



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

KANSAS CORPORATION COMMISSION 1087533  
 OIL & GAS CONSERVATION DIVISION

Form C-1  
 March 2010

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

**NOTICE OF INTENT TO DRILL**

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

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

Expected Spud Date: \_\_\_\_\_  
 month day year

Spot Description: \_\_\_\_\_

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

\_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ Sec. \_\_\_\_\_ Twp. \_\_\_\_\_ S. R. \_\_\_\_\_  E  W  
 (Q/Q/Q/Q) \_\_\_\_\_ feet from  N /  S Line of Section  
 \_\_\_\_\_ feet from  E /  W Line of Section

Is SECTION:  Regular  Irregular?

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

CONTRACTOR: License# \_\_\_\_\_  
 Name: \_\_\_\_\_

County: \_\_\_\_\_

Lease Name: \_\_\_\_\_ Well #: \_\_\_\_\_

Field Name: \_\_\_\_\_

Is this a Prorated / Spaced Field?  Yes  No

Target Formation(s): \_\_\_\_\_

Nearest Lease or unit boundary line (in footage): \_\_\_\_\_

Ground Surface Elevation: \_\_\_\_\_ feet MSL

Water well within one-quarter mile:  Yes  No

Public water supply well within one mile:  Yes  No

Depth to bottom of fresh water: \_\_\_\_\_

Depth to bottom of usable water: \_\_\_\_\_

Surface Pipe by Alternate:  I  II

Length of Surface Pipe Planned to be set: \_\_\_\_\_

Length of Conductor Pipe (if any): \_\_\_\_\_

Projected Total Depth: \_\_\_\_\_

Formation at Total Depth: \_\_\_\_\_

Water Source for Drilling Operations:

Well  Farm Pond  Other: \_\_\_\_\_

DWR Permit #: \_\_\_\_\_

(Note: Apply for Permit with DWR  )

Will Cores be taken?  Yes  No

If Yes, proposed zone: \_\_\_\_\_

Well Drilled For: Well Class: Type Equipment:

- |                              |                                   |                                    |                                     |
|------------------------------|-----------------------------------|------------------------------------|-------------------------------------|
| <input type="checkbox"/> Oil | <input type="checkbox"/> Enh Rec  | <input type="checkbox"/> Infield   | <input type="checkbox"/> Mud Rotary |
| <input type="checkbox"/> Gas | <input type="checkbox"/> Storage  | <input type="checkbox"/> Pool Ext. | <input type="checkbox"/> Air Rotary |
|                              | <input type="checkbox"/> Disposal | <input type="checkbox"/> Wildcat   | <input type="checkbox"/> 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  No

If Yes, true vertical depth: \_\_\_\_\_

Bottom Hole Location: \_\_\_\_\_

KCC DKT #: \_\_\_\_\_

**AFFIDAVIT**

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

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

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

**Submitted Electronically**

**For KCC Use ONLY**

API # 15 - \_\_\_\_\_

Conductor pipe required \_\_\_\_\_ feet

Minimum surface pipe required \_\_\_\_\_ feet per ALT.  I  II

Approved by: \_\_\_\_\_

**This authorization expires:** \_\_\_\_\_  
 (This authorization void if drilling not started within 12 months of approval date.)

