For KCC Use:

Eff	e	ct	iv	е	Date:

District	#	

SGA?	Yes	No

KANSAS CORPORATION COMMISSION **OIL & GAS CONSERVATION DIVISION**

March 2010 Form must be Typed Form must be Signed All blanks must be Filled

Form C-1

NOTICE OF INTENT TO DRILI

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:	Spot Description:
month day year	
OPERATOR: License#	
Name:	
Address 1:	Is SECTION: Regular Irregular?
Address 2:	(Note: Locate well on the Section Plat on reverse side)
City: State: Zip: +	County:
Contact Person:	Lease Name: Well #:
Phone:	Field Name:
CONTRACTOR: License#	Is this a Prorated / Spaced Field?
Name:	Target Formation(s):
Well Drilled For: Well Class: Type Equipment: Oil Enh Rec Infield Mud Rotary Gas Storage Pool Ext. Air Rotary Disposal Wildcat Cable Seismic ; # of Holes Other Other:	Nearest Lease or unit boundary line (in footage): Ground Surface Elevation:
Directional, Deviated or Horizontal wellbore?	Water Source for Drilling Operations:
If Yes, true vertical depth:	Well Farm Pond Other:
Bottom Hole Location:	DWR Permit #:
KCC DKT #:	(Note: Apply for Permit with DWR)
R00 DR1 π	Will Cores be taken?
	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 E	Electronically
-------------	----------------

For KCC Use ONLY	
API # 15	
Conductor pipe required	feet
Minimum surface pipe required	feet per ALT.
Approved by:	
This authorization expires:	
Spud date: Agent:	

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

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.

ш

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

Signature	0I	Obe
	_	



For KCC Use ONLY

API # 15 - ____

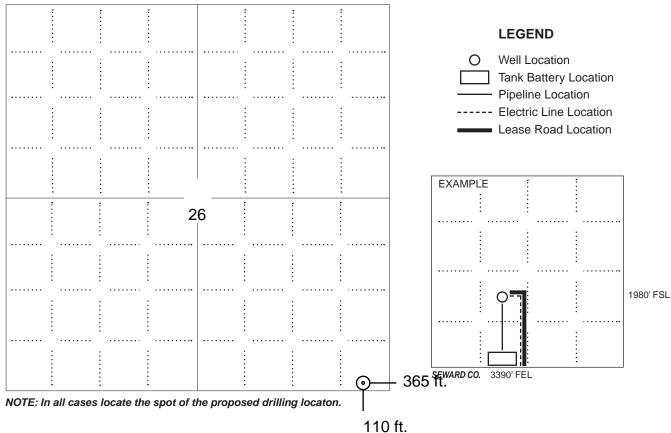
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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

Operator:	Location of Well: County:
Lease:	feet from N / S Line of Section
Well Number:	feet from E / W Line of Section
Field:	Sec Twp S. R E 📃 W
Number of Acres attributable to well: QTR/QTR/QTR/QTR of acreage:	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.



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.

Side Two



KANSAS CORPORATION COMMISSION 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: _ - ____ - ____ - ____ Pit is: **Emergency Pit** Burn Pit Proposed Existing Sec.____Twp.____R.___ East West Settling Pit **Drilling Pit** If Existing, date constructed: Feet from North / South Line of Section Haul-Off Pit Workover Pit ____Feet from ___ East / ___ West Line of Section Pit capacity: (If WP Supply API No. or Year Drilled) County _(bbls) Is the pit located in a Sensitive Ground Water Area? Yes No Chloride concentration: mg/l (For Emergency Pits and Settling Pits only) Is the bottom below ground level? Artificial Liner? How is the pit lined if a plastic liner is not used? Yes Yes No No ____Length (feet) ___ _____Width (feet) Pit dimensions (all but working pits): N/A: Steel Pits Depth from ground level to deepest point: __ __ (feet) No Pit If the pit is lined give a brief description of the liner Describe procedures for periodic maintenance and determining material, thickness and installation procedure. liner integrity, including any special monitoring. Depth to shallowest fresh water ____ Distance to nearest water well within one-mile of pit: feet. Source of information: KDWR measured well owner electric log _feet Depth of water well ____ __ feet 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 procedure: Does the slope from the tank battery allow all spilled fluids to flow into the pit? Yes No Drill pits must be closed within 365 days of spud date. Submitted Electronically KCC OFFICE USE ONLY Steel Pit Liner RFAC RFAS Permit Number: No Date Received: Permit Date: Lease Inspection: Yes

