





1067864

**For KCC Use ONLY**

API # 15 - \_\_\_\_\_

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

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

Operator: \_\_\_\_\_

Lease: \_\_\_\_\_

Well Number: \_\_\_\_\_

Field: \_\_\_\_\_

Number of Acres attributable to well: \_\_\_\_\_

QTR/QTR/QTR/QTR of acreage: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

Location of Well: County: \_\_\_\_\_

\_\_\_\_\_ feet from  N /  S Line of Section

\_\_\_\_\_ feet from  E /  W Line of Section

Sec. \_\_\_\_\_ Twp. \_\_\_\_\_ S. R. \_\_\_\_\_  E  W

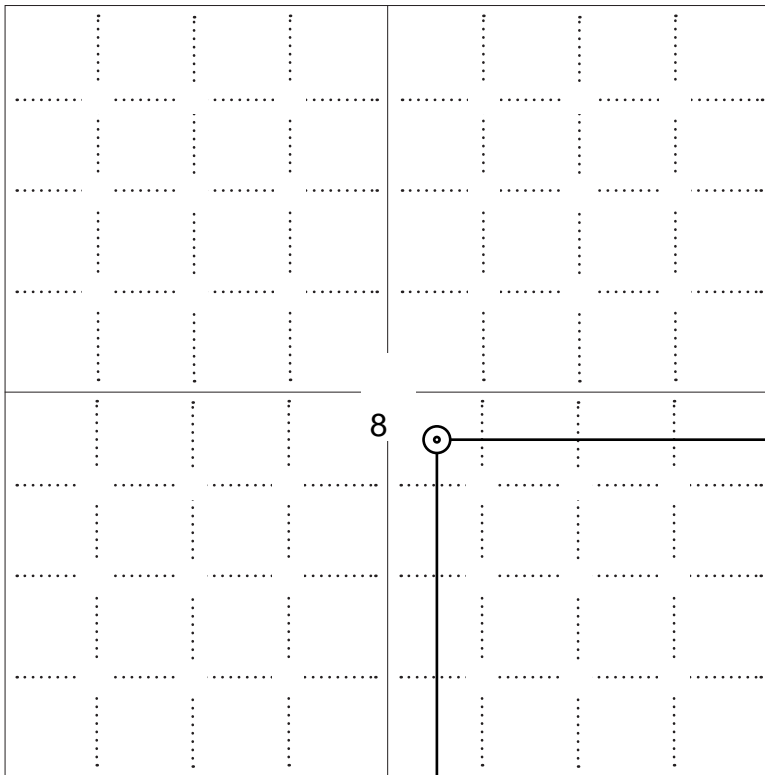
Is Section:  Regular or  Irregular

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

Section corner used:  NE  NW  SE  SW

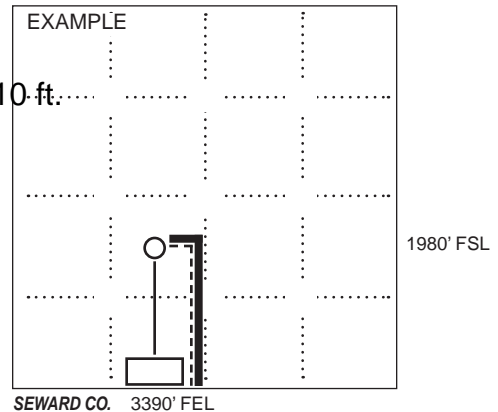
### PLAT

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



**LEGEND**

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



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

2310 ft.

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

- 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.
- The distance of the proposed drilling location from the south / north and east / west outside section lines.
- The distance to the nearest lease or unit boundary line (in footage).
- 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).
- The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.



KANSAS CORPORATION COMMISSION 1067864  
OIL & GAS CONSERVATION DIVISION

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: <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.*

Submitted Electronically

MCCOY PETROLEUM CORPORATION  
M/M DIEL UNIT LEASE  
SE.1/4, SECTION 8, T20S, R27W  
LANE COUNTY, KANSAS

DIRT (50 ROAD) TRAIL

Notes:

1. Set (2) wood stakes at location site.
2. All flagging Red & Yellow.
3. No overhead power available at Sec.8.
4. Kansas One Call System Inc. should be notified before excavation (1-800-344-7233).
5. CAUTION: Various pipelines in Sec.8.
6. Contact landowner for best access.

