



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

KANSAS CORPORATION COMMISSION 1081566
OIL & GAS CONSERVATION DIVISION

Form C-1
 March 2010

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

NOTICE OF INTENT TO DRILL

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

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

Expected Spud Date: _____
month day year

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

CONTRACTOR: License# _____
 Name: _____

| | | |
|--------------------------------------------------------------------|-----------------------------------|-------------------------------------|
| Well Drilled For: | Well Class: | Type Equipment: |
| <input type="checkbox"/> Oil | <input type="checkbox"/> Enh Rec | <input type="checkbox"/> Infield |
| <input type="checkbox"/> Gas | <input type="checkbox"/> Storage | <input type="checkbox"/> Pool Ext. |
| | <input type="checkbox"/> Disposal | <input type="checkbox"/> Wildcat |
| <input type="checkbox"/> Seismic ; _____ # of Holes | <input type="checkbox"/> Other | <input type="checkbox"/> Mud Rotary |
| <input type="checkbox"/> Other: _____ | | <input type="checkbox"/> Air Rotary |
| | | <input type="checkbox"/> Cable |
| <input type="checkbox"/> If OWWO: old well information as follows: | | |
| Operator: _____ | | |
| Well Name: _____ | | |
| Original Completion Date: _____ | Original Total Depth: _____ | |

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

Spot Description: _____
 _____ - _____ - _____ Sec. _____ Twp. _____ S. R. _____ E W
(Q/Q/Q/Q) _____ feet from N / S Line of Section
 _____ feet from E / W Line of Section
 Is SECTION: Regular Irregular?
 (Note: Locate well on the Section Plat on reverse side)

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

AFFIDAVIT

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

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

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

Submitted Electronically

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

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



1081566

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

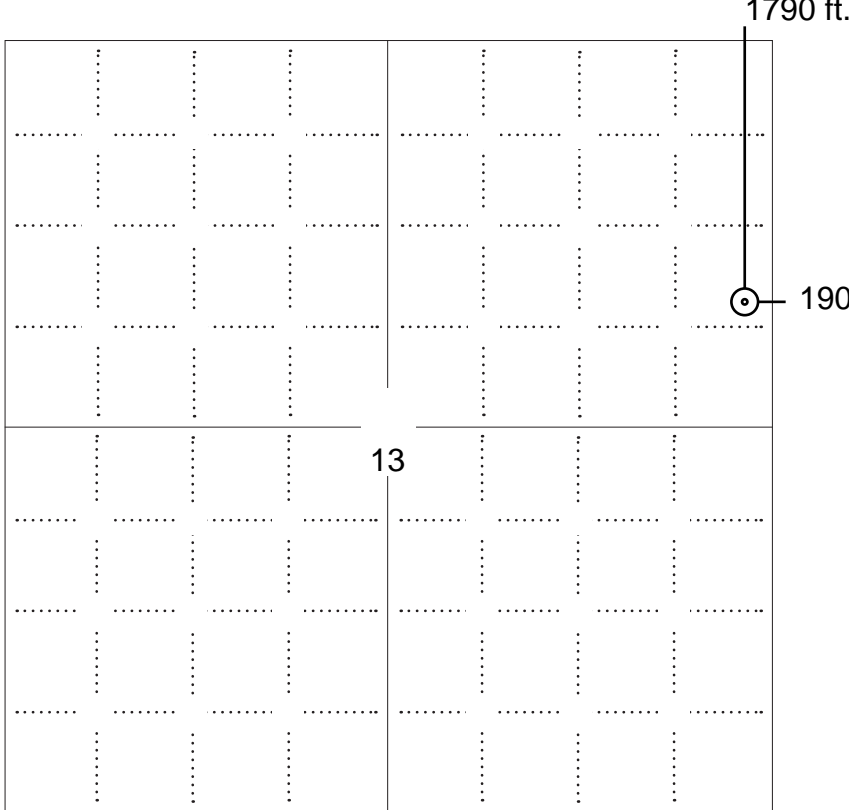
If Section is Irregular, locate well from nearest corner boundary.

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 1081566
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

I

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 23rd day of February 2007

by and between David A. Helfrich and Elizabeth A. Helfrich, husband and wife

whose mailing address is 1505 North 5th, Cimarron, Kansas 67835 hereinafter called Lessor (whether one or more),
and J. Fred Hambright, Inc. hereinafter called Lessee;

125 North Market, Suite 1415 Wichita, KS 67202

Lessor, in consideration of _____ Dollars (\$ _____) in hand paid,

receipt of which is here acknowledged and of the royalties herein provided and of the agreements of the Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring by geophysical and other means, prospecting drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases, and their respective constituent products, injecting gas, water, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, power stations, telephone lines, and other structures and things thereon to produce, save, take care of, treat, manufacture, process, store and transport said oil, liquid hydrocarbons, gases and their respective constituent products and other products manufactured therefrom, and housing and otherwise caring for its employees, the following described land, together with any reversionary rights and after-acquired interest, therein situated in County of _____ State of _____ Described as follows to wit:

Gray Kansas

Township 25 South, Range 27 West
Section 18: W/2

Township 25 South, Range 28 West
Section 25: S/2

In Section _____ Township _____ Range _____ and containing 640.00 acres, more or less and all accretions thereto

Subject to the provisions herein contained, this lease shall remain in force for a term of Three (3) years from this date (called "primary term") and as long thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, or any of them, is produced from said land or land with which said land is pooled.