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



KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

CERTIFICATION OF COMPLIANCE WITH THE KANSAS SURFACE OWNER NOTIFICATION ACT Form KSONA-1 July 2010 Form Must Be Typed Form must be Signed All blanks must be Filled

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 #	Well Location:		
Name:			
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 the lease below:		
Contact Person:			
Phone: () Fax: ()			
Email Address:			
Surface Owner Information:			
Name:	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 1:			
Address 2:			
City: State: Zip:+			

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

Select one of the following:

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

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

Submitted Electronically

[

I

called Lessee

M 75 41

OIL AND GAS LEASE

AGREEMENT, Made and entered into this 25th day of _____ 2011, by and between

Gene Robert Angel and Lynn M. Angel, his wife,

parties of the first part, hereinafter called Lessor (whether one or more) and Brungardt Oil and Leasing, Inc., party of the second part, hereinafter

WITNESSETH, That the said Lessor for and in consideration of One Dollar (#1.00) and other valuable consideration, cash in hand paid, receipt of which is hereby acknowledged, and of the covenants and agreements hereinafter contained on the part of Lessor to be paid, kept and performed, has granted, demised, leased and let and by these presents does grant, demise, lease and let unto said Lessor, for the sole and only upunped of mining and operating for oil and gas, and laying pipelines, and building anate, power stations and structures thereon to produce, give and take are of said products, all that certain tract of land, "together with any reversionary rights therein," stuated in the **County of Osborne**, **State of Kansas**, described as follows, to-wit:

The Southeast Quarter (SE/4) and the East Half of the Northeast Quarter (E/2 NE/4)

of Section 35, in Township 10 South, Range 15 West of the 6th P.M., and containing 240 acres more or less

It is agreed that this lease shall remain in full force for a term of three (3) years from the date hereof and as long thereafter as oil or gas, or either of them, is produced from said land or land with which said land is pooled by the Lesse, or the premises are being developed or operated.

In consideration of the premises the said Lessee covenants and agrees:

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

2. The lesses shall pay to Lessor for gas produced from any oil well and used by the Lesses for the manufacture of gasoline or any other product as royaly J.6 of the market value of each gas a the mouth of the well; if said gas is sold by the Lesses, then as royaly J.6 of the proceeds for the market value of each gas a the mouth of the well; if said gas is sold by the Lesses, then as royaly J.6 of the the well. The Lesses shall pay Lessor as royaly J.6 of the proceeds from the said of gas as such at the mouth of the sail the test is the mouth of the well. The Lesses shall pay Lessor as royaly J.6 of the proceeds from the said of gas as such at the mouth of the sail the test is an and where such gas is not sold or used. Lesses shall pay Less of the detained here under the sailer gas well on the lessed premises for mores and inable lights in the principal ovening lowce on sail hand by making his own connections with the well, the use of such gas to be at the Lessor's sole risk and expense.

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.

3. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalities and nerrain provided shall be paid the Lessor only in the proportion which his interest beam to the whole and undivided fee. However, such remai shall assed at the next succeeding remain anniversary after attry refersion occurs to correct the interest to scoreful. rentals he

4. Lessee shall have the right to use, free of cost, gas and oil produced on said land for its operation thereon.

5. When requested by Lessor, Lessee shall bury his pipelines below plow depth.

6. No well shall be drilled nearer than 200 feet to the house or barn now on said premises, without the written consent of the Lessor.

7. Lessee shall pay for damages caused by its operations to growing crops on said land.

8. 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

9. If the Lessee shall commence to drill a well within the term of this lesse or any extension thereof, the Lessee shall have the right to drill such well to completion with reasonable diligence and dapatch, and if oli or gas, or either of them, be found in poying quantities, this lesse shall commute and be in force with the like effect as if such well had been completed within the term of yeas hereins linit intendiones.

