

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

SGA?

### KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

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

## **NOTICE OF INTENT TO DRILL**

Expected Spud Date:	Spot Description:				
month day year					
ODERATOR: License#	(Q/Q/Q/Q) feet from N / S Line of Section				
OPERATOR: License# Name:	feet from E / W Line of Section				
Address 1:	Is SECTION: Regular Irregular?				
Address 2:	(Note: Locate well on the Section Plat on reverse side)				
City:	County:				
Contact Person:	Lease Name: Well #:				
Phone:	Field Name:				
CONTRACTOR: License#	Is this a Prorated / Spaced Field?				
Name:	Target Formation(s):				
Mall Drillad Fam. Mall Olassa Tima Faminasant	Nearest Lease or unit boundary line (in footage):				
Well Drilled For: Well Class: Type Equipment:	Ground Surface Elevation:feet MSL				
Oil Enh Rec Infield Mud Rotary	Water well within one-quarter mile:				
Gas Storage Pool Ext. Air Rotary	Public water supply well within one mile:				
Disposal Wildcat Cable	Depth to bottom of fresh water:				
Seismic ;# of Holes Other Other:	Depth to bottom of usable water:				
Outer	Surface Pipe by Alternate: I II				
If OWWO: old well information as follows:	Length of Surface Pipe Planned to be set:				
Operator:	Length of Conductor Pipe (if any):				
Well Name:	Projected Total Depth:				
Original Completion Date: Original Total Depth:	•				
	Water Source for Drilling Operations:				
Directional, Deviated or Horizontal wellbore?  Yes No	Well Farm Pond Other:				
If Yes, true vertical depth:	DWR Permit #:				
Bottom Hole Location:	( <b>Note:</b> Apply for Permit with DWR )				
KCC DKT #:	Will Cores be taken?				
	If Yes, proposed zone:				
ΔΕ	FIDAVIT				
The undersigned hereby affirms that the drilling, completion and eventual pl					
	adding of this well will comply with N.S.A. 33 et. seg.				
	agging of this well will comply with N.S.A. 55 et. seq.				
It is agreed that the following minimum requirements will be met:	agging of this well will comply with N.S.A. 35 et. seq.				
It is agreed that the following minimum requirements will be met:  1. Notify the appropriate district office <i>prior</i> to spudding of well;					
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Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

Agent:

Spud date: \_

- 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:		

Side Two



For KCC Use ONLY	
API # 15	

### IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

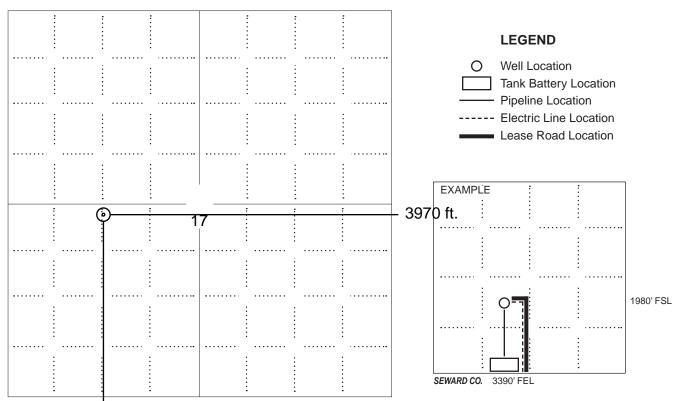
In all cases, please fully complete this side of the form. Include items 1 through 5 at the bottom of this page.

Operator:	Location of Well: County:
Lease:	feet from N / S Line of Section
Well Number:	feet from E / W Line of Section
Field:	Sec Twp S. R
Number of Acres attributable to well:	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.

