

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:

For KC	C Use:			
Effective	Date:			
District #	#			
SGA?	Yes	No		

SGA?

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

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

NOTICE OF INTENT TO DRILL

Expected Spud Date:	month	day	1,000	Spot Description:	
	montn	aay	year	(Q/Q/Q/Q) Sec Twp S. R [E \
OPERATOR: License#				feet from N / S Line	of Section
lame:				feet from E / W Line of	of Section
ddress 1:				Is SECTION: Regular Irregular?	
address 2:				(Note: Locate well on the Section Plat on reverse side)	
City:	State:	Zip:	+		
Contact Person:				County:	
Phone:				Lease Name: Well #:	
ONTE ACTOR III				Field Name:	
CONTRACTOR: License#					5 N
lame:				Target Formation(s):	
Well Drilled For:	Well Clas	ss: Typ	e Equipment:	Nearest Lease or unit boundary line (in footage):	
Oil Enh I	Rec Infie	ld	Mud Rotary	Ground Surface Elevation:	feet MS
Gas Stora		l Ext.	Air Rotary	Water well within one-quarter mile:	s UN
Dispo		_	Cable	Public water supply well within one mile:	s 🔲 N
Seismic ; #		_] = =:=:=	Depth to bottom of fresh water:	
Other:				Depth to bottom of usable water:	
				Surface Pipe by Alternate: I II	
If OWWO: old well	information as fo	ollows:		Length of Surface Pipe Planned to be set:	
Operator:				Length of Conductor Pipe (if any):	
Well Name:				Projected Total Depth:	
Original Completion Da					
Original Completion D	xt6	_ Original lota	г Берин.	Water Source for Drilling Operations:	
Directional, Deviated or Ho	rizontal wellbore	?	Yes No	Well Farm Pond Other:	
f Yes, true vertical depth: _				_	
Bottom Hole Location:				DWR Permit #:(Note: Apply for Permit with DWR)	
KCC DKT #:					s \square N
				If Yes, proposed zone:	· Ш'
				ii 163, proposed 20116.	
			AF	FIDAVIT	
The undersigned hereby	affirms that the	drilling, compl	etion and eventual p	ugging of this well will comply with K.S.A. 55 et. seq.	
t is agreed that the follow	ving minimum re	quirements w	ill be met:		
Notify the appropri	ate district office	e prior to spuc	dding of well:		
2. A copy of the appropri				h drillina ria:	
. ,				t by circulating cement to the top; in all cases surface pipe shall be set	
				ne underlying formation.	
If the well is dry ho	le, an agreemer	nt between the	operator and the dis	strict office on plug length and placement is necessary <i>prior to plugging</i> ,	
			, ,	ged or production casing is cemented in;	
				ed from below any usable water to surface within 120 DAYS of spud date.	
			J	133,891-C, which applies to the KCC District 3 area, alternate II cementing	g
must be completed	I within 30 days	of the spud da	ate or the well shall b	e plugged. <i>In all cases, NOTIFY district office</i> prior to any cementing.	
ubmitted Electro	nically				
				Remember to:	
For KCC Use ONLY				- File Certification of Compliance with the Kansas Surface Owner Notificat	ion
API # 15				Act (KSONA-1) with Intent to Drill;	
Conductor pipe required				- File Drill Pit Application (form CDP-1) with Intent to Drill;	
Conductor pipe required		I	501	- File Completion Form ACO-1 within 120 days of spud date;	
Minimum surface pipe re-	quired	fee	et per ALTIII	 File acreage attribution plat according to field proration orders; 	
Minimum surface pipe red Approved by:	•			- Notify appropriate district office 48 hours prior to workover or re-entry;	
				 Notify appropriate district office 48 hours prior to workover or re-entry; Submit plugging report (CP-4) after plugging is completed (within 60 days));
Approved by:	s:			- Notify appropriate district office 48 hours prior to workover or re-entry;);