In force with the like effect as if such well had been completed within the term of years herein intri mentioned. 10. If the estate of either party hereto is transferred, and the privilege of transferring in whole or in part is expressly allowed, or if the rights hereunder of either party hereto are vested by descent or devise, the covenants hereof shall extend to and is bonding on the Lesse entities and administrators, successors, or assigns, but no change in the ownership of said and to or with a centified copy of the will, devisers, executors, has been furnished with the original or a certified copy sense and his easies to being administrators, successors, or assigns, but no change in the ownership of said and to or with a centified copy of the will cleasor together with a transcript of the death of Lessor and no administration being had on the estate, with an instrument satisfactory to Lesse executed by Lessor's hein authorizing it is hereby agreed in the event this lesse shall be assigned as to a part or as to parts of the above described hands and lense the payles of due, they represent or deposito trender for deposito their credits hereinhedren provided, al result intriv days before said remains. In this less in so far as it covers a part or parts of stall allowed the relieved of all obligations with respect to than saligned partonen of said remains. In this less in so far as it covers a part or parts of stall accesses hall be essent of stall accesses that here essent or starts are payles or due, there has been deviced as an entirety, and the royaties stall be payles to due to certain the payles and the lesse to differ will be on separate tracks, here functions assigned the entire lesses that or due to assign on the payles or the lesses to differ will be on separate tracks, the relieved that and the or due to assign the payles or that assign the nor obligation or portions assign the entire lesses that as the opayles of the payles and the lesses to differ wills due to assign the there areas,

11. Lessor hereby warrants and agrees to defend the tille to the lands herein described, and agrees that the Lessee shall have the right at any time to redeem for Lessor by payment, any morgages, 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 may reimburse itself from any remail or royables accruing hereunder.

12. The terms, covenants, and conditions hereof shall run with said land and herewith and shall be binding upon the parties hereto, their heirs, administrators, devices, executors, successors and assigns however, all express or implied covenants of this lease shall be subject to all Federal and State Laws. Executive Orders, Rules or Regulation: a provenue by, or I such failure is the result of, any such Law, Order, Rule or Regulation.

13. Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lesse or any portion thereof with other land, less or plasse in the immediate vicinity thereof, which is Lesset's judgment it is necessary or advisable to do as in order to properly develop and to the land. Base to the course of a set is the index set is promoted by the course of the course of

14. In the event that Lessee drills a well on the lesse premises which results in a dry hole. Lessee shall pay to Lessor actual site damages sustained to the lesse premises by reason of the drilling of said dry hole which Lessor and Lessee agree shall not be less than \$500 per dry hole drilled.

15. All open pits, tank batteries, well sites or other structures or surface features that are a part of Lessee's oil and gas lease operations and that would be harmful to livestock shall be fenced sufficiently to keep livestock out.

AGREEMENT, Made and entered into this 5th day of July, 2011, by and between

Barbara Koelling, a single person,

M 75 32 OIL AND GAS LEASE

party of the first part, hereinafter called Lessor (whether one or more) and Brungardt Oil and Leasing, Inc., party of the second part, hereinafter called Lesson

WITNESSETH, That the said Lessor for and in consideration of One Dollar (#1.00) and other valuable consideration, cash in hand paid, receipt of which is hereby adknowledged, and of the covenants and agreements hereinather contained on the part of Lessee to be paid, kept and performed, has granted, demised, lessed and let and by these presents does grant, demise, lease and let unto stati Lessee. For the sole and dough upproper of mining and operating for oil and gas, and laying pipelines, and building tashs, power stations and structures thereon to produce, save and take care of said products, all that certain tract of land, "together with any reversionary rights therein," situated in the **County of Osborne**, **State of Kansas**, described as follows, to-wit:

The East Half of the East Half (E/2 E/2)

of Section 26, in Township 10 South, Range 15 West of the 6th P.M., and containing 160 acres more or less.