8

Drillsite Location  
M/M Diel Unit "A" #1-8  
NW NW SE  
2310'FSL 2310'FEL

(CUT)  
ALFALFA

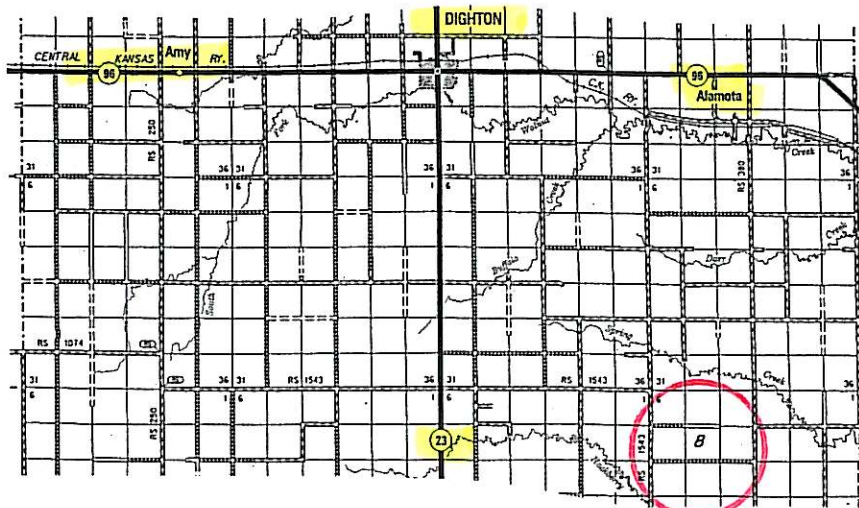
Ground Elevation = 2733

Y = 609730 X = 1476284

State Plane-NAD 27-Kansas South  
(Mapping Grade GPS Used)

DIRT (40 ROAD) ROAD  
FLAGGED ROAD  
OPPOSITE LOC.

\* Ingress and egress to location as shown on this plat is per usage only and may not be legally opened for public use. Contact landowner, tenant and county road department for access.



Controlling data is based upon the best maps and photographs available to us and upon a regular section of land containing 640 acres.  
Approximate section lines were determined using the normal standard of care of oilfield surveyors practicing in the state of Kansas. The section corners, which establish the precise section lines, were not necessarily located, and the exact location of the drillsite location in the section is not guaranteed. Therefore, the operator securing this service and accepting this plat and all other parties relying thereon agree to hold Central Kansas Oilfield Services, Inc., its officers and employees harmless from all losses, costs and expenses and said entities released from any liability from incidental or consequential damages.  
Elevations derived from National Geodetic Vertical Datum.

Date August 30, 2011





# KSONA - Potential Tank Battery Location and Lease Road

## PLOT OF THE INTENDED WELL

Operator: McCoy Petroleum Corporation  
 Lease: M-M DIEL UNIT "A" #1-8  
 Well Number: #1-8  
 Field: Wildcat

Number of Acres attributable to well: 160  
 QTR/QTR/QTR/QTR of acreage:      NW      NW      SE

