



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

KANSAS CORPORATION COMMISSION 1076096  
 OIL & GAS CONSERVATION DIVISION

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

**NOTICE OF INTENT TO DRILL**

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

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

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

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

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

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

If OWWO: old well information as follows:

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

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

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

(Note: Locate well on the Section Plat on reverse side)

County: \_\_\_\_\_  
 Lease Name: \_\_\_\_\_ Well #: \_\_\_\_\_  
 Field Name: \_\_\_\_\_  
 Is this a Prorated / Spaced Field?  Yes  No  
 Target Formation(s): \_\_\_\_\_  
 Nearest Lease or unit boundary line (in footage): \_\_\_\_\_  
 Ground Surface Elevation: \_\_\_\_\_ feet MSL  
 Water well within one-quarter mile:  Yes  No  
 Public water supply well within one mile:  Yes  No  
 Depth to bottom of fresh water: \_\_\_\_\_  
 Depth to bottom of usable water: \_\_\_\_\_  
 Surface Pipe by Alternate:  I  II  
 Length of Surface Pipe Planned to be set: \_\_\_\_\_  
 Length of Conductor Pipe (if any): \_\_\_\_\_  
 Projected Total Depth: \_\_\_\_\_  
 Formation at Total Depth: \_\_\_\_\_  
 Water Source for Drilling Operations:  
 Well  Farm Pond  Other: \_\_\_\_\_  
 DWR Permit #: \_\_\_\_\_  
 (Note: Apply for Permit with DWR )  
 Will Cores be taken?  Yes  No  
 If Yes, proposed zone: \_\_\_\_\_

**AFFIDAVIT**

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 et. seq.

It is agreed that the following minimum requirements will be met:

1. Notify the appropriate district office **prior** to spudding of well;
2. A copy of the approved notice of intent to drill **shall be** posted on each drilling rig;
3. The minimum amount of surface pipe as specified below **shall be set** by circulating cement to the top; in all cases surface pipe **shall be set** through all unconsolidated materials plus a minimum of 20 feet into the underlying formation.
4. If the well is dry hole, an agreement between the operator and the district office on plug length and placement is necessary **prior to plugging**;
5. The appropriate district office will be notified before well is either plugged or production casing is cemented in;
6. If an ALTERNATE II COMPLETION, production pipe shall be cemented from below any usable water to surface within **120 DAYS** of spud date.  
 Or pursuant to Appendix "B" - Eastern Kansas surface casing order #133,891-C, which applies to the KCC District 3 area, alternate II cementing must be completed within 30 days of the spud date or the well shall be plugged. **In all cases, NOTIFY district office** prior to any cementing.

**Submitted Electronically**

For KCC Use ONLY
API # 15 - _____
Conductor pipe required _____ feet
Minimum surface pipe required _____ feet per ALT. <input type="checkbox"/> I <input type="checkbox"/> II
Approved by: _____
<b>This authorization expires:</b> _____ <small>(This authorization void if drilling not started within 12 months of approval date.)</small>
Spud date: _____ Agent: _____

**Remember to:**

- File Certification of Compliance with the Kansas Surface Owner Notification Act (KSONA-1) with Intent to Drill;
- File Drill Pit Application (form CDP-1) with Intent to Drill;
- File Completion Form ACO-1 within 120 days of spud date;
- File acreage attribution plat according to field proration orders;
- Notify appropriate district office 48 hours prior to workover or re-entry;
- Submit plugging report (CP-4) after plugging is completed (within 60 days);
- Obtain written approval before disposing or injecting salt water.
- If well will not be drilled or permit has expired (See: authorized expiration date) please check the box below and return to the address below.

**Well will not be drilled or Permit Expired** Date: \_\_\_\_\_  
 Signature of Operator or Agent: \_\_\_\_\_

E  
 W



1076096

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

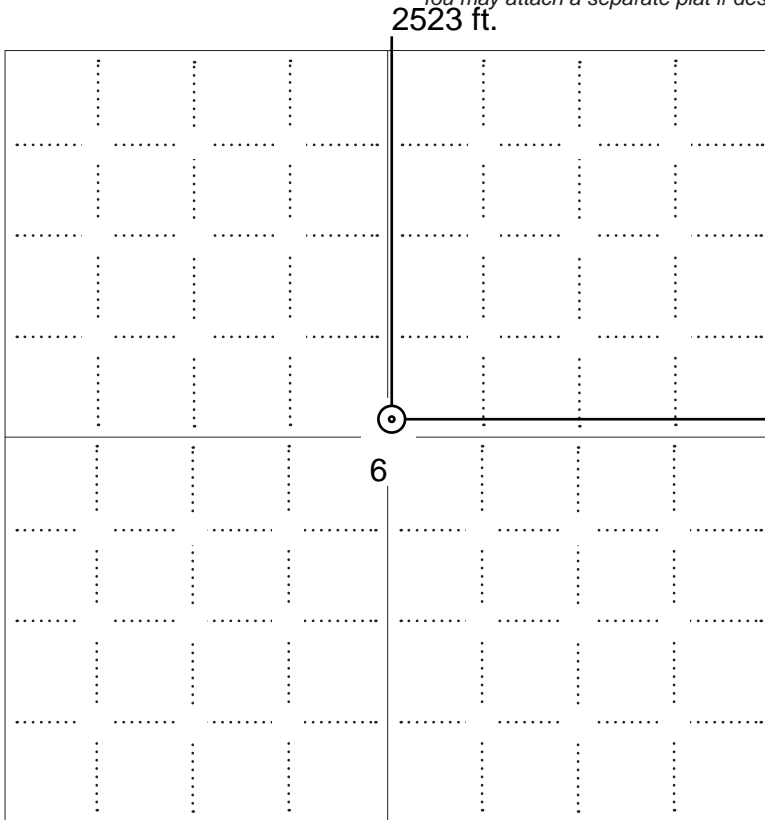
**If Section is Irregular, locate well from nearest corner boundary.**

