

R. Evan Noll

(Petroleum Landman)

P.O. Box 1351
Hays, KS 67601

Office - 785.628.8774
Cell - 785.623.0698
Fax - 785.628.8478

February 13, 2012

M. R. & Diane Jacobs
42408 SE F
Kinsley, KS 67547

RE: Gleason Unit #2-4
1572 feet from South Line & 2524 feet from West Line
Section 4-24S-21W
Hodgeman County, Kansas

Dear Mr. & Mrs. Jacobs:

Prior to issuing a permit to drill, the Kansas Corporation Commission is requiring the property owner be notified. The operator of the captioned well is:

American Warrior, Inc.
P.O. Box 399
Garden City, KS 67846
Contact Man: Joe Smith - (620) 271-2258 - jsmith@pmtank.com

I'm enclosing a copy of the intent to drill filed with the KCC, a plat showing well, lease road, pipeline, electric line & tank battery locations. This is all non-binding and preliminary, being shown simply to satisfy State requirement. The actual locations will be determined by the dirt man.

Lowell Foos with Lowell Foos Oilfield Tractor Works, Bazine, Kansas, will be build the lease road and well site location.

If you want to be involved with the locations, contact Mr. Lowell Foos (785) 731-5612, reference the captioned well name and coordinate with him.

Sincerely,



R. Evan Noll
Contract Landman with American Warrior, Inc.

COPY

Form 68 - (PRODUCER'S SPECIAL) (PAID-UP)

83U (Rev. 1993)

OIL AND GAS LEASE

Recorder No. 09-118



Kansas State Print, 314 West 10th, Topeka, KS 66604

AGREEMENT, Made and entered into the 10th day of July 2004

by and between M. R. Jacobs, II and Diane Jacobs, his wife, RR 2, Box 84, Kingsley, KS 67347

where mailing address is J. Fred Hambricht, Inc., 125 N. Market, #1415, Wichita, KS 67202 hereinafter called Lessor (whether one or more), and

Lessor, in consideration of Ten & more Dollars (\$ 10,000) in hand paid, receipt of which is here acknowledged and of the covenants herein provided and of the agreement 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 constituents, including gas, water, other fluids, and air into subsurface strata, laying pipe lines, setting 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 constituents and other products manufactured therefrom, and housing and otherwise caring for its employees, the following described land, together with any reversionary rights and other-acquired interests, therein situated in County of Hodgeman State of Kansas described as follows to-wit:

Township 24 South, Range 21 West, Section 4: East 60 acres of SW/4

In Section XXX Township XXX Range XXX and containing 60 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 so long thereafter as oil, liquid hydrocarbons, gas or oil or respectively 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) of 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 an 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 all 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 to 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 operations thereon, except water from the wells of lessor. When requested by lessor, lessee shall bury lessor'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 in 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 status of either party hereto is assigned, and the privilege of assigning in the 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 royalty or production shall be binding on the lessor 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 repossess 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 lessor 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 of 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 purpose for which this lease is made, as aforesaid 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 lands, 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 about and that may be produced from said premises, such pooling to be of tracts contiguous to one another and to be in a unit or units not exceeding 60 acres each in the event of an oil well, or into a unit or units not exceeding 800 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 (not 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 any 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.

-Lessor or assigns agrees to restore surface to its original conditions as nearly as practical upon completion of drilling operation. gsh

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

Witness: M. R. Jacobs, II SS#

Diane Jacobs SS#

COPY

Form 88 - (PRODUCER'S SPECIAL) (PAID-UP)

83U (Rev. 1993)

OIL AND GAS LEASE

Reorder No. 09-116



Kansas Blue Print 100 S. Broadway, PO Box 703 Topeka, KS 66601-0703 316-234-2444 1-800-316-1166 www.kbp.com • kbp@kbp.com

AGREEMENT, Made and entered into the 18th day of March 2004

by and between Virginia Gleason; a single person

whose mailing address is 909 E. 5th, Kinsley, KS 67547 hereinafter called Lessor (whether one or more),

and J. Fred Hambright, Inc., whose address is 125 N. Market, Suite 1415

Wichita, KS 67202 hereinafter called Lessee:

Lessor, in consideration of One and More Dollars (\$1.00) in hand paid, receipt of which is hereby 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 pipelines, 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 furnishing and otherwise caring for its employees, the following described land, together with any revolutionary rights and after-acquired interests, therein situated in County of Hodgeman State of Kansas described as follows to-wit:

Township 24 South-Range 21 West

Section 4: SE/4

In Section Township Range and containing 160 acqs, more or less, and all accretions thereto. Three (3)

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 (1/8) 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) of 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 estate or equalities 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 of any mortgage, lease 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 lessor, 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 purpose for which this lease is made, as recited herein.

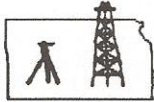
Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, when in lessee's judgment it is necessary or advisable to do so in order to properly develop and operate 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 unit 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 pooled into 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 or 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.