### 2490 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.



### KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

064273

Form CDP-1 May 2010 Form must be Typed

## **APPLICATION FOR SURFACE PIT**

Submit in Duplicate

Operator Name:			License Number:		
Operator Address:					
Contact Person:			Phone Number:		
Lease Name & Well No.:			Pit Location (QQQQ):		
Type of Pit:  Emergency Pit  Burn Pit  Proposed  If Existing, date cons  Workover Pit  (If WP Supply API No. or Year Drilled)  Is the pit located in a Sensitive Ground Water Area?  Yes  No.		Existing nstructed: (bbls)	SecTwpR East WestFeet from North / South Line of SectionFeet from East / West Line of SectionCounty  Chloride concentration: mg/l(For Emergency Pits and Settling Pits only)		
Is the bottom below ground level?	Artificial Liner?  Yes  N	No	How is the pit lined if a plastic liner is not used?		
	Length (fee		Width (feet)		
If the pit is lined give a brief description of the 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	of pit:	Depth to shallo Source of infor	west fresh water feet. mation:		
feet Depth of water well	feet	measured	well owner electric log KDWR		
Emergency, Settling and Burn Pits ONLY:		Drilling, Work	over and Haul-Off Pits ONLY:		
Producing Formation:		Type of materia	al utilized in drilling/workover:		
Number of producing wells on lease:		Number of working pits to be utilized:			
Barrels of fluid produced daily:		Abandonment	procedure:		
Does the slope from the tank battery allow all spilled fluids to flow into the pit? Yes No			be closed within 365 days of spud date.		
Submitted Electronically	- · · ·				
	KCC	OFFICE USE O	NLY  Liner Steel Pit RFAC RFAS		
Date Received: Permit Num	ber:	Permi	it Date: Lease Inspection: Yes No		



### Kansas Corporation Commission Oil & Gas Conservation Division

1064273

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

# CERTIFICATION OF COMPLIANCE WITH THE KANSAS SURFACE OWNER NOTIFICATION ACT

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

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

Select the corresponding form being filed: C-1 (Intent) CB-1 (CB-1)	Cathodic Protection Borehole Intent) T-1 (Transfer) CP-1 (Plugging Application)			
OPERATOR: License #	Well Location:			
Name:	SecTwpS. R East			
Address 1:	County:			
Address 2:	Lease Name: Well #:			
City: State: Zip:+	9			
Contact Person:	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:				
the KCC with a plat showing the predicted locations of lease roads, tank	dic Protection Borehole Intent), you must supply the surface owners and k batteries, pipelines, and electrical lines. The locations shown on the plat in the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted.			
☐ I certify that, pursuant to the Kansas Surface Owner Notice A owner(s) of the land upon which the subject well is or will be to CP-1 that I am filing in connection with this form; 2) if the form to form; and 3) my operator name, address, phone number, fax, at ☐ I have not provided this information to the surface owner(s). I at KCC will be required to send this information to the surface owner(s).	cknowledge that, because I have not provided this information, the vner(s). To mitigate the additional cost of the KCC performing this			
task, I acknowledge that I am being charged a \$30.00 handling  If choosing the second option, submit payment of the \$30.00 handling form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-	fee with this form. If the fee is not received with this form, the KSONA-1			
Submitted Electronically				