Spud date: \_\_\_\_\_ Agent: \_\_\_\_\_

**Remember to:**

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

Well will not be drilled or Permit Expired Date: \_\_\_\_\_

Signature of Operator or Agent: \_\_\_\_\_

E  
W



1087533

**For KCC Use ONLY**

API # 15 - \_\_\_\_\_

### IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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

Operator: \_\_\_\_\_

Lease: \_\_\_\_\_

Well Number: \_\_\_\_\_

Field: \_\_\_\_\_

Number of Acres attributable to well: \_\_\_\_\_

QTR/QTR/QTR/QTR of acreage: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

Location of Well: County: \_\_\_\_\_

\_\_\_\_\_ feet from  N /  S Line of Section

\_\_\_\_\_ feet from  E /  W Line of Section

Sec. \_\_\_\_\_ Twp. \_\_\_\_\_ S. R. \_\_\_\_\_  E  W

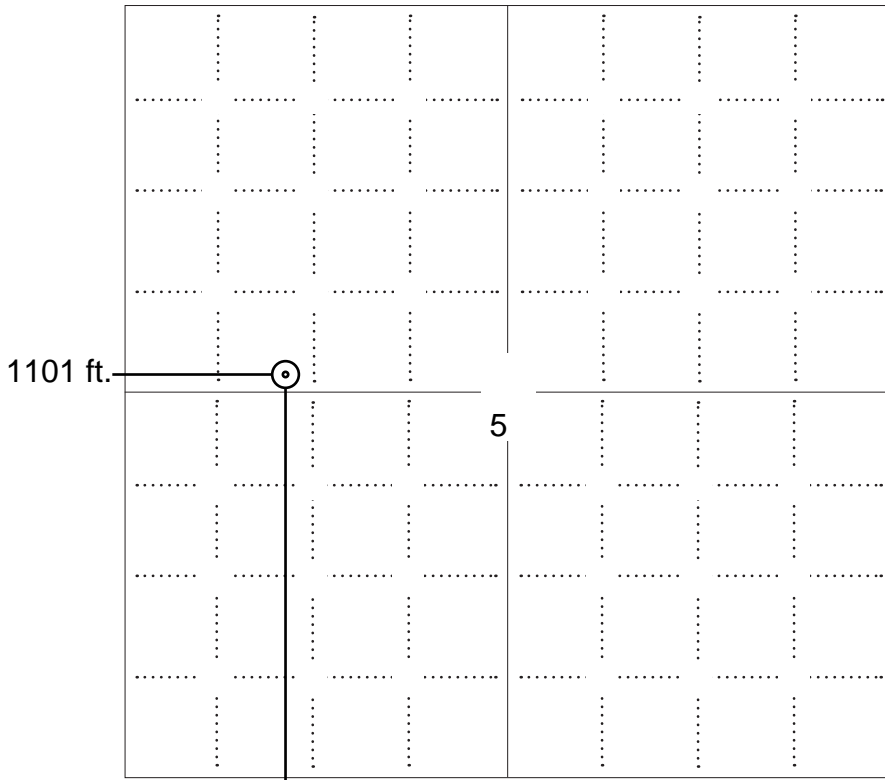
Is Section:  Regular or  Irregular

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

Section corner used:  NE  NW  SE  SW

### PLAT

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



### LEGEND

- Well Location
- Tank Battery Location
- Pipeline Location
- Electric Line Location
- Lease Road Location



**NOTE: In all cases locate the spot of the proposed drilling locaton.**

2755 ft.

**In plotting the proposed location of the well, you must show:**

1. The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, 4 sections, etc.
2. The distance of the proposed drilling location from the south / north and east / west outside section lines.
3. The distance to the nearest lease or unit boundary line (in footage).
4. If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (C0-7 for oil wells; CG-8 for gas wells).
5. The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.



KANSAS CORPORATION COMMISSION 1087533  
OIL & GAS CONSERVATION DIVISION

Form CDP-1  
May 2010  
Form must be Typed

**APPLICATION FOR SURFACE PIT**

*Submit in Duplicate*

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

<b>KCC OFFICE USE ONLY</b>			
Date Received: _____		Permit Number: _____	
Permit Date: _____		Lease Inspection: <input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/> Liner		<input type="checkbox"/> Steel Pit <input type="checkbox"/> RFAC <input type="checkbox"/> RFAS	



### CERTIFICATION OF COMPLIANCE WITH THE KANSAS SURFACE OWNER NOTIFICATION ACT

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

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

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

Well Location:  
\_\_\_\_ - \_\_\_\_ - \_\_\_\_ - \_\_\_\_ Sec. \_\_\_\_ Twp. \_\_\_\_ S. R. \_\_\_\_  East  West  
County: \_\_\_\_\_  
Lease Name: \_\_\_\_\_ Well #: \_\_\_\_\_

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

**Surface Owner Information:**

Name: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ + \_\_\_\_\_

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

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

**Select one of the following:**

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

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

I Submitted Electronically





# Pro-Stake LLC

## Oil Field & Construction Site Staking

P.O. Box 2324  
Garden City, Kansas 67846  
Office/Fax: (620) 276-6159  
Cell: (620) 272-1499



**r053428bar**  
PLAT NO.

**10177**  
INVOICE NO.

### O'Brien Energy Resources Corp.

OPERATOR

### Vanderpool #2

LEASE NAME

### Meade Co, Ks

COUNTY

**5** **34s** **28w**  
Sec. Twp. Rng.

**Main loc. = 2880'FSL-1000'FWL = 2362.4' gr.elev.**  
**Alt. #1 = 2755'FSL-1101'FWL = 2354.7' gr. elev.**

SCALE: 1" = 1000'  
DATE STAKED: July 5<sup>th</sup>, 2012  
MEASURED BY: Ben R.  
DRAWN BY: Ben R  
AUTHORIZED BY: Paul W. & Ed S.