Section corner used:  NE  NW  SE  SW

### PLAT

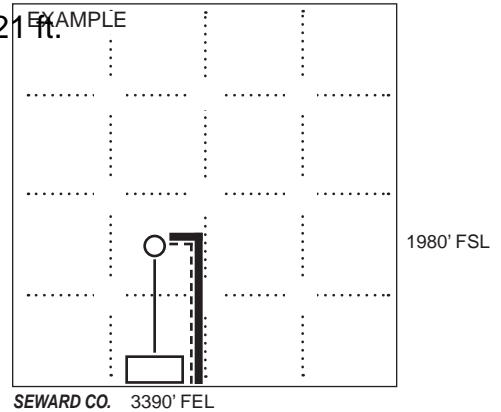
Show location of the well. Show footage to the nearest lease or unit boundary line. Show the predicted locations of lease roads, tank batteries, pipelines and electrical lines, as required by the Kansas Surface Owner Notice Act (House Bill 2032).

*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.**

#### 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 1076096  
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:

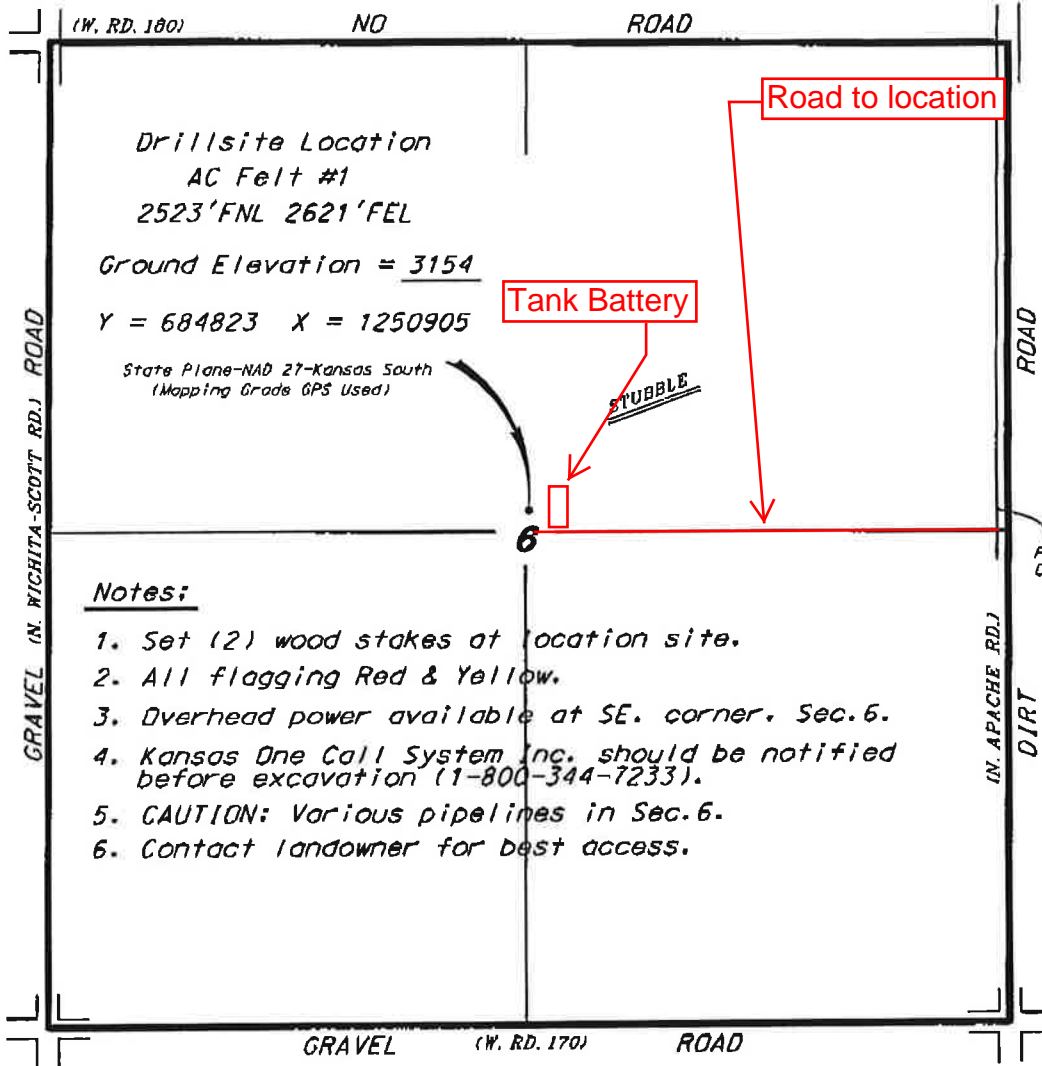
- I certify that, pursuant to the Kansas Surface Owner Notice Act (House Bill 2032), I have provided the following to the surface owner(s) of the land upon which the subject well is or will be located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form CP-1 that I am filing in connection with this 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.*

I Submitted Electronically

I

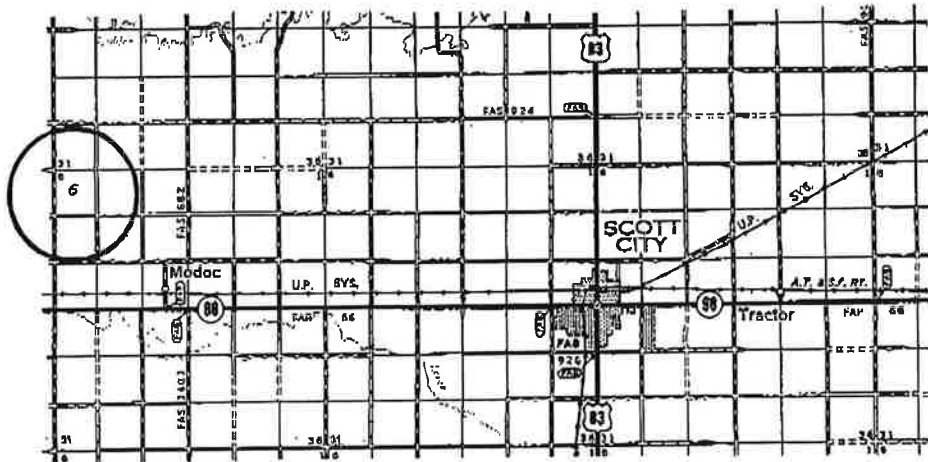
NEW GULF OPERATING, LLC  
AC FELT LEASE  
NE. 1/4, SECTION 6, T18S, R34W  
SCOTT COUNTY, KANSAS



\*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.