It is agreed that this lease shall remain in full foce for a term of three (3) years from the date hereof and as long thereafter as oil or gas, or either of produced from said land or land with which said land is pooled by the Lesse, or the premises are being developed or operated. them is pr

In consideration of the premises the said Lessee covenants and agrees:

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

2. The lessee shall pay to Lessor for gas produced from any oil well and used by the Lessee for the manufacture of gasoline or any other product as royally 1/8 of the market value of such gas as the mouth of the well; if said gas is sold by the Lessee, then as royally 1/8 of the market value of such gas as the mouth of the well; if said gas is sold by the Lessee, then as royally 1/8 of the market value of such gas as the mouth of the well; if said gas is sold by the Lessee, then as royally 1/8 of the market value of such gas as such as the mouth of the well where gas only is found and where such gas as sold or used. Lesses shall pay or tender annually at the ord of each yearly which such gas is not sold or used as royally. One Dollar (91) per net mineral acce retained hereinder, and while said royally is so gaid or tendered this lease shall be hered. It haves that here the less or those gas fire of charge from any gas well on the lead permises for stores and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of such gas to be at the Lessor's sole rake and expense.

Lessee may at any time execute and deliver to Lessor, or place of record, a release or releases overing 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.

3. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalites and renals herein provided shall be paid the Lessor only in the proportion which his interest bears to the whole and undivided fee. However, such rental shall be increased at the next succeeding rental anniversary after any reversion occurs to cover the interest so acquired.

4. Lessee shall have the right to use, free of cost, gas and oil produced on said land for its operation thereon.

5. When requested by Lessor, Lessee shall bury his pipelines below plow depth.

6. No well shall be drilled nearer than 200 feet to the house or barn now on said premises, without the written consent of the Lessor.

7. Lessee shall pay for damages caused by its operations to growing crops on said land.

8. 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.

9. If the Lessee shall commence to drill a well within the term of this lesse or any extension thereof, the Lessee shall have the right to drill such well to completion with reasonable dilgence and dispatch, and if oil or gas, or either of them, be found in paying quantities, this lesse shall continue and be in force with the like effect as if such well had been completed within the term of years herein first mentioned.

In force with the like effect as if such well had been completed within the term of years herein inter mentioned. 10. If the estate of either party hereto is transferred, and the privilege of transferring in whole of in part is expressly allowed, or if the rights hereunder of either party hereto are vested by descent or devise, the overnants hereof hall estated to used be boding to the been, devisee, executes, is a substantiation, successors, or assigns, but no change in the ownership of task by leasor or with a certified copy of the will be buding on the Lessee until after lessees is a substantiation of the second or a substantiation of the second or with a certified copy of the will obtain a transcript of the probability of a core disk interaste and his estate is being administered, with a transcript of the administration proceedings or, in the of the probability of the origin of a core disk interaste and his estate is being administered, with a transcript of the administration proceedings or, in the of the probability of the origin of the properiod the proportional provide, it is at hirty day before add renaids and roughane assignees of such part is hereby agreed in the event this lesse shall be assigned as to a part or as to part of the above or them for doe points to their credit as hereinbefore provide, it is at hirty day before add renaids and roughane assignees of such part is hereby agreed in the event this lesse thall be assigned as to a part or as to part of all obligations with respect to the assigned points on for origon a single of the advisor beam or the second ball make due payment of devisor is a market the track of the advisor of shall make due payment of side at the properiod or parts and the advisor of shall make due payments of devisor is a single of a single points or parts and the second shall make due payments of devisor is and to part to part to part. Lesse hall be relieved of all obligations with respect to the assigneed points on for oris a single as Lesse assignated of a si

11. Lessor hereby warrants and agrees to defend the tile to the lands herein described, and agrees that the Lessee shall have the right at any time to redeem for Lessor by payment, any morgages, 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 may reimburse itself from any restal or royalites acruing hereinder.

12. The terms, covenants, and conditions hereof shall run with said land and herewith and shall be binding upon the parties hereto, their heirs administrators, devides, executors, nuccessors and sargars, however, all express or implied covenants of this lease shall be subject to all Pederal and Satu Laws, Executive Orders, Rules or Regulation this lease shall be the transated to the terminated in whole or in part, nor Lease held labels for failure to comply therewith, if one planet by root such as the sub-terminated in whole or in part, nor Lease held labels for failure to comply therewith, if compliance to prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.