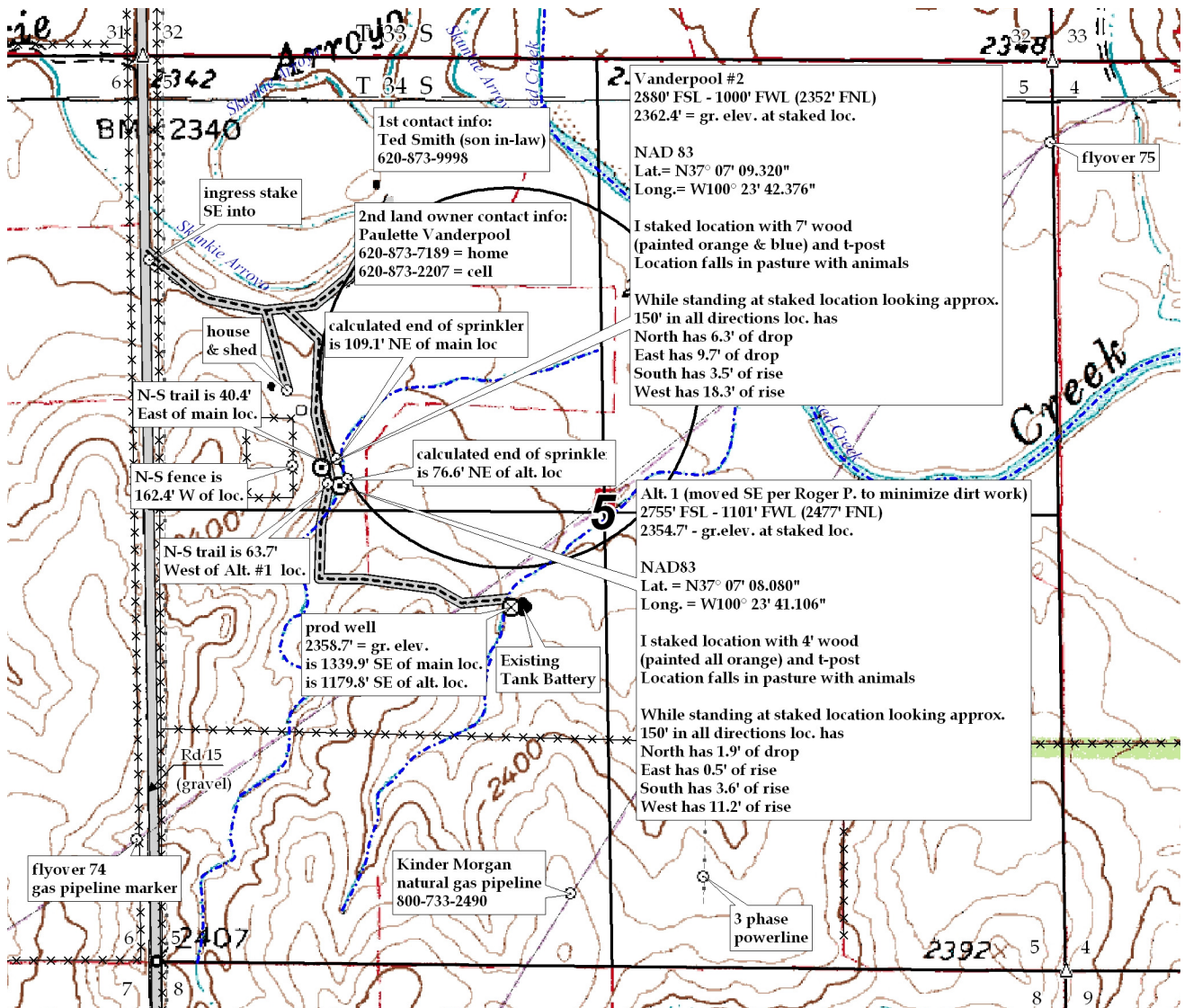
LOCATION SPOT



**Directions:** From center of Meade Ks at the intersection of Hwy 23 & Hwy 54/160 – Now go 8.2 miles South on Hwy 23 – Now go 3 miles West on Hwy 23 – Now go 3 miles South on Rd 15 to the NW corner of section 5-34s-28w – Now go 0.2 mile South on Rd 15 to ingress stake SE into – Now go 0.4 mile SE & South on trail – Now go 40' West through pasture with animals into main staked location.

**Final ingress must be verified with land owner or Operator.**

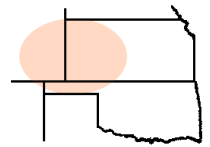
This drawing does not constitute a monumented survey or a land survey plat.  
This drawing is for construction purposes only.