Notes:

1. Set (2) wood stakes at location site.
2. All flagging Red & Yellow.
3. Overhead power available at SE. corner. Sec.6.
4. Kansas One Call System Inc. should be notified before excavation (1-800-344-7233).
5. CAUTION: Various pipelines in Sec.6.
6. Contact landowner for best 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 operating this plot 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 March 7, 2012

OIL AND GAS LEASE

Reorder No. 09-115



Kansas Blue Print 700 S. Broadway PO Box 783 Wichita, KS 67201-0783 316-264-9344 264-5165 fax www.kbp.com kbp@kbp.com

OKlin# 6

2007

AGREEMENT, Made and entered into the 15th day of November

by and between Felt Irrevocable Trust dated August 26th, 1988

BY: (Mary Margaret Moore, Trustee) AND (Barbara Ann Welton, Trustee),

whose mailing address is c/o J. Donel Moore, 14444 Behling Rd, Concord, MI 49237 hereinafter called Lessor (whether one or more),

and White & Ellis Drilling, Inc. 401 E Douglas, Ste 500, Wichita KS 67202

hereinafter called Lessee:

Lessor, in consideration of one and more Dollars (\$ 1.00 + ) in hand paid, 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 Scott State of Kansas described as follows to-wit:

\* See Exhibit A attached hereto and made a part hereof:

In Section XXX Township XXX Range XXX and containing 640 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 (1/8) 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 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.

STATE OF KANSAS, SCOTT COUNTY, SS

This instrument was filed for record on the

10th day of November, A.D. 2007

10 o'clock P.M., and duly recorded in book

216 page 90

Stephanie Murphy by ds

1600 Register of Deeds



COMPUTER NUMERICAL ds

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

Witnesses: (Mary Margaret Moore, Trustee)

(Barbara Ann Welton, Trustee)

BY: J. Donel Moore, Attorney-In-Fact

BY: J. Donel Moore, Attorney-In-Fact

Tax I.D. # (fein) 381-63-5167

**Exhibit A**

Attached to and made a part hereof an Oil and Gas Lease dated ~~October 17, 2007~~ <sup>NOVEMBER 15,</sup> by and between Felt Irrevocable Trust, dated August 26<sup>th</sup>, 1988 as Lessor and White & Ellis Drilling, Inc., as Lessee, covering the following described property in Scott County, Kansas, to wit:

**Township 18 South – Range 34 West**

- (Tract 1) Section 06: NW/4
- (Tract 2) Section 06: NE/4
- (Tract 3) Section 06: SW/4
- (Tract 4) Section 06: SE/4

1. It is understood and agreed that the above-described Tracts shall constitute separate and individual Leases according to the terms herein established. Production on any single Tract above shall not hold any other Tract Lease by said production.
2. Lessee agrees, all payments made pursuant to this lease, including without limitation, initial bonus consideration and royalty payments, shall be made to Felt Farm Operations, c/o J. Donel Moore, Manager, 14444Behling Road, Concord, MI 4923
3. Any terraces driven over or altered for drilling or tank locations shall be restored to original *height and contour* as nearly as is practicable.
4. In the event of drilling operations on said land, Lessee or assigns agree to backfill all slush pits, level the location and restore the surface as nearly as is practicable. Lessee or assigns agrees to pay for all damages of any nature arising from its operations on the above-described land.
5. It is understood and agreed that upon the termination of production on the Lease, all equipment of Lessee shall be removed within six (6) months and all sites shall be restored to their original condition a nearly as is practicable
6. A sufficient dike shall be placed around tank batteries. Also tank batteries and pumping equipment units shall be fenced to restrain cattle in pastures or on ground that Lessor grazes cattle on milo stalks or wheat. Lessee or assigns agrees to comply with all applicable Federal, State and Local laws and regulations.
7. If at the end of the primary term, this Lease is not otherwise continued in force under the provisions hereof, this Lease shall expire, unless Lessee on or before the end of the primary term shall pay or tender to Lessor, the sum equal to the total original per acre bonus paid to Lessor under the initial primary term of said lease multiplied by the number of net mineral acres owned by Lessor in the land above described and then subject to this Lease; and subject to the other provisions of this Lease. The primary term shall be extended for an additional term of two (2) years from the end of the primary term hereof. It is understood and agreed that the option to extend may be exercised individually according to the tracts herein described, with no obligation on remaining tracts.
8. If any part of the leased premises are subject to or enrolled in the Conservation Reserve Program, Lessee shall re-seed to grass all areas thereof affected by Lessee's operations and hold Lessor harmless from penalties or liquidated damages assessed the Department of Agriculture, the Soil Conservation Service or the Agricultural Stabilization and Conservation Services under the Conservation Reserve Program as a result of Lessee's operations.
9. It is the intention of the parties hereto to cause as little interference with farming operations on said land as possible, including but not limited to the operation of pivotal irrigation sprinklers, or other irrigation methods. If the lands covered hereby are irrigated by the use of a self-propelled overhead sprinkler system, presently in operation or installed hereafter, the Lessee, prior to conducting operations hereon, shall consult with the Lessor in regard to said drilling operations. Said operations shall be conducted in such a manner as will least disturb or interfere with Lessor's irrigation system or the surface contours of the leased premises. Should any alterations to the surface contours be caused by its operations, Lessee, or his assign, shall restore said surface contours to their former condition as nearly as is practicable. In the event of production and continued use of the surface, Lessee, or his assigns, will restore or prepare the surface and situate and install all equipment needed in connection therewith, so that Lessee's use thereof will not interfere with the passage of said over-head sprinkler irrigation system. Any production equipment, including but not limited to pump jacks, hydraulic lifting or other equipment necessary to produce any oil or gas well on said land shall use low profile equipment and/or recess equipment to such depths as to permit the use by Lessor of circular irrigation sprinkler system.
10. Lessee shall consult with Lessor and obtain consent as to routes of ingress/egress as well as road and equipment placement on said premises for the purpose of drilling and production.