STATE OF KANSAS	`	K.A.R.		RECORD 3-117	API NUM	BER 15-155-21.4	51 -00-00
STATE CORPORATION							<del></del>
130 S. Market, Room 2 Wichita, KS 67202	2078				LEASE N	Morgan Yea	kel Unit
	NOTIC			INT completely		MBER #1	
	and		to C	ons. Div.		_ Ft. from S	Section Line
					4290	Ft. from E	Section Line
LEASE OPERATOR McC	oy Petroleum Corporation	<del></del>		<del></del>	SEC17	TWP. 22S RGE.	_8W □ E 🛛 w
ADDRESS 453	S. Webb Rd., Suite 310, Box 7	780208 Wichin	ta KS 6	7278	COUNTY	Reno	
PHONE # (316) 636-2	2737 OPERATORS L	ICENSE N	o	5003	Date We	ll Completed	4/26/01
Character of Well	Oil				Pluggin	g Commenced	2/5/02
(Oil, Gas, D&A, SW	D, Input, Water Su	pply Well	1}		Pluggin	g Completed	2/8/02
The plugging propo	sal was approved o	n			2/5/02		(date)
by	Doug Lou	ris			(KC	C District Ag	jent's Name),
Is ACO-I filed?	Yes If not,	Is well	log a	ttached?_		Filed w/ACO-1	
Producing Formation	n <u>Mississippian</u>	Depth	to T	op352	4 Bott	om 3560 T.D	3625
Show depth and thi	ckness of all water	r, oil a	nd ga	s formation	ons.	· · · · · · · · · · · · · · · · · · ·	
OIL, GAS OR WATER	RECORDS	1		C	ASING RECO	RD FF	B 2 5 2332
Formation	Content	From	То	Size	Put In	Dullant and	
Surface		0	<del> </del>	8 5/8"	253'	None (CHOLIT	03-25-03 VALIU, I DI
Production casing				5-1/2"	3623'	2825'	
		ļ					
placed and the met were used, state Sand at 3460', baled 5 sa Pulled to 900', pumped 3	the manner in whi hod or methods use the character of stacks cement. Shot pipe at 282 sacks cement. Pulled to 300 additional descrip	d in int same and 5', pulled 4 jts 0', circulated o	dept dept . Well bl	ing it int h placed, lew out. Pulled o surface. Pull	to the hole fromto 1350', pumped ed rest of pipe.	. If cement feet to 135 sacks cement.	or other plus
Name of Plugging Co						License No	31925
Address			est Mair	n, Lyons, KS 6	···		<del></del>
NAME OF PARTY RESP						leum Corporation	
STATE OF	COU	INTY OF _		Sedgwic	<u>*</u>	_ss.	
	Scott Hampel			( I	Employee of	Operator) or	( <del>Operator</del> ) of
above-described well statements, and mathe same are true a	tters herein conta	ined and	the	th, says: log of th Signature	That I have de	erge knowledge scribed well	of the facts
			(P	(ddress)	453 S.W	ebb Rd, Ste 310 Wic	hita KS 67278
, su	JBSCRIBED AND SWORN	TO befo	re me	this 2	2nd day o	f February	, 19 <u>2002</u>
A NOTARY PUBLIC -	State of Kansas			Maren	C. 4 DU Nota	ry Public	
KAREN E. HO	USEBERGs on Expire	es	Seg	otember 5, 2002	2		
My Appt. Exp.	2 200 7						Form CP-4 Revised 05-88

Form CP-4 Revised 05-88

Reorder No. 09-115

**Kansas Blue Print** 

6311 (Rev. 1993) OIL AND GAS LEASE 15#519 November 2008 AGREEMENT, Made and entered into the \_\_\_ by and between Diana L. O'Sullivan Trust (GST Exempt) created under the Betty Myers Morgan Revocable Trust dated July 12, 1991, By: (Diana L. O'Sullivan), Trustee whose mailing address is 809 Loch Lommond, Hutchinson, KS 67502 hereinafter called Lessor (whether one or more). Mako Operating Company LLC, 401 E. Douglas, Ste 525, Wichita, KS 67202 hereinafter caller Lessee State of Kansas therein situated in County of Reno described as follows to-wit-Township 22 South - Range 08 West Section 17: SW/4 XXX XXX XXX 160 In Section \_ Township \_ Range and containing acres, more or less, and all accretions thereto Subject to the provisions herein contained, this lease shall remain in force for a term of three (3) years from this date (called "primary term"). and as long thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, or any of them, is produced from said land or land with which said land is pooled. In consideration of the premises the said lessee covenants and agrees: 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 (1/6) 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 (1/4), at the market price at the well, (but, as to gas sold by lessee, in no event more than one-eighth (1/4) 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 Dollar (\$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 hereof without further payment or drilling operations. If the lessee shall commence to drill a well within the term of this lease or any extension thereof, the lessee shall have the right to drill such well to completion with reasonable diligence and dispatch, and if oil or gas, or either of them, be found in paying quantities, this lease shall continue and be in force with like effect as if such well had been completed within the term of years first mentioned. If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein provided for shall be paid the said lessor only in the proportion which lessor's interest bears to the whole and undivided fee. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for lessee's operation thereon, except water from the wells of lessor 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.