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

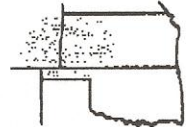
Witnesses:

Virginia Gleason

SS#



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



r020612-t
 PLAT NO.

9844
 INVOICE NO.

American Warrior Inc.

OPERATOR

Hodgeman County, KS

COUNTY

Gleason Unit #2-4

LEASE NAME

1572' FSL - 2524' FWL

LOCATION SPOT

4 24s 21w
 Sec. Twp. Rng.

SCALE: **1" = 1000'**
 DATE: **Feb. 6th, 2012**
 MEASURED BY: **Ben R.**
 DRAWN BY: **Luke R**
 AUTHORIZED BY: **Cecil O. & John E.**

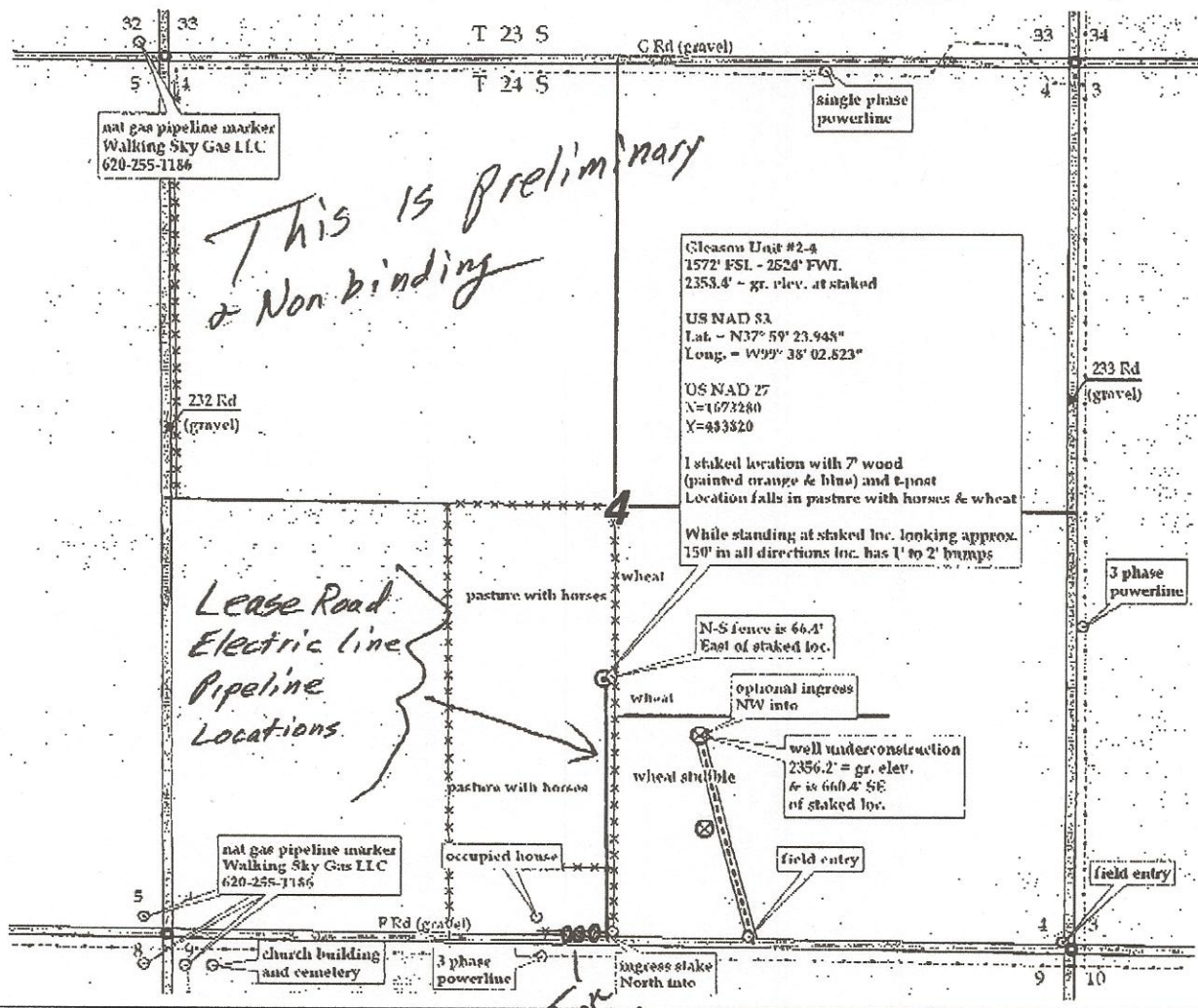
N

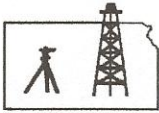
GR. ELEVATION: **2358.4'**

D.F.: _____

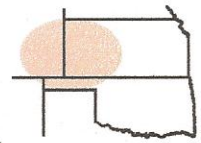
Directions: From the NW side of Hanston Ks at the intersection of Hwy 156 & Bazine Rd North/Spearville Rd South - Now go 7.9 miles South on Spearville Rd - Now go 4 miles East on H Rd - Now go 2 miles South on 232 Rd to the SW corner of section 4-24s-21w - Now go 0.5 mile East on F Rd to ingress North into - Now go approx. 500' North through pasture - Now go approx 1072' North through pasture with horses into staked location.
 Final ingress must be verified by land owner or Operator.