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OPERATOR

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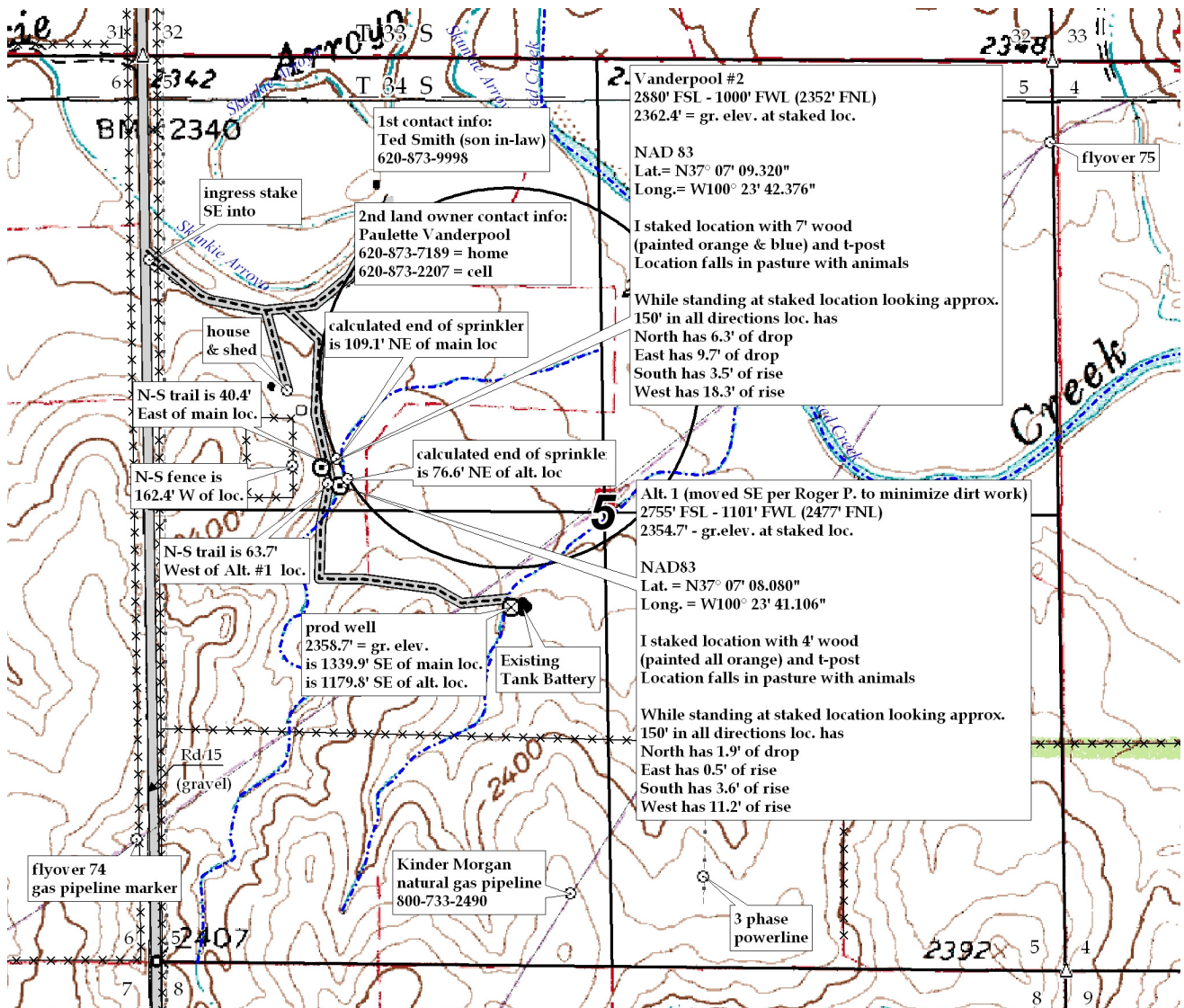
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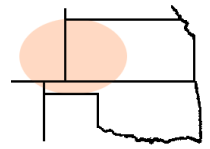




