For KCC Use:
Effective Date: 07/11/2012
District # 1
SGA? [X] Yes [ ] No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

1086239

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: 7/10/2012 (month / day / year)

OPERATOR: License# 3882
Name: Samuel Gary Jr. & Associates, Inc.
Address 1: 1515 WYNKOOP, STE 700
Address 2:
City: DENVER State: CO Zip: 80202 + __ __ __ __
Contact Person: CLAYTON CAMOZZI
Phone: 303-831-4673

CONTRACTOR: License# 5822
Name: Val Energy, Inc.

Well Drilled For:		Well Class:		Type Equipment:	
[X]	Oil	[ ]	Enh Rec	[X]	Mud Rotary
[ ]	Gas	[ ]	Storage	[ ]	Air Rotary
[ ]		[ ]	Disposal	[ ]	Cable
[ ]	Seismic ; ____ # of Holes	[ ]	Other		
[ ]	Other:				

[ ] If OWWO: old well information as follows:

Operator:
Well Name:
Original Completion Date: ____ Original Total Depth: ____

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

Oil & Gas leases w/pooling clauses attached.

Spot Description:
NE - NE - NW - SE (Q/Q/Q/Q) Sec. 1 Twp. 16 S. R. 17 [ ] E [X] W
2350 feet from [ ] N / [X] S Line of Section
1390 feet from [X] E / [ ] W Line of Section
Is SECTION: [X] Regular [ ] Irregular?

*(**Note:** Locate well on the Section Plat on reverse side)*

County: Rush
Lease Name: JACOBS ET AL Well #: 1-1
Field Name: WILDCAT
Is this a Prorated / Spaced Field? [ ] Yes [X] No
Target Formation(s): ARBUCKLE
Nearest Lease or unit boundary line (in footage): 330
Ground Surface Elevation: 1933 Estimated feet MSL
Water well within one-quarter mile: [ ] Yes [X] No
Public water supply well within one mile: [ ] Yes [X] No
Depth to bottom of fresh water: 180
Depth to bottom of usable water: 400
Surface Pipe by Alternate: [X] I [ ] II
Length of Surface Pipe Planned to be set: 1100
Length of Conductor Pipe (if any):
Projected Total Depth: 3600
Formation at Total Depth: ARBUCKLE
Water Source for Drilling Operations:
[ ] Well [X] Farm Pond [ ] Other:
DWR Permit #:
*(**Note:** Apply for Permit with DWR [ ])*
Will Cores be taken? [ ] Yes [X] No
If Yes, proposed zone:

AFFIDAVIT

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

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

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

Submitted Electronically

For KCC Use ONLY
API # 15 - 15-165-21984-00-00
Conductor pipe required 0 feet
Minimum surface pipe required 420 feet per ALT. [X] I [ ] II
Approved by: Steve Bond 07/06/2012
This authorization expires: 07/06/2013
(This authorization void if drilling not started within 12 months of approval date.)

Spud date: ____ Agent: ____

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

Remember to:

- File Certification of Compliance with the Kansas Surface Owner Notification Act (KSONA-1) with Intent to Drill;
- File Drill Pit Application (form CDP-1) with Intent to Drill;
- File Completion Form ACO-1 within 120 days of spud date;
- File acreage attribution plat according to field proration orders;
- Notify appropriate district office 48 hours prior to workover or re-entry;
- Submit plugging report (CP-4) after plugging is completed (within 60 days);
- Obtain written approval before disposing or injecting salt water.
- If well will not be drilled or permit has expired (See: authorized expiration date) please check the box below and return to the address below.

[ ] **Well will not be drilled or Permit Expired** Date: ____
Signature of Operator or Agent:

1 16 17 E [X] W

Side Two

1086239

For KCC Use ONLY
API # 15 - 15-165-21984-00-00

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: Samuel Gary Jr. & Associates, Inc.
Lease: JACOBS ET AL
Well Number: 1-1
Field: WILDCAT

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

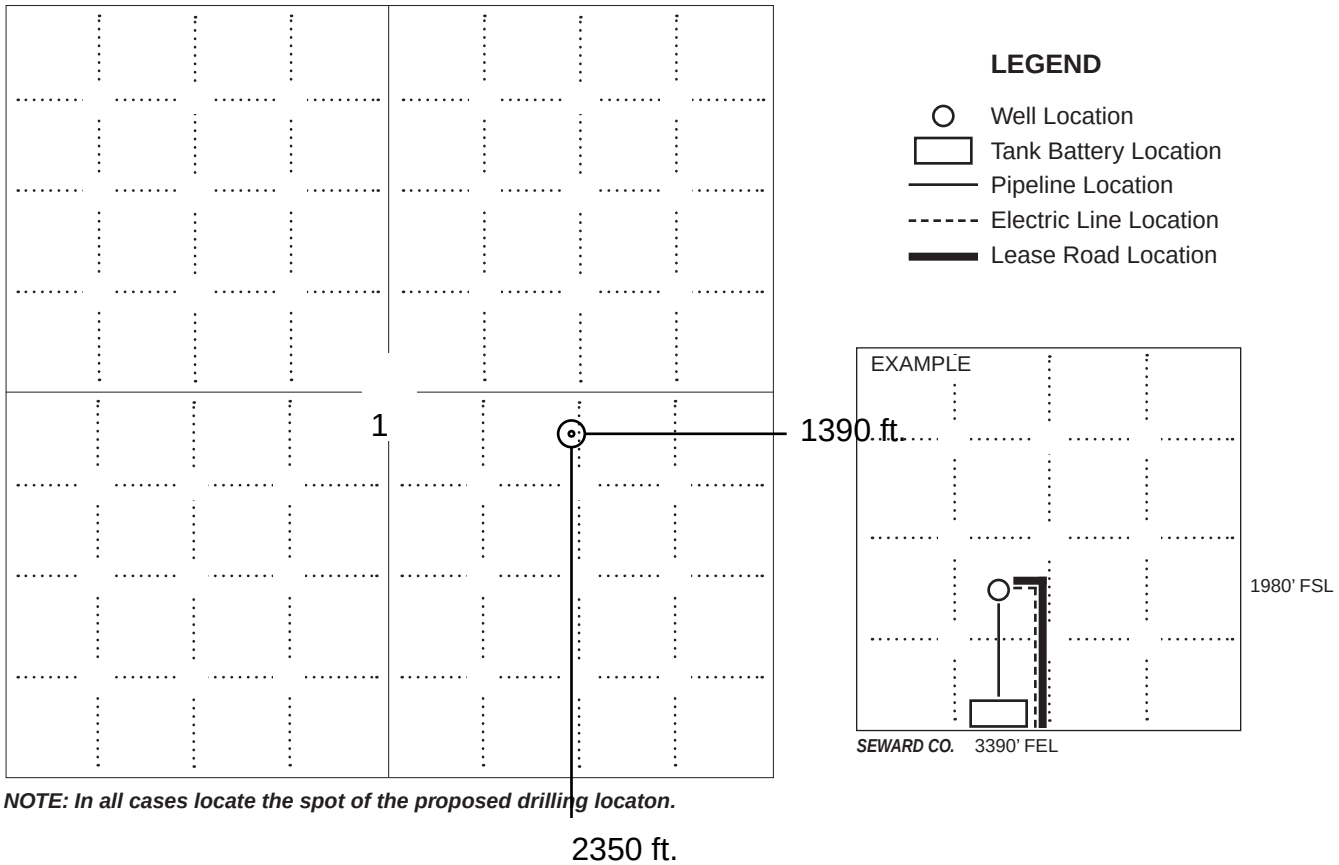
Location of Well: County: Rush
2350 feet from ☐ N / ☒ S Line of Section
1390 feet from ☒ E / ☐ W Line of Section
Sec. 1 Twp. 16 S. R. 17 ☐ E ☒ W

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.