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

1st. To deliver to the credit of Lessor, free of cost, in the pipe line to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor for gas of whatsoever nature or kind produced and sold, or used off the premises, or used in the manufacture of any products therefrom, one-eighth (1/8), at the market price at the well, (but, as to gas sold by Lessee, in no event more than one-eighth (1/8) of the proceeds received by Lessee from such sales), for the gas sold, used off the premises, or in the manufacture of products therefrom, said payments to be made monthly. Where gas from a well producing gas only is not sold or used, Lessee may pay or tender as royalty One Dollar (\$1.00) per year per net mineral acre retained hereunder, and if such payment or tender is made it will be considered that gas is being produced within the meaning of the preceding paragraph.

This lease may be maintained during the primary term hereof without further payment or drilling operations. If the Lessee shall commence to drill a well within the term of this lease or any extension thereof, the Lessee shall have the right to drill such well to completion with reasonable diligence and dispatch, and if oil or gas, or either of them, be found in paying quantities, this lease shall continue and be in force with like effect as if such well had been completed within the term of years first mentioned.

If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein provided for shall be paid the said Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

When requested by Lessor, Lessee shall bury Lessee's pipe lines below plow depth.

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

Lessee shall pay for damages caused by Lessee's operations to ~~existing crops or other land~~ *ADP*

Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment of rentals or royalties shall be binding on the Lessee until after the Lessee has been furnished with a written transfer or assignment or a true copy thereof. In case Lessee assigns this lease, in whole or in part, Lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment.

Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages, for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.

Lessee hereby warrants and agrees to defend the title to the lands herein described, and agrees that the Lessee shall have the right at any time to redeem for Lessor, by payment any mortgages, taxes or other liens on the above described lands, in the event of default of payment by Lessor, and be subrogated to the rights of the holder thereof, and the undersigned Lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, in so far as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land; lease or leases in the immediate vicinity thereof, when in Lessee's judgment it is deemed 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; stipulating to be of tract 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.

SEE ATTACHED ADDENDUM, ATTACHED HERETO AND MADE A PART HEREOF

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

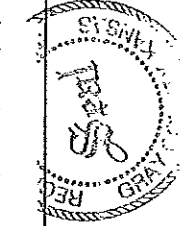
Witness:

SSN

David A. Helfrich
DAVID A. HELFRICH

STATE OF KANSAS, Gray County

This instrument was filed for record on the 24 day of MAY A.D. 2007 at 9:40 AM and duly recorded in Book 173 on Page 201-203



Elizabeth A. Helfrich
ELIZABETH A. HELFRICH

SSN

PHOTO-COPIED

Register of Deeds

INDEXED

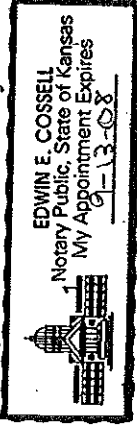
#1602

ACKNOWLEDGMENT

STATE OF KANSAS)
COUNTY OF GRAY) ss.

BEFORE ME, the undersigned, a Notary Public, within and for said County and State, on this 21st day of February, 2007, appeared David A. Helfrich and Elizabeth A. Helfrich, husband and wife, to me personally known to be the identical persons who executed the within and foregoing instrument and acknowledge to me that they executed the same as their free and voluntary act and deed for the uses and purposes therein set forth.

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



My Commission Expires:

Edwin E. Cossell
NOTARY PUBLIC

Edwin E. Cossell

ADDENDUM

ADDENDUM to Oil and Gas Lease dated the 23rd day of February, 2007, by and between, **David A. Helfrich and Elizabeth A. Helfrich, husband and wife, as Lessor, and J. Fred Hambright, Inc., as Lessee**, covering the following described real estate situated in Gray County, Kansas, to-wit:

Township 25 South, Range 27 West
Section 18: W/2

Township 25 South, Range 28 West
Section 25: S/2

and any conflict between the lease provisions printed on the attached form and the provisions provided in this addendum, shall be resolved in favor of the provisions contained herein, and the following provisions shall control.

1. It is understood and agreed that the below defined tracts shall constitute separate and individual leases according to the terms set herein.
Tract 1: Township 25 South, Range 27 West: Section 18: NW/4
Tract 2: Township 25 South, Range 27 West: Section 18: SW/4
Tract 3: Township 25 South, Range 28 West: Section 25: SW/4
Tract 4: Township 25 South, Range 28 West: Section 25: SE/4
2. The rights, whether expressed or implied, acquired by Lessee hereunder to use any part of the surface of the leased premises are limited to an access road along such route as Lessor shall designate, that shall not be hard surfaced; an area of reasonable size for a well location and reasonable temporary adjacent area necessary for Lessee's drilling operations, together with the right to lay and maintain one gathering pipeline and one power line along and adjacent to the access road; and such area in the corners of the leased premises as shall be reasonably necessary for the location and construction of any and all other surface structures incident and necessary to Lessee's reasonable operations hereunder. Consent to lay and maintain additional lines, as may be necessary, for operations herein, shall not be unreasonably withheld. All such rights acquired by Lessee hereunder shall be and remain subservient to the rights of Lessor to use the surface for all reasonable uses and operations incident to their farming and agriculturally related activities as now or hereafter conducted on the leased premises.
3. Lessor reserves all rights to grant, lease, mine and/or produce and market any and all other minerals from said lands except interests in gas and oil and their constituent products herein leased to Lessee.
4. Lessor reserves the option to purchase natural gas from Lessee at the wellhead from any well located on the leased premises, or located on any land unitized or pooled therewith, at the same price Lessee receives for its share of gas at the wellhead, with Lessor using such purchased gas for irrigation engine fuel and other agriculturally related purposes, gas and limited to a quantity annually that does not exceed Lessor's royalty interest hereunder. The gas purchased by Lessor hereunder shall be taken without warranty as to the quality or quantity and at Lessor's sole risk. Such gas shall not be resold by Lessor, and Lessor shall pay Lessee for all such gas taken within thirty (30) days of receipt of a statement therefore. The metering, treating and transportation of all gas purchased by Lessor hereunder shall be at Lessor's cost and expense. Should Lessor desire to exercise the option to purchase gas, Lessor shall notify Lessee in writing at least 60 days prior to taking royalty gas in kind so as not to interfere with Lessee's deliverability forecasts for gas marketing purposes.
5. In addition to all other consideration herein stated, Lessee, or its assigns, shall pay to Lessor, before any drilling operations are commenced, the sum of \$2,500 as consideration for each such well site located on irrigated acreage and \$1,500 as consideration for each such well site located on dry cultivated, or \$1,000 as consideration for each such well site located on grass acreage on the leased premises.