**Felt Irrevocable Trust, dated August 26<sup>th</sup>, 1988**

(Mary Margaret Moore, Trustee),

(Barbara Ann Welton, Trustee)

By:

By:

J. Donel Moore, Attorney-In-Fact

J. Donel Moore, Attorney-In-Fact

**AFFIDAVIT OF POSSESSION**

By Fee Owner

State of Michigan } ss.  
County of Jackson }

I (Mary Margaret Moore, Trustee), of the Felt Irrevocable Trust, dated August 26th, 1988, being first duly sworn, deposes and says:

My name is (Mary Margaret Moore, Trustee) of the Felt Irrevocable Trust dated August 26th, 1988, that I am of lawful age and reside in Calhoun County, Michigan.

That I am an owner of lands situated in the Country of Scott, State of Kansas, described as follows, to wit:

**Township 18 South - Range 34 West**

Section 06: ALL

of Section XXX Township XXX Range XXX and containing 640 acres, more or less,

That I, have been in open, adverse, exclusive, continuous, and undisputed possession of said lands for more than one (1) years last past

That I am paying taxes on, occupying and cultivating said land.

(Mary Margaret Moore, Trustee)

BY: [Signature]

J. Donel Moore-Attorney-In-Fact

**Felt Irrevocable Trust, dated August 26th, 1988**

STATE OF Michigan } SS.  
COUNTY OF Calhoun }

ACKNOWLEDGMENT FOR INDIVIDUAL

Before me, the undersigned, a Notary Public, within and for said County and State on this 28<sup>th</sup> day of November, 2007, personally appeared J. Donel Moore, Attorney-In-Fact

for (Mary Margaret Moore, Trustee), of the Felt Irrevocable Trust dated 8/26/1988, to me personally known to be the identical person XXXX who executed the within and foregoing instrument and acknowledged to me that she executed

the same as a free and voluntary act and deed for the uses and purposes therein set forth, and at the same time the affiant was by me duly sworn to the foregoing Affidavit of Possession.

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

My commission expires 5-19-2011

[Signature]

Joyce Tuck, Notary Public



JOYCE TUCK  
Notary Public, State of Michigan  
County of Calhoun  
My Commission Expires 5/19/2011  
Acting in the County of Calhoun

NO



**AFFIDAVIT BY TRUSTEES**

COMES NOW the undersigned, of lawful age and upon their oaths being first duly sworn, and states as follows:

1- That this affidavit is made in connection with the following lands in Scott County, Kansas, to-wit:

Township 18 South - Range 34 West  
Section 6: ALL

2- That we are the presently-existing trustees of that trust known as the, Felt Irrevocable Trust dated, August 26th, 1988 to which the above-described property was conveyed by deed recorded in Book 87 at page 157 of the records of the Registrar of Deed of said County.

3- That said trust is Irrevocable and is presently in existence.

4- That we are authorized, without limitation, to execute and deliver to White & Ellis Drilling, Inc as lessee, an oil and gas lease or leases covering the above-described lands for a primary term of three (3) years.

**FURTHER AFFIANTS SAITH NAUGHT:**

(Mary Margaret Moore, Trustee)  
BY: J. Donel Moore, Attorney-In-Fact  
SUBSCRIBED AND SWORN TO this 28th day of November, 2007

(Barbara Ann Welton, Trustee)  
BY: J. Donel Moore, Attorney-In-Fact

NOTARY

STATE OF Michigan )  
COUNTY OF Calhoun )



JOYCE TUCK  
Notary Public, State of Michigan  
County of Calhoun  
My Commission Expires 5/19/2011  
Acting in the County of Calhoun

BEFORE ME, the undersigned, a Notary Public, within and for said County and State, on this 28th day of November, 2007 appeared (J. Donel Moore, Attorney-In-Fact) for (Mary Margaret Moore and Barbara Ann Welton, Trustees) of the Felt Irrevocable Trust dated August 26th, 1988) to me personally known to be the identical person who executed the within and foregoing instrument and acknowledged to me that he executed the same on their free and voluntary act and deed for the uses and purposes therein set forth.

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

My Commission Expires: 5-19-2011

Joyce Tuck  
JOYCE TUCK, Notary Public



JOYCE TUCK  
Notary Public, State of Michigan  
County of Calhoun  
My Commission Expires 5/19/2011  
Acting in the County of Calhoun

# Admission Agreement

Land description:

STATE OF Kansas  
COUNTY OF Scott

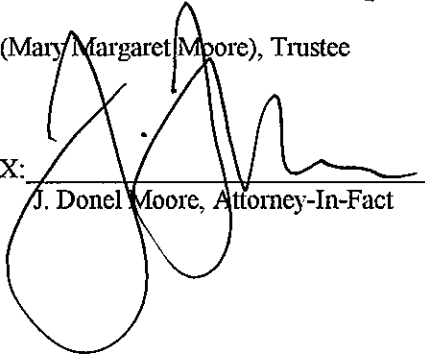
Township 18 South – Range 34 West  
Section 06: ALL

Since January 2000, to the best of my knowledge, no seismic permit has been granted for the above referenced tract of which required payment to the landowner that was based on the number of acres surveyed by seismic contractor.