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.

1086239

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form CDP-1
May 2010
Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name: Samuel Gary Jr. & Associates, Inc.
License Number: 3882

Operator Address: 1515 WYNKOOP, STE 700 DENVER CO 80202

Contact Person: CLAYTON CAMOZZI
Phone Number: 303-831-4673

Lease Name & Well No.: JACOBS ET AL 1-1

Type of Pit:
☐ Emergency Pit ☐ Burn Pit
☐ Settling Pit ☒ Drilling Pit
☐ Workover Pit ☐ Haul-Off Pit
(If WP Supply API No. or Year Drilled)

Pit is:
☒ Proposed ☐ Existing
If Existing, date constructed:
Pit capacity: 4000 (bbls)

Pit Location (QQQQ): NE - NE - NW - SE
Sec. 1 Twp. 16 R. 17 ☐ East ☒ West
2350 Feet from ☐ North / ☒ South Line of Section
1390 Feet from ☒ East / ☐ West Line of Section
Rush County

Is the pit located in a Sensitive Ground Water Area? ☒ Yes ☐ No

Chloride concentration: _____ mg/l
(For Emergency Pits and Settling Pits only)

Is the bottom below ground level? ☒ Yes ☐ No

Artificial Liner? ☐ Yes ☒ No

How is the pit lined if a plastic liner is not used?
NATIVE BENTONITE CLAY

Pit dimensions (all but working pits): 75 Length (feet) 75 Width (feet) ☐ N/A: Steel Pits

Depth from ground level to deepest point: 4 (feet) ☐ 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:
2837 feet Depth of water well 186 feet

Depth to shallowest fresh water 61 feet.
Source of information:
☐ measured ☐ well owner ☐ electric log ☒ 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? ☐ Yes ☐ No

Drilling, Workover and Haul-Off Pits ONLY:

Type of material utilized in drilling/workover: FRESH MUD

Number of working pits to be utilized: 0

Abandonment procedure: ALLOW TO DRY, THEN BACKFILL

Drill pits must be closed within 365 days of spud date.

Submitted Electronically

KCC OFFICE USE ONLY

☐ Liner ☐ Steel Pit ☒ RFAC ☒ RFAS

Date Received: 07/02/2012 Permit Number: 15-165-21984-00-00 Permit Date: 07/06/2012 Lease Inspection: ☒ Yes ☐ No

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

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

1086239

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

CERTIFICATION OF COMPLIANCE WITH THE KANSAS SURFACE OWNER NOTIFICATION ACT

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

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

OPERATOR: License # 3882
Name: Samuel Gary Jr. & Associates, Inc.
Address 1: 1515 WYNKOOP, STE 700
Address 2:
City: DENVER State: CO Zip: 80202 + _ _ _ _
Contact Person: CLAYTON CAMOZZI
Phone: (303) 831-4673 Fax: ( ) _____
Email Address:

Well Location:
NE - NE - NW - SE Sec. 1 Twp. 16 S. R. 17 ☐ East ☒ West
County: Rush
Lease Name: JACOBS ET AL Well #: 1-1

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

Surface Owner Information:
Name: CHELSEY JACOBS
Address 1: 206 OAK STREET
Address 2:
City: SPRING VALLEY State: IL Zip: 61362 + _ _ _ _

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.

Submitted Electronically

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

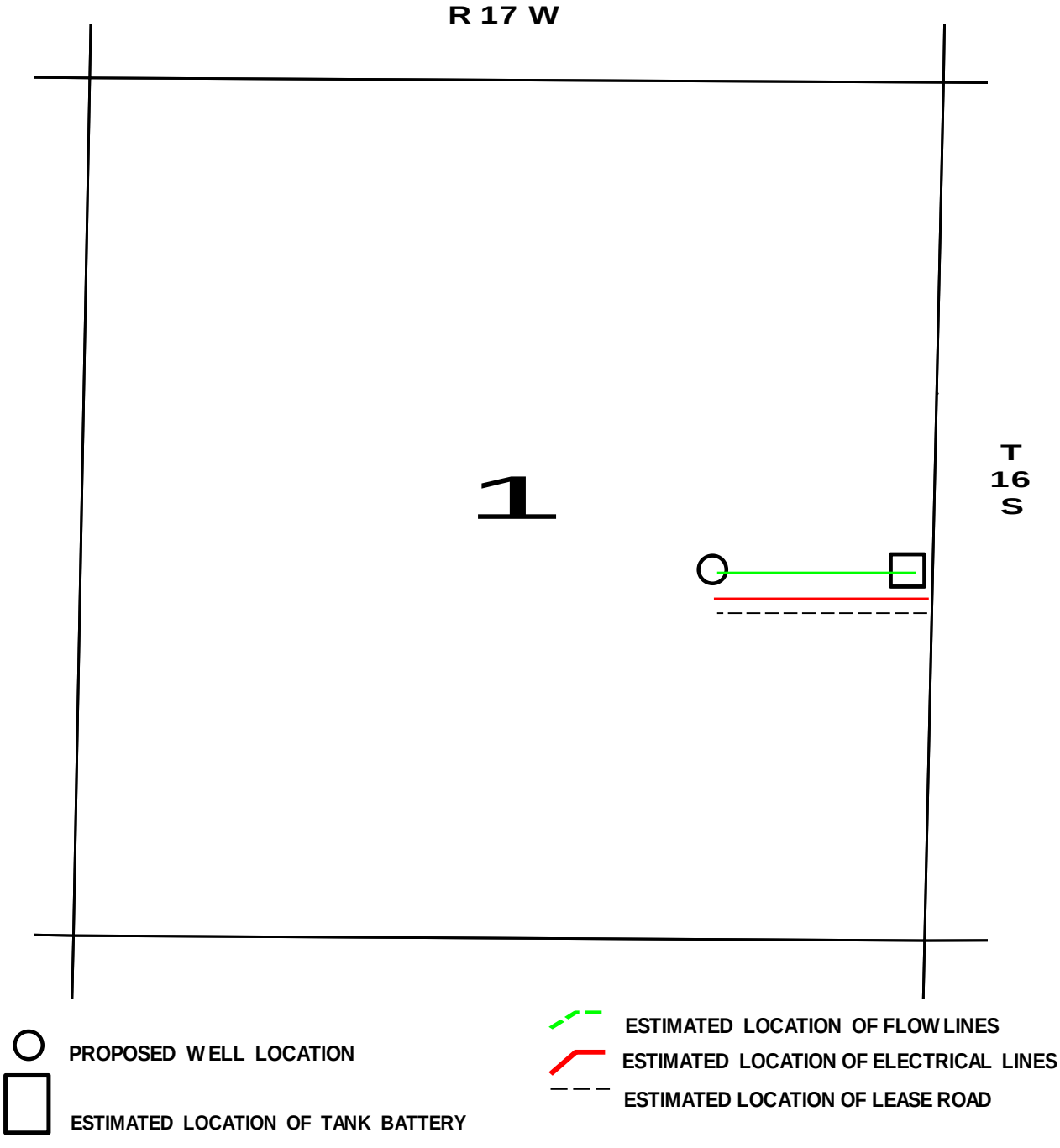
OPERATOR : Samuel Gary Jr & Associates, Inc 1515 Wynkoop Street, Suite 700
Denver, Colorado 80202 office : 303-831-4673 ; fax : 303-863-7285