6. At such time as Lessee desires to commence drilling operations thereon, Lessee shall consult with Lessor in regard to and shall conduct its operations in such a manner as will least disturb, interfere with, or damage the surface contours of the leased premises. Lessee shall promptly restore any damage caused by it to surface contours to their former condition as nearly as possible including restoration of topsoil. In the event of production and continued use of the surface, Lessee with restore or prepare the surface so that Lessee's use thereof will not prohibit use of remaining ground. Lessee shall consult with Lessor in regard to the route of ingress and egress on said premises for the purposes of drilling and production as to use of the surface for such ingress and egress.

7. Notwithstanding any other provisions herein contained, the above described leased premises and this lease shall not be consolidated or unitized for gas production except for the purpose of forming a 640 acre gas production unit not exceeding 640 acres each in the event of a gas and/or condensate or distillate well, plus a tolerance of ten percent (10%) to conform to Governmental Survey quarter sections, consisting of Lessor's land described above in addition with other lands to form a 640 acre gas production unit.

8. Lessee covenants not to interfere with any center pivot irrigation system now or hereafter installed upon the leased premises. When requested by Lessor, his heirs, successors or assigns, Lessee shall immediately install and place in operation a "low profile pumping unit".

9. Notwithstanding anything contained in this lease to the contrary, this lease shall terminate three (3) years after expiration of the primary term hereinabove stated as to any and all zones or strata 100 feet below the deepest zone penetrated by Lessee with regard to this land or with regard to any land unitized with the above described land. Provided however, production from land unitized with the above described land, shall be considered production from the above described land as to the zone or strata so producing.

10. In the event a gas well is drilled on the above described lands, or land unitized therewith, it is agreed that "shut-in, or in lieu" royalty in the amount of \$5 per net mineral acre may only be paid for three (3) yearly periods, successive or otherwise, past the date of completion of said well. The above described shut-in payments do not pertain to any oil well.

11. Should any well completed on the leased premises produce a volume less than the Lessee, in its sole discretion, deems advisable to produce, and for such reason intend to plug and abandon the same, Lessee agrees to give Lessor the right, privilege and option to purchase any such well, at salvage value rates, together with the casing and connections in the well and necessary for containment of the gas thereof. Lessee also agrees to release all of its rights, title and interest in this lease. Thereupon, Lessor shall assume all responsibility and expense in connection with further operations or plugging of any such well. The option to purchase must be exercised within thirty (30) days after written notice is given Lessee by Lessor of such intention to abandon the well. If any well is offered to the Lessor under the provisions of this paragraph, Lessor shall have the right, at Lessor's own risk and expense, of having the well gauged, but this right must be exercised promptly so as not to cause Lessee any unnecessary delay or expense. If Lessor elects to purchase such well, the price shall be based on a reasonable salvage value of the casing and connections in and around the well and necessary for the containment of the gas therein. Lessor shall execute and record the Bill of Sale for such transfer in which Lessor agrees to fully indemnify Lessee. Lessor agrees to satisfy all state requirements for an operator's license prior to receiving an assignment of the rights hereunder.

12. The use of water provided for hereunder is limited to use for drilling operations on the leased premises only. Fresh water from the leased premises shall not be used for the purpose of water flooding or injection in any water flooding program or program for secondary recovery. No well shall be used as a salt water disposal well without the written consent of Lessor and the payment to Lessor of such compensation as Lessor shall determine. However, this clause does not apply to disposal of water from wells of Lessor on leased premises.


13. Lessee agrees to conduct its operations in strict compliance with all federal, state, and local environmental, health, and safety laws and will protect, indemnify, hold harmless, and defend Lessor against any claim, demand, cost, liability, loss, or damage suffered by Lessor, including reasonable attorney fees and litigation costs, arising out of or associated in any way with activities conducted by Lessee (or those having a contractual relationship with Lessee) on or impacting the leased land. Lessee's obligations created hereby are continuing obligations which will continue in effect, and be enforceable by Lessor, or assigns, even after the lease terminates or otherwise ceases to burden the leased land.

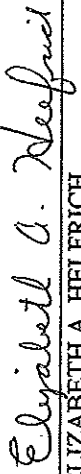
14. If at the end of the primary term, this lease is not otherwise continued in force under the provisions hereof, this lease shall expire, unless Lessee on or before the end of the primary term shall pay or tender Lessor, the sum of \$5.00 multiplied by the number of net mineral acres owned by Lessor in the land above described and then subject to this lease; and subject to the other provisions of this lease, the primary term shall be extended for an additional term of one (1) year from the end of the primary term hereof.

It is understood and agreed that Lessee may exercise this option individually according to the tracts herein described with no obligation to exercise the option on the remainder tracts.