**Felt Irrevocable Trust dated August 26<sup>th</sup>, 1988**

(Mary Margaret Moore), Trustee

X:

  
\_\_\_\_\_  
J. Donel Moore, Attorney-In-Fact

dated Nov. 28, 2007

**Hammerhead Resources, LLC**  
 c/o Greg Baker  
 8800 E Harry, # 910, Wichita, KS 67207  
 Wichita, KS 67207  
 Cell 316-303-4051, email gbaker1111@aol.com

**OWNERSHIP REPORT**

**Land** Township 18 South - Range 34 West  
 Section 06-ALL

Scott County, Kansas Containing 640 acres more or less

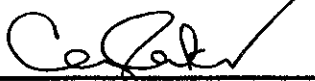
AFTER A CAREFUL EXAMINATION OF THE COUNTY RECORDS, IT APPEARS THAT THE ABOVE LAND IS OWNED AS FOLLOWS:

Name & Address of Mineral Owners	Interest	Net Acres	Leasehold Expiration Date
<p><b>Felt Irrevocable Trust, dtd 8/26/1988</b>            (Mary Margaret Moore, Trustee)            (Barbara Ann Welton, Trustee)</p> <p><b>Attorney-In-Fact for Trustees</b>            J. Donel Moore            14444 Behling Rd.            Concord, MI 49237</p> <p><b>Contact:</b>            517-745-0192 cell            517-524-8774 hm            donelm@frontiernet.net</p> <p><b>Note: Tracted out in 1/4 sections</b></p>	<p align="center">Full</p>	<p align="center">640</p>	<p>fbo White &amp; Ellis Drilling, Inc            Primay Term Expires 11/15/2010            Terms 10/3 primary, 10/2 option</p>

**Surface Owner and Remarks**  
 Same as above

*Liability limited to cost of document. Expired oil and gas leases and mortgages not examined.*

Prepared by:



Date: # 11/13/2007

## POWER OF ATTORNEY

We the undersigned, **MARY MARGARET MOORE** and **BARBARA ANN WELTON**, Trustees of the Felt Irrevocable Trust under Indentures of Trust dated January 17, 1955, December 11, 1956, December 12, 1957 and January 15, 1958, as amended, (the "Felt Irrevocable Trust"), of Calhoun County, Michigan and Orange County California, respectively, are the owners of the lands in the States of Kansas and Colorado that are described on Exhibit A to this power of attorney (the "Subject Lands"). We hereby nominate and appoint **WARREN KEITH MOORE** or **J. DONEL MOORE**, or either of them, our lawful attorney-in-fact ("agent") with full power and authority to exercise or perform any act, power, duty, right or obligation whatsoever that we now have or may hereafter acquire, relating to the Subject Lands. We grant to our agent full power and authority to do everything necessary in exercising any of the powers granted by this instrument as fully as we might or could do if personally present, with full power of substitution or revocation, hereby ratifying and confirming all that our agent shall lawfully do or cause to be done by virtue of this power of attorney and the powers conferred by it.

Without limiting or restricting in any way the general powers conferred upon our agent, we acknowledge and confirm our intention that our agent have the following specific powers: to bargain, contract, agree for, option, purchase, acquire, receive, improve, maintain, manage, operate, repair, insure, plat, partition, safeguard, lease, demise, grant, bargain, sell, assign, transfer, remise, release, exchange, convey, mortgage and hypothecate the Subject Lands and any interests therein (including, without limitation, oil, gas or other mineral leases, agricultural leases, and easements, rights of way and licenses of whatever kind or character), tenements and hereditaments, for such price, and upon such terms and conditions as our agent shall determine; to sell or contract for the sale of crops and commodities produced from or attributable to the Subject Lands, to open and maintain bank accounts, to collect, receive and receipt for any and all income derived from the Subject Lands, to make such expenditures as are necessary or advisable for the operation, preservation and improvement of the Subject Lands, to participate in government agricultural programs and to undertake all action required of participants in same and to generally perform any and all acts, fulfill any and all duties and to exercise any and all rights or privileges that are necessary to desirable, or that arise, in connection with the operation and management of the Subject Lands.

Third parties may rely upon the representations of our agent as to all matters relating to any power granted to our agent, and no person who may act in reliance upon the representations of our agent or the authority granted to our agent shall incur any liability to the Felt Irrevocable Trust, or any beneficiary thereof, as the result of permitting our agent to exercise any power, and for the purpose of inducing third parties to rely on this power of attorney, we warrant that, if this power of attorney is revoked or otherwise terminated we will indemnify and save such third party harmless from any loss suffered or liability incurred by such third party in good faith reliance on the authority of our agent prior to such third party's actual knowledge of revocation or termination of this power of attorney whether such termination is by operation of law or otherwise. This warranty shall bind our successors and assigns.

Photographic or other facsimile reproductions of this executed power may be made and delivered by our agent, and maybe relied upon by any person to the same extent as though the copy were an original. Anyone who acts in reliance upon any representation or certificate of my agent, or upon a reproduction of this power, shall not be liable for permitting my agent to perform any act pursuant to this power.

This power of attorney has been executed and delivered this \_\_\_\_ day of \_\_\_\_\_, 2001.

WITNESSES:

**Felt Irrevocable Trust**

Dawn M. Lazarus  
Dawn M. Lazarus

Mary Margaret Moore  
Mary Margaret Moore, Trustee

Sharon K. Farmer  
Sharon K. Farmer

Barbara Ann Welton  
Barbara Ann Welton, Trustee

STATE OF MICHIGAN     )  
  )SS.  
COUNTY OF CALHOUN    )

Be it remembered that on this 29th day of January , 2001, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came Mary Margaret Moore, Trustee of the Felt Irrevocable Trust, who is personally known to me to be the same person who executed the foregoing instrument, and duly acknowledged the execution of same.

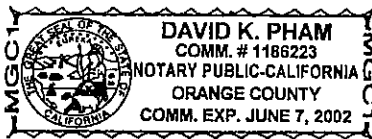
IN WITNESS WHEREOF, I have unto set my hand and affixed my notarial seal on the day and year last above written.