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

Spud date: _



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:				Loca	tion of Wel	II: County:			
_ease:						fee	t from N /	S Line	of Section
Well Number:						fee	t from E /	W Line	of Section
Field:				_ Sec.		_ Twp S	S. R[E	W
Number of Acres attributab QTR/QTR/QTR/QTR of ac				13 00	ection:	Regular or	Irregular		
				If Se	ction is Irr	regular, locate wel	I from nearest co	orner boun	dary.
					ion corner			SW	
							_		
				PLAT					
			-			ry line. Show the p			
lease roads, ta	nk batteries, p					S Surface Owner No	otice Act (House E	Bill 2032).	
		,	You may attach a 193 ft.	a separate p	lat if desire	ed.			
		.	1.00 1.1.	: :					
			⊙			2126 ft.			
:		:	:				LEGEND		
	:			:		0	Well Location		
	•						Tank Battery	Location	
	····	•	• • • • • • • • • • • • • • • • • • • •	:			- Pipeline Loca	tion	
	÷	:	:	: ;			- Electric Line I	_ocation	
	•						 Lease Road I 	ocation_	
	:								
		'				EXAMPLE	:	· ·	
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							0==	:	1980' FSL
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:	:	:	:			:	1 1	:	
:	:	:	: : :	: :					
						SEWARD CO.	3390' FEL	•	

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 OIL & GAS CONSERVATION DIVISION

076963

Form CDP-1 May 2010 Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name:		License Number:			
Operator Address:					
Contact Person:			Phone Number:		
Lease Name & Well No.:			Pit Location (QQQQ):		
Type of Pit: Emergency Pit Burn Pit	Pit is:		SecTwp R		
Settling Pit Drilling Pit	If Existing, date con		Feet from North / South Line of Section		
Workover Pit Haul-Off Pit (If WP Supply API No. or Year Drilled)	Pit capacity:	(bbls)	Feet from East / West Line of Section County		
Is the pit located in a Sensitive Ground Water A	rea? Yes N	No	Chloride concentration: mg/l (For Emergency Pits and Settling Pits only)		
Is the bottom below ground level? Yes No	Artificial Liner?	0	How is the pit lined if a plastic liner is not used?		
Pit dimensions (all but working pits):	Length (fee	t)	Width (feet) N/A: Steel Pits		
Depth fro	om ground level to deep	pest point:	(feet) No Pit		
If the pit is lined give a brief description of the line material, thickness and installation procedure.	ilei		dures for periodic maintenance and determining ncluding any special monitoring.		
Distance to nearest water well within one-mile of	of pit:	Depth to shallo	west fresh water feet. mation:		
feet Depth of water well	feet	measured	well owner electric log KDWR		
Emergency, Settling and Burn Pits ONLY:		Drilling, Workover and Haul-Off Pits ONLY:			
Producing Formation:		Type of material utilized in drilling/workover:			
Number of producing wells on lease:		Number of working pits to be utilized:			
Barrels of fluid produced daily:		Abandonment p	procedure:		
Does the slope from the tank battery allow all splow into the pit? Yes No	pilled fluids to	Drill pits must be closed within 365 days of spud date.			
Submitted Electronically					
KCC OFFICE USE ONLY Liner Steel Pit RFAC RFAS					
Date Received: Permit Numb	ber:	Permi	t Date: Lease Inspection: Yes No		



Kansas Corporation Commission Oil & Gas Conservation Division

1076963

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

CERTIFICATION OF COMPLIANCE WITH THE KANSAS SURFACE OWNER NOTIFICATION ACT

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

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

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

BACH OIL PRODUCTION, INC. CHARLES UNIT LEASE NE. 1/4. SECTION 7. TIS. R18W Electrical Line PHILLIPS COUNTY, KANSAS NO Drillsite Location DRA Charles Unit #1 193'FNL 2126'FEL Ground Elevation = 2031 Ease Road on GATE OPEN A $Y = 605232 \quad X = 1609866$ State Plane-NAD 27-Kansas North (Mopping Grode GPS Used) Load 2; NE FARMSTEAD 300 *Notesi* 1. Set iron rod at location site. 2. All flagging Red & Yellow. 3. Overhead power available at E. line. Sec. 7. 4. Konsas One Call System Inc. should be notified before excavation (1-800-344-7233). 5. CAUTION: Various pipelines in Sec. 7. 6. Cattle in alfalfa at date of staking. 7. Contact Landowner for best access. (CHEROKEE RD.) DIRT ROAD NO ROAD Controlling data is based upon the best maps and photographs available to us and upon maction as long containing 640 acres.