THIS LEASE AND ADDENDUM, and all of its terms, conditions and covenants shall extend to and be binding upon the parties, their heirs, successors, administrators, executors, trustees, legal and personal representatives and assigns.

IN WITNESS WHEREOF, Lessor has hereunto set their hands the day and year hereinabove stated, for identification purposes.


DAVID A. HELFRICH


ELIZABETH A. HELFRICH

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 2nd day of February 2007
by and between Brian Helfrich and Kathleen Helfrich, his wife

whose mailing address is 2905 Toalson, Dodge City KS 67801 hereinafter called Lessor (whether one or more),
and J. Fred Hambright, Inc.

125 North Market, Suite 1415 Wichita, KS 67202 hereinafter called Lessee:
Lessor, in consideration of One and More Dollars (\$ One (1.00)) in hand paid,

receipt of which is here acknowledged and of the royalties herein provided and of the agreements of the Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring by geophysical and other means, prospecting drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases, and their respective constituent products, injecting gas, water, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, power stations, telephone lines, and other structures and things thereon to produce, save, take care of, treat, manufacture, process, store and transport said oil, liquid hydrocarbons, gases and their respective constituent products and other products manufactured therefrom, and housing and otherwise caring for its employees, the following described land, together with any reversionary rights and after-acquired interest, therein situated in County of Gray State of Kansas Described as follows to wit:

Township 25 South, Range 27 West
Section 18: W/2
Township 25 South, Range 28 West
Section 25: S/2

In Section Township Range and containing 640.00 acres, more or less and all accretions thereto

Subject to the provisions herein contained, this lease shall remain in force for a term of Three (3) years from this date (called "primary term"), and as long thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, or any of them, is produced from said land or land with which said land is pooled.

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

1st. To deliver to the credit of Lessor, free of cost, in the pipe line to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor for gas of whatsoever nature or kind produced and sold, or used off the premises, or used in the manufacture of any products therefrom, one-eighth (1/8), at the market price at the well, (but, as to gas sold by Lessee, in no event more than one-eighth (1/8) of the proceeds received by Lessee from such sales), for the gas sold, used off the premises, or in the manufacture of products therefrom, said payments to be made monthly. Where gas from a well producing gas only is not sold or used, Lessee may pay or tender as royalty One Dollar (\$1.00) per year per net mineral acre retained hereunder, and if such payment or tender is made it will be considered that gas is being produced within the meaning of the preceding paragraph.

This lease may be maintained during the primary term hereof without further payment or drilling operations. If the Lessee shall commence to drill a well within the term of this lease or any extension thereof, the Lessee shall have the right to drill such well to completion with reasonable diligence and dispatch, and if oil or gas, or either of them, be found in paying quantities, this lease shall continue and be in force with like effect as if such well had been completed within the term of years first mentioned.

If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein provided for shall be paid the said Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

When requested by Lessor, Lessee shall bury Lessee's pipe lines below plow depth.

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

Lessee shall pay for damages caused by Lessee's operations to growing crops on said land. BF

Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment of rentals or royalties shall be binding on the Lessee until after the Lessee has been furnished with a written transfer or assignment or a true copy thereof. In case Lessee assigns this lease, in whole or in part, Lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment.

Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages, for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.

Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the Lessee shall have the right at any time to redeem for Lessor, by payment any mortgages, taxes or other liens on the above described lands, in the event of default of payment by Lessor, and be subrogated to the rights of the holder thereof, and the undersigned Lessor, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, in so far as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land; lease or leases in the immediate vicinity thereof, when in Lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises, such pooling to be of tracts contiguous to one another and to be into a unit or units not exceeding 40 acres each in the event of an oil well, or into a unit or units not exceeding 640 acres each in the event of a gas well. Lessee shall execute in writing and record in the conveyance records of the county in which the land herein leased is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit shall be treated, for all purposes except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on the pooled acreage, it shall be treated as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere herein specified, Lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.

SEE ATTACHED ADDENDUM, ATTACHED HERETO AND MADE A PART HEREOF

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

Brian Helfrich
BRIAN HELFRICH

SSN

STATE OF KANSAS, Gray County

This instrument was filed for record on

the 21 day of May A.D. 2007

at 1600 AM and duly recorded in Book

JP on Page 204-206

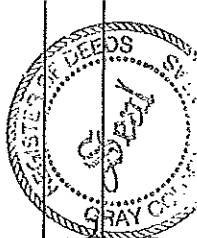
J. Fred Hambright

Register of Deeds

Kathleen Helfrich
KATHLEEN HELFRICH

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INDEXED



7. Notwithstanding any other provisions herein contained, the above described leased premises and this lease shall not be consolidated or unitized for gas production except for the purpose of forming a 640 acre gas production unit not exceeding 640 acres each in the event of a gas and/or condensate or distillate well, plus a tolerance of ten percent (10%) to conform to Governmental Survey quarter sections, consisting of Lessor's land described above in addition with other lands to form a 640 acre gas production unit.

8. Lessee covenants not to interfere with any center pivot irrigation system now or hereafter installed upon the leased premises. When requested by Lessor, his heirs, successors or assigns, Lessee shall immediately install and place in operation a "low profile pumping unit".

9. Notwithstanding anything contained in this lease to the contrary, this lease shall terminate three (3) years after expiration of the primary term hereinabove stated as to any and all zones or strata 100 feet below the deepest zone penetrated by Lessee with regard to this land or with regard to any land unitized with the above described land. Provided however, production from land unitized with the above described land, shall be considered production from the above described land as to the zone or strata so producing.