Dawn M. Lazarus  
Notary Public, Dawn M. Lazarus  
Calhoun County, Michigan  
My appointment expires:  
August 24, 2004

STATE OF CALIFORNIA    )  
  )SS.  
COUNTY OF ORANGE     )

Be it remembered that on this 15<sup>th</sup> day of March, 2001, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came BARBARA ANN WELTON, Trustee of the Felt Irrevocable Trust, who is personally known to me to be the same person who executed the foregoing instrument, and duly acknowledged the execution of same.

IN WITNESS WHEREOF, I have unto set my hand and affixed my notarial seal on the day and year last above written.



David K. Pham  
Notary Public  
Orange County, California  
My appointment expires:

Prepared by:  
J. Donel Moore  
1009 S. Superior St.  
Albion, MI 49224  
D01-003

**EXHIBIT A**

Attached to and made part of Power of Attorney given by  
Mary Margaret Moore and Barbara Ann Welton, Trustees of the  
Felt Irrevocable Trust to Warren Keith Moore or J. Donel Moore, agent

**Lands owned by the Trustees of the Felt Irrevocable Trust  
to which this Power of Attorney pertains ("Subject Lands"):**

**Scott County, Kansas**

Section 27, T17S, R34W: SE/4  
Section 29, T17S, R34W: Entire Section  
Section 34, T17S, R34W: NW/4 and SE/4  
Section 6, T18S, R34W: Entire Section  
Section 15, T18S, R34W: NE/4

**Wichita County, Kansas**

Section 13, T18S, R35W: NW/4

**Prowers County, Colorado**

Section 17, T25S, R41W: NW/4  
Section 30, T25S, R41W: SE/4  
Section 31, T25S, R41W: NE/4  
Section 27, T26S, R42W: NW/4  
Section 28, T26S, R42W: W/2 and NE/4  
Section 33, T26S, R42W: Entire Section

D01-003



**TIDELANDS GEOPHYSICAL**  
101 E. PARK BLVD.  
PLANO, TEXAS 75074

DATE: 12-30-2008

CLIENT KS CHMUC PROJECT: Orlin wa6

Surface Owner:

PERMIT #: 41

Felt 102 VENABLE TRUST INDENTURE

LEGAL DESCRIPTION

910 J. D. MOORE

All - 6 - 18 - 34

1444 BEHLING ROAD, CONCORD MT 49037  
Tel: 517-501-8774, Cell 517-745-0197

**GEOPHYSICAL PERMIT**

Tidelands Geophysical hereby requests permission to conduct a geophysical survey on the following described lands owned or leased by you in Scott County, Kansas:

Please indicate your ownership or other rights to occupy these lands by checking the appropriate blanks below.

(a) Surface Owner  (b) Mineral Owner  
 (c) Surface Tenant/Lessee  (d) Mineral Lessee (O&G)

Our operations will be conducted in accordance with standard industry practices and in a prudent and careful manner, and we agree to indemnify and hold you harmless from all liability and claims, if any, that may result from the operations conducted under this permit. In the unlikely event that this survey is cancelled or moved, we will notify you and this permit shall become null and void. For this seismic survey it is our intention to include under this permit any mineral interests (where your interests is in the minerals only) owned by you, but that we may be aware of at this time which may lie within the boundaries of this survey.

If your permission is granted, please so indicate by signing this permit form in the space provided below and return one copy of the permit in the enclosed courtesy envelope and retain the other copy for your records. Please fill in your phone number if it is not already indicated below. It is very important that you include your SSN or Tax ID for payment and let us know about any Oil and Gas leases and Tenant/Renter information affecting the lands covered by this permit.

All operations will be conducted at our risk and expense. Tidelands Geophysical Co. will indemnify and hold harmless from all liability to or claims from others, which may result from our operations on your lands. Upon completion of seismic activities, consideration in the amount of the greater of \$ 5.00 per acre for crops or \$ 3.00 per acre for pasture/fallow or N/A will be paid to you based on your interest in the here-in-above described acreage.

Farming/Pasture Tenant, if any: Jesse Cole Phone # (502) 973-2497 Cell #  
Address 358 WEDGE LANE Remarks Share Crop 1/3-2/3  
MEDIA, KS 67863

TOT CROP ACRES	12.0	@ \$ 5.00 =	\$ 600.00
Cash Rental Agreement - Tenant 100%			\$ NA
Share Crop Agreement - Surface owner	1/3	% 6.00	\$ 200.00
Tenant Farmer	2/3	% 6.00	\$ 400.00

TOT PASTURE/FALLOW ACRES	490	@ \$ 3.00 =	\$ 1470.00
Cash Rental Agreement - Tenant 100%			\$ NA
Share Crop Agreement - Surface owner		%	\$ 490
Tenant Farmer		%	\$ 980

**TOTAL SURFACE PERMITTING TO BE PAID \$ 690.00**

**TOTAL TENANT PERMITTING TO BE PAID \$ 1380.00**

**TOTAL PERMITTING FEES TO BE PAID \$ 2070.00**

If this ownership information is incorrect, please correct it on this permit. The undersigned hereby consents to the above request:

Signature: [Signature] Signature: NA  
Surface Owner: Donal Moore, Manager Tenant (Other)

Date: 1/5/09 SSN or Tax ID (Surface): 38-1635167 SSN or Tax ID (Tenant): NO OFFICE

Tidelands Representative: GREG BAKER Telephone No: 316-303-4651

CONDITIONS:

<u>NO TILL FARM GROUND</u>	
<u>CABLE LAID WITH</u>	
<u>4-WHEELS-NO TRUCK</u>	
<u>24-HR ADVANCE NOTICE</u>	
<u>OF SURVEY</u>	

**AFFIDAVIT OF EXTENSION OF OIL AND GAS LEASE**

COMES NOW the undersigned, of lawful age and upon oath being first dully sworn, and states as follows:

1. That this affidavit is made in connection with the following lands in Scott County, Kansas, to-wit:

Township 18 South, Range 34 West:

- NW/4 of Section 6 (Tract 1)
- NE/4 of Section 6 (Tract 2)
- SW/4 of Section 6 (Tract 3)
- SE/4 of Section 6 (Tract 4)

STATE OF KANSAS, SCOTT COUNTY, SS  
 This instrument was filed for record on the 15 day of October A.D. 2010  
10 o'clock A. M., and duly recorded in book  
237 page 9  
Melissa Murphy Sec de  
 \$ 8.00 Register of Deeds



2. That on November 15, 2007, Felt Irrevocable Trust, dated August 26, 1988 as Lessor, executed an Oil and Gas Lease to White & Ellis Drilling, Inc. as Lessee, recorded in the office of the Register of Deeds of Scott County in Book 216, Page 090. The above referenced lease contained a clause granting Lessee the right to extend the terms of the above referenced lease for a term of two years from November 15, 2010.

3. That on October 7th, 2010, Kansas CBM LLC rendered payment to Lessors to extend the above mentioned Oil and Gas Lease for a period of two years from November 15, 2010.

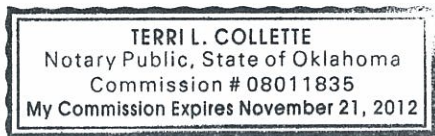
FURTHER AFFIANT(S) SAITH NAUGHT.

Mona Jenkins  
 Mona S. Jenkins

STATE OF OKLAHOMA     )  
   ) ss  
 COUNTY OF TULSA        )

11th BEFORE ME, the undersigned, a Notary Public, within and for said County and State, on this 11th day of October, 2010, appeared Mona S. Jenkins, to me personally known to be the identical person who executed the within and foregoing instrument and acknowledged to me that she executed the same as his free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year as above written.



Terri L. Collette  
 Notary Public



RECEIPT FOR EXTENSION OF OIL & GAS LEASE

FELT FARM OPERATIONS

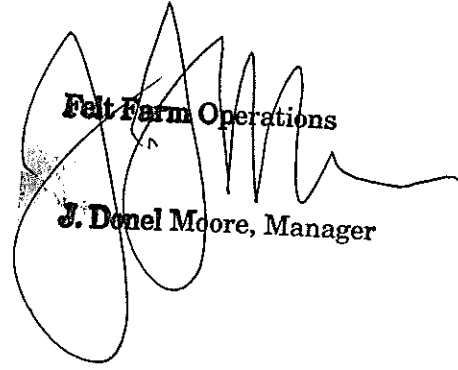
Received from Kansas CBM LLC this 4<sup>th</sup> day of ~~September~~ OCTOBER, 2010 the total sum of \$6,400.00, payable to ~~Felt Irrevocable Trust, dated August 26, 1988~~ as consideration for the option to extend for two years from November 15, 2010, said Oil and Gas Lease dated November 15, 2007 and recorded in Book 216, Page 090. Covering the following described lands in Scott County, Kansas:

Township 18 South, Range 34 West:

- NW/4 of Section 6 (Tract 1)
- NE/4 of Section 6 (Tract 2)
- SW/4 of Section 6 (Tract 3)
- SE/4 of Section 6 (Tract 4)

~~Felt Irrevocable Trust, dated August 26, 1988~~

By: J. Donel Moore, Attorney-In-Fact  
For: Mary Margaret Moore, Trustee and  
Barbara Ann Welton, Trustee

  
Felt Farm Operations  
J. Donel Moore, Manager

PLEASE DATE, SIGN & RETURN TO:  
Kansas CBM LLC  
6310 East 102<sup>nd</sup> Street  
Tulsa, OK 74137

Orlin Le

**AFFIDAVIT OF EXTENSION OF OIL AND GAS LEASE**

COMES NOW the undersigned, of lawful age and upon oath being first dully sworn, and states as follows:

1. That this affidavit is made in connection with the following lands in Scott County, Kansas, to-wit:

Township 18 South, Range 34 West:

- NW/4 of Section 6 (Tract 1)
- NE/4 of Section 6 (Tract 2)
- SW/4 of Section 6 (Tract 3)
- SE/4 of Section 6 (Tract 4)

STATE OF KANSAS, SCOTT COUNTY, SS

This instrument was filed for record on the

15 day of October, A.D. 2010

10 o'clock A. M., and duly recorded in book

237 page 9

Melissa Murphy by de

\$ 8.00 Register of Deeds



COMPUTER ds  
NUMERICAL ds

2. That on November 15, 2007, Felt Irrevocable Trust, dated August 26, 1988 as Lessor, executed an Oil and Gas Lease to White & Ellis Drilling, Inc. as Lessee, recorded in the office of the Register of Deeds of Scott County in Book 216, Page 090. The above referenced lease contained a clause granting Lessee the right to extend the terms of the above referenced lease for a term of two years from November 15, 2010.

3. That on October 7th, 2010, Kansas CBM LLC rendered payment to Lessors to extend the above mentioned Oil and Gas Lease for a period of two years from November 15, 2010.

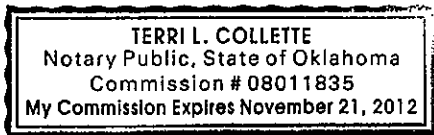
FURTHER AFFIANT(S) SAITH NAUGHT.

Mona S. Jenkins  
Mona S. Jenkins

STATE OF OKLAHOMA     )  
  ) ss  
COUNTY OF TULSA     )

11th BEFORE ME, the undersigned, a Notary Public, within and for said County and State, on this 11th day of October, 2010, appeared Mona S. Jenkins, to me personally known to be the identical person who executed the within and foregoing instrument and acknowledged to me that she executed the same as his free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year as above written.