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 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 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 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.

\*See rider attached hereto and made a part hereof:

TO TENO COUNTY } This instrument was filed for record of the day of A.D. 20 A.D Fee \$ 16.00

REGISTER OF DEED

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

Diana L. O'Sullivan Trust (GST Exempt) created

under the Betty Myers Morgan Revocable Trust

Dated July 12, 1991

Inthornal It By: (Diana L. O'Sullivan), Trustee

### OIL AND GAS LEASE

Reorder No. 09-115

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Ulrus de

Wilbury,

Kansas Blue Print 700 S. Broadway PO Box 793 Wichita, KS 67201-0793 316-264-9344-264-5185 fax

day of February 13th 2009 AGREEMENT, Made and entered into the \_ Elaine J. Wilbur Trust (GST Exempt) created under the Betty Myers Morgan by and between Revocable Trust Dated July 12, 1991, By: (Elaine J. Wilbur), Trustee whose mailing address is 6941 Kimberly, Shawnee, KS 66218 hereinafter called Lessor (whether one or more), Mako Operating Company LLC, 401 E. Douglas, Ste 525, Wichita, KS 67202 ten and more Dollars (\$ 10.00 + ) in hand paid, receipt of which Township 22 South - Range 08 West Section 17: SW/4 XXX XXX XXX In Section 160 Township and containing \_\_ accretions thereto 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 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 (1/4), at the market price at the well, (but, as to gas sold by lessee, in no event more than one-eighth (1/4) 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 Dollar (\$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 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 lease shall have the right to drill such well to 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 i 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. 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 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 shall have the right at any tinic 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 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 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 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. \*See rider attached hereto and made a part hereof: STATE OF KANSAS ) 58 RENO COUNTY this lastrument was filed for record on A.D. 20 ecorded in Book of Son Page Fee 5 a IN WITNESS WHEREOF, the undersigned Castle OF OF OF OF DAy and year first above written. Witness Elaine J. Wilbur Trust (GST Exempt) created under the Betty Myers Morgan Revocable Trust Dated July 12, 1991

X:

# 63U (Rev. 1993) LS#3BO OIL AND GAS LEASE

Reorder No. 09-115 Kansas Blue Print 700 S. Broadway PO Box 703 Wichita, KS 67201-0793 316-284-9344 : 264-5165 fax www.kbc.com v. bbo@ikho.com