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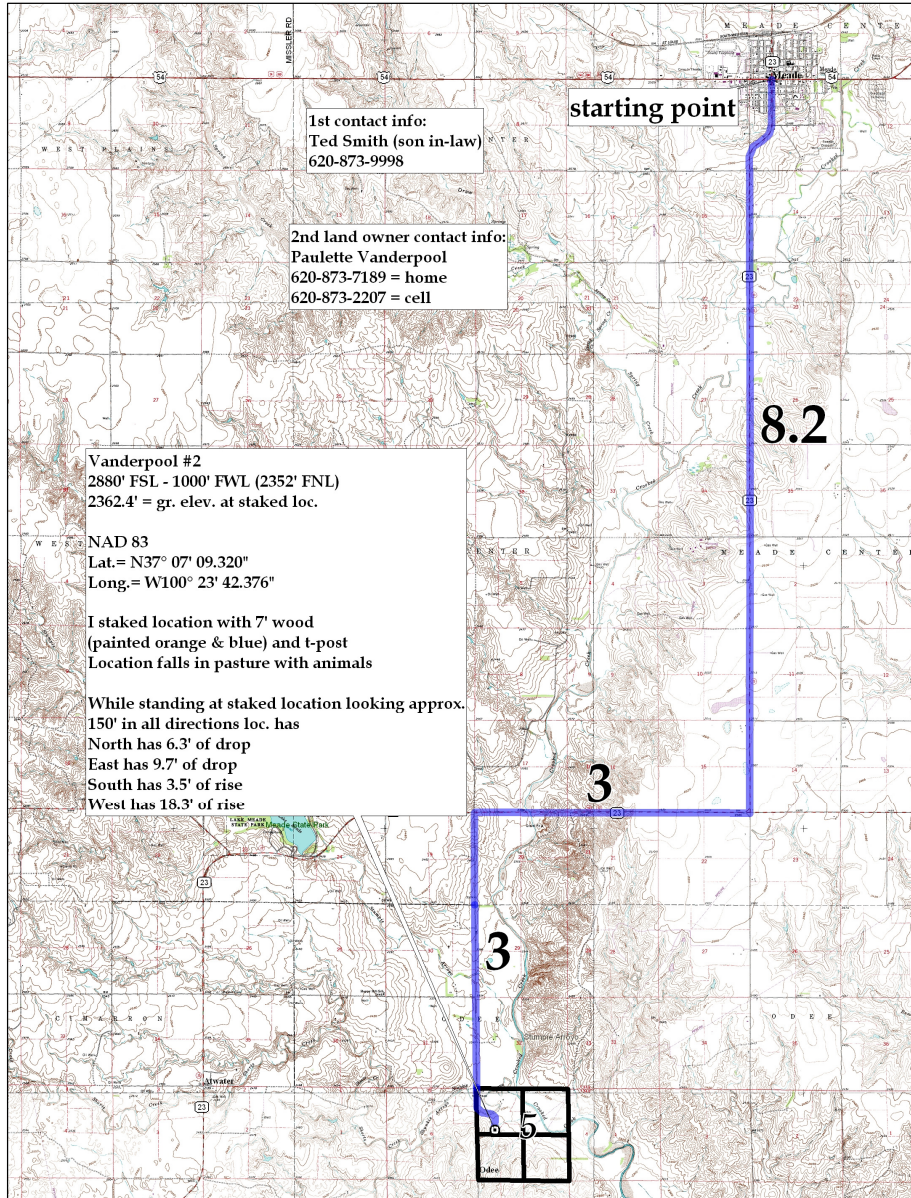
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**For KCC Use ONLY**

API # 15 - \_\_\_\_\_

**IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW**

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

Operator: \_\_\_\_\_

Lease: \_\_\_\_\_

Well Number: \_\_\_\_\_

Field: \_\_\_\_\_

Number of Acres attributable to well: \_\_\_\_\_

QTR/QTR/QTR/QTR of acreage: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

Location of Well: County: \_\_\_\_\_

\_\_\_\_\_ feet from  N /  S Line of Section

\_\_\_\_\_ feet from  E /  W Line of Section

Sec. \_\_\_\_\_ Twp. \_\_\_\_\_ S. R. \_\_\_\_\_  E  W

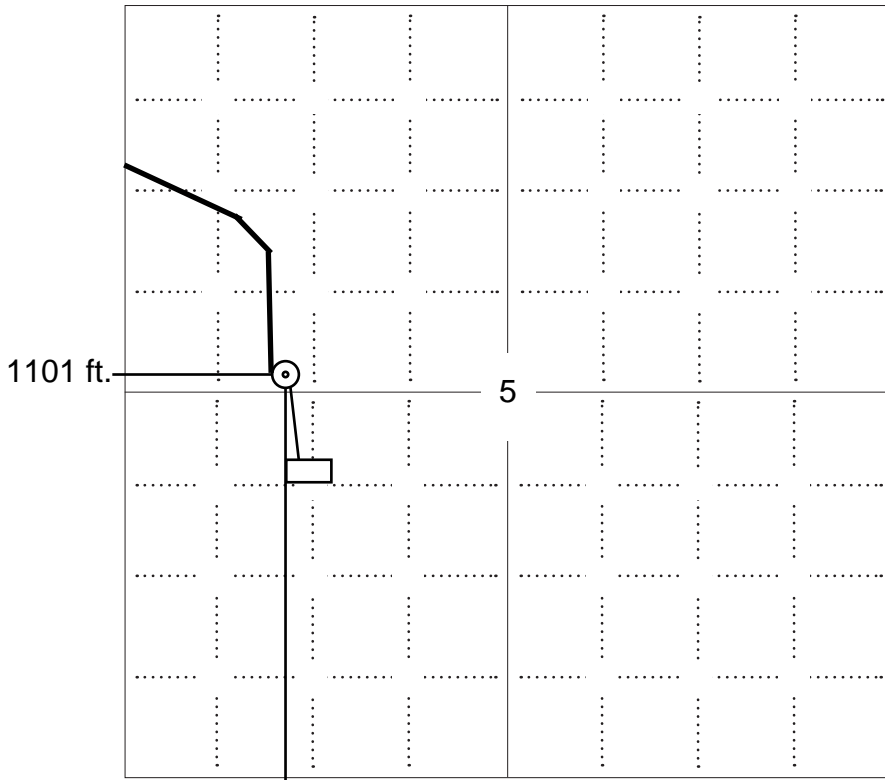
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**PLAT**