10. In the event a gas well is drilled on the above described lands, or land unitized therewith, it is agreed that "shut-in, or in lieu" royalty in the amount of \$5 per net mineral acre may only be paid for three (3) yearly periods, successive or otherwise, past the date of completion of said well. The above described shut-in payments do not pertain to any oil well.

11. Should any well completed on the leased premises produce a volume less than the Lessee, in its sole discretion, deems advisable to produce, and for such reason intend to plug and abandon the same, Lessee agrees to give Lessor the right, privilege and option to purchase any such well, at salvage value rates, together with the casing and connections in the well and necessary for containment of the gas thereof. Lessee also agrees to release all of its rights, title and interest in this lease. Thereupon, Lessor shall assume all responsibility and expense in connection with further operations or plugging of any such well. The option to purchase must be exercised within thirty (30) days after written notice is given Lessee by Lessor of such intention to abandon the well. If any well is offered to the Lessor under the provisions of this paragraph, Lessor shall have the right, at Lessor's own risk and expense, of having the well gauged, but this right must be exercised promptly so as not to cause Lessee any unnecessary delay or expense. If Lessor elects to purchase such well, the price shall be based on a reasonable salvage value of the casing and connections in and around the well and necessary for the containment of the gas therein. Lessor shall execute and record the Bill of Sale for such transfer in which Lessor agrees to fully indemnify Lessee. Lessor agrees to satisfy all state requirements for an operator's license prior to receiving an assignment of the rights hereunder.

12. The use of water provided for hereunder is limited to use for drilling operations on the leased premises only. Fresh water from the leased premises shall not be used for the purpose of water flooding or injection in any water flooding program or program for secondary recovery. No well shall be used as a salt water disposal well without the written consent of Lessor and the payment to Lessor of such compensation as Lessor shall determine. However, this clause does not apply to disposal of water from wells of Lessor on leased-premises.

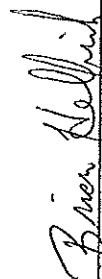
13. Lessee agrees to conduct its operations in strict compliance with all federal, state, and local environmental, health, and safety laws and will protect, indemnify, hold harmless, and defend Lessor against any claim, demand, cost, liability, loss, or damage suffered by Lessor, including reasonable attorney fees and litigation costs, arising out of or associated in any way with activities conducted by Lessee (or those having a contractual relationship with Lessee) on or impacting the leased land. Lessee's obligations created hereby are continuing obligations which will continue in effect, and be enforceable by Lessor, or assigns, even after the lease terminates or otherwise ceases to burden the leased land.


14. If at the end of the primary term, this lease is not otherwise continued in force under the provisions hereof, this lease shall expire, unless Lessee on or before the end of the primary term shall pay or tender Lessor, the sum of \$5.00 multiplied by the number of net mineral acres owned by Lessor in the land above described and then subject to this lease; and subject to the other provisions of this lease, the primary term shall be extended for an additional term of one (1) year from the end of the primary term hereof.

It is understood and agreed that Lessee may exercise this option individually according to the tracts herein described with no obligation to exercise the option on the remainder tracts.

THIS LEASE AND ADDENDUM, and all of its terms, conditions and covenants shall extend to and be binding upon the parties, their heirs, successors, administrators, executors, trustees, legal and personal representatives and assigns.

IN WITNESS WHEREOF, Lessor has hereunto set their hands the day and year hereimabove stated, for identification purposes.


BRIAN HELFRICH


KATHLEEN HELFRICH

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 6th day of June 2007
by and between Eva J. Vachal, a single woman

whose mailing address is 102 Windsor Court, Garden City, KS 67846 hereinafter called Lessor (whether one or more),
and J. Fred Hambright, Inc.

125 North Market, Suite 1415 Wichita, KS 67202 hereinafter called Lessee:
Lessor, in consideration of One and More Dollars (\$ One (1.00)) in hand paid,

receipt of which is here acknowledged and of the royalties herein provided and of the agreements of the Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring by geophysical and other means, prospecting drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases, and their respective constituent products, injecting gas, water, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, power stations, telephone lines, and other structures and things thereon to produce, save, take care of, treat, manufacture, process, store and transport said oil, liquid hydrocarbons, gases and their respective constituent products and other products manufactured therefrom, and housing and otherwise caring for its employees, the following described land, together with any reversionary rights and after-acquired interest, therein situated in County of Gray State of Kansas Described as follows to wit:

Township 25 South, Range 28 West
Section 13: NE/4

In Section Township Range and containing 160.00 acres, more or less and all accretions thereto
Subject to the provisions herein contained, this lease shall remain in force for a term of Three (3) years from this date (called "primary term"), and as long thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, or any of them, is produced from said land or land with which said land is pooled.

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

1st. To deliver to the credit of Lessor, free of cost, in the pipe line to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor for gas of whatsoever nature or kind produced and sold, or used off the premises, or used in the manufacture of any products therefrom, one-eighth (1/8), at the market price at the well, (but, as to gas sold by Lessee, in no event more than one-eighth (1/8) of the proceeds received by Lessee from such sales), for the gas sold, used off the premises, or in the manufacture of products therefrom, said payments to be made monthly. Where gas from a well producing gas only is not sold or used, Lessee may pay or tender as royalty One Dollar (\$1.00) per year per net mineral acre retained hereunder, and if such payment or tender is made it will be considered that gas is being produced within the meaning of the preceding paragraph.

This lease may be maintained during the primary term hereof without further payment or drilling operations. If the Lessee shall commence to drill a well within the term of this lease or any extension thereof, the Lessee shall have the right to drill such well to completion with reasonable diligence and dispatch, and if oil or gas, or either of them, be found in paying quantities, this lease shall continue and be in force with like effect as if such well had been completed within the term of years first mentioned.