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





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



r020612-t
 PLAT NO.

9844
 INVOICE NO.

American Warrior Inc.
 OPERATOR
Hodgeman County, KS
 COUNTY

Gleason Unit #2-4
 LEASE NAME
1572' FSL - 2524' FWL
 LOCATION SPOT

4 24s 21w
 Sec. Twp. Rng.

SCALE: N/A
 DATE: Feb. 6th, 2012
 MEASURED BY: Ben R.
 DRAWN BY: Luke R
 AUTHORIZED BY: Cecil O. & John E.

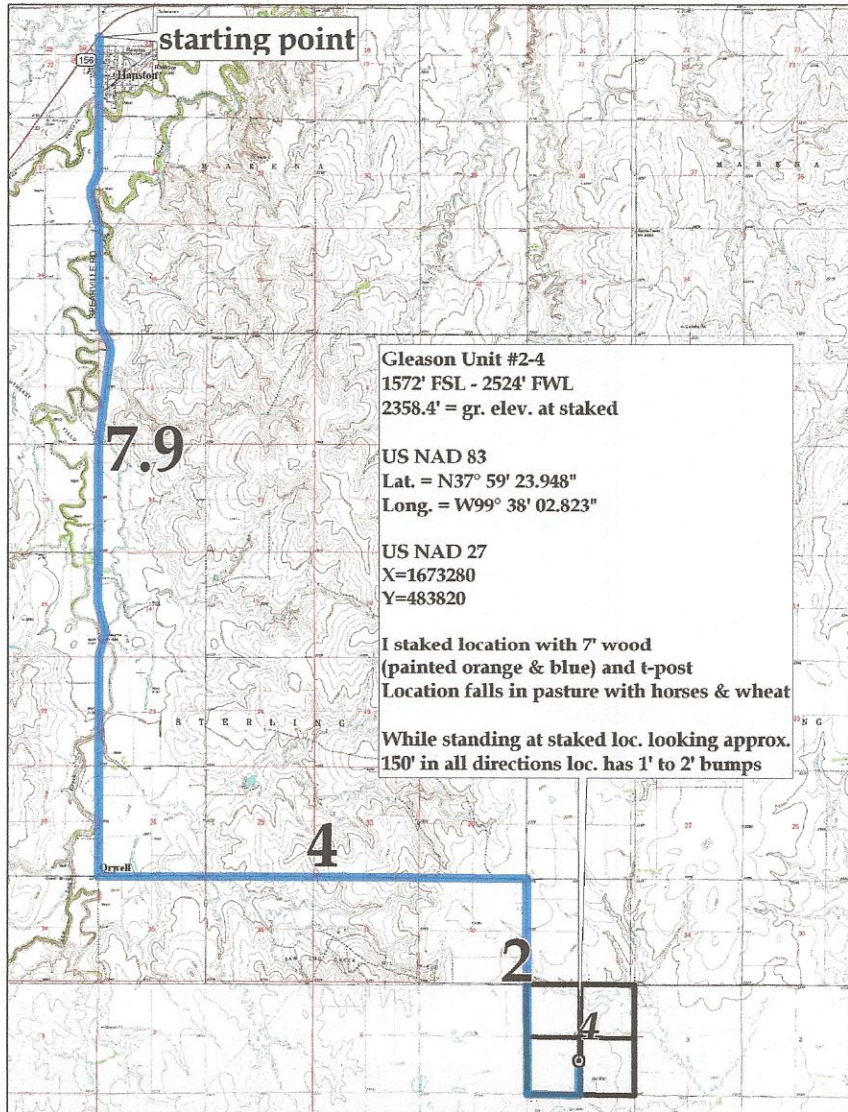


GR. ELEVATION: 2358.4' D.F.: _____

Directions: From the NW side of Hanston Ks at the intersection of Hwy 156 & Bazine Rd North/Spearville Rd South – Now go 7.9 miles South on Spearville Rd – Now go 4 miles East on H Rd – Now go 2 miles South on 232 Rd to the SW corner of section 4-24s-21w – Now go 0.5 mile East on F Rd to ingress North into – Now go approx. 500' North through pasture – Now go approx 1072' North thorough pasture with horses into staked location.

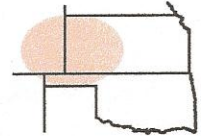
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9844
 INVOICE NO.

American Warrior Inc.
 OPERATOR
Hodgeman County, KS
 COUNTY

Gleason Unit #2-4
 LEASE NAME
1572' FSL - 2524' FWL
 LOCATION SPOT

4 24s 21w
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