WELL NAME : JACOBS ET AL 1-1
LOCATION : 2350 FSL / 1390 FEL Sec. 1-16S-17W RUSH COUNTY

SURFACE OWNERS : Chelsey Jacobs
206 Oak Street
Spring Valley, IL 61362

Merle P. Jacobs
613 Ave. A
Bison, KS 61520

See attached list for additional surface owners



JACOBS ET AL 1-1 ADDITIONAL SURFACE OWNERS:

MERLE P. JACOBS
316 AVE. A
BISON, KS 61520

WILLIAM D. JACOBS
316 AVE. A
BISON, KS 61520

JANE F. SILVIA
403 DOUGLAS DRIVE
BELLEVUE, NE 68005

Form 88- (Producer's Special) (PAID-UP)
63 U (REV.1993)
ALS (REV. 2011)

0777

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 12th day of June 2011

by and between SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF FOR LESSORS NAMES AND ADDRESS hereinafter called Lessor (whether one or more),

and High Plains Energy Partners, LLC
1515 Wynkoop Street, Suite 700, Denver, CO 80202, hereinafter called Lessee:

Lessor, in consideration of Ten and Other Valuable Considerations Dollars ($ 10.00) in hand paid, receipt of which is hereby acknowledged and of the royalties herein provided and of the agreements of the Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee, together with ingress and egress, 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, placing 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, regardless of the source of said products or location of said wells, the following described land, together with any reversionary rights and after-acquired interest,

therein situated in County of Rush State of Kansas described as follows to-wit:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF FOR PROPERTY DESCRIPTION.

In Section 1 Township 16 South Range 17 West and containing 162.00 acres, more or less, and all accretions thereto.

Subject to the provisions herein contained, this lease shall remain in force for a term of Two (2) 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 pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions hereof.

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, (including casinghead 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 net proceeds received by Lessee from such sales, such net proceeds to be less a proportionate part of the production, severance, or other excise taxes and the cost incurred by Lessee in delivering, treating for the removal of nitrogen, helium or other impurities in the gas, processing, compressing, or otherwise making any such gas merchantable) for the gas sold, used off the premises, or in the manufacture of products therefrom, said payments to be made monthly.

This lease may be maintained during the primary term hereof without further payment or drilling operations. If at the expiration of the primary term of this lease, oil or gas is not being produced on the leased premises or on acreage pooled or unitized therewith but Lessee is then engaged in drilling, reworking operations thereon, then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises or on acreage pooled or unitized therewith; and operations shall be considered to be continuously prosecuted if not more than one hundred and twenty (120) days shall elapse between the completion or abandonment of one well and the beginning of operations for the drilling of a subsequent well. If after discovery of oil or gas on the leased premises or on acreage pooled or unitized therewith, the production should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or reworking operations within one hundred and twenty (120) days from the date of cessation of production or from the date of completion of a dry hole. If oil or gas shall be discovered and produced as a result of such operations, this lease shall continue in full force and effect so long as oil or gas is produced from the leased premises or on acreage pooled or unitized therewith.

If after the primary term one or more wells on the lease premises or lands pooled or unitized therewith are capable of producing oil or gas or other substances covered hereby, but such well or wells are either shut in or production therefrom is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing for the purpose of maintaining the lease. If for a period of ninety (90) consecutive days such well or wells are shut in or production therefrom is not sold by Lessee, the Lessee shall pay an aggregate shut-in royalty of One Dollar ($1.00) per acre then covered by this lease, such payment to be made to Lessor on or before the anniversary date of this lease next ensuing after the expiration of the said ninety (90) day period and thereafter on or before each anniversary date of this lease while the well or wells are shut in or production therefrom is not being sold by Lessee; provided that if this lease is in its primary term or otherwise being maintained by operations, or if production is being sold by Lessee from another well on the leased premises or lands pooled or unitized therewith, no shut-in royalty shall be due until the end of the next following anniversary date of this lease that cessation of such operations or production occurs, as the case may be. Lessee's failure to properly pay shut-in royalty shall render Lessee liable for the amount due, but shall not operate to terminate this lease.

If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in 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, including restrictions on the drilling and production of wells, and regulation of the price or transportation of oil, gas or other substance covered hereby. When drilling, reworking, production or other operations or obligations under this lease are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by an act of God, strike, lockout, or other industrial disturbance, act of the public enemy, war, blockade, public riot, fire, storm, impaired surface conditions, flood or other act of nature, explosion, governmental action, governmental delay, restraint or inaction, or by inability to obtain a satisfactory market for production, or failure of purchasers or carriers to take or transport such production, or by any other cause, whether of the kind specifically enumerated above or otherwise, which is not reasonably within control of Lessee, this lease shall not terminate because of such prevention or delay, and, at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any provision or implied covenants of this lease when drilling, production, or other operations are so prevented or delayed.

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, unitize 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 or unitization 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 or a horizontal oil 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 or unitized acreage. The entire acreage so pooled or unitized 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 or unitized 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 or unitized in the particular unit involved.

Lessor agrees to give written notice to Lessee, if, during the primary term of this lease, Lessor receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor, a lease covering any or all of the substances covered by this lease and covering all or a portion of said land herein, with the lease becoming effective upon expiration of this lease. Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer. All offers made up to and including the last day of the primary term of this lease shall be subject to the terms and conditions of this paragraph. Should Lessee elect to purchase the lease pursuant to the terms, hereto, it shall so notify Lessor in writing by mail or telegram prior to expiration of said 15-day period. Lessee shall promptly thereafter furnish to Lessor the new lease for execution on behalf of Lessor along with Lessee's collection draft payable to Lessor in payment of the specified amount as consideration for the new lease, such draft being subject only to approval of title according to the terms thereof. Upon receipt thereof, Lessor shall promptly execute said lease and return the same along with the endorsed draft to Lessee's representative or through Lessor's bank of record for payment.

This lease may be signed in any number or numbers of counterparts and shall be effective as to each Lessor on execution hereof as to his or her interest and shall be binding on those signing, notwithstanding some of the Lessors above named who may not have joined in the execution hereof. The word "Lessor" as used in this lease shall mean the party or parties who execute this lease as Lessor, although not named above.