Location of Well: County: NW NW SE      Lane County

2310 feet from  N /  S Line of Section  
2310 feet from  E /  W Line of Section

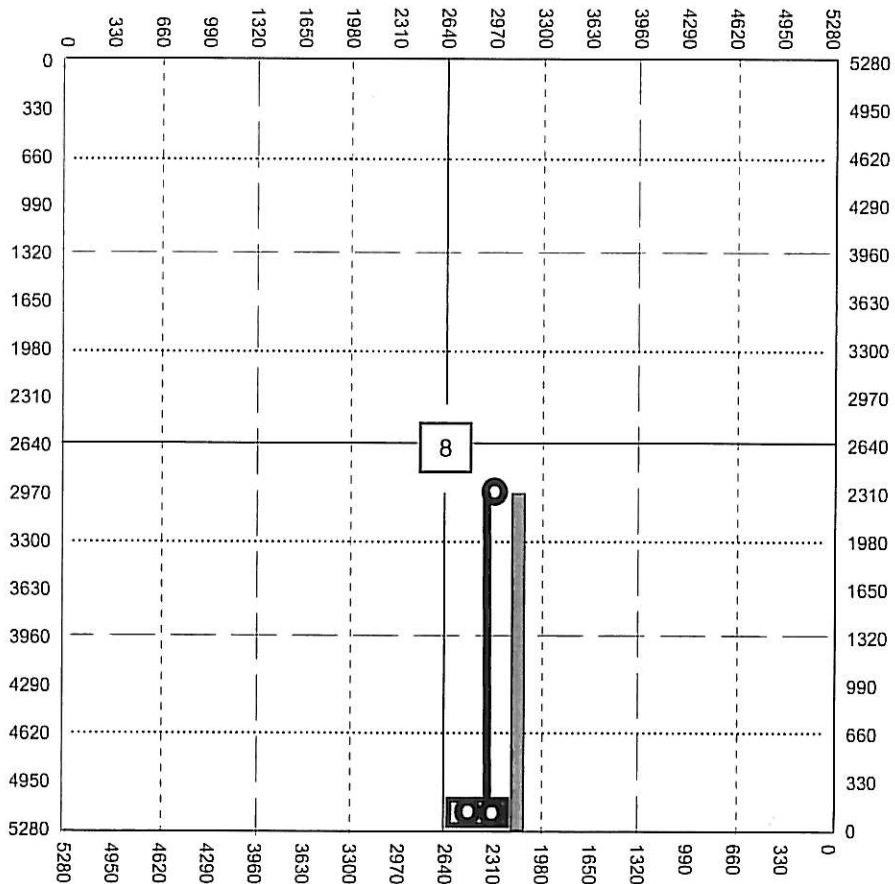
Sec 8 Twp. 20 S Rng. 27  E  W

Is Section  Regular or  Irregular

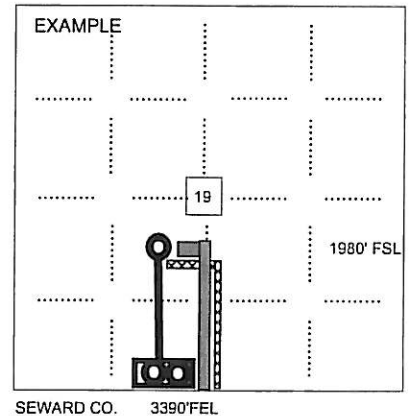
If Section is Irregular, locate well from nearest corner boundary.  
 Section corner used:  NE  NW  SE  SW

### PLAT

Show the predicted locations of lease roads, tank batteries, pipelines and electrical lines,  
 as required by the Kansas Surface Owner Notice Act (House Bill 2032).



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



**NOTE: Spot of the proposed drilling location.**





# DECLARATION OF OIL UNIT

STATE OF KANSAS )  
                          )ss  
COUNTY OF LANE )

STATE OF KANSAS, LANE COUNTY, SS  
This instrument was filed for record on the  
13 day of May  
A.D. 2011 at 11:57 o'clock A.M. and  
duly recorded in Book 134, on page 137  
Fee 2000

NUMERICAL  
DIRECT  
INDIRECT  
✓ COMP. ORIG.  
COMPUTER

KNOW ALL MEN BY THESE PRESENTS: Gracie Selph  
Register of Deeds

WHEREAS, McCoy Petroleum Corporation, hereinafter referred to as McCoy, is one of the owners of the following oil and gas leases described in Exhibit "A", attached hereto and made a part hereof.

WHEREAS, each of the oil and gas leases described in Exhibit "A" provides, inter alia, as follows:

"As to the Oil leasehold estate hereby granted, lessee is expressly granted the right and privilege to consolidate said Oil leasehold, or any portion thereof, with any other lease or leases to form a consolidated Oil leasehold estate which shall not exceed a total area of 40 acres (in Lease Group "B" as listed in the Exhibit "A") and a total area of 80 acres (in Lease Groups "A" and "C" as listed in the Exhibit "A"); and in the event lessee exercises the right and privilege of consolidation as herein granted, the consolidated Oil leasehold estate shall be deemed, treated and operated in the same manner as though the entire consolidated leasehold estate were originally covered by and included in the lease, and all royalties which shall accrue on Oil produced and marketed from the consolidated estate, including all royalties payable hereunder, shall be prorated and paid to the lessors of the various tracts included in the consolidated estate in the same proportion that the acreage of each said lessor bears to the total acreage of the consolidated estate, and a producing Oil well on any portion of the consolidated estate shall operate to continue the oil and gas leasehold estate hereby granted so long as Oil is produced therefrom."

