



1075547

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

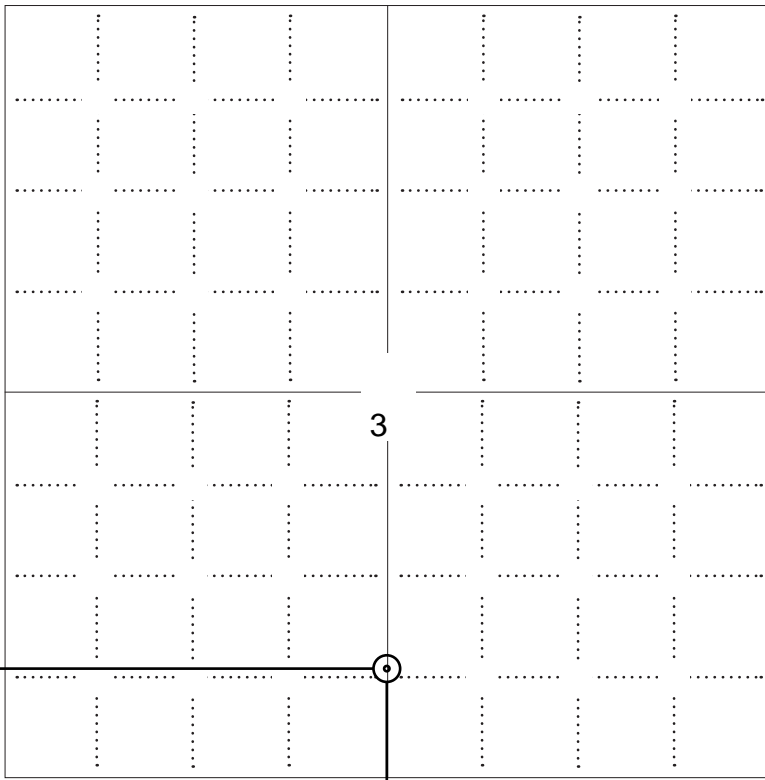
Is Section: Regular or Irregular

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.

747 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 1075547
 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	
Emergency, Settling and Burn Pits ONLY: 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		Drilling, Workover and Haul-Off Pits ONLY: 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>Submitted Electronically</p>			

KCC OFFICE USE ONLY

Liner Steel Pit RFAC RFAS

Date Received: _____ Permit Number: _____ Permit Date: _____ Lease Inspection: Yes No



CERTIFICATION OF COMPLIANCE WITH THE KANSAS SURFACE OWNER NOTIFICATION ACT

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

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

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

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

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

Surface Owner Information:

Name: _____
Address 1: _____
Address 2: _____
City: _____ State: _____ Zip: _____ + _____