If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein provided for shall be paid the said Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

When requested by Lessor, Lessee shall bury Lessee's pipe lines below plow depth.

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

Lessee shall pay for damages caused by Lessee's operations to growing crops on said land.

Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment of rentals or royalties shall be binding on the Lessee until after the Lessee has been furnished with a written transfer or assignment or a true copy thereof. In case Lessee assigns this lease, in whole or in part, Lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment.

Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages, for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.

Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the Lessee shall have the right at any time to redeem for Lessor, by payment any mortgages, taxes or other liens on the above described lands, in the event of default of payment by Lessor, and be subrogated to the rights of the holder thereof, and the undersigned Lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, in so far as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land; lease or leases in the immediate vicinity thereof, when in Lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises, such pooling to be of tracts contiguous to one another and to be into a unit or units not exceeding 40 acres each in the event of an oil well, or into a unit or units not exceeding 640 acres each in the event of a gas well. Lessee shall execute in writing and record in the conveyance records of the county in which the land herein leased is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit shall be treated, for all purposes except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on the pooled acreage, it shall be treated as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere herein specified, Lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.

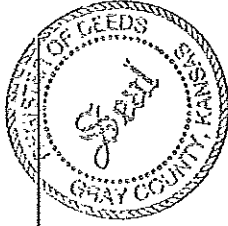
SEE ATTACHED ADDENDUM, ATTACHED HERETO AND MADE A PART HEREOF

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

Eva J. Vachal
EVA J. VACHAL

SSN

STATE OF KANSAS, Gray County



This instrument was filed for record on the 2 day of Aug, A.D. 2007 at 9:35 AM and duly recorded in Book 14 on Page 143-195
Charles D. Duffin
Register of Deeds #1608

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INDEXED

ACKNOWLEDGMENT

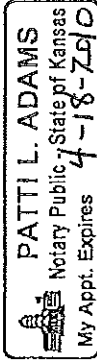
STATE OF KANSAS)
COUNTY OF FINNEY) ss.

BEFORE ME, the undersigned, a Notary Public, within and for said County and State, on this 12 day of June, 2007, appeared Eva J. Vachal, a single woman, to me personally known to be the identical person who executed the within and foregoing instrument and acknowledge to me that she executed the same as her free and voluntary act and deed for the uses and purposes therein set forth.

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

Patti L. Adams
NOTARY PUBLIC Patti L. Adams

My Commission Expires: 4-18-2010



ADDENDUM

ADDENDUM to Oil and Gas Lease dated the 6th day of June, 2007, by and between, Eva J. Vachal, a single woman, as Lessor, and J. Fred Hambright, Inc., as Lessee, covering the following described real estate situated in Gray County, Kansas, to-wit:

Township 25 South, Range 28 West
Section 13: NE/4

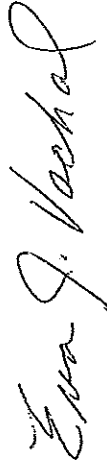
and any conflict between the lease provisions printed on the attached form and the provisions provided in this addendum, shall be resolved in favor of the provisions contained herein, and the following provisions shall control.

1. The rights, whether expressed or implied, acquired by Lessee hereunder to use any part of the surface of the leased premises are limited to an access road along such route as Lessor shall designate, that shall not be hard surfaced; an area of reasonable size for a well location and reasonable temporary adjacent area necessary for Lessee's drilling operations, together with the right to lay and maintain one gathering pipeline and one power line along and adjacent to the access road; and such area in the corners of the leased premises as shall be reasonably necessary for the location and construction of any and all other surface structures incident and necessary to Lessee's reasonable operations hereunder. Consent to lay and maintain additional lines, as may be necessary, for operations herein, shall not be unreasonably withheld. All such rights acquired by Lessee hereunder shall be and remain subservient to the rights of Lessor to use the surface for all reasonable uses and operations incident to their farming and agriculturally related activities as now or hereafter conducted on the leased premises.
2. Lessor reserves all rights to grant, lease, mine and/or produce and market any and all other minerals from said lands except interests in gas and oil and their constituent products herein leased to Lessee.
3. In addition to all other consideration herein stated, Lessee, or its assigns, shall pay to Lessor, before any drilling operations are commenced, the sum of \$1,500 as consideration for each such well site located on dry cultivated, or \$1,000 as consideration for each such well site located on grass acreage on the leased premises.
4. At such time as Lessee desires to commence drilling operations thereon, Lessee shall consult with Lessor in regard to and shall conduct its operations in such a manner as will least disturb, interfere with, or damage the surface contours of the leased premises. Lessee shall promptly restore any damage caused by it to surface contours to their former condition as nearly as possible including restoration of topsoil. In the event of production and continued use of the surface, Lessee with restore or prepare the surface so that Lessee's use thereof will not prohibit use of remaining ground. Lessee shall consult with Lessor in regard to the route of ingress and egress on said premises for the purposes of drilling and production as to use of the surface for such ingress and egress.
5. Notwithstanding anything contained in this lease to the contrary, this lease shall terminate three (3) years after expiration of the primary term hereinabove stated as to any and all zones or strata 100 feet below the deepest zone penetrated by Lessee with regard to this land or with regard to any land unitized with the above described land. Provided however, production from land unitized with the above described land, shall be considered production from the above described land as to the zone or strata so producing.
6. In the event a gas well is drilled on the above described lands, or land unitized therewith, it is agreed that "shut-in, or in lieu" royalty in the amount of \$5 per net mineral acre may only be paid for three (3) yearly periods, successive or otherwise, past the date of completion of said well. The above described shut-in payments do not pertain to any oil well.
7. The use of water provided for hereunder is limited to use for drilling operations on the leased premises only. Fresh water from the leased premises shall not be used for the purpose of water flooding or injection in any water flooding program or program for secondary recovery. No well shall be used as a salt water disposal well without the written consent of Lessor and the payment to Lessor of such compensation as Lessor shall determine. However, this clause does not apply to disposal of water from wells of Lessor on leased premises.