Lessee shall have the exclusive right to explore the land herein described by geological, geophysical or other methods, whether similar to those herein specified or not and whether now known or not, including the drilling of holes, use of torsion balance, seismograph explosions, magnetometer, or other geophysical or geological instruments, tests or procedures, for the purpose of securing geological and geophysical information. All information obtained by Lessee as a result of such activity shall be the exclusive property of Lessee, and Lessee may disseminate or sell such information without Lessor's consent. Lessor and Lessee herein agree that a portion of the consideration paid herein is for advance payment of usual and customary damages associated with seismograph operations (i.e.: tire tracks in the wheat, pasture or field, road use, compaction etc.). If any extraordinary damages should occur, at Lessee's discretion, Lessor or its tenant (if Lessor has a tenant) will be compensated accordingly, or Lessee may elect to repair the damages in lieu of compensation.

Lessor (and Lessee) herein agree to less and except from the terms of this Oil and Gas Lease any currently existing oil and/or gas well(s), bore hole(s) or other related facilities located on the hereinabove described lease premises, unless Lessee in its sole discretion chooses to utilize any such well or bore holes. Lessor further agrees that unless Lessee in its sole discretion chooses to utilize any such well or bore holes Lessee shall not be liable nor shall Lessee have the obligation to plug and abandon any of said existing oil and/or gas wells(s), bore hole(s) or related facilities.

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF FOR ADDITIONAL TERMS AND PROVISIONS.

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

Merle P. Jacobs
MERLE P. JACOBS

William D. Jacobs
WILLIAM D. JACOBS

JANE F. SILVIA

CHESLEY JACOBS

STATE OF KANSAS

COUNTY OF Russell

The foregoing instrument was acknowledged before me this 12th day of June, 2011,
by Merle P. Jacobs and William D. Jacobs.

My commission expires 7/6/14

Notary Public Damien S. McCormick

NOTARY PUBLIC - State of Kansas
DAMIEN S. MCCORMICK
My Appt. Expires 7/6/14

STATE OF _____

COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 2010,
by _____ and _____.

My commission expires _____

Notary Public

MICROFILMED

OIL AND GAS LEASE

No. _____

FROM _____

TO _____

Date _____

Section _____ Twp. _____ Rge. _____

No. of Acres _____ Term _____

County _____

STATE OF Kansas

County Rush

This instrument was filed for record on the 1st day of July, 2011, at 2:37 o'clock P M., and duly recorded in Book 158-Misc Page 777 of the records of this office.

Register of Deeds.

By _____

When recorded, return to _____

Samuel Gary, Jr. & Associates, Inc.
1515 Wynkoop, Suite 700, Denver, CO 80202

INDEXED G ✓ N ✓ $16.00

#1682

STATE OF _____

COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 2010,
by _____ of _____
a _____ corporation, on behalf of the corporation.

My commission expires _____

Notary Public

EXHIBIT "A"

Attached to and made a part of that Certain Oil and Gas Lease dated June 13, 2011, by and between, MERLE P. JACOBS, ET AL as Lessor, and HIGH PLAINS ENERGY PARTNERS, LLC, as Lessee.

LESSORS NAMES AND ADDRESSES:

MERLE P. JACOBS, a single person, whose address is P.O. Box 3, Pfeifer, Kansas 67660;

WILLIAM D. JACOBS, a single person, whose address is P.O. Box 4, Pfeifer, Kansas 67660;

JANE F. SILVIA, a single person, whose address is 403 Douglas Drive, Bellevue, Nebraska 68005.

CHESLEY JACOBS, husband of Adrienne Jacobs dealing herein with his separate property, whose address is 206 Oak Street, Spring Valley, Illinois 61362.

PROPERTY DESCRIPTION:

TOWNSHIP 16 SOUTH – RANGE 17 WEST

SECTION 1:

TRACT 1:

That certain tract or parcel of land estimated to contain **160.00 acres,** more or less, and being described as the Southeast Quarter (SE/4) of Section 1, Township 16 South, Range 17 West, Rush County, Kansas.

TRACT 2:

That certain tract or parcel of land estimated to contain **2.00 acres,** more or less, and being described as the West (W) Two (2.00) acres, or the West (W) Thirty-Three (33.00') Feet of the Northeast Quarter (NE/4) of Section 1, Township 16 South, Range 17 West, Rush County, Kansas.

The total aggregate of Tracts 1 and 2 contain **162.00 acres,** more or less.

It is the intention of this lease to cover and include any mineral interest which the Lessor may own in and to the above described tract, including streets, roads, canals, drainage ditches, rights of way or other servitudes, including, but not limited to, any reversionary interest which Lessor may acquire in the same, by prescription of nonuse.

ADDITIONAL TERMS AND PROVISIONS:

1. The provisions of this **EXHIBIT "A"** shall control and supersede the terms of the attached oil and gas lease when such terms conflict.
2. Lessee shall bury and maintain all pipelines below ordinary plow depth (36").
3. Lessee shall pay all damages to crops, including grass, and restore as nearly as practical, said premises to the same conditions and contour as previously existed, upon termination of this lease.

Form 88- (Producer's Special) (PAID-UP)
63 U (REV.1993)
ALS (REV. 2011)

0774

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 12th day of June 2011

by and between SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF FOR LESSORS NAMES AND ADDRESS hereinafter called Lessor (whether one or more),

and High Plains Energy Partners, LLC
1515 Wynkoop Street, Suite 700, Denver, CO 80202, hereinafter called Lessee:

Lessor, in consideration of Ten and Other Valuable Considerations Dollars ($ 10.00) in hand paid, receipt of which is hereby acknowledged and of the royalties herein provided and of the agreements of the Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee, together with ingress and egress, 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, placing 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, regardless of the source of said products or location of said wells, the following described land, together with any reversionary rights and after-acquired interest,

therein situated in County of Rush State of Kansas described as follows to-wit:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF FOR PROPERTY DESCRIPTION.

In Section 1 Township 16 South Range 17 West and containing 162.00 acres, more or less, and all accretions thereto.

Subject to the provisions herein contained, this lease shall remain in force for a term of Two (2) 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 pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions hereof.

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, (including casinghead 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 net proceeds received by Lessee from such sales, such net proceeds to be less a proportionate part of the production, severance, or other excise taxes and the cost incurred by Lessee in delivering, treating for the removal of nitrogen, helium or other impurities in the gas, processing, compressing, or otherwise making any such gas merchantable) for the gas sold, used off the premises, or in the manufacture of products therefrom, said payments to be made monthly.

This lease may be maintained during the primary term hereof without further payment or drilling operations. If at the expiration of the primary term of this lease, oil or gas is not being produced on the leased premises or on acreage pooled or unitized therewith, but Lessee is then engaged in drilling, reworking operations thereon, then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises or on acreage pooled or unitized therewith; and operations shall be considered to be continuously prosecuted if not more than one hundred and twenty (120) days shall elapse between the completion or abandonment of one well and the beginning of operations for the drilling of a subsequent well. If after discovery of oil or gas on the leased premises or on acreage pooled or unitized therewith, the production should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or reworking operations within one hundred and twenty (120) days from the date of cessation of production or from the date of completion of a dry hole. If oil or gas shall be discovered and produced as a result of such operations, this lease shall continue in full force and effect so long as oil or gas is produced from the leased premises or on acreage pooled or unitized therewith.