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

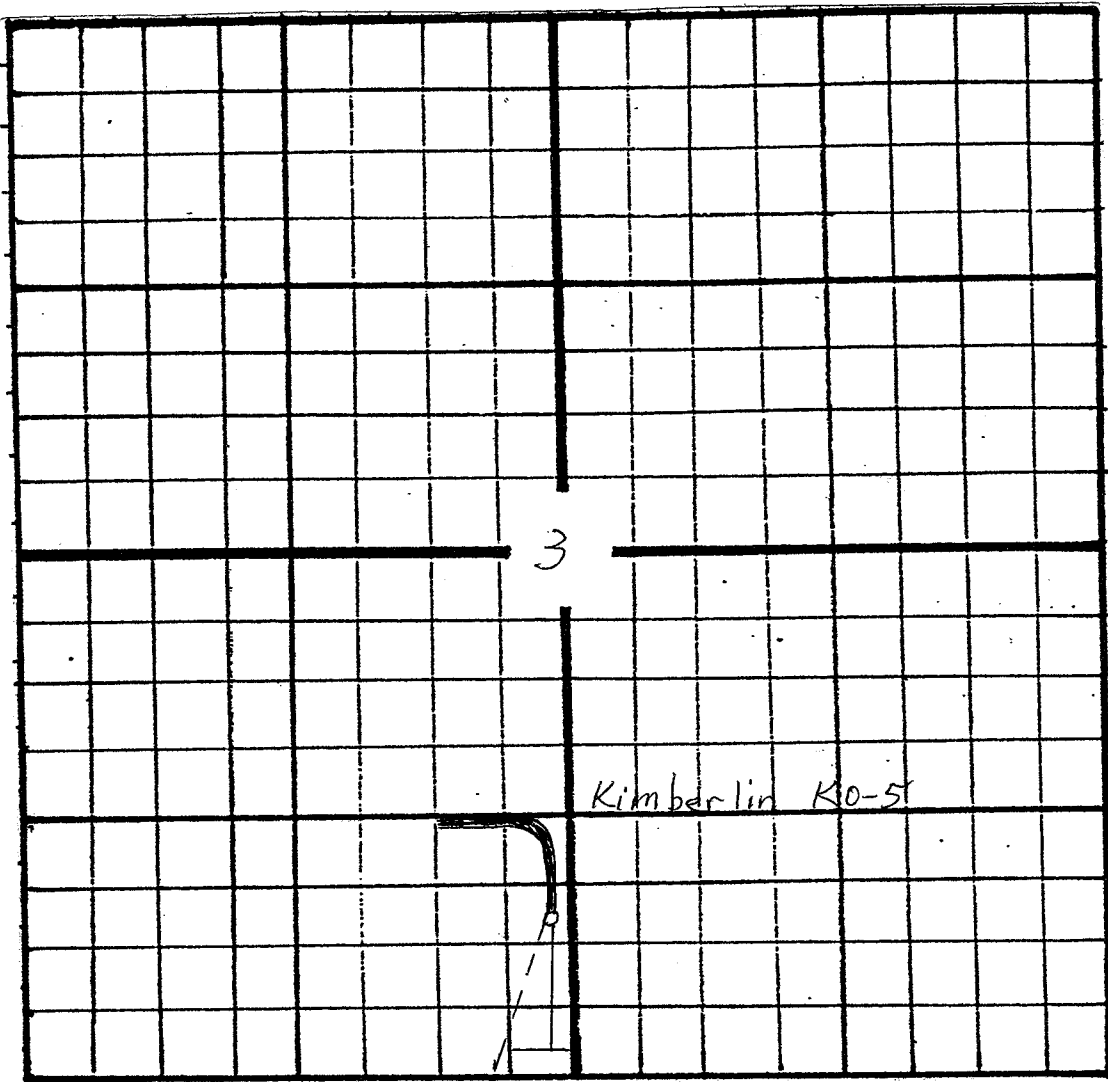
If this form is being submitted with a Form C-1 (Intent) or CB-1 (Cathodic Protection Borehole Intent), you must supply the surface owners and the KCC with a plat showing the predicted locations of lease roads, tank batteries, pipelines, and electrical lines. The locations shown on the plat are preliminary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

Select one of the following:

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

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

I Submitted Electronically





Jessica A. Young *Rec'd*

ORIGINAL COMPARED WITH RECORD

OIL AND GAS LEASE

AGREEMENT, made and entered into effective this 7th day of July, 2010, by and between, CASEY KIMBERLIN and PAULA KIMBERLIN, husband and wife, hereinafter called OWNER or LESSOR, and JOHN C. MEARS, hereinafter called LESSEE:

1. OWNER, for and in consideration of the covenants and agreements hereinafter contained on the part of the LESSEE, Lease for the sole and only purpose of mining and operating for oil and gas, with the term "gas" specifically including coal bed methane gas and occluded gas from coal seams, helium, carbon dioxide, gaseous sulphur compounds, and other commercial gases, with rights of way and easements for laying pipelines, and erections of structures thereon to produce, transport, store and take care of said oil or gas products (including dewatering of coal bed gas wells), the following described real estate situated in Wilson County, Kansas:

The South Half (S/2) of Section Three (3), Township Twenty-seven (27) South, Range Sixteen (16), East of the 6th P.M., Wilson County, Kansas, containing 320 acres, more or less.

2. This lease shall remain in full force until 15th day of July, 2011 and as long thereafter as oil or gas, or either of them is produced from the leased premises in paying quantities, or drilling, or reworking operations are being conducted thereon, with no period of more than ninety (90) consecutive days during which there is neither production nor drilling or reworking operations being conducted on the leased premises.

3. If no well be commenced on said land on or before the 15th day of July, 2011, this lease shall terminate as to both parties, EXCEPT should the first well drilled on the above described land be a dry hole, then, and in that event, if a second well is not commenced on said land within twelve (12) months from the expiration of the last rental period for which rental has been paid, this lease shall terminate as to both parties, unless the LESSEE on or before the expiration of said twelve (12) months 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.