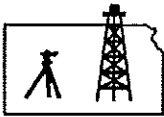
8. Lessee agrees to conduct its operations in strict compliance with all federal, state, and local environmental, health, and safety laws and will protect, indemnify, hold harmless, and defend Lessor against any claim, demand, cost, liability, loss, or damage suffered by Lessor, including reasonable attorney fees and litigation costs, arising out of or associated in any way with activities conducted by Lessee (or those having a contractual relationship with Lessee) on or impacting the leased land.
9. If at the end of the primary term, this lease is not otherwise continued in force under the provisions hereof, this lease shall expire, unless Lessee on or before the end of the primary term shall pay or tender Lessor, the sum of \$10.00 multiplied by the number of net mineral acres owned by Lessor in the land above described and then subject to this lease; and subject to the other provisions of this lease, the primary term shall be extended for an additional term of three (3) years from the end of the primary term hereof.

THIS LEASE AND ADDENDUM, and all of its terms, conditions and covenants shall extend to and be binding upon the parties, their heirs, successors, administrators, executors, trustees, legal and personal representatives and assigns.

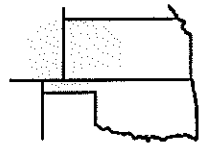
IN WITNESS WHEREOF, Lessor has hereunto set her hand the day and year hereinabove stated, for identification purposes.



EVA J. VACHAL



Pro-Stake LLC
 Oil Field & Construction Site Staking
 P.O. Box 2324
 Garden City, Kansas 67846
 Office/Fax: (620) 276-6159
 Cell: (620) 272-1499



m052412-b
 PLAT NO.

10069
 INVOICE NO.

Ritchie Exploration Inc.

OPERATOR

#1 Vachal-Helfrich

LEASE NAME

Gray County, KS

COUNTY

13 25s 28w
 Sec. Twp. Rng.

1790' FNL - 190' FEL

LOCATION SPOT

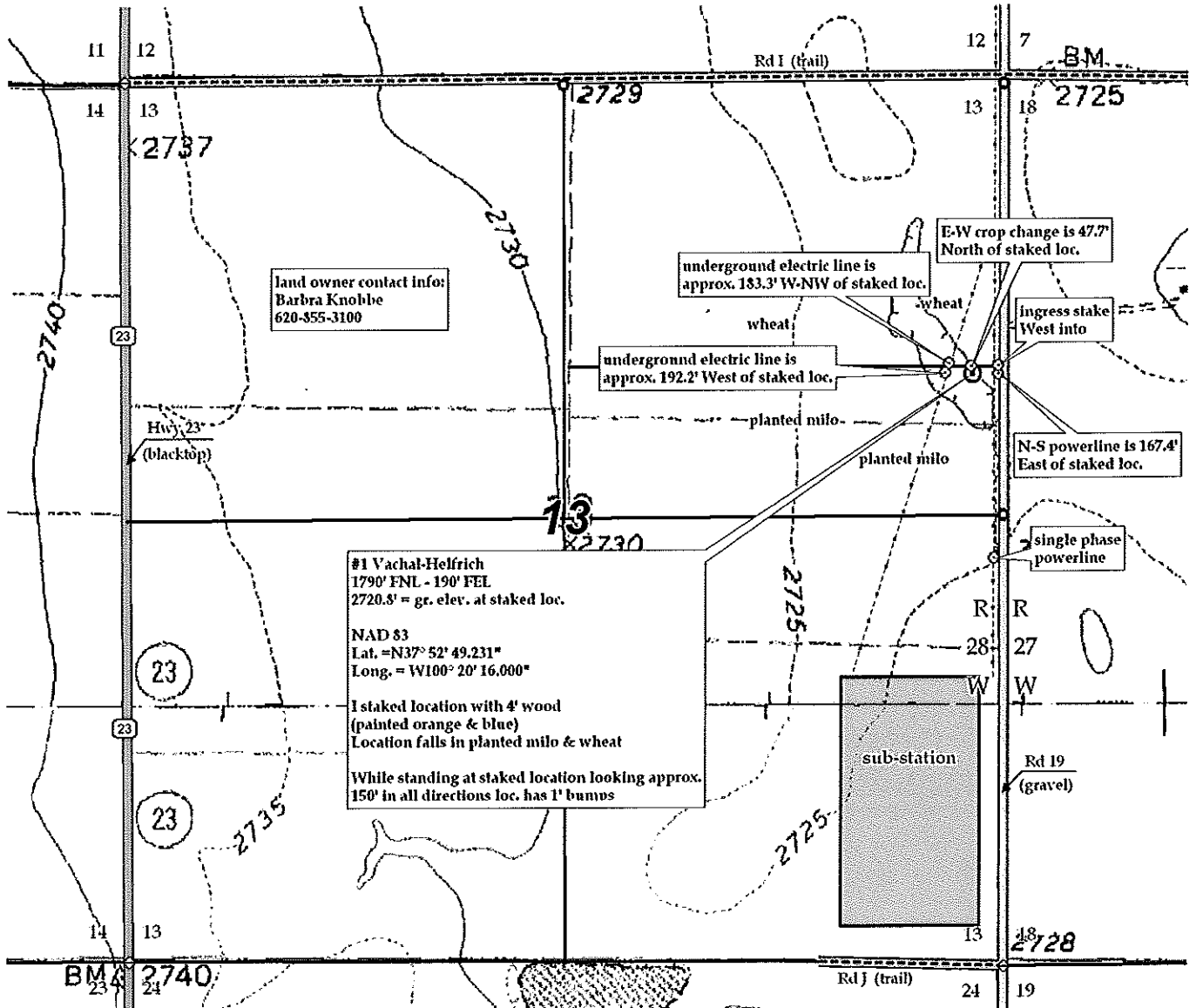
SCALE: 1" = 1000'
 DATE STAKED: May 24th, 2012
 MEASURED BY: Burt W.
 DRAWN BY: Luke R.
 AUTHORIZED BY: Justin C., dirt cont., & tool pusher