If after the primary term one or more wells on the lease premises or lands pooled or unitized therewith are capable of producing oil or gas or other substances covered hereby, but such well or wells are either shut in or production therefrom is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing for the purpose of maintaining the lease. If for a period of ninety (90) consecutive days such well or wells are shut in or production therefrom is not sold by Lessee, the Lessee shall pay an aggregate shut-in royalty of One Dollar ($1.00) per acre then covered by this lease, such payment to be made to Lessor on or before the anniversary date of this lease next ensuing after the expiration of the said ninety (90) day period and thereafter on or before each anniversary date of this lease while the well or wells are shut in or production therefrom is not being sold by Lessee; provided that if this lease is in its primary term or otherwise being maintained by operations, or if production is being sold by Lessee from another well on the leased premises or lands pooled or unitized therewith, no shut-in royalty shall be due until the end of the next following anniversary date of this lease that cessation of such operations or production occurs, as the case may be. Lessee's failure to properly pay shut-in royalty shall render Lessee liable for the amount due, but shall not operate to terminate this lease.

If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in 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, including restrictions on the drilling and production of wells, and regulation of the price or transportation of oil, gas or other substance covered hereby. When drilling, reworking, production or other operations or obligations under this lease are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by an act of God, strike, lockout, or other industrial disturbance, act of the public enemy, war, blockade, public riot, fire, storm, impaired surface conditions, flood or other act of nature, explosion, governmental action, governmental delay, restraint or inaction, or by inability to obtain a satisfactory market for production, or failure of purchasers or carriers to take or transport such production, or by any other cause, whether of the kind specifically enumerated above or otherwise, which is not reasonably within control of Lessee, this lease shall not terminate because of such prevention or delay, and, at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any provision or implied covenants of this lease when drilling, production, or other operations are so prevented or delayed.

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, unitize 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 or unitization 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 or a horizontal oil 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 or unitized acreage. The entire acreage so pooled or unitized 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 or unitized 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 or unitized in the particular unit involved.

Lessor agrees to give written notice to Lessee, if, during the primary term of this lease, Lessor receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor, a lease covering any or all of the substances covered by this lease and covering all or a portion of said land herein, with the lease becoming effective upon expiration of this lease. Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer. All offers made up to and including the last day of the primary term of this lease shall be subject to the terms and conditions of this paragraph. Should Lessee elect to purchase the lease pursuant to the terms, hereto, it shall so notify Lessor in writing by mail or telegram prior to expiration of said 15-day period. Lessee shall promptly thereafter furnish to Lessor the new lease for execution on behalf of Lessor along with Lessee's collection draft payable to Lessor in payment of the specified amount as consideration for the new lease, such draft being subject only to approval of title according to the terms thereof. Upon receipt thereof, Lessor shall promptly execute said lease and return the same along with the endorsed draft to Lessee's representative or through Lessor's bank of record for payment.

This lease may be signed in any number or numbers of counterparts and shall be effective as to each Lessor on execution hereof as to his or her interest and shall be binding on those signing, notwithstanding some of the Lessors above named who may not have joined in the execution hereof. The word "Lessor" as used in this lease shall mean the party or parties who execute this lease as Lessor, although not named above.

Lessee shall have the exclusive right to explore the land herein described by geological, geophysical or other methods, whether similar to those herein specified or not and whether now known or not, including the drilling of holes, use of torsion balance, seismograph explosions, magnetometer, or other geophysical or geological instruments, tests or procedures, for the purpose of securing geological and geophysical information. All information obtained by Lessee as a result of such activity shall be the exclusive property of Lessee, and Lessee may disseminate or sell such information without Lessor's consent. Lessor and Lessee herein agree that a portion of the consideration paid herein is for advance payment of usual and customary damages associated with seismograph operations (i.e.: tire tracks in the wheat, pasture or field, road use, compaction etc.). If any extraordinary damages should occur, at Lessee's discretion, Lessor or its tenant (if Lessor has a tenant) will be compensated accordingly, or Lessee may elect to repair the damages in lieu of compensation.

Lessor (and Lessee) herein agree to less and except from the terms of this Oil and Gas Lease any currently existing oil and/or gas well(s), bore hole(s) or other related facilities located on the hereinabove described lease premises, unless Lessee in its sole discretion chooses to utilize any such well or bore holes. Lessor further agrees that unless Lessee in its sole discretion chooses to utilize any such well or bore holes Lessee shall not be liable nor shall Lessee have the obligation to plug and abandon any of said existing oil and/or gas wells(s), bore hole(s) or related facilities.

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF FOR ADDITIONAL TERMS AND PROVISIONS.

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

MERLE P. JACOBS

WILLIAM D. JACOBS

JANE F. SILVIA Jane F Silvia

CHESLEY JACOBS

STATE OF KANSAS

0775

COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of June, 2011, by _____
_____.

My commission expires _____

_____
Notary Public

STATE OF Nebraska

COUNTY OF Sarpy

The foregoing instrument was acknowledged before me this 17 day of June, 2011,
by Jane F. Silvia.

My commission expires 5/20/15

Kevin D. Schwanger
Notary Public

STATE OF _____

COUNTY OF _____

GENERAL NOTARY - State of Nebraska
KEVIN D. SCHWANGER
My Comm. Exp. May 20, 2015

The foregoing instrument was acknowledged before me this _____ day of _____, 20____,
by _____.

My commission expires _____

MICROFILMED

_____
Notary Public

OIL AND GAS LEASE

No. _____

FROM _____

TO _____

Date _____, _____

Section _____ Twp. _____ Rge. _____

No. of Acres _____ Term _____

County _____

STATE OF Kansas

County Rush

This instrument was filed for record on the 5th day of July, 2011, at 2:35 o'clock P M., and duly recorded in Book 158-Misc Page 774 of the records of this office.

Della Wheeler Register of Deeds.

By _____

When recorded, return to _____

Samuel Gary Jr. & Associates, Inc.
1515 Wynkoop St., Ste. 700, Denver, CO 80202

INDEXED G ✓ N ✓ $16.00

#681

STATE OF _____

COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 20____,
by _____ of _____
a _____ corporation, on behalf of the corporation.

My commission expires _____

_____
Notary Public

EXHIBIT "A"

Attached to and made a part of that Certain Oil and Gas Lease dated June 13, 2011, by and between, MERLE P. JACOBS, ET AL as Lessor, and HIGH PLAINS ENERGY PARTNERS, LLC, as Lessee.

LESSORS NAMES AND ADDRESSES:

MERLE P. JACOBS, a single person, whose address is P.O. Box 3, Pfeifer, Kansas 67660;

WILLIAM D. JACOBS, a single person, whose address is P.O. Box 4, Pfeifer, Kansas 67660;

JANE F. SILVIA, a single person, whose address is 403 Douglas Drive, Bellevue, Nebraska 68005.