WHEREAS, McCoy hereby files for record in the county in which the land is situated, this instrument identifying the pooled acreage; and that the entire acreage so pooled into a unit or units shall be treated for all purposes, except the payment of royalties on production for the pooled unit, as if it were included in the lease; and

NOW, THEREFORE, McCoy, pursuant to the authority conferred upon it by virtue of the oil and gas leases described in Exhibit "A", does hereby consolidate the Oil leasehold estates in and to the oil and gas leases described on Exhibit "A", insofar as said oil and gas leases cover lands within the:

T20S-R27W

Sec 8: S/2 SW/4 NE/4

Sec 8: N/2 NW/4 SE/4


and containing 40 acres, more or less, as a unit for purposes of the operation, development and production of an Oil well upon the consolidated premises, and the undersigned does hereby designate the above-described adjacent and contiguous Oil leasehold estates covering the above-described lands as an adjacent and contiguous consolidated and unitized Oil leasehold estate for the purposes set forth above, to the same extent as if said Oil leasehold estates had originally been included in one oil and gas lease, such that drilling operations for Oil and production of Oil on any part of the Oil operating unit shall be treated for all purposes, except the payment of royalty on Oil, as if such drilling operations were had or such Oil production was obtained from the land described in each of said oil and gas leases, regardless of where the Oil well or wells may be located upon said Oil operating unit and, further, such that the entire acreage contained in said Oil operating unit shall be treated for all purposes, except the payment of royalties on such production of Oil from the Oil operating unit, as if said lands were included in each of said oil and gas leases described in Exhibit "A", provided however that pursuant to the terms of said oil and gas leases, McCoy Petroleum Corporation, its successors and assigns, shall be under no obligation, express or implied, to drill more than one such Oil well upon the Oil operating unit.

McCoy Petroleum Corporation further declares that, pursuant to the terms of each oil and gas lease described in Exhibit "A", all royalties which shall accrue on Oil, produced and marketed

from the consolidated estate, including all royalties payable hereunder, shall be prorated and paid to the lessors of the various tracts included in the consolidated estate in the same proportion that the acreage of each said lessor bears to the total acreage of the consolidated estate, and a producing Oil well on any portion of the Oil operating unit shall operate to continue the oil and gas leasehold estates created under each of the oil and gas leases described in Exhibit "A" so long as Oil is produced from any of the lands included in the Oil operating unit.

IN WITNESS WHEREOF, the undersigned has caused these premises to be executed this 13<sup>TH</sup> day of MAY, 2011.

**McCoy PETROLEUM CORPORATION**

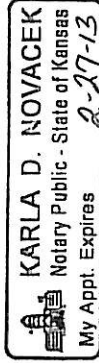
By:   
Nicholas D. Hess  
Land Manager

ACKNOWLEDGEMENT

STATE OF KANSAS                    )  
  ) SS:  
COUNTY OF SEDGWICK        )

BE IT REMEMBERED, that on this 13<sup>th</sup> day of May, 2011, before me, the undersigned, a notary public in and for the county and state aforesaid, came Nicholas D. Hess, Land Manager of McCoy Petroleum Corporation, a Kansas corporation, and who is personally known to me to be the same person who executed the within instrument of writing and such person duly acknowledged the execution of the same for and on behalf of said corporation.

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



My Appointment Expires:

  
Karla D. Novacek  
Notary Public

**EXHIBIT "A"**

Attached to and made part of that certain Declaration of Oil Unit covering the following described lands located in LANE COUNTY, KANSAS, to-wit:

LEASE GROUP "A"

Date: March 23, 2010  
Lessor: Lola E. Mote and James F. Mote, Co-Trustees of MiCasa Family Trust, dtd 1-10-1996  
Lessee: McCoy Petroleum Corporation  
Legal: NE/4 SEC 8-20S-27W  
Rec. Info: Bk 130, Pg 164  
MPC ID: KS1006-1018-01

Date: March 23, 2010  
Lessor: Ernest J. Mudd  
Lessee: McCoy Petroleum Corporation  
Legal: NE/4 SEC 8-20S-27W  
Rec. Info: Bk 130, Pg 177  
MPC ID: KS1006-1018-02

*End of Group "A"*

LEASE GROUP "B"

Date: January 25, 2009  
Lessor: Caroline Johnston Ward and Richard Ward, wife and husband  
Lessee: Zenith Petroleum Corporation  
Legal: SE/4 SEC 8-20S-27W  
Rec. Info: Bk 127, Pg 112  
MPC ID: KS1006-1023-01

Date: March 27, 2009  
Lessor: David O. Johnston and Shirley Johnston, husband and wife  
Lessee: Zenith Petroleum Corporation  
Legal: SE/4 SEC 8-20S-27W  
Rec. Info: Bk 127, Pg 223  
MPC ID: KS1006-1023-02

Date: January 25, 2009  
Lessor: Douglas County Bank as A-I-F for Calista Diel Orent, a widow  
Lessee: Zenith Petroleum Corporation  
Legal: SE/4 SEC 8-20S-27W  
Rec. Info: Bk 127, Pg 121  
MPC ID: KS1006-1023-03