13 Lessee, at its option, is hareby given the right and power up pool or combine tite asreage covered by this lease or any portion thereof with orbit land, lease or lease or lease or lease in the immediate vicinity thereof, when in Lessee's judgment it is necessary or advatable to do so in order to property develop and to be advatable to do so no order to property develop and to reas contiguous to one another and to lease or lease or lease and the immediate vicinity thereof, when in Lessee's judgment it is necessary or advatable to do so in order to property develop and pooling to be of traces contiguous to one another and to lease of all and used and and that may be produced from said premises, such not exceeding 60 acres each in the event of the lease of lease so that exceeding 60 acres each in the event of the part of the lease of lease each and exceeding 60 acres each in the event of the part of the lease of lease each and exceeding 60 acres each in the event of spatial to lease shall execute a writing and record in the convergence records of the courty in which the lind poole acresses is the standard and the provide of the part of the lease of a part of the part of the lease of the provide of the part of the lease of the part of the par

14. In the event that Lessee drills a well on the lease premises which remits in a dry hole, Lessee shall pay to Lessor actual site damages sustained e premises by reason of the drilling of said dry hole which Lessor and Lessee agree shall not be less than \$500 per dry hole drilled. to the lease pr

15. All open pits, tank batteries, well sites or other structures or surface features that are a part of Lessee's oil and gas lease operations and that harmful to livestock shall be fenced sufficiently to keep livestock out. would be h

M 75 31 OIL AND GAS LEASE

AGREEMENT, Made and entered into this ZS day of Score 2011, by and between

Donald F. Hanberg, a single person,

party of the first part, hereinafter called Lessor (whether one or more) and Brungardt Oil and Leasing, Inc., party of the second part, hereinafter called Lessee.

WTINESSETH, That the said Lessor for and in consideration of One Dollar (#1.00) and other valuable consideration, cash in hard gaid, receipt of which is hereby acknowledged, and of the covenants and agreements hereinafter constanted on the part of Lesser to be pind, keep rander partend, agranted, demused, leased and it et and by these presents does grant, demuse, lease and its tutto static to the produce, save and take care of said products, all operating for oil and gas, and laying pipelines, and building takes, power tatication in the **Country of Osborne**. State of **Kansas**, described as follows, to-wit: that certain true of land, "together with any reventionary digits therein," situated in the **Country of Osborne**. State of **Kansas**, described as follows, to-wit:

The Fast Half of the East Half (E/2 E/2)

of Section 26, in Township 10 South, Range 15 West of the 6th P.M., and containing 160 acres more or less.

It is agreed that this lease shall remain in full force for a term of three (3) years from the date hereof and as long thereafter as oil or gas, or either of woduced from said land or land with which said land is pooled by the Lessee, or the premises are being developed or operated. them, is prod

In consideration of the premises the said Lessee covenants and agrees:

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

2. The lesses shall pay to Lessor for gas produced from any oil well and used by the Lessec for the manufacture of gasoline or any other product as royally 1/8 of the market value of such gas as the mouch of the well; if said gas is sold by the Lessee, then as royally 1/8 of the proceeds for the market set as such as the mouth of the sail the method is the well. The Lessee shall pay second a royally 1/8 of the market set as such as the mouth of the well. The Lessee shall pay second a royally 1/8 of the market set as such as the mouth of the sail the method is an advected of the set. The Lessee shall pay second a royally 1/8 of the proceeds from the sale of gas as such as the mouth of the sale there is a royally. The Dollar (1) pay are trained as a regulated hereusider, and other second as a royally 1/8 of Dollar (1) pay are trained as are regulated hereusider, and other second as the sale there is a such as the mouth of the sale of gas as an other second as a royally 1/8 of the above term paragraphy market shall be pay and there are an advected to the sale of periods. The second hereusider is an advected to the second term pay and the second results for more and inside lights in the principal overling house on said land by making his own connections with the well, the use of such gas to be at the Lessor's sole risk and expense.

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.