CHESLEY JACOBS, husband of Adrienne Jacobs dealing herein with his separate property, whose address is 206 Oak Street, Spring Valley, Illinois 61362.

PROPERTY DESCRIPTION:

TOWNSHIP 16 SOUTH – RANGE 17 WEST

SECTION 1:

TRACT 1:

That certain tract or parcel of land estimated to contain **160.00 acres,** more or less, and being described as the Southeast Quarter (SE/4) of Section 1, Township 16 South, Range 17 West, Rush County, Kansas.

TRACT 2:

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The total aggregate of Tracts 1 and 2 contain **162.00 acres,** more or less.

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ADDITIONAL TERMS AND PROVISIONS:

1. The provisions of this **EXHIBIT "A"** shall control and supersede the terms of the attached oil and gas lease when such terms conflict.

2. Lessee shall bury and maintain all pipelines below ordinary plow depth (36").

3. Lessee shall pay all damages to crops, including grass, and restore as nearly as practical, said premises to the same conditions and contour as previously existed, upon termination of this lease.

Form 88- (Producer's Special) (PAID-UP)
63 U (REV.1993)
ALS (REV. 2011)

0780

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 12th day of June 2011

by and between SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF FOR LESSORS NAMES AND ADDRESS hereinafter called Lessor (whether one or more),

and High Plains Energy Partners, LLC
1515 Wynkoop Street, Suite 700, Denver, CO 80202, hereinafter called Lessee:

Lessor, in consideration of Ten and Other Valuable Considerations Dollars ($ 10.00) in hand paid, receipt of which is hereby acknowledged and of the royalties herein provided and of the agreements of the Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee, together with ingress and egress, 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, placing 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, regardless of the source of said products or location of said wells, the following described land, together with any reversionary rights and after-acquired interest,

therein situated in County of Rush State of Kansas described as follows to-wit:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF FOR PROPERTY DESCRIPTION.

In Section 1 Township 16 South Range 17 West and containing 162.00 acres, more or less, and all accretions thereto.

Subject to the provisions herein contained, this lease shall remain in force for a term of Two (2) 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 pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions hereof.

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, (including casinghead 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 net proceeds received by Lessee from such sales, such net proceeds to be less a proportionate part of the production, severance, or other excise taxes and the cost incurred by Lessee in delivering, treating for the removal of nitrogen, helium or other impurities in the gas, processing, compressing, or otherwise making any such gas merchantable) for the gas sold, used off the premises, or in the manufacture of products therefrom, said payments to be made monthly.

This lease may be maintained during the primary term hereof without further payment or drilling operations. If at the expiration of the primary term of this lease, oil or gas is not being produced on the leased premises or on acreage pooled or unitized therewith but Lessee is then engaged in drilling, reworking operations thereon, then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises or on acreage pooled or unitized therewith; and operations shall be considered to be continuously prosecuted if not more than one hundred and twenty (120) days shall elapse between the completion or abandonment of one well and the beginning of operations for the drilling of a subsequent well. If after discovery of oil or gas on the leased premises or on acreage pooled or unitized therewith, the production should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or reworking operations within one hundred and twenty (120) days from the date of cessation of production or from the date of completion of a dry hole. If oil or gas shall be discovered and produced as a result of such operations, this lease shall continue in full force and effect so long as oil or gas is produced from the leased premises or on acreage pooled or unitized therewith.

If after the primary term one or more wells on the lease premises or lands pooled or unitized therewith are capable of producing oil or gas or other substances covered hereby, but such well or wells are either shut in or production therefrom is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing for the purpose of maintaining the lease. If for a period of ninety (90) consecutive days such well or wells are shut in or production therefrom is not sold by Lessee, the Lessee shall pay an aggregate shut-in royalty of One Dollar ($1.00) per acre then covered by this lease, such payment to be made to Lessor on or before the anniversary date of this lease next ensuing after the expiration of the said ninety (90) day period and thereafter on or before each anniversary date of this lease while the well or wells are shut in or production therefrom is not being sold by Lessee; provided that if this lease is in its primary term or otherwise being maintained by operations, or if production is being sold by Lessee from another well on the leased premises or lands pooled or unitized therewith, no shut-in royalty shall be due until the end of the next following anniversary date of this lease that cessation of such operations or production occurs, as the case may be. Lessee's failure to properly pay shut-in royalty shall render Lessee liable for the amount due, but shall not operate to terminate this lease.

If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in 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, including restrictions on the drilling and production of wells, and regulation of the price or transportation of oil, gas or other substance covered hereby. When drilling, reworking, production or other operations or obligations under this lease are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by an act of God, strike, lockout, or other industrial disturbance, act of the public enemy, war, blockade, public riot, fire, storm, impaired surface conditions, flood or other act of nature, explosion, governmental action, governmental delay, restraint or inaction, or by inability to obtain a satisfactory market for production, or failure of purchasers or carriers to take or transport such production, or by any other cause, whether of the kind specifically enumerated above or otherwise, which is not reasonably within control of Lessee, this lease shall not terminate because of such prevention or delay, and, at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any provision or implied covenants of this lease when drilling, production, or other operations are so prevented or delayed.

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, unitize 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 or unitization 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 or a horizontal oil 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 or unitized acreage. The entire acreage so pooled or unitized 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 or unitized 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 or unitized in the particular unit involved.

Lessor agrees to give written notice to Lessee, if, during the primary term of this lease, Lessor receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor, a lease covering any or all of the substances covered by this lease and covering all or a portion of said land herein, with the lease becoming effective upon expiration of this lease. Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer. All offers made up to and including the last day of the primary term of this lease shall be subject to the terms and conditions of this paragraph. Should Lessee elect to purchase the lease pursuant to the terms, hereto, it shall so notify Lessor in writing by mail or telegram prior to expiration of said 15-day period. Lessee shall promptly thereafter furnish to Lessor the new lease for execution on behalf of Lessor along with Lessee's collection draft payable to Lessor in payment of the specified amount as consideration for the new lease, such draft being subject only to approval of title according to the terms thereof. Upon receipt thereof, Lessor shall promptly execute said lease and return the same along with the endorsed draft to Lessee's representative or through Lessor's bank of record for payment.

This lease may be signed in any number or numbers of counterparts and shall be effective as to each Lessor on execution hereof as to his or her interest and shall be binding on those signing, notwithstanding some of the Lessors above named who may not have joined in the execution hereof. The word "Lessor" as used in this lease shall mean the party or parties who execute this lease as Lessor, although not named above.

Lessee shall have the exclusive right to explore the land herein described by geological, geophysical or other methods, whether similar to those herein specified or not and whether now known or not, including the drilling of holes, use of torsion balance, seismograph explosions, magnetometer, or other geophysical or geological instruments, tests or procedures, for the purpose of securing geological and geophysical information. All information obtained by Lessee as a result of such activity shall be the exclusive property of Lessee, and Lessee may disseminate or sell such information without Lessor's consent. Lessor and Lessee herein agree that a portion of the consideration paid herein is for advance payment of usual and customary damages associated with seismograph operations (i.e.: tire tracks in the wheat, pasture or field, road use, compaction etc.). If any extraordinary damages should occur, at Lessee's discretion, Lessor or its tenant (if Lessor has a tenant) will be compensated accordingly, or Lessee may elect to repair the damages in lieu of compensation.