GR. ELEVATION: 2720.8'

Directions: From the center of Cimarron, Ks, at intersection of Hwy 50 and Hwy 23 - Now go 3.6 mile North & NW on Hwy 23 - Now 1 mile East on K Rd - Now go 1 mile North on Rd 19 to the SE corner of section 13-25s-28w - Now go 0.7 mile North on Rd 19 to ingress stake West into - Now go 190' West through planted milo into staked location.
Final ingress must be verified with land owner or Operator.

*This drawing does not constitute a monumented survey or a land survey plat.
 This drawing is for construction purposes only.*

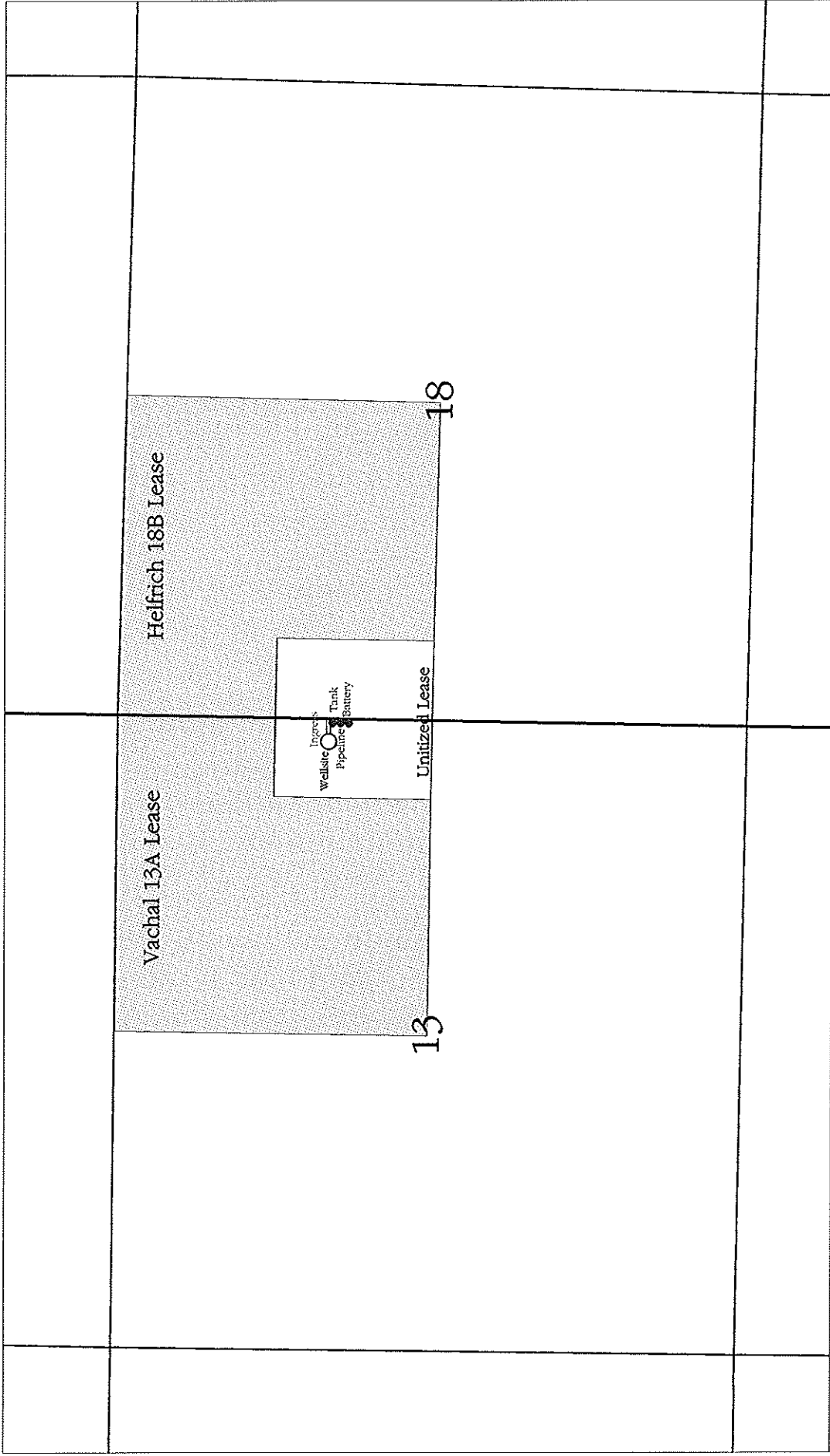


KANSAS SURFACE OWNER NOTIFICATION ACT

R 28 W

R 27 W

T
25
S



SCALE = 1 : 15,000

GRAY COUNTY, KANSAS