For KCC Use:

Eff	e	ct	iv	е	Date

District	#	

SGA?	Yes	No

Form

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

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

Form C-1

1084515

# NOTICE OF INTENT TO DRILL

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

Expected Spud Date:	
month day year	
OPERATOR: License#	feet from N / S Line of Section
Name:	feet from L E / W Line of Section
Address 1:	Is SECTION: Regular Irregular?
Address 2:	(Note: Locate well on the Section Plat on reverse side)
City: State: Zip: +	
Contact Person:	
Phone:	
CONTRACTOR: License#	
Name:	
Oil Enh Rec Infield Mud Rotary   Gas Storage Pool Ext. Air Rotary	Nearest Lease or unit boundary line (in footage):     Ground Surface Elevation:
Directional, Deviated or Horizontal wellbore?	
If Yes, true vertical depth:	
Bottom Hole Location:	
KCC DKT #:	Will Cores be taken?
	If Yes, proposed zone:

## **AFFIDAVIT**

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

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

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

Submitted E	Electronically
-------------	----------------

For KCC Use ONLY	
API # 15	
Conductor pipe required	feet
Minimum surface pipe required	feet per ALT.
Approved by:	
This authorization expires: (This authorization void if drilling not started within 12	
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:

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



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.

Deerator: Location of Well: County:							
Lease:	feet from N / S Line of Section						
Well Number:	feet from E / W Line of Section						
Field:	Sec Twp S. R E 📃 W						
Number of Acres attributable to well: QTR/QTR/QTR/QTR of acreage:	Is Section: Regular or Irregular						
	If Section is Irregular, locate well from nearest corner boundary.						
	Section corner used: NE NW SE SW						

PLAT

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



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).
- If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (C0-7 for oil wells; CG-8 for gas wells).
- 5. The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.

Side Two



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

1084515

Form CDP-1 May 2010 Form must be Typed

# **APPLICATION FOR SURFACE PIT**

Submit in Duplicate										
Operator Name:			License Number:							
Operator Address:										
Contact Person:			Phone Number:							
Lease Name & Well No.:			Pit Location (QQQQ):							
Type of Pit:	Pit is:									
Emergency Pit Burn Pit	Proposed	Existing	SecTwp R East West							
Settling Pit Drilling Pit	If Existing, date cor	nstructed:	Feet from North / South Line of Section							
Workover Pit Haul-Off Pit	Pit capacity:		Feet from East / West Line of Section							
(If WP Supply API No. or Year Drilled)		(bbls)	County							
Is the pit located in a Sensitive Ground Water A	rea? Yes I	No	Chloride concentration: mg/l (For Emergency Pits and Settling Pits only)							
Is the bottom below ground level?	Artificial Liner?	lo	How is the pit lined if a plastic liner is not used?							
Pit dimensions (all but working pits):	Length (fee	et)	Width (feet)N/A: Steel Pits							
Depth fro	m ground level to dee	pest point:	(feet) No Pit							
If the pit is lined give a brief description of the lin material, thickness and installation procedure.	ıer		dures for periodic maintenance and determining cluding any special monitoring.							
Distance to nearest water well within one-mile of	f pit:	Depth to shallowest fresh water feet. Source of information:								
feet Depth of water well	feet	measured	well owner electric log KDWR							
Emergency, Settling and Burn Pits ONLY:		Drilling, Worko	ver and Haul-Off Pits ONLY:							
Producing Formation:		Type of material utilized in drilling/workover:								
Number of producing wells on lease:		Number of working pits to be utilized:								
Barrels of fluid produced daily:		Abandonment p	procedure:							
Does the slope from the tank battery allow all sp flow into the pit? Yes No	oilled fluids to	Drill pits must be closed within 365 days of spud date.								
Submitted Electronically			· · · · · · · ·							
	KCC	OFFICE USE ON	NLY							

Lease Inspection: Yes No Date Received: \_ Permit Number: \_ \_Permit Date:

Liner

Steel Pit

RFAC

RFAS

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



KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION 1084515

# CERTIFICATION OF COMPLIANCE WITH THE KANSAS SURFACE OWNER NOTIFICATION ACT

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

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

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

OPERATOR: License #	Well Location:
Name:	
Address 1:	County:
Address 2:	Lease Name: Well #:
City:      Zip:        Contact Person:	If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:
Phone: ( ) Fax: ( ) Email Address:	
Surface Owner Information:	
Name:	When filing a Form T-1 involving multiple surface owners, attach an additional
Address 1:	sheet listing all of the information to the left for each surface owner. Surface owner information can be found in the records of the register of deeds for the
Address 2:	county, and in the real estate property tax records of the county treasurer.
City: State: Zip:+	

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

#### Select one of the following:

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

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

# Submitted Electronically

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### **DECLARATION OF UNITIZATION**

WHEREAS, under date of July 20, 1982, LEW E. MARSHALL, as Lessor, did execute and deliver to JACK BERENTZ, as Lessee, an oil and gas lease which lease has been recorded in Book 42, Page 489, in the office of the Register of Deeds of Greenwood County, Kansas, covering the following described land in Greenwood County, Kansas, to-wit:

> Northeast Quarter (NE/4) of Section Eleven (11), Township Twenty-four (T24S) South, Range Nine (9) East, Greenwood County, Kansas.

WHEREAS, under date of 6 - 13, 2012, Bryan E. Marshall, attorney-infact for Lew E. Marshall and Bryan E. Marshall, as Co-trustees of the Lew E. Marshall Revocable Trust, as lessor (successor in interest to original lessor), did execute and deliver to Marshall Oil Co., as lessee (successor in interest to original lessee) an Amendment of Oil and Gas Lease which amendment has been recorded in Book 42, Page 489, in the office of the Register of Deeds of Greenwood County, Kansas, covering the following described land in Greenwood County, Kansas, to-wit:

> Northeast Quarter (NE/4) of Section Eleven (11), Township Twenty-four (T24S) South, Range Nine (9) East, Greenwood County, Kansas.

WHEREAS, under date of  $\frac{4}{27}$ , 2012, MARSHALL L.P., Shirley I. Marshall, General Partner, as Lessor, did execute and deliver to BRYAN MARSHALL, as Lessee, an oil and gas lease which lease has been recorded in Book 55, Page 271, in the office of the Register of Deeds of Greenwood County, Kansas, covering the following described land in Greenwood County, Kansas, to-wit:

West 495 feet Northwest Quarter (NW/4) Section Twelve (12), Township Twenty-four (24) South, Range Nine (9) East, Greenwood County, Kansas.

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WHEREAS, under date of 6 - 13, 2012, Bryan E. Marshall, attorney-infact for Lew E. Marshall and Bryan E. Marshall, as Co-trustees of the Lew E. Marshall Revocable Trust, as lessor (successor in interest to original lessor), did execute and deliver to Marshall Oil Co. (successor in interest to original lessee, a/k/a Lew E. Marshall doing business as Marshall Oil Co.), as lessee, an Amendment of Oil and Gas Lease which amendment has been recorded in Book \_\_\_\_, Page \_\_\_\_, in the office of the Register of Deeds of Greenwood County, Kansas, covering the following described land in Greenwood County, Kansas, to-wit:

East 495 feet Northwest Quarter (NW/4) Section Eleven (11), Township Twenty-four (24) South, Range Nine (9) East, Greenwood County, Kansas.

WHEREAS, under date of  $(6-1)^2$  \_\_\_\_\_\_\_\_ 2012, MARSHALL L.P., Shirley I. Marshall, General Partner, as lessor, did execute and deliver to BRYAN MARSHALL, as lessee, an Amendment of Oil and Gas Lease which amendment has been recorded in Book \_\_\_\_\_\_\_\_, Page \_\_\_\_\_\_\_, in the office of the Register of Deeds of Greenwood County, Kansas, covering the following described land in Greenwood County, Kansas, to-wit:

West 495 feet Northwest Quarter (NW/4) Section Twelve (12), Township Twenty-four (24) South, Range Nine (9) East, Greenwood County, Kansas.

WHEREAS, each of the above described oil and gas leases, as amended, contain the following provision:

"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 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 60 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."