Lessor (and Lessee) herein agree to less and except from the terms of this Oil and Gas Lease any currently existing oil and/or gas well(s), bore hole(s) or other related facilities located on the hereinabove described lease premises, unless Lessee in its sole discretion chooses to utilize any such well or bore holes. Lessor further agrees that unless Lessee in its sole discretion chooses to utilize any such well or bore holes Lessee shall not be liable nor shall Lessee have the obligation to plug and abandon any of said existing oil and/or gas wells(s), bore hole(s) or related facilities.

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF FOR ADDITIONAL TERMS AND PROVISIONS.

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

MERLE P. JACOBS

WILLIAM D. JACOBS

JANE F. SILVIA

Chesley Jacobs

CHESLEY JACOBS

STATE OF KANSAS

0781

COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of June, 2011, by _____
_____.

My commission expires _____

_____
Notary Public

STATE OF Illinois

COUNTY OF Bureau

The foregoing instrument was acknowledged before me this 20th day of June, 2011,
by Chesley Jacobs.

My commission expires 1-21-14

OFFICIAL SEAL
LISA WEST
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:01/21/14

Lisa West
Notary Public

STATE OF _____

COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 20____,
by _____.

My commission expires _____

MICROFILMED

_____
Notary Public

No. _____

OIL AND GAS LEASE

FROM

TO

Date _____

Section _____ Twp. _____ Rge. _____

No. of Acres _____ Term _____

County _____

STATE OF Kansas

County Rush

This instrument was filed for record on the 31 day of July, 2011, at 2:39 P o-clock P M., and duly recorded in Book 158-Misc Page 780 of the records of this office.

Dia Wherry Register of Deeds.

By _____

When recorded, return to _____

Samuel Gary Jr. & Associates, Inc.
1515 Wynkoop St., Ste. 700, Denver, CO 80202.

INDEXED G ✓ N ✓ #1602

#683

STATE OF _____

COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 20____,
by _____ of _____
a _____ corporation, on behalf of the corporation.

My commission expires _____

_____
Notary Public

EXHIBIT "A"

Attached to and made a part of that Certain Oil and Gas Lease dated June 13, 2011, by and between, MERLE P. JACOBS, ET AL as Lessor, and HIGH PLAINS ENERGY PARTNERS, LLC, as Lessee.

LESSORS NAMES AND ADDRESSES:

MERLE P. JACOBS, a single person, whose address is P.O. Box 3, Pfeifer, Kansas 67660;

WILLIAM D. JACOBS, a single person, whose address is P.O. Box 4, Pfeifer, Kansas 67660;

JANE F. SILVIA, a single person, whose address is 403 Douglas Drive, Bellevue, Nebraska 68005.

CHESLEY JACOBS, husband of Adrienne Jacobs dealing herein with his separate property, whose address is 206 Oak Street, Spring Valley, Illinois 61362.

PROPERTY DESCRIPTION:

TOWNSHIP 16 SOUTH – RANGE 17 WEST

SECTION 1:

TRACT 1:

That certain tract or parcel of land estimated to contain **160.00 acres,** more or less, and being described as the Southeast Quarter (SE/4) of Section 1, Township 16 South, Range 17 West, Rush County, Kansas.

TRACT 2:

That certain tract or parcel of land estimated to contain **2.00 acres,** more or less, and being described as the West (W) Two (2.00) acres, or the West (W) Thirty-Three (33.00') Feet of the Northeast Quarter (NE/4) of Section 1, Township 16 South, Range 17 West, Rush County, Kansas.

The total aggregate of Tracts 1 and 2 contain **162.00 acres,** more or less.

It is the intention of this lease to cover and include any mineral interest which the Lessor may own in and to the above described tract, including streets, roads, canals, drainage ditches, rights of way or other servitudes, including, but not limited to, any reversionary interest which Lessor may acquire in the same, by prescription of nonuse.

ADDITIONAL TERMS AND PROVISIONS:

1. The provisions of this **EXHIBIT "A"** shall control and supersede the terms of the attached oil and gas lease when such terms conflict.
2. Lessee shall bury and maintain all pipelines below ordinary plow depth (36").
3. Lessee shall pay all damages to crops, including grass, and restore as nearly as practical, said premises to the same conditions and contour as previously existed, upon termination of this lease.

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 11th day of September 2009

by and between Robert J. Schoendaller, trustee of the RESIDUARY TRUST CREATED UNDER THE DOROTHY M. SCHOENDALLER REVOCABLE TRUST dated September 26, 2001

whose mailing address is 4013 N. Jasmine Drive, Wichita, Kansas 67226 hereinafter called Lessor (whether one or more),

and High Plains Energy Partners, LLC

1515 Wynkoop, Suite 700, Denver, CO 80202, hereinafter called Lessee:

Lessor, in consideration of Ten and Other Valuable Considerations Dollars ($ 10.00) in hand paid, receipt of which is hereby 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 Rush State of Kansas described as follows to-wit:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF FOR PROPERTY DESCRIPTION.

In Section 1 Township 16 South Range 17 West and containing 158.00 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 pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions hereof.

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, (including casinghead 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 net proceeds received by Lessee from such sales, such net proceeds to be less a proportionate part of the production, severance, or other excise taxes and the cost incurred by Lessee in delivering, treating for the removal of nitrogen, helium or other impurities in the gas, processing, compressing, or otherwise making any such gas merchantable) for the gas sold, used off the premises, or in the manufacture of products therefrom, said payments to be made monthly.

This lease may be maintained during the primary term hereof without further payment or drilling operations. If at the expiration of the primary term of this lease, oil or gas is not being produced on the leased premises or on acreage pooled or unitized therewith but Lessee is then engaged in drilling, reworking operations thereon, then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises or on acreage pooled or unitized therewith; and operations shall be considered to be continuously prosecuted if not more than one hundred and twenty (120) days shall elapse between the completion or abandonment of one well and the beginning of operations for the drilling of a subsequent well. If after discovery of oil or gas on the leased premises or on acreage pooled or unitized therewith, the production should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or reworking operations within one hundred and twenty (120) days from the date of cessation of production or from the date of completion of a dry hole. If oil or gas shall be discovered and produced as a result of such operations, this lease shall continue in full force and effect so long as oil or gas is produced from the leased premises or on acreage pooled or unitized therewith.