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**NOTE: In all cases locate the spot of the proposed drilling locaton.**

**LEGEND**

- Well Location
- Tank Battery Location
- Pipeline Location
- Electric Line Location
- Lease Road Location



2755 ft.

**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.



OIL AND GAS LEASE

AGREEMENT, Made and entered into the 8th day of March, 2011, by and between J.W. Vanderpool and Paulette Vanderpool, Husband and wife, whose post office address is 25048 15 Road, Meade, Kansas 67864, hereinafter called Lessor (whether one or more) and O'Brien Energy Resources Corp., whose post office address is 18 Congress Street, Ste. 207, Portsmouth, NH 03801 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of ten and more DOLLARS cash in hand paid, the receipt of which is hereby acknowledged, and the covenants and agreements hereinafter contained, has granted, demised, leased and let, and by these presents does grant, demise, lease and let exclusively unto the said Lessee, the land hereinafter described, with the exclusive right for the purpose of mining, exploring by geophysical and other methods, and operating for and producing therefrom oil and all gas of whatsoever nature or kind, with rights of way and easements for laying pipe lines, and erection of structures thereon to produce, save and take care of said products, all that certain tract of land situated in the County of Meade, State of KANSAS, described as follows, to-wit:

TOWNSHIP 34 SOUTH, RANGE 28 WEST, 6<sup>TH</sup> P. M.  
SECTION 5: SW/4

and containing 160 acres, more or less, ("the Premises").

In addition to the lands described above, Lessor hereby grants, leases and lets exclusively unto lessee, to the same extent as if specifically described, lands which are owned or claimed by Lessor by one of the following reasons: (1) all lands and rights acquired or retained by Lessor by avulsion, accretion, reliction or otherwise as the result of a change in the boundaries or centerline of any river or stream traversing or adjoining the lands described above; (2) all riparian lands and rights which are or may be incident, appurtenant, related or attributed to Lessor in any lake, reservoir, stream or river traversing or adjoining the lands described above by virtue of Lessor's ownership of the lands described above; (3) all lands included in any road, easement or right-of-way traversing or adjoining the lands described above which are or may be incident, appurtenant, related or attributed to Lessor by virtue of Lessor's ownership of the lands described above; and (4) all strips or tracts of land adjacent or contiguous to the lands described above owned or acquired by Lessor through adverse possession or other similar statutes of the state in which the lands are located. It is the specific intent of Lessor and Lessee herein that Lessor hereby leases and lets unto Lessee under all of the provisions of this lease all mineral interest Lessor owns in the sections described above, whether or not properly described herein.

1. It is agreed that this lease shall remain in force for a term of three (3) years from this date and as long thereafter as oil or gas of whatsoever nature or kind is produced from said leased premises or on acreage pooled therewith, or drilling operations are continued as hereinafter provided. 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 therewith but Lessee is then engaged in drilling or re-working 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 therewith; and operations shall be considered to be continuously prosecuted if not more than ninety (90) 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 said land or on acreage pooled therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or re-working operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith. Lessor grants to Lessee an option to extend this lease for two (2) years beyond the primary term hereof on all or a portion of the lands described herein upon payment of a sum equal to the bonus consideration per net mineral acre paid herewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. Lessee covenants and agrees to pay royalty to Lessor as follows:

(a) On oil, to deliver to the credit of Lessor, free of cost in the pipeline to which Lessee may connect wells on the Premises, the equal part of ~~three sixteenths~~ (3/16) of all oil produced and saved from the Premises.