3. If said Lessor owns a less interest in the above described laad than the entire and undivided fee simple estate therein, then the royalities and renatal herein provided shall be paid the Lessor only in the proportion which has interest bears to the whole and undivided fee. However, such renati shall be increased at the next succeeding renial anniversary after any revension occurs to cover the interest of a sociatied.

4. Lessee shall have the right to use, free of cost, gas and oil produced on said land for its operation thereon.

- 5. When requested by Lessor, Lessee shall bury his pipelines below plow depth.
- 6. No well shall be drilled nearer than 200 feet to the house or barn now on said premises, without the written consent of the Lessor

7. Lessee shall pay for damages caused by its operations to growing crops on said land.

8. Lossee 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

9. If the Lessee shall commence to drill a well within the term of this lesse 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 tham, be found in paying quantities, this lease shall continue and be in force with the like effect as if such well had been completed within the term of yeas iteration like influences in the shall be and the state of the less of the state in the influence.

In force with the like effect as if such well had been completed within the term of years nerma in summonous. 10. If the estate of either party hereis it transferred, and the privilege of transferring in whole or in part is expressly allowed, or if the rights hermunder of either party hereis on the summary of a summary of a summary of the leader of the order of the order of the order of the leader of the leader of the leader of the order of the leader of the leader of the order of the densities and the sense is being administered, with a transferry of the administerion of the densities of the order of the orde

11. Lessor hereby warrants and agrees to defend the tille 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 may reimburse itself from any reintal or royalites accruing hereunder.

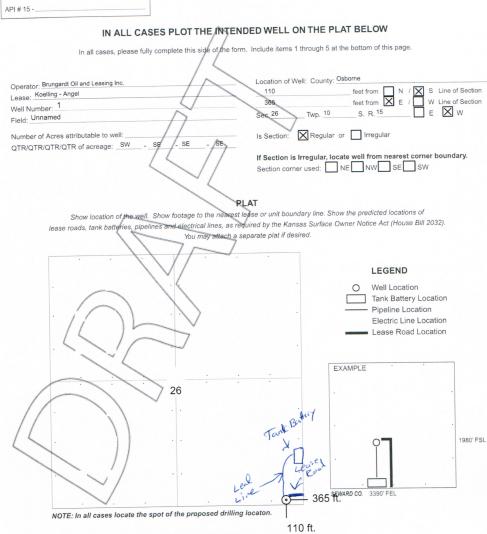
12. The terms, covenants, and conditions hereof shall run with said land and herewith and shall be binding upon the parties hereso, their heirs, administrators, devises, executors, successors and assigns however, all express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, in whole or in part, nor Lease held liable for failure to comply therewith, if compliance is prevenued by, or if such failure is the result of, any such Law, Order, Rule or Regulation.

13. Lesses, at lis option, is hereby given the right and preven to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or lease in the immediate vicinity thereof, what in Lesse's higgment it in eccessary or advable to do so noder to properly develop and operate sid lease premises to as to prove any portion thereof with operate sid lease premises to as to prove any portion of a given or dore minerally in any or dore minerally and the may be produced from sid premises, such operate sid lease premises to as to prove any operation of our given or dore minerally or dore see each in the event of any as well. Lesses that account is which the liand needs in the second of vicino or dore to prove the write any operative any operation of the second is any second in any operation of the second is any operation operation of the second is any operation operation operation. The production is half from this lease, whether the well or wells be located on the premises covered by this lease of thering at the covalian operative portion. The production is that from this lease, whether the second or wells provide on the provide operation of the ropsily used thering as the account of this acceage to pooled in the second operation of the ropsily used thering as the account of the second operation operation operation of the second operation operating the production is anot operation

14. In the event that Lessee drills a well on the lesse premises which results in a dry hole, Lessee shall pay to Lessor actual site damages sustained e premises by reason of the drilling of said dry hole which Lessor and Lessee agree shall not be less than \$500 per dry hole drilled. to the lease p

15. All open pits, tank batteries, well sites or other structures or surface features that are a part of Lessee's oil and gas lease operations and that would be harmful to livestock shall be feaced sufficiently to keep livestock out.

Side Two



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.