If after the primary term one or more wells on the lease premises or lands pooled or unitized therewith are capable of producing oil or gas or other substances covered hereby, but such well or wells are either shut in or production therefrom is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing for the purpose of maintaining the lease. If for a period of ninety (90) consecutive days such well or wells are shut in or production therefrom is not sold by Lessee, the Lessee shall pay an aggregate shut-in royalty of One Dollar ($1.00) per acre then covered by this lease, such payment to be made to Lessor on or before the anniversary date of this lease next ensuing after the expiration of the said ninety (90) day period and thereafter on or before each anniversary date of this lease while the well or wells are shut in or production therefrom is not being sold by Lessee; provided that if this lease is in its primary term or otherwise being maintained by operations, or if production is being sold by Lessee from another well on the leased premises or lands pooled or unitized therewith, no shut-in royalty shall be due until the end of the next following anniversary date of this lease that cessation of such operations or production occurs, as the case may be. Lessee's failure to properly pay shut-in royalty shall render Lessee liable for the amount due, but shall not operate to terminate this lease.

If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in 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, including restrictions on the drilling and production of wells, and regulation of the price or transportation of oil, gas or other substance covered hereby. When drilling, reworking, production or other operations or obligations under this lease are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by an act of God, strike, lockout, or other industrial disturbance, act of the public enemy, war, blockade, public riot, lightening, fire, storm, flood or other act of nature, explosion, governmental action, governmental delay, restraint or inaction, or by inability to obtain a satisfactory market for production, or failure of purchasers or carriers to take or transport such production, or by any other cause, whether of the kind specifically enumerated above or otherwise, which is not reasonably within control of Lessee, this lease shall not terminate because of such prevention or delay, and, at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any provision or implied covenants of this lease when drilling, production, or other operations are so prevented or delayed.

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, unitize 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 or unitization 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 or unitized acreage. The entire acreage so pooled or unitized 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 or unitized 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 or unitized in the particular unit involved.

Lessor agrees to give written notice to Lessee, if, during the primary term of this lease, Lessor receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor, a lease covering any or all of the substances covered by this lease and covering all or a portion of said land herein, with the lease becoming effective upon expiration of this lease. Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer. All offers made up to and including the last day of the primary term of this lease shall be subject to the terms and conditions of this paragraph. Should Lessee elect to purchase the lease pursuant to the terms, hereto, it shall so notify Lessor in writing by mail or telegram prior to expiration of said 15-day period. Lessee shall promptly thereafter furnish to Lessor the new lease for execution on behalf of Lessor along with Lessee's collection draft payable to Lessor in payment of the specified amount as consideration for the new lease, such draft being subject only to approval of title according to the terms thereof. Upon receipt thereof, Lessor shall promptly execute said lease and return the same along with the endorsed draft to Lessee's representative or through Lessor's bank of record for payment.

This lease may be signed in any number or numbers of counterparts and shall be effective as to each Lessor on execution hereof as to his or her interest and shall be binding on those signing, notwithstanding some of the Lessors above named who may not have joined in the execution hereof. The word "Lessor" as used in this lease shall mean the party or parties who execute this lease as Lessor, although not named above.

Lessee shall have the exclusive right to explore the land herein described by geological, geophysical or other methods, whether similar to those herein specified or not and whether now known or not, including the drilling of holes, use of torsion balance, seismograph explosions, magnetometer, or other geophysical or geological instruments, tests or procedures, for the purpose of securing geological and geophysical information. All information obtained by Lessee as a result of such activity shall be the exclusive property of Lessee, and Lessee may disseminate or sell such information without Lessor's consent. Lessor and Lessee herein agree that a portion of the consideration paid herein is for advance payment of usual and customary damages associated with seismograph operations (i.e.: tire tracks in the wheat, pasture or field, road use, compaction etc.). If any extraordinary damages should occur, at Lessee's discretion, Lessor or its tenant (if Lessor has a tenant) will be compensated accordingly, or Lessee may elect to repair the damages in lieu of compensation.

Lessor (and Lessee) herein agree to less and except from the terms of this Oil and Gas Lease any currently existing oil and/or gas well(s), bore hole(s) or other related facilities located on the hereinabove described lease premises. Lessor further agrees that Lessee shall not be liable nor shall Lessee have the obligation to plug and abandon any of said existing oil and/or gas wells(s), bore hole(s) or related facilities.

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF FOR ADDITIONAL TERMS AND PROVISIONS.

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

ROBERT J. SCHOENDALLER, trustee

STATE OF Arizona

COUNTY OF Maricopa

The foregoing instrument was acknowledged before me this 14th day of September, 2009,
by **ROBERT J. SCHOENDALLER, TRUSTEE**

My commission expires 03-31-11

Susan L Sowers
Notary Public

OFFICIAL SEAL
SUSAN L. SOWERS
NOTARY PUBLIC - State of Arizona
MARICOPA COUNTY
My Comm. Expires March 31, 2011

STATE OF _____

COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 2009,
By _____.

My commission expires _____

_____
Notary Public

MICROFILMED

OIL AND GAS LEASE

No. _____

FROM _____

TO _____

Date _____

Section _____ Twp. _____ Rge. _____

No. of Acres _____ Term _____

County _____

STATE OF Kansas
County Rush

This instrument was filed for record on the 28th
day of Sept. 2009
at 1 o'clock P M., and duly recorded
in Book 154-Misc Page 436 of
the records of this office.
Debi Wherry Register of Deeds.
By _____
When recorded, return to _____

Samuel Gary, Jr. & Associates, Inc.
1515 Wynkoop, Suite 700, Denver, CO. 80202

INDEXED G M
#1/00
#971

STATE OF _____

COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 2009,
by _____ of _____
a _____ corporation, on behalf of the corporation.

My commission expires _____

_____
Notary Public

EXHIBIT "A"

Attached to and made a part of that Certain Oil and Gas Lease dated September 11, 2009, by and between, RESIDUARY TRUST CREEATED UNDER THE DOROTHY M. SCHOENDALLER REVOCABLE TRUST dated September 26, 2001, as Lessor, and SAMUEL GARY, JR. & ASSOCIATES, INC., as Lessee.

PROPERTY DESCRIPTION:

TOWNSHIP 16 SOUTH – RANGE 17 WEST

SECTION 1:

That certain tract or parcel of land estimated to contain **160.00 acres,** more or less, and being described as the Northeast Quarter (NE/4) of Section 1, Township 16 South, Range 17 West, Rush County, Kansas.

Less and Except that certain tract or parcel of land estimated to contain **2.00 acres,** more or less, and being described as the West (W) Two (2.00) acres, or the West (W) Thirty-Three (33.00') Feet of the Northeast Quarter (NE/4) of Section 1, Township 16 South, Range 17 West, Rush County, Kansas.

Leaving a balance of **158.00 acres,** more or less.

It is the intention of this lease to cover and include any mineral interest which the Lessor may own in and to the above described tract, including streets, roads, canals, drainage ditches, rights of way or other servitudes, including, but not limited to, any reversionary interest which Lessor may acquire in the same, by prescription of nonuse.

ADDITIONAL TERMS AND PROVISIONS:

1. The provisions of this **EXHIBIT "A"** shall control and supersede the terms of the attached oil and gas lease when such terms conflict.

2. Lessee shall bury and maintain all pipelines below ordinary plow depth (36").

3. Lessee shall pay all damages to crops, including grass, and restore as nearly as practical, said premises to the same conditions and contour as previously existed, upon termination of this lease. Said damages shall be a minimum of $500.00 per drilling location.