(b) On gas of whatsoever nature or kind, including coalbed gas and other gases, liquid hydrocarbons and their respective constituent elements, casinghead gas or other gaseous substances, produced from the Premises ("Gas") Lessee shall pay, as royalty, ~~three sixteenths~~ (3/16) of the net proceeds realized by Lessee from the sale thereof; provided that Lessee shall have the continuing right to sell that Gas to itself or to an affiliate of Lessee, in which event the royalty shall be based upon the prevailing wellhead market price paid for Gas of similar quality in the same field (or if there is no such price prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase arrangements, including arrangements under which Lessee, or an affiliate, is purchaser, entered into on the same or nearest preceding date as the date on which Lessee, or an affiliate, commences its purchases hereunder; and further provided that the net proceeds or prevailing wellhead market price, as applicable, shall be after deduction for costs (third party charges and tariffs) related to gathering, transporting, dehydrating, compressing, processing and treating the Gas.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. 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 gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. 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.

7. When requested by Lessor, Lessee shall bury Lessee's pipeline below plow depth.

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

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

10. 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.

11. The rights of Lessor and Lessee hereunder may be assigned in whole or part. No change in ownership of Lessor's interest (by assignment or otherwise) shall be binding on Lessee until Lessee has been furnished with notice, consisting of certified copies of all recorded instruments or documents and other information necessary to establish a complete chain of record title from Lessor, and then only with respect to payments thereafter made. No other kind of notice, whether actual or constructive, shall be binding on Lessee. No present or future division of Lessor's ownership as to different portions or parcels of said land shall operate to enlarge the obligations or diminish the rights of Lessee, and all Lessee's operations may be conducted without regard to any such division. If all or any part of this lease is assigned, no leasehold owner shall be liable for any act or omission of any other leasehold owner.

12. Lessee, at its option, is hereby given the right and power to pool or combine into one or more units the land covered by this lease, or any portion thereof, with other land covered by another lease, or leases in the immediate vicinity, 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 such minerals in and under said land, such pooling to be in a unit or units not exceeding 80 acres each in the event of an oil well, or into a unit or units not exceeding 640 acres each in the event of gas and/or condensate or distillate well, plus a tolerance of 10% to conform to governmental survey sections. Lessee shall execute in writing and file for record in the county in which the land is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a unit or units 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 any part of the pooled acreage it shall be treated as if production is had from this lease whether any well is located on the land covered by this lease or not. Any well drilled on such unit shall be and constitute a well hereunder. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled only on the portion of the royalty stipulated herein as the amount of his net royalty interest therein on an acreage basis bears to the total mineral acreage so pooled in the particular unit.

13. 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.

14. 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, insofar as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

15. Should any one or more of the parties hereinabove named as Lessor fail to execute this lease, it shall nevertheless be binding upon all such parties who do execute it as Lessor. The word "Lessor," as used in this lease, shall mean any one or more or all of the parties who execute this lease as Lessor. All the provisions of this lease shall be binding on the heirs, successors and assigns of Lessor and Lessee.

IN WITNESS WHEREOF, this instrument is executed as of the date first above written.

J.W. Vanderpool  
J.W. Vanderpool

Paulette Vanderpool  
Paulette Vanderpool

STATE OF Kansas }  
COUNTY OF Meade } ss.

Oklahoma, Kansas, New Mexico, Wyoming, Montana, Colorado, Utah  
Nebraska, North Dakota, South Dakota, Texas  
ACKNOWLEDGMENT INDIVIDUAL

The foregoing instrument was acknowledged before me this 31<sup>st</sup> day of March

2011, by J.W. Vanderpool and Paulette Vanderpool

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

**DEBBIE HEINSON**

My Commission Expires \_\_\_\_\_  
Notary Public

State of Kansas

My Appt. Expires 05-11-2014

Debbie Heinson  
Notary Public

STATE OF \_\_\_\_\_ }  
COUNTY OF \_\_\_\_\_ } ss.

ACKNOWLEDGMENT (For use by Corporation)

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, A. D.

2011, by \_\_\_\_\_

\_\_\_\_\_ of \_\_\_\_\_

\_\_\_\_\_ a \_\_\_\_\_ corporation,

on behalf of the corporation.

\_\_\_\_\_  
Notary Public

My Commission expires \_\_\_\_\_



\$16.00  
STATE OF KANSAS, Meade County  
This instrument was filed for record on the  
1 day of April, A.D. 2011  
at 12:00 P.M. and duly recorded  
in Book 120 on Page(s) 295-297  
Paulette Davis  
Register of Deeds

**Photocopied**

**EXHIBIT A**

In the event a producing gas well is located on the leased premises or in the event the leased premises are consolidated into a gas leasehold estate with other land on which a producing well is located, Lessors shall have the right to take in kind the royalty or any portion thereof to which Lessors are entitled and use such gas for domestic, farming, agricultural and irrigation purposes on said land.

