnel or others entering on any portion of said lands or to take any rifle, shotgun, pistol or other firearms thereon for any purpose whatsoever. Lessor and Lessee's representatives may inspect any vehicle entering said lands and may deny access to said lands to anyone carrying firearms or fishing equipment. Lessor will not attempt to hold Lessee liable for damages for breach of any of its obligations under this Paragraph, but reserves the right to make claims against and/or prosecute individuals for violation of this provision, the hunting, game or fishing laws or regulations of the State of Kansas or other governmental authority.

Lessee shall not have the right under this lease to use water from the leased lands for pressure maintenance or any type of secondary recovery operations without the express written consent of Lessor.

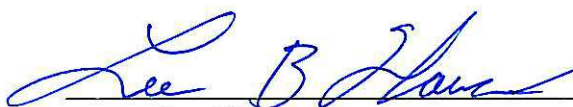
Any water well drilled by Lessee shall be cased and gravel packed. If Lessee desires to abandon any water well drilled by it hereunder, prior to doing so Lessee shall tender such water well or wells to Lessor, and if Lessor shall elect to accept the same, such water well and all casing therein shall be and become the property of Lessor and thereafter Lessor will assume all risks and obligations attendant to Lessor's ownership and use of said water well or wells.

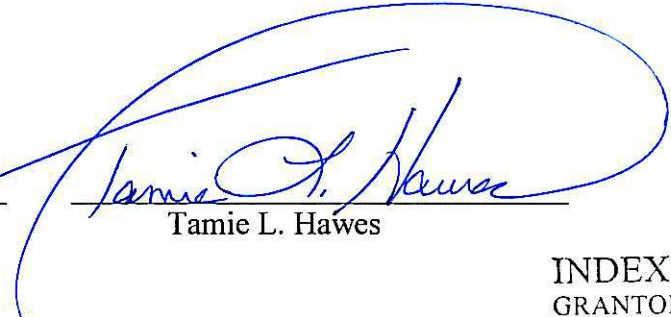
Lessee shall fence all slush pits and areas containing equipment, chemicals or other substances which may be harmful to livestock (buffalo) of Lessor and/or Lessor's surface tenant.

Lessee shall not cut any fence for any purpose or install any cattle guards or gates in any fence without first having obtained the approval of Lessor, which approval shall not be unreasonably withheld. All gates, whether installed by Lessee or Lessor, shall be kept closed at all times to prevent the escape of livestock/buffalo. In the event that any gate installed by Lessee is removed, Lessee shall repair the fences and leave the fences thereafter in as good condition as when the fences were cut, using the same type of net wire as in existing ranch fences.

Notwithstanding anything to the contrary herein, if this lease or any portion thereof is unitized for gas production, it shall be unitized only with lands owned by the Hawes family, which is under lease by Lessee. No gas well shall be unitized to contain more than a total of 320 acres.

SIGN FOR IDENTIFICATION

  
Lee B. Hawes

  
Tamie L. Hawes

INDEXED  
GRANTOR  
GRANTEE  
NUMERICAL  
PHOTOGRAPHED

STATE OF KANSAS }  
FORD COUNTY } ss:

This instrument was filed in this office on the 22 day of Dec. A.D. 20 09 at 9:00 o'clock AM and duly Recorded in Book 55 at O+G Lease Page 143-147

Fee \$ 24.00  
Register of Deeds





Kansas Producers 88 (Paid-Up)

OIL AND GAS LEASE

AGREEMENT, Made and entered into this December 1, 2009, (the Effective Date), by and between: Timothy K. Hawes, a single man, hereinafter called Lessor, and Cottrell Land Services, L.L.C., Meade, Kansas, hereinafter called Lessee:

WITNESSETH, That the said lessor, for and in consideration of TEN DOLLARS & other valuable consideration, cash in hand paid, receipt of which Lessor here acknowledges, and the covenants and agreements of Lessee in this Lease, Lessor grants, demises, leases and lets exclusively to Lessee, the lands described below, and with the right to unitize this lease or any part thereof with other leases, for the purposes of carrying on geological, geophysical and other exploratory work thereon, including core drilling, and the drilling, mining, operating for, producing, and taking care of, removing and selling all oil (including but not limited to distillate and condensate), all gases (including casinghead gas and helium and all other constituents), injecting gas, water, other fluids, and air into subsurface strata, and laying pipe lines, electric lines, building tanks, storing oil, building power stations and the erection of structures necessary or convenient to produce, save, store, make merchantable and transport all the oil or gas produced from the following described land, together with any reversionary rights and after-acquired interest, said tract of land situated in the County of FORD, State of KANSAS, and described as follows:

Township 28-South, Range 23-West  
 ✓ Section 22: S/2N/2 and S/2  
 ✓ Section 23: SW/4NW/4 and W/2SW/4  
 ✓ Section 27: NW/4 and W/2NE/4

containing 888.50 acres, more or less.

It is agreed that this lease shall remain in force for a term of three (3) years from this date (called primary term) and as long thereafter as oil, liquid hydrocarbons, gas, or other respective constituent products, or any of them, is produced from said land.

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

1<sup>st</sup>. To deliver to the credit of lessor, free of cost, in the pipe line to which may connect wells on said land, the equal five-thirtysecond (5/32) part of all oil produced and saved from the leased premises.

2<sup>nd</sup>. 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, five-thirtysecond (5/32), of the proceeds received by lessee from the sale of gas, gas condensate, gas distillate, casinghead gas, or gas used for the manufacture of gasoline or any other product, produced from the land herein leased. If such gas is not sold by the lessee, lessee may pay or tender annually at or before the end of each yearly period during which such gas is not sold, as a shut in royalty, whether one or more wells, an amount equal to one dollar per net mineral acre, and while said shut in royalty is so paid or tendered, it will be considered under all provisions of this lease that gas is being produced in paying quantities. The first yearly period during which such gas is not sold shall begin on the date the first well is completed for production of gas.