AGREEMENT, Made and entered into the day of	ebruary 2009
by and between Larry B. Morgan Trust (GST Exem	pt) created under the Betty Myers Morgan
Revocable Trust Dated July 12, 1991, By	: (Larry B. Morgan), Trustee
whose mailing address is 2017 Marnel Rd., Houston, T	X 77055
Mako Operating Company LLC, 401 E. Doug	hereinafter called Lessor (whether one or more)
	, hereinafter caller Lessee:
constituent products, injecting gas, water, other fluids, and air into subsurface stra and things thereon to produce, save, take care of, treat, manufacture, process, store	Dollars (\$ 10.00 + ) in hand paid, receipt of which of the lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose it, mining and operating for and producing oil, liquid hydrocarbons, all gases, and their respective ita, laying pipe lines, storing oil, building tanks, power stations, telephone lines, and other structures and transport said oil, liquid hydrocarbons, gases and their respective constituent products and other byces, the following described land, together with any reversionary rights and after-acquired interest,  State of Kansas described as follows to-with
Township 22 South - Range 08 West	
Section 17: SW/4	
In Section XXX Township XXX Range	XXX and containing 160 acres, more or less, and all
accretions thereto.	and containing acres, more or less, and all e for a term of three (3) years from this date (called "primary term"). and as long thereafter
In consideration of the premises the said lessee covenants and agrees:	them, is produced from said land or land with which said land is pooled.
2nd. To pay lessor for gas of whatsoever nature or kind produced and	ch lessee may connect wells on said land, the equal one-eighth (%) part of all oil produced and saved sold, or used off the premises, or used in the manufacture of any products therefrom, one-eighth (%),
premises, or in the manufacture of products therefrom, said payments to be mad	han one-eighth (1/4) of the proceeds received by lessee from such sales), for the gas sold, used off the le monthly. Where gas from a well producing gas only is not sold or used, lessee may pay or tender and if such payment or tender is made it will be considered that gas is being produced within the
This lease may be maintained during the primary term hereof without of this lease or any extension thereof, the lessee shall have the right to drill sucfound in paying quantities, this lease shall continue and be in force with like effe	further payment or drilling operations. If the lessee shall commence to drill a well within the term h well to completion with reasonable diligence and dispatch, and if oil or gas, or either of them, be ct 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 the said lessor only in the proportion which lessor's interest bears to the whole ar	entire and undivided fee simple estate therein, then the royalties herein provided for shall be paid and undivided fee.
Lessee shall have the right to use, free of cost, gas, oil and water produced. When requested by lessor, lessee shall bury lessee's pipe lines below plow	d on said land for lessee's operation thereon, except water from the wells of lessor. depth.
No well shall be drilled nearer than 200 feet to the house or barn now on Lessee shall pay for damages caused by lessee's operations to growing cre	said premises without written consent of lessor.
Lessee shall have the right at any time to remove all machinery and fixtu	ares placed on said premises, including the right to draw and remove casing.
taketurors, administrators, successors or assigns, but no change in the ownersh lessee has been furnished with a written transfer or assignment or a true copy the with respect to the assigned portion or portions arising subsequent to the date of a	
sufferior this lease as to such portion or portions and be relieved of all obligation	
in whole or in part, nor lessee held liable in damages, for failure to comply there.  Regulation.	eral and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, ewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or
any mortgages, taxes or other hens on the above described lands, in the event of	described, and agrees that the lessee shall have the right at any time to redeem for lessor, by payment f default of payment by lessor, and be subrogated to the rights of the holder thereof, and the under- urrender and release all right of dower and homestead in the premises described herein, in so far ich this lease is made, as recited herein.
conservation of oil, gas or other minerals in and under and that may be produced or units not exceeding 40 acres each in the event of an oil well, or into a unit or record in the conveyance records of the county in which the land herein lease pooled into a tract or unit shall be treated, for all purposes except the payment found on the pooled acreage, it shall be treated as if production is had from this royalties elsewhere herein specified, lessor shall receive on production from a	bine the acreage covered by this lease or any portion thereof with other land, lease or leases in the lable to do so in order to properly develop and operate said lease premises so as to promote the red from said premises, such pooling to be of tracts contiguous to one another and to be into a unit r units not exceeding 640 acres each in the event of a gas well. Lessee shall execute in writing and is situated an instrument identifying and describing the pooled acreage. The entire acreage so of royalties on production from the pooled unit, as if it were included in this lease. If production is lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the 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	
*See rider attached hereto and made a pa	art nereor:
STATE OF KANSAS } SS	
This instrument was filed for record one	9
recorded in Book 13 You Page Fee \$	ny
Glist Salle	
IN WITNESS WHEREOF, the undersigned execute this instrument as of witnesses:	the day and year first above written.
manegata.	Larry B. Morgan Trust (GST Exempt) created under
	the Betty Myers Morgan Revocable Trust Dated
	July 12, 1991
	x: Larry B. Morgan, Trustee
	(Larry B. Morgab), Trustee

# OIL AND GAS LEASE



Kansas Blue Print 700 S. Broadway PO Box 793 Wichita, KS 67201-0793 316-264-9344 -- 264-5185 fax www.kbp.com-kbp@kbp.com