WHEREAS, the undersigned are the owners of the leasehold estate interests relating to the above tabulated oil and gas leases, and

WHEREAS, it is the intention of the undersigned to consolidate the leases covering the hereinabove described lands insofar as they cover oil and gas rights in and to the oil and gas leasehold estate interests created by each of the above tabulated oil and gas leases to form an oil and gas producing unit of approximately 60 acres hereinafter more fully described.

NOW THEREFORE, the undersigned do hereby unitize and consolidate the oil and gas rights in and to the oil and gas leasehold estate interests created by each of the above tabulated oil and gas leases to form an oil and gas unit upon and covering the following described land, to-wit:

> West 495 feet of the Northwest Quarter (NW/4) of Section Twelve (12), Township Twenty-four (T24S) South, Range Nine (R9E); and the East 495 feet of Section Eleven (11), Township Twenty-four (T24S) South, Range Nine (R9E) East, Greenwood County, Kansas, containing 60 acres, more or less,

for the purpose of producing oil and gas and does hereby effect the pooling, unitization and consolidation of the oil and gas rights in and under said lands.

By virtue of the terms hereof and of the terms of the Affidavit of Production which is being filed contemporaneously herewith, the terms of the above tabulated oil and gas leases insofar as they cover all of the above described land are extended whether such lands are inside or outside of the unit and as to all formations or depths under the above described land except as limited by the terms of the above tabulated oil and gas leases.

IN WITNESS WHEREOF, the parties hereto have set their hands and seal this 13th day of June, 2012.

TIERRA DE PLATA LLC

By: Lynne Darrah, Managing Men

STATE OF KANSAS COUNTY OF Greenwood ) ss: Lew E. Marshall d.b.a. MARSHALL OIL CO.

However - in - Fact whall

By: Bryan Marshall, attorney-in-fact for Lew E. Marshall d.b.a. MARSHALL OIL CO.

The foregoing Declaration of Unitization was acknowledged before me this / 344 day of June\_\_\_\_, 2012, by Lynne Darrah, Managing Member of TIERRA DE PLATA LLC.

Public

My appointment expires:

STATE OF KANSAS ) ss: COUNTY OF Green wood

RITA C. CORNETT Notary Public - State of Kansas My Appl. Expires 02-27-15

The foregoing Declaration of Unitization was acknowledged before me this 1344 day of 2012, by Bryan Marshall, attorney-in-fact for Lew E. Marshall d.b.a. MARSHALL OIL CO.

C Countre

RITA C. CORNETT Notary Public - State of Kansas My Appl. Expires 62-27-15

My appointment expires: 02.27-15

#### AMENDMENT OF OIL AND GAS LEASE

THIS AMENDMENT OF OIL AND GAS LEASE is made and entered into this day of  $\frac{2}{3}$ , 2012, by and between Lew E. Marshall and Bryan E. Marshall, as Co-trustees of the Lew E. Marshall Revocable Trust, as lessor (successor in interest to original lessor), and Marshall Oil Co., as lessee (successor in interest to original lesse, a/k/a Lew E. Marshall doing business as Marshall Oil Co.).

WHEREAS, the following described oil and gas lease was entered into covering the following described land, to-wit:

Oil and Gas Lease dated July 20, 1982, recorded in Book 42, Page 489 of the office of the Register of Deeds of Greenwood County, Kansas, from Lew E. Marshall, as lessor, and Jack Berentz, as lessee, covering the following described land located in Greenwood County, Kansas:

North East Quarter of Sec. 11-T24S-R9E, Greenwood County, Kansas

WHEREAS, the aforesaid oil and gas lease did not contain a clause authorizing the pooling or unitization of the lands covered by said lease;

WHEREAS, it is necessary for the economic operation of the lease to pool a portion of the acreage with another lease in the vicinity.

NOW, THEREFORE, for and in consideration of One Dollar (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, lessor and lessee agree that the lease be amended by inserting the following the paragraph:

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 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 60 acres each in the event of an oil well, or into a unit or

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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.

IT IS FURTHER AGREED that the foregoing amendment relates back to the date of the aforesaid oil and gas lease.

"Lessor" LEW E. MARSHALL REVOCABLE TRUST

Lew E. Marshall, Co-trustee

AIF you E Marlall

By: Bryan E. Marshall, attorney-in-fact for Lew E. Marshall, Co-trustee

Baya E Manla

Bryan E. Marshall, Co-trustee

"Lessee"

Lew E. Marshall d.b.a. MARSHALL OIL CO.