For KCC Use ONLY

M 75 40

OIL AND GAS LEASE

AGREEMENT, Made and entered into this 25 day of July_, 2011, by and between

Gene R. Angel and Lynn M. Angel, husband and wife,

parties of the first part, hereinafter called Lessor (whether one or more) and Brungardt Oil and Leasing, Inc., party of the second part, hereinafter called Lessee.

WITNESSETH, That the said Lessor for and in consideration of One Dollar (\$1.00) and other valuable consideration, cash in hand paid, receipt of WITNESSETH, That the said Lessor for and in consideration of One Dollar (4).000 and other valuable consideration, cash in hand paid, receipt of which is hereby acknowledged, and of the covenants and agreements hereinsfire constanted on the part of Lessee to be paid, keys and performed, has granted, demused, Lessed and les and by these printers does grant, demuse, lesse and let unto said Lessee, for the sole and oxy purpose of mining and operating for oil and gas, and laying pipelines, and building tanks, power stantos and survicures thereon to produce, save and take care of said products, all that certain trust of and, "ogether with any eventionary rights therein," situated in the **County of Osborae**. State of Kansas, described as follows, to-wit:

The West Half of the Northeast Quarter (W/2 NE/4)

of Section 35, in Township 10 South, Range 15 West of the 6th P.M., and containing 80 acres more or less.

It is agreed that this lease shall remain in full force for a term of three (3) years from the date hereof and as long thereafter as oil or gas, or either of them, is produced from said land or land with which said land is pooled by the Lessee, or the premises are being developed or operated.

In consideration of the premises the said Lessee covenants and agrees:

To deliver to the credit of Lessor, free of cost, in the pipeline to which he may connect his wells, the equal one-eighth (1/6) part of all oil produced and saved from the leased premises.

2. The lesses shall pay to Lessor for gas produced from any oil well and used by the Lesses for the manufacture of gasoline or any other product as royally 1/8 of the market value of such gas a the mouth of the well; if said gas is sold by the Lesses, then as royally 1/8 of the proceeds of the sail effected at the mouth of the well. The Lesses shall pay Lessor as royally 1/8 of the proceeds from the sale of gas such at the mouth of the well. The Lesses shall pay Lessor as royally 1/8 of the proceeds from the sale of gas such at the mouth of the well. The Lesses shall pay Lessor as royally 1/8 of the proceeds from the sale of gas such at the mouth of the well. The Lesses shall pay Lessor as royally 1/8 of the proceeds from the sale of gas such at the mouth of the well where gas only is royally. The Dollar (1) pay are mineral acre relationed hereunder, and while said royally to be Dollar (1) pay are tained as a relation of the sale of gas such at the mouth of the sale relations are royally 1/8 of the above term paragraph hereof; the Lessor to have gas fees of charles the sale is sold to sale of pays and individual to the pays and the sale relations for snoves and individual in the principal investigned bounds pays and individual the relation of the sale relations.

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.

3. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalities and crein provided shall be paid the Lessor only in the proportion which his interest bears to the whole and undivided fee. However, such remai shall said at the ents uncertain grant and version occurs to cover the interest to acquired. rentals her

4. Lessee shall have the right to use, free of cost, gas and oil produced on said land for its operation thereon

- 5. When requested by Lessor, Lessee shall bury his pipelines below plow depth.
- 6. No well shall be drilled nearer than 200 feet to the house or barn now on said premises, without the written consent of the Lesson
- 7. Lessee shall pay for damages caused by its operations to growing crops on said land.

8. 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.

9. If the Lessee shall commence to drill a well within the term of this lesse or any extension thereof, the Lessee shall have the right to drill such completion with reasonable diligence and dispatch, and if oil or gas, or either of them, be found in paying quantities, this lesse shall continue and be in force with the like efficient all value well had been completed within the term of years herein first methodows.

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15. All open pits, tank batteries, well sites or other structures or surface features that are a part of Lessee's oil and gas lease operations and that harmful to livestock shall be fenced sufficiently to keep livestock out. would be har

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16. In the event Lessor sustains damage or loss with respect to Lessor's livestock by reason of Lessee's negligence, Lessee shall pay to Lessor the actual value of Lessor's damages caused by Lessee's negligence.