by and between								-
				Amy J. Yeak	el, a single pe	rson		
whose mailing a	address is 4	720 Broadwa	y Court, Law	vrence, Kansas	66049		hereinafte	r called Lessor (whether one or more)
and	The second second			5 North Marke		Wichita, KS		hereinafter called Lessee:
Lessor,	in consideration			en and more		Dollars (\$	10.0	0+ ) in hand paid,
respective const structures and th	ituent products,	injecting gas, water produce, save, take	r, other fluids, an	d air into subsurface	rilling, mining and strata, laying pipe	operating for ar lines, storing oil	nd producing oil, liquely, building tanks, pow	ses and lets exclusively unto lessee for aid hydrocarbons, all gases, and their ver stations, telephone lines, and other definition that their respective constituent product ersionary rights and after-acquired
	sitnated in Coun			Reno		State of	Kansas	Described as follows to wit:
/	Township 2 Section 17:	22-South, Ran NW/4	ige 8-West					
in Section	xxx	Township	XXX	Range XX	X and	containing	160 acres, mo	are or less and all accretions thereto
Subject to	the provisions l	nerein contained, the	is lease shall rema	in in force for a term	of Three	(3) years fi	rom this date (called "	primary term"), and as long thereafter
s oil, liquid hyd	drocarbons, gas o	r other respective c	onstituent product	s, or any of them, is			which said land is po	
		mises the said lesse						
1st. To del he leased premi	liver to the credi	t of lessor, free of c	ost, in the pipe lin	ne to which lessee ma	ay connect wells on	said land, the eq	ual one-eighth (1/8) p	part of all oil produced and saved from
narket price at the manufacture	are of products t	herefrom, said pays	e, in no event mor ments to be made	monthly. Where gas	(8) of the proceeds r	eceived by lessee	from such sales), for	tests therefrom, one-eighth (1/8), at the the gas sold, used off the premises, o see may pay or tender as royalty One d within the meaning of the preceding
r any extension	thereof, the les	see shall have the r	ight to drill such	ithout further paymer well to completion of f such well had been	with reasonable dili	gence and disnat	ch and if oil or one	rill a well within the term of this least or either of them, be found in paying
essor only in the	e proportion which	on lessor's interest b	ears to the whole	and undivided fee.				in provided for shall be paid the said
					nd for lessee's opera	tion thereon, exc	ept water from the we	ells of lessor.
		lessee shall bury les						
				now on said premise owing crops on said		onsent of lessor.		
						luding the right to	draw and remove ca	sing
If the estat dministrators, su vith a written tra	te of either party accessors or assi ansfer or assignr	hereto is assigned	, and the privilege in the ownership of thereof. In case I	e of assigning in wh	ole or in part is exp	pressly allowed,	the covenants hereof	shall extend to their heirs, executors ntil after the lessee has been furnished digations with respect to the assigned
Lessee may	y at any time execute portion or po	ecute and deliver to rtions and be relieve	lessor or place of ed of all obligation	record a release or r	eleases covering an urrendered.	y portion or port	ions of the above desc	cribed premises and thereby surrender
m part, nor les	see held hable in	damages, for failu	re to comply there	with, if compliance i	s prevented by, or i	f such failure is the	he result of, any such	ease shall not be terminated, in whole Law, Order, Rule, Regulation.
or themselves an	or other nens on and their heirs, su	the above describe	d lands, in the eve s, hereby surrende	ent of default of payn	ent by lessor, and bon	ne subrogated to t	he rights of the holder	to redeem for lessor, by payment any r thereof, and the undersigned lessors, n, in so far as said right of dower and
ther minerals in the event of an which the land except the payme and from this lease from a unit so poor	and under and the oil well, or into the herein leased is ent of royalties on se, whether the v	nation and the royalt of the r	sary or advisable d from said premi exceeding 640 acro nent identifying a the pooled unit, as ated on the premis	to do so in order to p ses, such pooling to es each in the event of and describing the po is if it were included it es covered by this le	properly develop and be of tracts contigu- of a gas well. Lessed oled acreage. The e in this lease. If processes or not. In lieu of	d operate said lea ous to one another shall execute in entire acreage so fluction is found of the royalties else	se premises so as to per and to be into a unit writing and record in pooled into a tract or on the pooled acreage.	land; lease or leases in the immediate romote the conservation of oil, gas or tor units not exceeding 40 acres each the conveyance records of the county unit shall be treated, for all purposes, it shall be treated as if production is led, lessor shall receive on production on an acreage basis bears to the total
See R	IDER attacl	hed hereto and	d made a par	t hereof.	10	tar	4	
N WITNESS WHE	EREOF, the undersi	gned execute this instr	ument as of the day a	and year first above writing		10		
alon	ny.	J. Ule	ar	Amanage and received	10	) STAT	e de kansi	91.
	(A	my J. Yeake	)			REN	O COUNTY	as filed for recofd on
	167 - 1822 2 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -					the_	day of	A.D. 20 k AM, and duly
						Fee:	- 17 V	/3/