Date: January 25, 2009  
Lessor: E. Delores Trent and Lynn Trent, husband and wife  
Lessee: Zenith Petroleum Corporation  
Legal: SE/4 SEC 8-20S-27W  
Rec. Info: Bk 127, Pg 235  
MPC ID: KS1006-1023-04

Date: January 25, 2009  
Lessor: Shirley J. Swenson and Douglas Swenson, wife and husband  
Lessee: Zenith Petroleum Corporation  
Legal: SE/4 SEC 8-20S-27W  
Rec. Info: Bk 127, Pg 124  
MPC ID: KS1006-1023-05

Date: January 23, 2009  
Lessor: Lois B. Diel, a widow  
Lessee: Zenith Petroleum Corporation  
Legal: SE/4 SEC 8-20S-27W  
Rec. Info: Bk 127, Pg 113  
MPC ID: KS1006-1023-06

EXHIBIT "A" cont...

Date: January 25, 2009  
Lessor: Roger D. Johnston, dealing in his sole property  
Lessee: Zenith Petroleum Corporation  
Legal: SE/4 SEC 8-20S-27W  
Rec. Info: Bk 127, Pg 225  
MPC ID: KS1006-1023-07

Date: January 25, 2009  
Lessor: Shirley Lee Diel  
Lessee: Zenith Petroleum Corporation  
Legal: SE/4 SEC 8-20S-27W  
Rec. Info: Bk 127, Pg 127  
MPC ID: KS1006-1023-08

Date: January 25, 2009  
Lessor: Nathan E. Diel and Louise Diel, husband and wife  
Lessee: Zenith Petroleum Corporation  
Legal: SE/4 SEC 8-20S-27W  
Rec. Info: Bk 127, Pg 118  
MPC ID: KS1006-1023-09

*End of Group "B"*

LEASE GROUP "C"

Date: April 21, 2010  
Lessor: Susan June Stahl, who has never lived in the State of Kansas while owning this property  
Lessee: McCoy Petroleum Corporation  
Legal: SE/4 SEC 8-20S-27W  
Rec. Info: Bk 130, Pg 260  
MPC ID: KS1006-1023-10

Date: April 21, 2010  
Lessor: Constance Ruth Warnock, who has never lived in the State of Kansas while owning this property  
Lessee: McCoy Petroleum Corporation  
Legal: SE/4 SEC 8-20S-27W  
Rec. Info: Bk 130, Pg 247  
MPC ID: KS1006-1023-11

Date: April 21, 2010  
Lessor: Jean C. Berry, who has never lived in the State of Kansas while owning this property  
Lessee: McCoy Petroleum Corporation  
Legal: SE/4 SEC 8-20S-27W  
Rec. Info: Bk 130, Pg 248  
MPC ID: KS1006-1023-12

Date: April 21, 2010  
Lessor: Marilyn Wilkinson, who has never lived in the State of Kansas while owning this property  
Lessee: McCoy Petroleum Corporation  
Legal: SE/4 SEC 8-20S-27W  
Rec. Info: Bk 130, Pg 245  
MPC ID: KS1006-1023-13

*End of Group "C"*

END OF EXHIBIT "A"



NUMERICAL  
DIRECT  
INDIRECT  
COMP. COSTS  
COMPUTED

THIS INSTRUMENT WAS INPUT FOR RECORD ON THE  
25<sup>th</sup> day of March  
A.D. 2010 at 10 o'clock A.M and  
duly recorded in Book 130 on page 164

Fee 12.00  
James F. Mote, Trustee  
Register of Deeds 883 David Carter Company

LL88-1  
Form 88 (producers) Rev. 1-83 (Paid-up)

Kans. - Okla. - Colo.

## OIL AND GAS LEASE

THIS AGREEMENT, Entered into this 23<sup>rd</sup> day of March, 2010, between, Lola E. Mote and James F. Mote, Co-Trustees of MiCasa Family Trust dtd 1-10-1996, 8945 Churchill St., Wichita, KS 67206, hereinafter called lessor, and McCoy Petroleum Corporation, a KS corporation, 8080 E. Central, Suite 300, Wichita, KS 67206 hereinafter called lessee, does witness:

1. That lessor, for and in consideration of the sum of Ten and More Dollars (\$10.00) in hand paid and of the covenants and agreements hereinafter contained to be performed by the lessee, has this day granted, leased, and let and by these presents does hereby grant, lease, and let exclusively unto the lessee the hereinafter described land, with any reversionary rights therein, and with the right to unitize this lease or any part thereof with other oil and gas leases as to all or any part of the lands covered thereby as hereinafter provided, for the purpose of carrying on geological, geophysical and other exploratory work thereon, including core drilling and the drilling, mining, and operating for, producing and saving all of the oil, gas, gas condensate, gas distillate, casinghead gasoline and all other gases, found thereon, the exclusive right of injecting water, brine, and other fluids and substances into the subsurface strata, and for constructing roads, laying pipe lines, building tanks, storing oil, building power stations, electrical lines and other structures thereon necessary or convenient for the economical operation of said land alone or conjointly with neighboring lands, to produce, save, take care of, and manufacture all of such substances, and the injection of water, brine, and other substances into the subsurface strata, said tract of land being situated in the County of Lane, State of Kansas, and described as follows:

**NE/4 SECTION 8-T20S-R27W**

Containing 160.00 acres, more or less.

- This lease shall remain in force for a term of TWO (2) YEARS (called "primary term") and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of the products covered by this lease is or can be produced.
- The lessee shall deliver to lessor as royalty, free of cost, on the lease, or into the pipe line to which lessee may connect its wells the equal one-eighth part of all oil produced and saved from the leased premises, or at the lessee's option may pay to the lessor for such one-eighth royalty the market price at the wellhead for oil of like grade and gravity prevailing on the day such oil is run into the pipe line or into storage tanks.
- The lessee shall pay to the lessor, as a royalty, one-eighth (1/8<sup>th</sup>) of the proceeds received by the lessee from the sale of gas, gas condensate, gas distillate, casinghead gas, gas used for the manufacture of gasoline or any other product, and all other gases, including their constituent parts, 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 shut in said 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 is a paid-up lease and may be maintaining during primary term without further payments or drilling operations.
- In the event 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 to said lessor only in the proportion which his 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.
- The lessee shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from existing wells of the lessor. When required by the lessor, the 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 the lease to remove all machinery fixtures, houses, buildings and other structures 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 the heirs, devisees, executors, administrators, successors, and assigns, but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of lessee, and no change of ownership in the land or in the royalties or any sum due under this lease shall be binding on the lessee until it has been furnished with either the original recorded instrument of conveyance or a duly certified copy thereof, or a certified copy of the will of any deceased owner and of the probate thereof, or certified copy of the proceedings showing appointment of an administrator of the estate of any deceased owner, whichever is appropriate together with all original recorded instruments of conveyance or duly certified copies thereof necessary in showing a complete chain of title back to lessor of the full interest claimed, and all advance payments of rentals made hereunder before receipt of said documents shall be binding on any direct or indirect assignee, grantee, devisee, or administrator, executor, or heir of lessor.
- If the leased premises are now or shall hereafter be owned in severality or in separate tracts, the premises may nonetheless be developed and operated as one lease, and all royalties accruing hereunder shall be divided among and paid to such separate owners in the proportion that the acreage owned by each separate owner bears to the entire leased acreage. There shall be no obligations on the part of the lessee to offset wells on separate tracts into which the land covered by the lease may now or hereafter be divided by sale, devisee, descent or otherwise, or to furnish separate measuring or receiving tanks.
- Lessor hereby warrants and agrees to defend the title to the land 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.
- 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 as 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 may at any time surrender or cancel this lease in whole or in part by delivering or mailing such release to the lessor, or by placing same of record in the proper county. In case said lease is surrendered and canceled as to only a portion of the acreage covered thereby, then all payments and liabilities thereafter accruing under the terms of said lease as to the portion canceled shall cease and determine, but as to the portion of the acreage not released the terms and provisions of this lease shall continue and remain in full force and effect for all purposes.
- All provisions hereof, express or implied, shall be subject to all federal and state laws and the orders, rules, or regulations (and interpretations thereof) of all governmental agencies administering the same, and this lease shall not be in any way terminated wholly or partially nor shall the lessee be liable in damages for failure to comply with any of the express or implied provisions hereof if such failure accords with any such laws, orders, rules or regulations (or interpretations thereof). If lessee should be prevented during the last six months of the primary term hereof from drilling a well hereunder by the order of any constituted authority having jurisdiction thereover, the primary term of this lease shall continue until six months after said order is suspended.
- Lessee, at its option, is hereby given the right and power to pool or combine into one or more units the land covered by this lease, or any portion thereof, with other land covered by another lease, or leases 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 such minerals in and under said land, such pooling to be in a unit or units not exceeding 80 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 and/or condensate or distillate well, plus a tolerance of ten percent (10%) to conform to Governmental Survey quarter sections. Lessee shall execute in writing and file for record in the county in which the land is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a unit or units shall be treated for all purposes, except the payments of royalties on production from the pooled unit, as if it were included in this lease. If production is found on any part of the pooled acreage it shall be treated as if production is had from this lease whether any well is located on the land covered by this lease or not. Any well drilled on any such unit shall be and constitute a well hereunder. In lieu of the royalties elsewhere herein specified lessor shall receive on production from the unit so pooled only such portion of the royalty stipulated herein as the amount of his net royalty interest therein on an acreage basis bears to the total mineral 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.
- Lessee may extend this lease for an additional term of one (2) years by payment of additional lease bonus of \$20/mineral acre before the expiration of the original primary term.