17. Prior to commencing the drilling of a well, construction of a pipeline or a tank battery on the lease premises Lessee shall notify Lessor of his intent to do so orally or in writing. In the event of an emergency with respect to the commencement of drilling operations, construction of pipelines or tank batteries Lessee may commence said operations without notice to Lessor but shall notify Lessor as soon as reasonably possible.

WHEREOF witness our hands as of the day and year set opposite our signatures below.

Barbara Koelling Date: 7-5-11 Barbara Koelling

ACKNOWLEDGMENT

STATE OF KANSAS, COUNTY OF DSBORNE, 55:





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STATE OF KANSAS SS OSBORNE COUNTY SS Filed on the .7.7.4. day of Grants A.D. 20. II... at .9.9.9. ordow A.M.M

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16. In the event Lessor's sustains damage or loss with respect to Lessor's livestock by reason of Lesser's negligence, Lesser shall pay to Lessor the actual value of Lesser's damages caused by Lesser's negligence.

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WHEREOF witness our hands as of the day and year set opposite our signatures below.

Dene Bybert Angel Date: 7-25-2011

ACKNOWLEDGMENT

STATE OF KANSAS, COUNTY OF PUSSell, SS:

The foregoing instrument was acknowledged before me this 25th day of July, 2011, by Gene Robert Angel and Lynn M.

SEAL

Notary Public Glenda R. Phillips

My appointment expires Sept. 1 2011

Angel, his wife.



by Deborah Herrman Deputy

M 75 40

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Bese Roy Date 7/2/11 Gene kangel Kymm M. Angel Date 7-25-2011

ACKNOWLEDGMENT

The foregoing instrument was acknowledged before me this 25th/_t day of July ____, 2011, by Gene R. Angel and Lynn M. Angel, husband and wife. <u><u><u>Jeenle</u> <u>R</u><u>Phillips</u></u> Notary Public Glenda R. Phillips</u>

SEAL

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My appointment expires Sept. 1, 201

LIPS Mansas Lip, Sept. 1, 2011 GLENDA R. PHILLIPS State of Kansas Ny Appt. Exp. Sept. 1, 201 (1)

STATE OF KANSAS SS OSBORNE COUNTY SS Filed on the 27.14. day a July and dup Recorded in .7714 interest. Box. 77.75. Pago........... Relater of Deeds the \$12.00. by Debriah Herrman Deputy

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WHEREOF witness our hands as of the day and year set opposite our signatures below.

Date 28 June 11

ACKNOWLEDGMENT

STATE OF CONNECTICUT, COUNTY OF Middlesur, 55: CTICUT, COUNTY OF INTUCIN' COURSE as:

Notary Public Mani Anne Holland

nerson



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My appointment expires: 1/31/2014

Conservation Division Finney State Office Building 130 S. Market, Rm. 2078 Wichita, KS 67202-3802



Phone: 316-337-6200 Fax: 316-337-6211 http://kcc.ks.gov/

Mark Sievers, Chairman Ward Loyd, Commissioner Thomas E. Wright, Commissioner Sam Brownback, Governor

March 27, 2012

Gary L. Brungardt Brungardt Oil and Leasing Inc. 529 E 14TH PO BOX 871 RUSSELL, KS 67665-1731

Re: Drilling Pit Application Koelling - Angel 1 SE/4 Sec.26-10S-15W Osborne County, Kansas

Dear Gary L. Brungardt:

District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed <u>without slots</u>, the bottom shall be flat and reasonably level, and the free fluids must be removed. The fluids are to be removed from the reserve pit as soon as practical after drilling operations have ceased. KEEP PITS away from draw/drainage. KEEP PITS away from draw/drainage.

If production casing is set all completion fluids shall be removed from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve pit.

The fluids should be taken to an authorized disposal well. Please call the District Office at (785) 625-0550 when the fluids have been removed. Please file form CDP-5 (August 2008), Exploration and Production Waste Transfer, through KOLAR within 30 days of fluid removal.

A copy of this letter should be posted in the doghouse along with the approved Intent to Drill. If you have any questions or concerns please feel free to contact the District Office at (785) 625-0550.