Kansas Blue Print

## OIL AND GAS LEASE

18th AGREEMENT. Made and entered into the November 2010 Richard E. Yeakel and Sandra K. Yeakel, husband and wife whose mailing address is 4720 Broadway Court, Lawrence, Kansas 66049 hereinafter called Lessor (whether one or more), and Novy Oil and Gas Inc., 125 North Market, Suite 1230, Wichita, KS 67202 hereinafter called Lessee: Lessor, in consideration of Ten and more Dollars (\$ 10 00+ receipt of which is here acknowledged and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring by geophysical and other means, prospecting drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases, and their respective constituent products, injecting gas, water, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, power stations, telephone lines, and other structures and things thereon to produce, save, take care of, treat, manufacture, process, store and transport said oil, liquid hydrocarbons, gases and their respective constituent products and other products manufactured therefrom, and housing and otherwise caring for its employees, the following described land, together with any reversionary rights and after-acquired interest, therein situated in County of Described as follows to wit: State of Kansas Township 22-South, Range 8-West Section 17: NW/4 In Section XXX Township Range and containing acres, more or less and all accretions thereto Subject to the provisions herein contained, this lease shall remain in force for a term of years from this date (called "primary term"). and as long thereafter Three (3) 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 (1/8) part of all oil produced and saved from 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 (1/8), at the market price at the well, (but, as to gas sold by lessee, in no event more than one-eighth (1/8) of the proceeds received by lessee from such sales), for the gas sold, used off the premises, or in the manufacture of products therefrom, said payments to be made monthly. Where gas from a well producing gas only is not sold or used, lessee may pay or tender as royalty One Dollar (\$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 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 essee 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. 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 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, 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 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 well to premise covered by this lease or not. In lien of the providing elsewhere herein specified, lessey, shall receive on production 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. State of Kansas See RIDER attached hereto and made a part hereof. My Appl. Esp. Mousel Lagne IN WITNESS WHEREOF, the undersigned execute this instrument as of the day and year first above written Sherce R. Mairn (Richard E. Yeakel) (Sandra K. Yeakel) TENO COUNTY ) his restrument was filed for record on ne\_s day of tel A.D. 20. UDo'dlock