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

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein provided for shall be paid the said lessor only in the proportion which lessor's interest bears to the whole and undivided fee; however, in the event the title to any interest in said land should revert to lessor, or his heirs, or his or their grantee, this lease shall cover such reversion.

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 existing wells of lessor. When requested by lessor, lessee shall bury its pipe lines below plow depth and shall pay for damage caused by its operations to growing crops on said land. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of the lessor. Lessee shall have the right at any time during, or after the expiration of this lease to remove all machinery and fixtures placed on said premises, including the right to draw and remove all casing.

If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to 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.

Lessee 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 lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

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

Lessor hereby warrants and agrees to defend the title to the lands herein described and agrees that the lessee, at its option, may pay and discharge in whole or in part any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands and, in event it exercises such options it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying to the discharge of any such mortgage, tax or other lien, any royalty accruing hereunder.

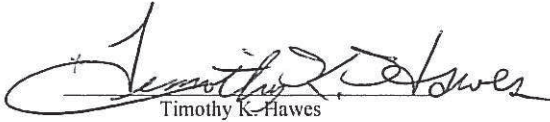
If after the expiration of the primary term, production of oil or gas should cease from any cause, this lease shall not terminate if lessee commences additional drilling or reworking operations within one hundred-twenty (120) days thereafter, or if at the expiration of the primary term, oil or gas is not being produced on said land, but lessee is then engaged in drilling or reworking operations thereon, then in either event, this lease shall remain in force so long as operations are prosecuted either on the same well or any other well thereafter commenced, with no cessation of more than one hundred-twenty (120) consecutive days, and if they result in production of oil or gas, this lease shall remain in effect so long thereafter as there is production of oil or gas under any provision of this lease.

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.

This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors of said lessor and lessee.

This lease is executed by lessor as of the date of acknowledgment of lessor's signature, but shall be effective for all purposes as of the Effective Date stated above.

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

  
Timothy K. Hawes

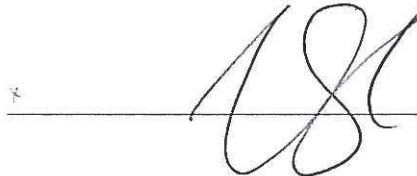
Acknowledgment

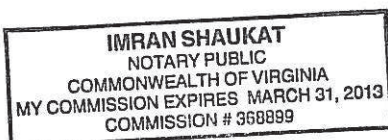
STATE OF VIRGINIA

COUNTY OF FAIRFAX

The foregoing instrument was acknowledged before me this 12<sup>th</sup> day of December, 2009 by Timothy K. Hawes, a single man

My appointment expires 03-31-2013  
(seal) ✓

  
Notary



**EXHIBIT "A"**

Attached to and made a part of that certain Oil and Gas Lease dated December 1, 2009, by and between Timothy K. Hawes, a single man, as Lessor and Cottrell Land Services, LLC, as Lessee.

The purpose of this addendum, to the oil and gas lease, is to set to words the intent of both the lessee and lessor to minimize the physical and visual effects of drilling for and producing oil and gas on those lands covered by the oil and gas lease.

It is agreed by Lessor that Lee B. Hawes is appointed the designated Surface Agent regarding all issues pertaining to the surface for this oil and gas lease.

The lessee agrees to the following date limitations for operations. Said operations include acquiring geophysical and/or geological data, building roads and locations, drilling, completion, and workover operations.

No operations between September 1 and November 30.

Operations by Landowner consent between December 1 and February 28.

Operations by Landowner notification between March 1 and August 31.

The lessee agrees that no full size pumping units will be used on those lands covered by the oil and gas lease. The lessee may use a "low profile" pumping unit, progressive cavity pump (commonly called a Moyno pump), or submersible pump for lifting fluids to the surface.

The lessee agrees to grade producing well locations with a berm of soil so as to obscure from view wellheads and electric panels. All above ground equipment, including wellheads and electric panels, will be painted Desert Storm Brown or whatever color determined by Lessor to fit the landscape. The lessee agrees to consult with landowner as to the location and height of said berm. If necessary, overhead electric lines will be buried to a depth of twenty-four inches.

Lessee shall consult with Lessor as to the location of all roads, drilling locations, cattle guards, gates, fences, overhead electric lines, tank battery locations and any other acreage to be used in Lessee's operations so as to conflict as little as possible with the use being made of the land.

The location for each well, tank battery, road and right-of-way for a pipeline or flow line shall use only so much of the surface as is necessary to conduct operations under this lease in a reasonable and prudent manner. Lessee agrees to maintain any roads on said lands used by Lessee, in good repair and condition at all times. No new road shall be constructed by Lessee without first securing the consent of Lessor as to the location of such road. Lessor's consent to the location of new road shall not be unreasonably withheld.

All pipelines laid by Lessee on said lands shall be buried to a depth of at least twenty-four inches (24") below the surface and the area occupied by all buried pipelines after installation, replacement or repair, shall be backfilled and tamped, and otherwise restored as nearly as practical to its condition prior to installation, replacement or repair. If necessary, said lines will be water-packed.

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SIGN FOR IDENTIFICATION

  
Timothy K. Hawes

INDEXED  
GRANTOR  
GRANTEE  
NUMERICAL  
PHOTOGRAPHED



STATE OF KANSAS }  
FORD COUNTY } ss:

This instrument was filed in this office on the 22 day of Dec. A.D. 20 09 at 9:00 o'clock AM and duly Recorded in Book 55 at D+G Lease Page 158-162 Fee \$ 24.00  
Register of Deeds