IN WITNESS WHEREOF, we sign the day and year first above written.

MICASA FAMILY TRUST, DTD 1-10-1996

Lola E. Mote, Trustee  
Lola E. Mote, Co-Trustee

James F. Mote, Trustee  
James F. Mote, Co-Trustee



Kans. - Okla. - Colo.

**OIL AND GAS LEASE**

THIS AGREEMENT, Entered into this 23<sup>rd</sup> day of March, 2010, between, Ernest J. Mudd, 64 S. Turkey Red Road, Dighton, KS 67839, hereinafter called lessor, and McCoy Petroleum Corporation, a KS corporation, 8080 E. Central, Suite 300, Wichita, KS 67206 hereinafter called lessee, does witness:

1. That lessor, for and in consideration of the sum of Ten and More Dollars (\$10.00) in hand paid and of the covenants and agreements hereinafter contained to be performed by the lessee, has this day granted, leased, and let and by these presents does hereby grant, lease, and let exclusively unto the lessee the hereinafter described land, with any reversionary rights therein, and with the right to utilize this lease or any part thereof with other oil and gas leases as to all or any part of the lands covered thereby as hereinafter provided, for the purpose of carrying on geological, geophysical and other exploratory work thereon, including core drilling and the drilling, mining, and operating for, producing and saving all of the oil, gas, gas condensate, gas distillate, casinghead gasoline and their respective constituent vapors, and all other gases, found thereon, the exclusive right of injecting water, brine, and other fluids and substances into the subsurface strata, and for constructing roads, laying pipe lines, building tanks, storing oil, building power stations, electrical lines and other structures thereon necessary or convenient for the economical operation of said land alone or conjointly with neighboring lands, to produce, save, take care of, and manufacture all of such substances, and the injection of water, brine, and other substances into the subsurface strata, said tract of land being situated in the County of Lane, State of Kansas, and described as follows:

**NE/4 SECTION 8-T20S-R27W**Containing 160.00 acres, more or less.

2. This lease shall remain in force for a term of TWO (2) YEARS (called "primary term") and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of the products covered by this lease is or can be produced.
3. The lessee shall deliver to lessor as royalty, free of cost, on the lease, or into the pipe line to which lessee may connect its wells the equal one-eighth part of all oil produced and saved from the leased premises, or at the lessee's option may pay to the lessor for such one-eighth royalty the market price at the wellhead for oil of like grade and gravity prevailing on the day such oil is run into the pipe line or into storage tanks.
4. The lessee shall pay to the lessor, as a royalty, one-eighth (1/8<sup>th</sup>) of the proceeds received by the lessee from the sale of gas, gas condensate, gas distillate, casinghead gas, gas used for the manufacture of gasoline or any other product, and all other gases, including their constituent parts, 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 shut in said 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.
5. This lease is a paid-up lease and may be maintaining during primary term without further payments or drilling operations.
6. In the event 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 to said lessor only in the proportion which his 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.
7. The lessee shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from existing wells of the lessor. When required by lessor, the 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 the lease to remove all machinery fixtures, houses, buildings and other structures placed on said premises, including the right to draw and remove all casing.
8. 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 the heirs, devisees, executors, administrators, successors, and assigns, but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of lessee, and no change of ownership in the land or in the royalties or any sum due under this lease shall be binding on the lessee until it has been furnished with either the original recorded instrument of conveyance or a duty certified copy thereof, or a certified copy of the will of any deceased owner and of the probate thereof, or certified copy of the proceedings showing appointment of an administrator of the estate of any deceased owner, whichever is appropriate together with all original recorded instruments of conveyance or duly certified copies thereof necessary in showing a complete chain of title back to lessor of the full interest claimed, and all advance payments of rentals made hereunder before receipt of said documents shall be binding on any direct or indirect assignee, grantee, devisee, or administrator, executor, or heir of lessor.
9. If the leased premises are now or shall hereafter be owned in severality or in separate tracts, the premises may nonetheless be developed and operated as one lease, and all royalties accruing hereunder shall be divided among and paid to such separate owners in the proportion that the acreage owned by each separate owner bears to the entire leased acreage. There shall be no obligations on the part of the lessee to offset wells on separate tracts into which the land covered by the lease may now or hereafter be divided by sale, devisee, descent or otherwise, or to furnish separate measuring or receiving tanks.
10. Lessor hereby warrants and agrees to defend the title to the land 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.
11. 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 as 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.
12. Lessee may at any time surrender or cancel this lease in whole or in part by delivering or mailing such release to the lessor, or by placing same of record in the proper county. In case said lease is surrendered and canceled as to only a portion of the acreage covered thereby, then all payments and liabilities thereafter accruing under the terms of said lease as to the portion canceled shall cease and determine, but as to the portion of the acreage not released the terms and provisions of this lease shall continue and remain in full force and effect for all purposes.
13. All provisions hereof, express or implied, shall be subject to all federal and state laws and the orders, rules, or regulations (and interpretations thereof) of all governmental agencies administering the same, and this lease shall not be in any way terminated wholly or partially nor shall the lessee be liable in damages for failure to comply with any of the express or implied provisions hereof if such failure accords with any such laws, orders, rules or regulations (or interpretations thereof). If lessee should be prevented during the last six months of the primary term hereof from drilling a well hereunder by the order of any constituted authority having jurisdiction thereover, the primary term of this lease shall continue until six months after said order is suspended.
14. Lessee, at its option, is hereby given the right and power to pool or combine into one or more units the land covered by this lease, or any portion thereof, with other land covered by another lease, or leases 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 such minerals in and under said land, such pooling to be in a unit or units not exceeding 80 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 and/or condensate or distillate well, plus a tolerance of ten percent (10%) to conform to Governmental Survey quarter sections. Lessee shall execute in writing and file for record in the county in which the land is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a unit or units shall be treated for all purposes, except the payments of royalties on production from the pooled unit, as if it were included in this lease. If production is found on any part of the pooled acreage it shall be treated as if production is had from this lease whether any well is located on the land covered by this lease or not. Any well drilled on any such unit shall be and constitute a well hereunder. In lieu of the royalties elsewhere herein specified lessor shall receive on production from the unit so pooled only such portion of the royalty stipulated herein as the amount of his net royalty interest therein on an acreage basis bears to the total mineral acreage so pooled in the particular unit involved.
15. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors of said lessor and lessee.
16. Lessee may extend this lease for an additional term of one (2) years by payment of additional lease bonus of \$20/mineral acre before the expiration of the original primary term.

IN WITNESS WHEREOF, we sign the day and year first above written.

Ernest J. Mudd  
Ernest J. Mudd

NUMERICAL  
DIRECT  
INDIRECT  
 COMP. ORIG.  
COMPUTER

STATE OF KANSAS, LANE COUNTY, SS

This instrument was filed for record on the

29 day of March  
A.D. 2010 at 8:30 o'clock A.M. and  
duly recorded in Book 130 on page 171  
Fee 12.00

Jessie O. Baykovale  
Register of Deeds



ORION

File View Tools Help

05-72-08-00-00-0000-00-1-Appraisal use

R3160

Level: 501, 120, R27M, ADRES, 684, SE, W  
 Owner: MANORLY ELDON N  
 SHS, 0000 E ROAD 40, DUNSM, KS, K7139  
 Tax Year: 2011  
 App of ( 11/15/2011 )

Property: Add a Property, Find a Property, Property History  
 Party: Add a Party, Find a Party  
 Reporting: Add a Party, Find a Party  
 Activities: List Manager, Splits & Compos, Forms & Documents  
 Administration: View Job Queue, View Job History, View Job Schedule  
 Processes: Assessment Notices, Group Appeals, Certification  
 Configuration: System Code Setup, GAMV Setup, Assessment Setup, Market Setup, Sales Setup, User Maintenance

Property: MANORLY ELDON N  
 District: Free Sample - J  
 Parcel ID: SC-153  
 Address: PO BOX 4 DUNSM, KS 67843  
 Assessed Value: 100  
 Consumption Interest %: 100

*SE14 Surface owner*