April 3, 2012

CENTRAL KANSAS OILFIELD SERVICES, INC. (620)792-1977

saction on long Containing My German and Lind the mormal standary of one of militial durwayors approximate section lines was determined using the mormal standary of one of militial durwayors profition in interest of contains. The section contains with military location in the section is a were and marked industrial of the section of the diffusion location and marked therefore, the section security service and accepting this play and the section security service and accepting this play and the profit of the section of the section is a service section of the section of th



THIS AGREEMENT, Entered into this 2nd day of March, between CRAIG D. GEBHARD AND NYLA D. GEBHARD, HUSBAND AND WIFE, 874 W. FOX ROAD, LONG ISLAND, KS 67647, hereinafter called lessor, and BACH OIL PRODUCTION, INC., P.O. BOX 723, ALMA, NE 68920, hereinafter called lessee, does witness:

That lessor, for and in consideration of the sum of ONE AND MORE (\$1.00) Dollars in hand paid and of the covenants and agreements hereinafter contained to be performed by the lessee, has this day granted, leased, and let and by these presents does hereby grant, lease, and let exclusively unto the lessee the hereinafter described land, with any reversionary rights therein, and with the right to unitize this lease or any part thereof with other oil and gas leases as to all or any part of the lands covered thereby as hereinafter provided, for the purpose of carrying on geological, geophysical and other exploratory work thereon, including core drilling and the drilling, mining, and operating for, producing and saving all of the oil, gas, gas condensate, gas distillate, casinghead gasoline and their respective constituent vapors, and all other gases, found thereon, the exclusive right of injecting water, brine, and other fluids and substances into the subsurface strata, and for constructing roads, laying pipe lines, building tank, storing oil, building power stations, electrical lines and other structures thereon necessary or convenient for the economical operation of said land alone or conjointly with neighboring lands, to produce, save, take care of, and manufacture all of such substances, and the injection of water, brine, and other substances into the subsurface strata, said tract of land being situated in the County of PHILLIPS state of KANSAS, and described as follows

THE SOUTH HALF OF THE SOUTH HALF (S/2 S/2) IN SECTION SIX (6), TOWNSHIP ONE (1) SOUTH, RANGE EIGHTEEN (18) WEST

Containing 160 acres, more or less.

- This lease shall remain in force for a term of FIVE(5) years (called "primary term") and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of the products covered by this lease is or can be produced.
- The lessee shall deliver to lessor as royalty, free of cost, on the lease, or into the pipe line to which lessee may connect its wells the equal one-eighth part of all oil produced and saved from the leased premises, or at the lessee's option may pay to the lessor for such one-eighth royalty the market price at the wellhead for oil of like grade and gravity prevailing on the day such oil is run into the pipe line or into storage tanks.
- The lessee shall pay to the lessor, as a royalty, one-eighth of the proceeds received by the lessee from the sale of gas, gas condensate, gas distillate, casinghead gas, gas used for the manufacture of gasoline or any other product, and all other gases, including their constituent parts, produced from the land herein leased. If such gas is not sold by the lessee, lessee may pay or tender annually at or before the end of each yearly period during which such gas is not sold, as a shut-in royalty, whether one of more wells, an amount equal to one dollar per net mineral acre, and while said shut in royalty is so paid or tendered, it will be considered under all provisions of this lease that gas is being produced in paying quantities. The first yearly period during which such gas is not sold shall begin on the date the first well is completed for production of gas.
- This lease is a paid-up lease and may be maintained during the primary term without further payments or drilling operations.