4. LESSEE covenants and agrees:

(a) To deliver to the credit of OWNER, free of cost, in the pipeline to which LESSEE may connect his wells, the equal one-eighth (1/8) part of oil produced and saved from the leased premises.

(b) To pay OWNER for gas from each well where only gas is found one-eighth (1/8) of the gross proceeds at the mouth of the well at the prevailing market rate, for all gas used off the premises, said payments to be made monthly, and OWNER to have gas free of costs from any such well for domestic uses and heating one residence on the leased premises by making their own connections with the well at their own risk and expense.

(c) To pay OWNER for gas produced from any oil well and used off the premises, or for the manufacture of casinghead gasoline, one-eighth (1/8) of the proceeds at the prevailing market rate for the gas used, for the time during which such gas shall be used, said payments to be made monthly.

(d) To pay OWNER a one-eighth (1/8) guaranteed royalty of \$4,800.00 annually with the first payment to be calculated as of the 15th day of July, 2012 the one-eighth (1/8) part of all oil and gas produced upon the leased premises during the preceding one year period shall apply against the guaranteed royalty for that one year period. In the event the one-eighth (1/8) part of oil and gas should exceed the guaranteed royalty of \$4,800.00 for a one year period, then the OWNER shall receive the excess amount in addition to the guaranteed royalty. The guaranteed royalty shall be paid annually on the 15th day of September, with the first guaranteed royalty payment to be made on the 15th day of September, 2012. LESSEE is given a ten day grace period on each annual payment. Payment of guaranteed royalty shall constitute production in paying quantities for purposes of continuing the term of this lease beyond July 15, 2011 in lieu of actual production in paying quantities.

SEE REVERSE SIDE FOR ADDITIONAL PROVISIONS

(#4 continued on reverse side)

IN WITNESS WHEREOF, we have hereunto set our hands the day and year first above written.

LESSOR(S):

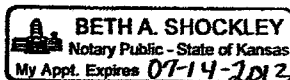
Casey Kimberlin
CASEY KIMBERLIN,

Paula Kimberlin
PAULA KIMBERLIN

STATE OF KANSAS, COUNTY OF WILSON, SS:

Acknowledged before me this 2nd day of July, 2010 by Casey Kimberlin and Paula Kimberlin, husband and wife.

My Commission Expires:
07-14-2012



Beth A. Shockley
Notary Public

**Kimberlin / Mears
Oil and Gas Lease
ADDITIONAL TERMS**

4. (continued)

- (e) To bury all pipelines below plow depth.
- (f) To operate the lease in a workmanlike manner, to close and secure all gates located on the leased premises, to not cut any fences, and to repair any fences or terraces damaged by LESSEE.
- (g) To pay for damages caused by LESSEE'S operations to crops on the leased premises and to pay for all other damages caused by LESSEE.
- (h) 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.
- (i) To make only one road to each well, to make no roads exceeding twenty (20) feet in width, and to properly maintain such roads. LESSEE or operator shall consult with farm tenant or operator to locate entrances and roads so as to cause the least amount of interference with OWNER'S use of the surface. Lessee shall pay an annual damage payment of \$60.00 per acre crop damage for cropland used by Lessee for roads, tank batteries and other uses which permanently occupies the surface during the term of this lease. Acreage used shall be calculated on a square footage measurement basis, and said calculation shall be provided to Lessor.
- (j) No well shall be drilled nearer than 200 feet to the building on the leased premises, without the consent of the OWNER.
- (k) To restore and level the surface of any land affected by LESSEE'S operations, to its condition prior to LESSEE'S operations.
- (l) LESSEE shall fence each pump jack, well and tank battery sufficient to prevent cattle from reaching them.

5. LESSEE shall have the right to use, free of cost, gas, oil, and water produced on said land for his operations thereon, except water from wells of OWNER, or from ponds of OWNER shall not be used without OWNER'S written consent.

6. 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 assignments of rental 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; and it is hereby agreed that in the event this lease shall be assigned as to a part or as to parts of the above described lands and the assignee or assignees of such part or parts shall fail or make default in the payment of the proportionate part of the rents due from him or them, such default shall not operate to defeat or affect this lease in so far as it covers a part or parts of said lands upon which the said LESSEE or any assignee thereof shall make due payment of said rental. In case LESSEE assigns this lease, in whole or in part, LESSEE shall be relieved of all obligations with respect to the assigned portions arising subsequent to the date of assignment.

