



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

KANSAS CORPORATION COMMISSION 1077151
 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"/> Seismic ; _____ # of Holes	<input type="checkbox"/> Disposal	<input type="checkbox"/> Wildcat
<input type="checkbox"/> Other: _____	<input type="checkbox"/> Other	<input type="checkbox"/> Mud Rotary
<input type="checkbox"/> If OWWO: old well information as follows:		<input type="checkbox"/> Air Rotary
		<input type="checkbox"/> Cable

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. I II
 Approved by: _____
This authorization expires: _____
(This authorization void if drilling not started within 12 months of approval date.)
 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



1077151

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

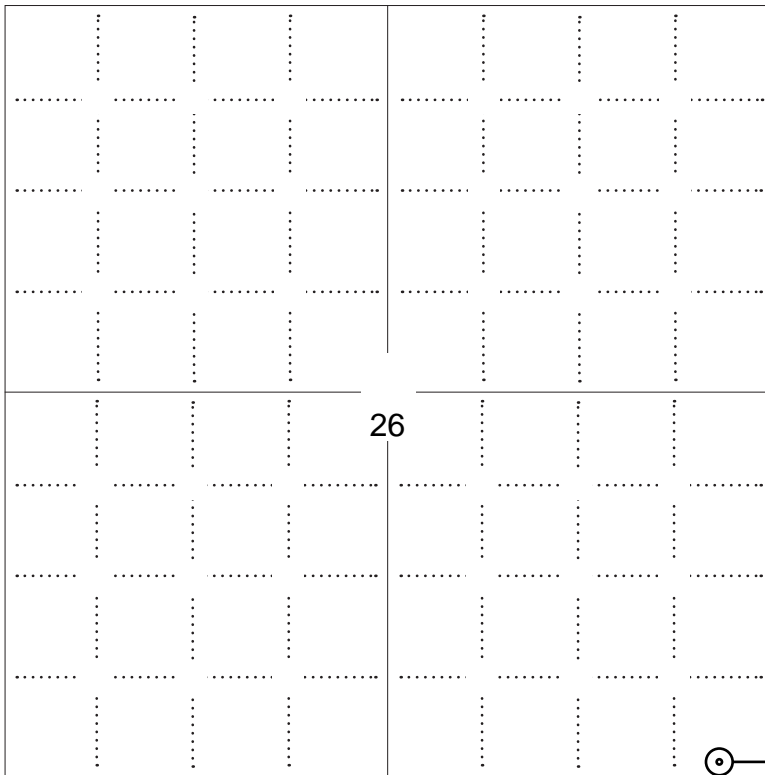
Is Section: Regular or Irregular

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 1077151
OIL & GAS CONSERVATION DIVISION

Form CDP-1
May 2010
Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name: _____		License Number: _____	
Operator Address: _____			
Contact Person: _____		Phone Number: _____	
Lease Name & Well No.: _____		Pit Location (QQQQ): _____-_____-_____-_____	
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input type="checkbox"/> Drilling Pit <input type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit <i>(If WP Supply API No. or Year Drilled)</i>		Pit is: <input type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: _____ (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input type="checkbox"/> No		Chloride concentration: _____ mg/l <i>(For Emergency Pits and Settling Pits only)</i>	
Is the bottom below ground level? <input type="checkbox"/> Yes <input type="checkbox"/> No		Artificial Liner? <input type="checkbox"/> Yes <input type="checkbox"/> No	
How is the pit lined if a plastic liner is not used?			
Pit dimensions (all but working pits): _____ Length (feet) _____ Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: _____ (feet) <input type="checkbox"/> No Pit			
If the pit is lined give a brief description of the liner material, thickness and installation procedure.		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring.	
Distance to nearest water well within one-mile of pit: _____ feet Depth of water well _____ feet		Depth to shallowest fresh water _____ feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input type="checkbox"/> KDWR	
Emergency, Settling and Burn Pits ONLY: Producing Formation: _____ Number of producing wells on lease: _____ Barrels of fluid produced daily: _____ Does the slope from the tank battery allow all spilled fluids to flow into the pit? <input type="checkbox"/> Yes <input type="checkbox"/> No		Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: _____ Number of working pits to be utilized: _____ Abandonment procedure: _____ Drill pits must be closed within 365 days of spud date.	
<p>Submitted Electronically</p>			

KCC OFFICE USE ONLY

Liner Steel Pit RFAC RFAS

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



CERTIFICATION OF COMPLIANCE WITH THE KANSAS SURFACE OWNER NOTIFICATION ACT

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

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

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

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

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

Surface Owner Information:

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

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

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

Select one of the following:

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

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

I Submitted Electronically

G

M 75 41

OIL AND GAS LEASE

AGREEMENT, Made and entered into this 25th day of July, 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 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 which is hereby acknowledged, and of the covenants and agreements hereinafter contained on the part of Lessee to be paid, kept and performed, has granted, demised, leased and let and by these presents does grant, demise, lease and let unto said Lessee, for the sole and only purpose of mining and operating for oil and gas, and laying pipelines, and building tanks, 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 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 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 (1/8) part of all oil produced and saved from the leased premises.
- The Lessee shall pay to Lessor for gas produced from any oil well used by the Lessee for the manufacture of gasoline or any other product as royalty 1/8 of the market value of such gas at the mouth of the well; if said gas is sold by the Lessee, then as royalty 1/8 of the proceeds of the sale thereof at the mouth of the well. The Lessee shall pay Lessor as royalty 1/8 of the proceeds from the sale of gas as such at the mouth of the well where gas only is found and where such gas is not sold or used. Lessee shall pay or tender annually at the end of each yearly period during which such gas is not sold or used as royalty One Dollar (\$1) per net mineral acre retained hereunder, and while said royalty is so paid or tendered this lease shall be held as a producing lease under the above term paragraph hereof; the Lessor to have gas free of charge from any gas well on the leased premises for stoves 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 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.
- If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided shall be paid the 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.
- Lessee shall have the right to use, free of cost, gas and oil produced on said land for its operation thereon.
- When requested by Lessor, Lessee shall bury his pipelines below plow depth.
- 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.
- Lessee shall pay for damages caused by its 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 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 the like effect as if such well had been completed within the term of years hereto first mentioned.
- 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 be binding on the heirs, devisees, executors, administrators, successors, or assigns, but no change in the ownership of said land or of any right hereunder shall be binding on the Lessee until after Lessee has been furnished with the original or a certified copy thereof of any transfer by Lessor or with a certified copy of the will of Lessor together with a transcript of the probate thereof or, in the event Lessor dies intestate and his estate is being administered, with a transcript of the administration proceedings or, in the event of the death of Lessor and no administration being had on the estate, with an instrument satisfactory to Lessee executed by Lessor's heirs authorizing payment or deposit or tender for deposit to their credit as hereinbefore provided, at least thirty days before said rentals and royalties are payable or due, and it is hereby agreed in the event this lease shall be assigned as to a part or as to parts of the above described lands and the assignee or assignees of such part in this lease in so far as it covers a part or parts of said lands upon which the said Lessee or any assignee thereof shall make due payments of said rentals. In this lease in so far as it covers a part or parts of said lands upon which the said Lessee or any assignee thereof shall make due payments of said rentals. In this lease in so far as it covers a part or parts of said lands upon which the said Lessee or any assignee thereof shall make due payments of said rentals, nevertheless, may subsequent to the date of assignment, if the leased premises are now or hereafter owned in severality or in separate tracts, the premises, nevertheless, may be developed and operated as an entirety, and the royalties shall be paid to each separate owner in the proportion that the acreage owned by him bears to the entire leased area. 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 hereafter be divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks for the oil produced from such separate tracts.
- 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 may reimburse itself from any rental or royalties accruing hereunder.
- The terms, covenants, and conditions hereof shall run with said land and herewith and shall be binding upon the parties hereto, their heirs, administrators, devisees, 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 Lessee held liable 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.
- 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.
- In the event that Lessee drills a well on the lease premises which results in a dry hole, Lessee shall pay to Lessor actual site damages sustained to the lease 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.
- 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.

G**M 75 31****OIL AND GAS LEASE**AGREEMENT, Made and entered into this 28 day of June 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.

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 Lessee to be paid, kept and performed, has granted, demised, leased and let and by these presents does grant, demise, lease and let unto said Lessee, for the sole and only purpose of mining and operating for oil and gas, and laying pipelines, and building tanks, 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 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:

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 premises.
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 royalty 1/8 of the market value of such gas at the mouth of the well, if said gas is sold by the Lessee, then as royalty 1/8 of the proceeds of the sale thereof at the mouth of the well. The Lessee shall pay Lessor as royalty 1/8 of the proceeds from the sale of gas as such at the mouth of the well where gas only is found and where such gas is not sold or used, Lessee shall pay or tender annually at the end of each yearly period during which such gas is not sold or used under the above term paragraph hereof, the Lessor to have gas free of charge from any gas well on the leased premises for stoves 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 risk and expense.
3. 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.
4. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided shall be paid the 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 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 the like effect as if such well had been completed within the term of years herein first 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 be binding on the heirs, devisees, executors, administrators, successors, or assigns, but no change in the ownership of said land or of any right hereunder shall be binding on the Lessee until after Lessee has been furnished with the original or a certified copy thereof of any transfer by Lessor or with a certified copy of the will of Lessor together with a transcript of the probate thereof, or, in the event Lessor dies intestate and his estate is being administered, with a transcript of the administration proceedings or, in the event of the death of Lessor and no administration being had on the estate, with an instrument satisfactory to Lessee executed by Lessor's heirs authorizing payment or deposit or tender for deposit to their credit as hereinbefore provided, at least thirty days before said rentals and royalties are payable or due, and it is hereby agreed in the event this lease shall be assigned as to a part or as to parts of the above described lands and the assignee or assignees of each part or parts shall fail or make default in the payment of the proportionate part of the rents due from him or them, such default shall not operate to defeat or affect this lease in so far as it covers a part or parts of said lands upon which the said Lessee or any assignee thereof shall make due payments of said rentals. In this lease in so far as it covers a part or parts of said lands upon which the said Lessee or any assignee thereof shall make due payments of said rentals, in the event 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. If the leased premises are now or hereafter owned in severally or in separate tracts, the premises, nevertheless, may be developed and operated as an entirety, and the royalties shall be paid to each separate owner in the proportion that the acreage owned by him bears to the entire leased area. 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 hereafter be divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks for the oil produced from such separate tracts.
11. 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 may reimburse itself from any rental or royalties 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, devisees, 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 Lessee held liable 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.
13. 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.
14. In the event that Lessee drills a well on the lease premises which results in a dry hole, Lessee shall pay to Lessor actual site damages sustained to the lease 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.

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.

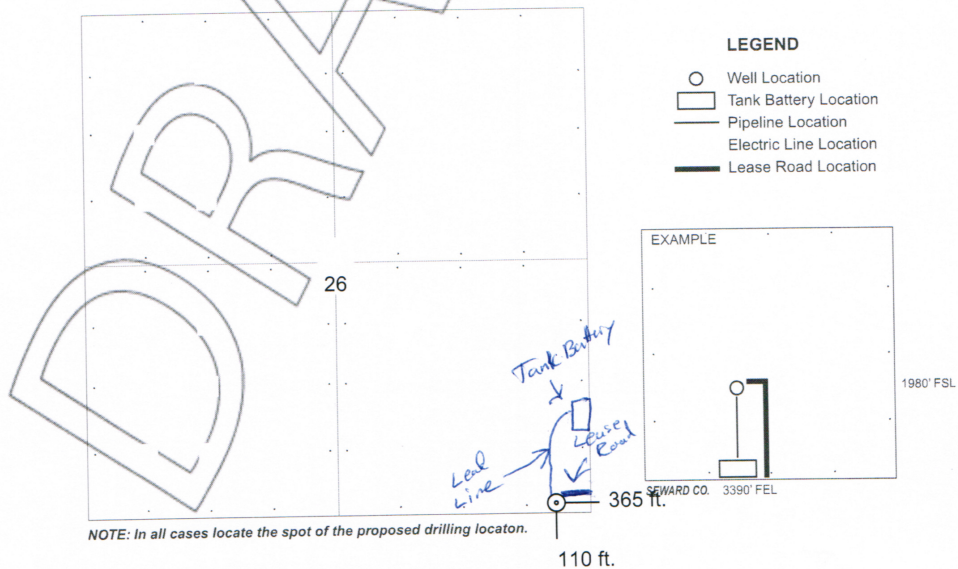
Operator: Brungardt Oil and Leasing Inc. Location of Well: County: Osborne
 Lease: Koelling - Angel 110 feet from N / S Line of Section
 Well Number: 1 365 feet from E / W Line of Section
 Field: Unnamed Sec. 26 Twp. 10 S. R. 15 E W

Number of Acres attributable to well: _____
 QTR/QTR/QTR/QTR of acreage: SW - SE - SE - SE

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.

G**M 75 40**
OIL AND GAS LEASEAGREEMENT, Made and entered into this 25th 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 which is hereby acknowledged, and of the covenants and agreements hereinafter contained on the part of Lessee to be paid, kept and performed, has granted, demised, leased and let and by these presents does grant, demise, lease and let unto said Lessee, for the sole and only purpose of mining and operating for oil and gas, and laying pipelines, and building tanks, 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 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:

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 premises.
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 royalty 1/8 of the market value of such gas at the mouth of the well; if said gas is sold by the Lessee, then as royalty 1/8 of the proceeds of the sale thereof at the mouth of the well. The Lessee shall pay Lessor as royalty 1/8 of the proceeds from the sale of gas as such at the mouth of the well where gas only is found and where such gas is not sold or used, Lessee shall pay or tender annually at the end of each yearly period during which such gas is not sold or used as royalty, One Dollar (\$1) per net mineral acre retained hereunder, and while said royalty is so paid or tendered this lease shall be held as a producing lease under the above term paragraph hereof; the Lessor to have gas free of charge from any gas well on the leased premises for stoves 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 risk and expense.
3. 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.
4. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided shall be paid the 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 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 the like effect as if such well had been completed within the term of years herein first 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 be binding on the heirs, devisees, executors, administrators, successors, or assigns, but no change in the ownership of said land or of any right hereunder shall be binding on the Lessee until after Lessee has been furnished with the original or a certified copy thereof of any transfer by Lessor or with a certified copy of the will of Lessor together with a transcript of the probate thereof or, in the event Lessor dies intestate and his estate is being administered, with a transcript of the administration proceedings or, in the event of the death of Lessor and no administration being had on the estate, with an instrument satisfactory to Lessee executed by Lessor's heirs authorizing payment or deposit or tender for deposit to their credit as heretofore provided, at least thirty days before said rentals and royalties are payable or due, and it is hereby agreed in the event this lease shall be assigned as to a part or as to parts of the above described lands and the assignee or assignees of such part or parts shall fail or make default in the payment of the proportionate part of the rents due from him or them, such default shall not operate to defeat or affect this lease in so far as it covers a part or parts of said lands upon which the said Lessee or any assignee thereof shall make due payments of said rentals. 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. If the leased premises are now or hereafter owned in severalty or in separate tracts, the premises, nevertheless, may be developed and operated as an entirety, and the royalties shall be paid to each separate owner in the proportion that the acreage owned by him bears to the entire leased area. 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 hereafter be divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks for the oil produced from such separate tracts.
11. 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 may reimburse itself from any rental or royalties 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, devisees, 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 Lessee held liable 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.
13. 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.
14. In the event that Lessee drills a well on the lease premises which results in a dry hole, Lessee shall pay to Lessor actual site damages sustained to the lease 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.

M 75 32

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 OSBORNE ss:

The foregoing instrument was acknowledged before me this 5th day of July, 2011, by Barbara Koelling, a single person.

My appointment expires:



Michael Burkholder
Notary Public



STATE OF KANSAS }
OSBORNE COUNTY } ss
Filed on the 7th day of July
A.D. 2011, at 9:20 o'clock A.M.
and duly recorded in 7748
Book 775, Page 32
Barbara Koelling
REGISTER OF DEEDS
fee \$12.00

M 75 41

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.

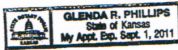
Gene Robert Angel Date: 7/25/11
Gene Robert Angel
Lynn M. Angel Date: 7-25-2011
Lynn M. Angel

ACKNOWLEDGMENT

STATE OF KANSAS, COUNTY OF Russell ss:
The foregoing instrument was acknowledged before me this 25th day of July, 2011, by Gene Robert Angel and Lynn M. Angel, his wife.

My appointment expires Sept. 1, 2011

Glenda R. Phillips
Notary Public Glenda R. Phillips



STATE OF KANSAS } ss
OSBORNE COUNTY }
Filed on the 27th day of July
A.D. 2011 at 2:00 o'clock A.M.
and duly Recorded in Missouri
Book 2278 Page 11
Rubens A. Byrd
REGISTER OF DEEDS
fe \$12.00
by Deborah Herrman
Deputy

M 75 40

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.

Gene R. Angel Date: 7/25/11
Gene R. Angel
Lynn M. Angel Date: 7-25-2011
Lynn M. Angel

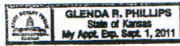
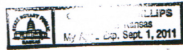
ACKNOWLEDGMENT

STATE OF KANSAS, COUNTY OF Russell ss:

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

My appointment expires Sept. 1, 2011

Glenda R. Phillips
Notary Public: Glenda R. Phillips



STATE OF KANSAS } SS
OSBORNE COUNTY }

Filed on the 27th day of July
A.D. 2011 at 3:00 o'clock P.M.
and duly Recorded in Book
Book 275 Page 48
Subscribed to by
REGISTER OF DEEDS

Fee \$12.00
by Deborah Herrman
Deputy

W 75 31

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.

Donald F. Hanberg Date: 28 June '11
Donald F. Hanberg

ACKNOWLEDGMENT

STATE OF CONNECTICUT, COUNTY OF Middlesex ss:
The foregoing instrument was acknowledged before me this 28th day of June, 2011, by Donald F. Hanberg, a single person.

My appointment expires: 1/31/2014

Melinda
Notary Public
Mary Anne Holland



STATE OF KANSAS } ss
OSBORNE COUNTY }
Filed on the 28th day of June
A.D. 2011 at 1:00 o'clock P.M.
and duly Recorded in Miss
Book 11.75 Page 31
Rebecca A. Boyd
REGISTER OF DEEDS
12.00



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 **without slots**, 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.