 In the event said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein then the royalties herein provided for shall be paid to said lessor only in the proportion which his interest bears to the whole and undivided fee: however, in the event the title to any interest in said land should revert to lessor, or his heirs, or his or their grantee, this lease shall cover such reversion.
- The lessee shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from existing wells of the lessor. When required by lessor, the lessee shall bury its pipe lines below plow depth and shall pay for damage caused by its operation to its growing crops on said land. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of the lessor. Lessee shall have the right at any time during, or after the expiration of this lease to remove all machinery fixtures, houses, buildings and other structures placed on said premises, including the right to draw and remove all casing.
- If the estate of either party hereto is assigned (and the privilege of assigning in whole or in part is expressly allowed), the covenants hereof shall extend to the heirs, devisees, executors, administrators, successors, and assigns, but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of lessee, and no change of ownership in the land or in the royalties or any sum due under this lease shall be binding on the lessee until it has been furnished with either the original recorded instrument of conveyance or a duly certified copy thereof, or a certified copy of the will of any deceased owner and of the probate thereof, or certified copy of the proceedings showing appointment of an administrator for the estate, of any deceased owner, whichever is appropriate, together with all original recorded instruments of conveyance or duly certified copies thereof necessary in showing a complete chain of title back to lessor of the full interest claimed, and all advance payments of rentals made hereunder before receipt of said documents shall be binding on any direct or indirect assignee, grantee, devisee, or administrator, executor, or heir of lessor.
- If the leased premises are now or shall hereafter be owned in severalty or in separate tracts, the premises may nonetheless be developed and operated as one lease, and all royalties accruing hereunder shall be divided among and paid to such separate owners in the proportion that the acreage owned by each separate owner bears to the entire leased acreage. There shall be no obligation on the part of the lessee to offset wells on separate tracts into which the land covered by this lease may now or hereafter be divided by sale, devisee, descent or otherwise, or to furnish separate measuring or
- 10. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the lessee, at its option, may pay and discharge in whole or in part any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands and, in event it exercises such options it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying to the discharge of any such mortgage, tax or other lien, any royalty accruing hereunder.
- 11. If after the expiration of the primary term, production of oil or gas should cease from any cause, this lease shall not terminate if lessee commences additional drilling or reworking operations within one hundred-twenty (120) days thereafter, or if at the expiration of the primary term, oil or gas is not being produced on said land,, but lessee is then engaged in drilling or reworking operations thereon, then in either event, this lease shall remain in force so long as operations are prosecuted either on the same well or any other well thereafter commenced, with no cessation of more than on hundred-twenty (120) consecutive days, and if they result in production of oil or gas, this lease shall remain in effect so long thereafter as there is production of oil or gas under any provision of this lease.
- Lessee may at any time surrender or cancel this lease in whole or in part by delivering or mailing such release to the lessor, or by placing same of recorded in the proper county. In case said lease is surrendered and canceled as to only a portion of the acreage covered thereby, then all payments and liabilities thereafter accruing under the terms of said lease as to the portion cancelled shall cease and determine, but as to the portion of the acreage not
- released the terms and provisions of this lease shall continue and remain in full force and effect for all purposes.

 13. All provisions hereof, express or implied, shall be subject to all federal and state laws and the orders, rules, or regulations (an interpretations thereof) of all governmental agencies administering the same, and this lease shall not be in any way terminated wholly or partially nor shall the lessee be liable in damages for failure t comply with any of the express or implied provisions hereof if such failure accords with any such laws, orders, rules or regulations (or interpretations thereof). If lessee should be prevented during the last six months of the primary term hereof from drilling a well hereunder by the order of any constituted authority having jurisdiction thereover, the primary term of this lease shall continue until six months after said order is suspended.
- Lessee, at its option, is hereby given the right and power to pool or combine into one or more units the land covered by this lease, or any portion thereof, with other land covered by another lease, or leases when, in lessee's judgment, it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of such minerals in and under said land, such pooling to be in a unit or units not exceeding 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 and/or condensate or distillate well, plus a tolerance of ten percent (10%) to conform to Governmental Survey quarter sections. Lessee shall execute in writing and file for record in the county in which the land is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a unit or units shall be treated for all purposes, except the payments of royalties on production from the pooled unit, as if it were included in this lease. If production is found on any part of the pooled acreage it shall be treated as if production is had from this lease whether any well is located on the land covered by this lease or not. Any well drilled on any such unit shall be and constitute a well hereunder. In lieu of the royalties elsewhere herein specified lessor shall receive on production from the unit so pooled only such portion of the royalty stipulated herein as the amount of his net royalty interest therein on an acreage basis bears to the total mineral acreage so pooled in the particular unit involved.
- This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors of said lessor and lessee.

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

X
CRAIG D. GEBHARD

Myla Dichard

\$8.00+ \$4.00 = \$12.00

STATE OF	AL te, on this 5 day of 3 , 2008, personally we to be the identical persons who executed the within and
IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day My commission expires 2-15-12	Shana Rhammond
SHANNA R. HAMMOND State of Kansas My Appt. Exp.	Notary Public

STATE OF KANSAS } SS

Filed for record on the 6th day of May A.D., 2008 at 1:30 P. M., and duly recorded in Book 377 page 151-152

REGISTER OF DEEDS



20.08

THIS AGREEMENT, Entered into this 2nd day of March, between CHARLES W. GEBHARD AND GRACE E. GEBHARD, HUSBAND AND WIFE, 248 HWY 383, PHILLIPSBURG, KS, 67661, hereinafter called lessor, and BACH OIL PRODUCTION, INC., P.O. BOX 723, ALMA, NE 68920, hereinafter called lessee, does witness:

1. That lessor, for and in consideration of the sum of ONE AND MORE (\$1.00) Dollars in hand paid and of the covenants and agreements hereinafter contained to be performed by the lessee, has this day granted, leased, and let and by these presents does hereby grant, lease, and let exclusively unto the lessee the hereinafter described land, with any reversionary rights therein, and with the right to unitize this lease or any part thereof with other oil and gas leases as to all or any part of the lands covered thereby as hereinafter provided, for the purpose of carrying on geological, geophysical and other exploratory work thereon, including core drilling and the drilling, mining, and operating for, producing and saving all of the oil, gas, gas condensate, gas distillate, casinghead gasoline and their respective constituent vapors, and all other gases, found thereon, the exclusive right of injecting water, brine, and other fluids and substances into the subsurface strata, and for constructing roads, laying pipe lines, building tank, storing oil, building power stations, electrical lines and other structures thereon necessary or convenient for the economical operation of said land alone or conjointly with neighboring lands, to produce, save, take care of, and manufacture all of such substances, and the injection of water, brine, and other substances into the subsurface strata, said tract of land being situated in the County of PHILLIPS state of KANSAS, and described as follows

THE NORTHEAST QUARTER (NE/4) AND THE EAST HALF OF THE NORTHWEST QUARTER (E/2 NW/4) IN SECTION SEVEN (7), TOWNSHIP ONE (1) SOUTH, RANGE EIGHTEEN (18) WEST

Containing 240 acres, more or less.

- 2. This lease shall remain in force for a term of FIVE(5) years (called "primary term") and as long thereafter as oil, gas, casinghead gas, ca
- gasoline or any of the products covered by this lease is or can be produced.

 3. The lessee shall deliver to lessor as royalty, free of cost, on the lease, or into the pipe line to which lessee may connect its wells the equal one-eighth part of all oil produced and saved from the leased premises, or at the lessee's option may pay to the lessor for such one-eighth royalty the market price at the wellhead for oil of like grade and gravity prevailing on the day such oil is run into the pipe line or into storage tanks.
- 4. The lessee shall pay to the lessor, as a royalty, one-eighth of the proceeds received by the lessee from the sale of gas, gas condensate, gas distillate, casinghead gas, gas used for the manufacture of gasoline or any other product, and all other gases, including their constituent parts, produced from the land herein leased. If such gas is not sold by the lessee, lessee may pay or tender annually at or before the end of each yearly period during which such gas is not sold, as a shut-in royalty, whether one of more wells, an amount equal to one dollar per net mineral acre, and while said shut in royalty is so paid or tendered, it will be considered under all provisions of this lease that gas is being produced in paying quantities. The first yearly period during which such gas is not sold shall begin on the date the first well is completed for production of gas.
- 5. This lease is a paid-up lease and may be maintained during the primary term without further payments or drilling operations.
- 6. In the event said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein then the royalties herein provided for shall be paid to said lessor only in the proportion which his interest bears to the whole and undivided fee: however, in the event the title to any interest in said land should revert to lessor, or his heirs, or his or their grantee, this lease shall cover such reversion.
 7. The lessee shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from
- 7. The lessee shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from existing wells of the lessor. When required by lessor, the lessee shall bury its pipe lines below plow depth and shall pay for damage caused by its operation to its growing crops on said land. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of the lessor. Lessee shall have the right at any time during, or after the expiration of this lease to remove all machinery fixtures, houses, buildings and other structures placed on said premises, including the right to draw and remove all casing.

 8. If the estate of either party hereto is assigned (and the privilege of assigning in whole or in part is expressly allowed), the covenants hereof shall
- 8. If the estate of either party hereto is assigned (and the privilege of assigning in whole or in part is expressly allowed), the covenants hereof shall extend to the heirs, devisees, executors, administrators, successors, and assigns, but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of lessee, and no change of ownership in the land or in the royalties or any sum due under this lease shall be binding on the lessee until it has been furnished with either the original recorded instrument of conveyance or a duly certified copy thereof, or a certified copy of the will of any deceased owner and of the probate thereof, or certified copy of the proceedings showing appointment of an administrator for the estate, of any deceased owner, whichever is appropriate, together with all original recorded instruments of conveyance or duly certified copies thereof necessary in showing a complete chain of title back to lessor of the full interest claimed, and all advance payments of rentals made hereunder before receipt of said documents shall be binding on any direct or indirect assignee, grantee, devisee, or administrator, executor, or heir of lessor
- administrator, executor, or heir of lessor.