TERRI L. COLLETTE  
Notary Public

RECEIPT FOR EXTENSION OF OIL & GAS LEASE

Orlin L

FELT FARM OPERATIONS

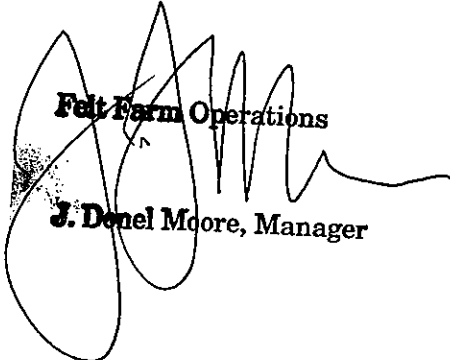
Received from Kansas CBM LLC this 4<sup>th</sup> day of ~~September~~ <sup>October</sup>, 2010 the total sum of \$6,400.00, payable to ~~Felt Irrevocable Trust, dated August 26, 1988~~ as consideration for the option to extend for two years from November 15, 2010, said Oil and Gas Lease dated November 15, 2007 and recorded in Book 216, Page 090. Covering the following described lands in Scott County, Kansas:

Township 18 South, Range 34 West:

- NW/4 of Section 6 (Tract 1)
- NE/4 of Section 6 (Tract 2)
- SW/4 of Section 6 (Tract 3)
- SE/4 of Section 6 (Tract 4)

~~Felt Irrevocable Trust, dated August 26, 1988~~

~~By: J. Donel Moore, Attorney-In-Fact  
For: Mary Margaret Moore, Trustee and  
Barbara Ann Welton, Trustee~~

**Felt Farm Operations**  
  
**J. Donel Moore, Manager**

PLEASE DATE, SIGN & RETURN TO:  
Kansas CBM LLC  
6310 East 102<sup>nd</sup> Street  
Tulsa, OK 74137

Orlin L

**FELT FARM OPERATIONS**

J. Donel Moore, Manager

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14444 Behling Road  
Concord, Michigan 49237  
Phone: (517) 524-8774  
Fax: (517) 524-7288

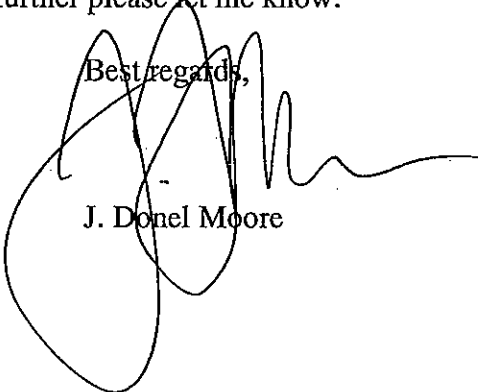
October 4, 2010

Kansas CBM, LLC  
6310 East 102<sup>nd</sup> Street  
Tulsa, OK 74137

To Whom It May Concern:

I am in receipt of your option payment for the oil and gas lease dated November 15, 2007 covering acreage then owned by the Felt Irrevocable Trust. An executed receipt for that payment is enclosed. This acreage, along with other acreage, was conveyed, effective January 1, 2009, to Felt Farm Operations, a Kansas general partnership. Please revise your records accordingly. Your letter makes reference to Form W-9, however, that form was not enclosed. I have previously completed Form W-9 which was transmitted to you under cover of letter dated September 27, 2010. If you require anything further please let me know.

Best regards,



J. Donel Moore



**NEW GULF OPERATING, LLC**

March 6, 2012

**VIA FACSIMILE (517) 524-7288**

Felt Farm Operations  
c/o J. Donel Moore, Manager  
14444 Behling Road  
Concord, MI 49237-9706

RE: A.C. Felt #1  
NE/4 Section 06, T18S, R34W  
Scott County, Kansas

Dear Mr. Moore:

The Felt Irrevocable Trust owns and leased the entirety of Section 06-18S-34W to White & Ellis Drilling on November 15, 2007. A provision in the exhibit separates each quarter section into separate and individual leases. The A.C. Felt #1 is proposed at a location 2565' FEL and 2522' FNL which puts it in the SW corner of the NE/4 about 75 feet from the lease line. In order to legally drill this well NGO must file a location exception with the Kansas Corporation Commission. Attached is a Waiver of Protest and Consent to Location Exception, if you could please sign and return via fax at your earliest convenience. This Well will still only hold the NE/4 as HBP. Please call if you have any questions or concerns.

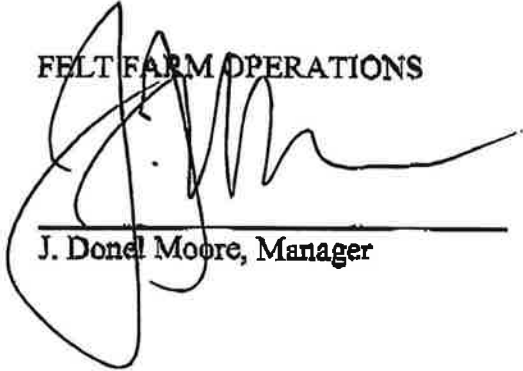
To: →

Sincerely,  
  
Chase Beasley  
Landman

**WAIVER OF PROTEST AND CONSENT  
TO LOCATION EXCEPTION**

COMES NOW the undersigned, J. Donel Moore, Manager of Felt Farms Operations, a Kansas general partnership, Lessor and mineral interest owner in Township 18 South – Range 34 West, Section 6 (Tract 1 – NW/4) (Tract 2 – NE/4) (Tract 3 – SW/4) and (Tract 4 – SE/4) and hereby consents to the location of the proposed A.C. Felt #1 well at a location 2565' FEL and 2522' FNL in Section 6 despite the fact that the well will be located in Tract 2 closer than 330' from other lease or tract boundaries in Section 6. Further, the undersigned hereby waives any right to protest any Location Exception Application filed by Lessee NEW GULF OPERATING, LLC for the A.C. Felt #1 Well.

FELT FARM OPERATIONS

  
\_\_\_\_\_  
J. Donel Moore, Manager