7. OWNER hereby warrants and agrees to defend the title to the lands herein described, and agree that the LESSEE shall have the right at any time to redeem for OWNER by payment, any mortgages, taxes or other liens on the above described lands, in the event of default of payment by OWNER, and be surrogated to the rights of the holder thereof.

8. For consideration first stated above, LESSOR conditionally grants to LESSEE an easement and right-of-way as provided herein. The use of such easement and right-of-way are conditioned upon LESSEE first paying or tendering to LESSOR the sum of TEN DOLLARS (\$10.00) per rod. Such payment or tender may be made at any time while this Lease is in effect. Such easement and right-of-way are described as follows: LESSOR grants to LESSEE a strip of land three (3) rods wide for the purpose of laying, constructing, operating, inspecting, maintaining, repairing, replacing and removing a pipeline or pipelines for the transportation of water, brines, oil, gas and other substances, and electric line(s), at a location or locations to be determined by LESSEE, on, in, over and through the land described herein above. The centerline of such easement and right-of-way shall be the center of the pipeline(s) and/or electric line(s) as actually laid. LESSEE will consult with LESSOR on course, route and direction of lines so as to minimize interference with surface use by LESSOR. Such pipeline(s) and electric line(s) shall be buried when reasonably possible below plow depth. LESSEE shall pay for damages to growing crops, fences or other structures of LESSOR that are caused by the construction, maintenance and operation of such pipeline(s) and electric line(s). LESSEE shall have the right of ingress and egress to and from the premises for all purposes necessary in exercise of the rights granted herein. This easement and right-of-way shall be construed as if conveyed by separate instrument, without regard to the Oil and Gas Lease or the terms thereof, provided, however, that if use of such easement and right-of-way is not actually commenced within the term of said Oil and Gas Lease or extension or renewal thereof, then this easement and right-of-way and all rights granted thereunder shall cease and terminate on the date said Oil and Gas Lease expires. This easement and right-of-way are independent of, and in addition to, and are not a substitute for, the rights of LESSEE under said Lease, which rights are not hereby diminished or affected, it being understood that this easement and right-of-way provides for transporting products mentioned herein which may be produced, obtained, stored or transported upon or across lands adjacent thereto or in the vicinity thereof. The easement and right-of-way granted herein are a covenant running with the land and shall extend to LESSEE and LESSEE'S successors and assigns, and shall remain in force for the term of said Oil and Gas Lease as along thereafter as such easement and right-of-way are used by LESSEE, its successors and assigns, for the purposes herein mentioned.

9. Shut In. Following the primary term, or any extension thereof, where gas from a well is shut-in and is not sold or used, Lessee shall pay Lessor a shut-in gas bonus of Ten Dollars (\$10.00) per year per net mineral acre retained hereunder, for a period not to exceed five (5) years. Shut-in royalty paid shall apply towards the guaranteed royalty payment.

10. All express or implied covenants of this lease shall be subject to all federal and state laws, executive orders, rules or regulation, 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.

11. If said OWNER owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided shall be paid the OWNER only in the proportion which their interest bears to the whole and undivided fee, and the signing of this agreement shall be binding on each of the above named parties who sign, regardless of whether it is signed by any of the other parties.

NOTICE

Nearest Lease or Unit Boundary Line

K.A.R. 82-3-108 provides that all oil and gas well locations must comply with setback requirements, unless an exception has been granted by the Commission. Depending upon whether the subject well is an oil well or gas well, and also depending upon the county in which the well is located, the setback may be 330 feet or 165 feet from the nearest lease or unit boundary.

This Intent to Drill (“C-1”) form indicates that the distance between the well and the nearest lease or unit boundary will comply with the setback requirement. Accordingly, the C-1 has been approved. However, the C-1 also stated that the well location is very near a boundary line of a Section or a Quarter-Section. This notice is being sent as a courtesy reminder, in case an error was made on the C-1.

As the operator of the proposed well, you must independently verify that the proposed well location complies with the applicable regulatory setback. If at any time it should appear that a well does not comply with the regulatory setback, the well may be subject to being shut-in pending Commission approval of an application for a well location exception. In addition, if such an application is not granted by the Commission, you may be required to plug the well.

If the proposed well location will comply with the regulatory setback, this notice may be disregarded. Please contact the KCC Production Department with any questions or concerns.