 9. If the leased premises are now or shall hereafter be owned in severalty or in separate tracts, the premises may nonetheless be developed and operated as one lease, and all royalties accruing hereunder shall be divided among and paid to such separate owners in the proportion that the acreage owned by each separate owner bears to the entire leased acreage. There shall be no obligation on the part of the lessee to offset wells on separate tracts into which the land covered by this lease may now or hereafter be divided by sale, devisee, descent or otherwise, or to furnish separate measuring or receiving tanks.
- 10. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the lessee, at its option, may pay and discharge in whole or in part any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands and, in event it exercises such options it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying to the discharge of any such mortgage, tax or other lien, any royalty accruing hereunder.

 11. If after the expiration of the primary term, production of oil or gas should cease from any cause, this lease shall not terminate if lessee commences
- 11. If after the expiration of the primary term, production of oil or gas should cease from any cause, this lease shall not terminate if lessee commences additional drilling or reworking operations within one hundred-twenty (120) days thereafter, or if at the expiration of the primary term, oil or gas is not being produced on said land,, but lessee is then engaged in drilling or reworking operations thereon, then in either event, this lease shall remain in force so long as operations are prosecuted either on the same well or any other well thereafter commenced, with no cessation of more than on hundred-twenty (120) consecutive days, and if they result in production of oil or gas, this lease shall remain in effect so long thereafter as there is production of oil or gas under any provision of this lease.
- 12. Lessee may at any time surrender or cancel this lease in whole or in part by delivering or mailing such release to the lessor, or by placing same of recorded in the proper county. In case said lease is surrendered and canceled as to only a portion of the acreage covered thereby, then all payments and liabilities thereafter accruing under the terms of said lease as to the portion cancelled shall cease and determine, but as to the portion of the acreage not released the terms and provisions of this lease shall continue and remain in full force and effect for all purposes.
- 13. All provisions hereof, express or implied, shall be subject to all federal and state laws and the orders, rules, or regulations (an interpretations thereof) of all governmental agencies administering the same, and this lease shall not be in any way terminated wholly or partially nor shall the lessee be liable in damages for failure t comply with any of the express or implied provisions hereof if such failure accords with any such laws, orders, rules or regulations (or interpretations thereof). If lessee should be prevented during the last six months of the primary term hereof from drilling a well hereunder by the order of any constituted authority having jurisdiction thereover, the primary term of this lease shall continue until six months after said order is suspended
- Lessee, at its option, is hereby given the right and power to pool or combine into one or more units the land covered by this lease, or any portion thereof, with other land covered by another lease, or leases when, in lessee's judgment, it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of such minerals in and under said land, such pooling to be in a unit or units not exceeding 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 and/or condensate or distillate well, plus a tolerance of ten percent (10%) to conform to Governmental Survey quarter sections. Lessee shall execute in writing and file for record in the county in which the land is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a unit or units shall be treated for all purposes, except the payments of royalties on production from the pooled unit, as if it were included in this lease. If production is found on any part of the pooled acreage it shall be treated as if production is had from this lease whether any well is located on the land covered by this lease or not. Any well drilled on any such unit shall be and constitute a well hereunder. In lieu of the royalties elsewhere herein specified lessor shall receive on production from the unit so pooled only such portion of the royalty stipulated herein as the amount of his net royalty interest therein on an acreage basis hears to the total mineral acreage so pooled in the particular unit involved.
- bears to the total mineral acreage so pooled in the particular unit involved.

 15. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors of said lessor and lessee.

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

Charles W. Gobhard
CHARLES W. GEBHARD

X Maco E. Sallhard GRACE E. GEBHARD

\$8.00 + \$4.00 = \$12.00

STATE OF COUNTY OF ACKNOWLEDGMENT FOR INDIVIDUAL

Before me, the undersigned, a Notary Public, within and for said county and state, on this day of March 2008, personally appeared CHARLES W. GEBHARD AND GRACE E. GEBHARD, to me personally known to be the identical persons who executed the within and foregoing instrument and acknowledged to me that they executed the same as her own free and voluntary act and deed for the uses and purposes therein cert forth IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written. My commission expires Notary Public SHANNA R. HAMMOND State of Kansas My Appt. Exp. 3-15-12

STATE OF KANSAS)
PHILLIPS COUNTY J

day of Filed for record on the May A.D., 2008 at 4:30 P. M., and duly recorded in Book 377

Robert Keeser REGISTER OF DEEDS