By: Bryan E. Marshall, attorney-in-fact for Lew E. Marshall d.b.a. MARSHALL OIL CO.

#### STATE OF KANSAS

## COUNTY OF GREENWOOD

This instrument was acknowledged before me this <u>1346</u> day of <u>Jupe</u>, 2012, by Bryan E. Marshall, attorney-in-fact for Lew E. Marshall, Co-trustee, and Bryan E. Marshall, as Co-trustees of the Lew E. Marshall Revocable Trust.

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Kita C. Count

My appointment expires: 02-27-2015

A	RITAC. CORNETT
	Notary Public - State of Kansas
My A	ppl. Expires 02-27-2015

STATE OF KANSAS

COUNTY OF GREENWOOD

This instrument was acknowledged before me this 134 day of 16 e., 2012, by Bryan Marshall, attorney-in-fact for Lew E. Marshall d.b.a. MARSHALL OIL CO.

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My appointment expires: 02.27-2015

RITA C. CORNETT Notary Public - State of Kansas My Appt. Expires 02-27-2015

Return to: Richard C. Stevens 100 N. Broadway, Suite 500 Wichita, KS 67202

## AMENDMENT OF OIL AND GAS LEASE

THIS AMENDMENT OF OIL AND GAS LEASE is made and entered into this  $\underline{/3}$  day of  $\underline{/3}$ ,  $\underline{/3}$ , 2012, by and between Marshall L.P., Shirley 1. Marshall, General Partner, as lessor, and Bryan Marshall, as lessee.

WHEREAS, the following described oil and gas lease was entered into covering the following described land, to-wit:

Oil and Gas Lease dated  $\Delta \rho_{Y}$  27, 2012, recorded in Book 55, Page 271 of the office of the Register of Deeds of Greenwood County, Kansas, from Marshall L.P., Shirley I. Marshall, General Partner, as lessor, and Bryan Marshall, as lessee, covering the following described land located in Greenwood County, Kansas:

West 495 feet Northwest Quarter (NW/4) Section Twelve (12), Township Twenty-four (24) South, Range Nine (9) East, Greenwood County, Kansas.

WHEREAS, it is necessary for the economic operation of the lease to pool a portion of the acreage with another lease in the vicinity; and

WHEREAS, it is necessary to create a larger unit than that authorized by the pooling provision in the lease.

NOW, THEREFORE, for and in consideration of One Dollar (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, lessor and lessee agree that the lease be amended by deleting any language related to pooling and unitization in the 17th unnumbered paragraph of said lease and inserting the following the paragraph in its place:

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 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

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contiguous to one another and to be into a unit or units not exceeding 60 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.

IT IS FURTHER AGREED that the foregoing amendment relates back to the date of the aforesaid oil and gas lease.

"Lessor" MARSHALL L.P.

By: Shirley J. Marshall, General Partner

"Lessee"

Manhal Bryan Marshall

ARIZONAL STATE OF <del>KANIGA</del> S	)		
COUNTY OF MARICOPA-	) )		
This instrument was acknowledged Shirley I. Marshall, General Partner	before me this 13	day of JUNE,	2012, by

Notary Public

My appointment expires:



STATE OF KANSAS COUNTY OF Green wood

This instrument was acknowledged before me this <u>134</u> day of <u>June</u>, 2012, by Bryan Marshall.

Count Notary Public

My appointment expires: 02-27-20/5

RITA C. CORNETT Notary Public - State of Kansas My Appt. Expires 02-27-20/5

Return to: Richard C. Stevens 100 N. Broadway, Suite 500 Wichita, KS 67202 Conservation Division Finney State Office Building 130 S. Market, Rm. 2078 Wichita, KS 67202-3802 Kansas Corporation Commission

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

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

June 14, 2012

Bryan Marshall Marshall, Lew L. 314 E 1ST PO BOX 306 EUREKA, KS 67045

Re: Drilling Pit Application Marshall 12-1 NW/4 Sec.12-24S-09E Greenwood County, Kansas

Dear Bryan Marshall:

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.

# 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 (620) 432-2300 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 (620) 432-2300.