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JAN 2 0 2011

# OIL AND GAS LEASE



Kansas Blue Print Broadway PO Box 793 a, KS 67201-0793

AGREEMENT. Made and entered into the 18th day of 2010 November by and between Stephen B. Yeakel and Sherry L. Yeakel, husband and wife whose mailing address is hereinafter called Lessor (whether one or more), 11727 Paramont Way, Prospect, Kentucky 40059 Novy Oil and Gas Inc., 125 North Market, Suite 1230, Wichita, KS 67202 hereinafter called Lessee: Lessor, in consideration of Ten and more receipt of which is here acknowledged and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring by geophysical and other means, prospecting drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases, and their respective constituent products, injecting gas, water, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, power stations, telephone lines, and other structures and things thereon to produce, save, take care of, treat, manufacture, process, store and transport said oil, liquid hydrocarbons, gases and their respective constituent products and other products and other products manufactured therefrom, and housing and otherwise caring for its employees, the following described land, together with any reversionary rights and after-acquired interest, therein situated in County of State of Reno Kansas Township 22-South, Range 8-West Section 17: NW/4 In Section XXX Township XXX Range XXX and containing 160 acres, more or less and all accretions thereto Subject to the provisions herein contained, this lease shall remain in force for a term of years from this date (called "primary term"), and as long thereafter Three (3) 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 (1/8) 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 (1/8), at the market price at the well, (but, as to gas sold by lessee, in no event more than one-eighth (1/8) of the proceeds received by lessee from such sales), for the gas sold, used off the premises, or in the manufacture of products therefrom, said payments to be made monthly. Where gas from a well producing gas only is not sold or used, lessee may pay or tender as royalty One Dollar (\$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 hereof without further payment or drilling operations. If the lessee shall commence to drill a well within the term of this lease or any extension thereof, the lessee shall have the right to drill such well to completion with reasonable diligence and dispatch, and if oil or gas, or either of them, be found in paying quantities, this lease shall continue and be in force with like effect as if such well had been completed within the term of years first mentioned. If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein provided for shall be paid the said lessor only in the proportion which lessor's interest bears to the whole and undivided fee. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for lessee's operation thereon, except water from the wells of lessor. 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. 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 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, 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 40 acres each in the event of a noil 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. from a unit so pooled only such portion of the royalty stipulated herein as the amoracreage so pooled in the particular unit involved. See RIDER attached hereto and made a part hereof. IN WITNESS WHEREOF, the undersigned execute this instrument as of the day and year first above written B. when STATE OF MANGAS (Stephen B. Yeakel) (Sherry L. Yeakel) his instrument was filed for record on the day of A.D. 20 O'clock M. and duty 11

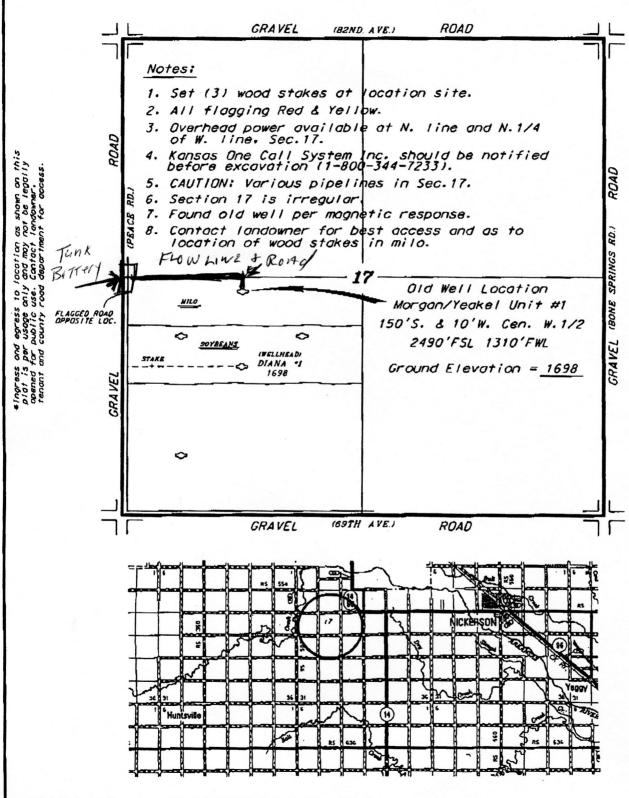
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### NOVY OIL & GAS, INC. MORGAN/YEAKEL LEASE SW.1/4. SECTION 17, T22S, R8W RENO COUNTY. KANSAS



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



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

Sam Brownback, Governor

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

December 15, 2011

Michael Novy Novy Oil & Gas, Inc. 125 N MARKET STE 1230 WICHITA, KS 67202-1712

Re: Drilling Pit Application morgan-yeakle 1 SW/4 Sec.17-22S-08W Reno County, Kansas

### Dear Michael Novy:

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

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

The fluids should be taken to an authorized disposal well. Please call the District Office at (316) 630-4000 when the fluids have been removed. Please file form CDP-5 (August 2008), Exploration and Production Waste Transfer, through KOLAR within 30 days of fluid removal.

A copy of this letter should be posted in the doghouse along with the approved Intent to **Drill**. If you have any questions or concerns please feel free to contact the District Office at (316) 630-4000.