Any gas so taken by Lessors shall be taken at or near the mouth of the well at a point to be designated by Lessee. All equipment necessary for taking of gas and measuring same shall be furnished by Lessors at their expense. The methods of taking gas and the point of connection for taking must be such as not to interfere with the operations of the well and must be submitted to Lessee or its assigns and accepted by Lessee before gas is taken. For gas so taken by Lessors (which shall never be more than the full royalty percentage provided for herein), Lessee shall have the right to make a corresponding deduction in gas royalty payments due Lessors, said payment to be made in accordance with the term of this lease. Lessee or its assigns shall never be liable to Lessors, Lessor's agent or employees or any other person with respect to the gas taken, the use thereof, the equipment used, the manner of its use, the use to which put or anything incident or resulting therefrom. Lessee or its assigns shall never be under any obligation to produce gas from any well unless practical or economical to do so. Lessor shall pay wellhead price for any gas used.

It is understood by Lessor and Lessee, that all irrigation gas will be subtracted from Lessor's royalty, and that he is solely responsible for payment of said gas, even though it is being used by his tenant farmer. Any over run in said gas use (more than Lessor's royalty interest share) shall be billed to and paid for by Lessor or his tenant farmer. At Lessor's request, tenant farm will be bill for all gas taken; however, if said gas is not paid for in a timely manner (45 days for invoice) Lessee will hold Lessors run checks until tenant farmer pays for the gas used. Lessor guarantees payment of gas by giving Lessee a lien on his royalty share of the gas.

Lessee agrees to pay lessor a reasonable amount, \$10,000, for each wellsite inside irrigated circle without crop on it. Lessee agrees to put any reserve pit outside the circle at all times. Should Lessee drill any well inside the irrigated circle when crop is on the ground, Lessee agrees to pay Lessor additional damages for crop loss at market value. Lessee agrees to pay Lessor a reasonable amount, \$8,000, for each wellsite on dry land pasture. Lessee will set a low-profile pumping unit inside irrigated circle in the event of production, and agrees to buy tower extension and/or build earthen ramps. Said pumping unit will be caged in some manner to prevent damage to Lessors irrigation equipment.


Lessor has this day executed six separate oil and gas lease in favor of Lessee covering parts of Sections 4, 5, and 8 all in 34S-28W, in Meade Co., Kansas. The Lessee covenants that if a producing gas well is located on the leased acreage covered by these leases that only Lessor's land will be included in the gas production unit and said unit will be no larger than 320 acres without written permission of Lessor.

Lessor agrees to buy water from Lessee for drilling of any well on said land.

**IN WITNESS WHEREOF**, we sign the day and year first written above.

**SIGNED FOR IDENTIFICATION:**

  
J.W. Vanderpool

  
Paulette Vanderpool



OIL AND GAS LEASE

AGREEMENT, Made and entered into the 8th day of March, 2011, by and between J.W. Vanderpool and Paulette Vanderpool, Husband and wife, whose post office address is 25048 15 Road, Meade, Kansas 67864, hereinafter called Lessor (whether one or more) and O'Brien Energy Resources Corp. whose post office address is 18 Congress Street, Ste. 207, Portsmouth, NH 03801 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of ten and more ~~—~~DOLLARS cash in hand paid, the receipt of which is hereby acknowledged, and the covenants and agreements hereinafter contained, has granted, demised, leased and let, and by these presents does grant, demise, lease and let exclusively unto the said Lessee, the land hereinafter described, with the exclusive right for the purpose of mining, exploring by geophysical and other methods, and operating for and producing therefrom oil and all gas of whatsoever nature or kind, with rights of way and easements for laying pipe lines, and erection of structures thereon to produce, save and take care of said products, all that certain tract of land situated in the County of Meade, State of KANSAS, described as follows, to-wit:

TOWNSHIP 34 SOUTH, RANGE 28 WEST, 6<sup>TH</sup> P. M.  
SECTION 5: NW/4

and containing 160 acres, more or less, ("the Premises").

In addition to the lands described above, Lessor hereby grants, leases and lets exclusively unto lessee, to the same extent as if specifically described, lands which are owned or claimed by Lessor by one of the following reasons: (1) all lands and rights acquired or retained by Lessor by avulsion, accretion, reliction or otherwise as the result of a change in the boundaries or centerline of any river or stream traversing or adjoining the lands described above; (2) all riparian lands and rights which are or may be incident, appurtenant, related or attributed to Lessor in any lake, reservoir, stream or river traversing or adjoining the lands described above by virtue of Lessor's ownership of the lands described above; (3) all lands included in any road, easement or right-of-way traversing or adjoining the lands described above which are or may be incident, appurtenant, related or attributed to Lessor by virtue of Lessor's ownership of the lands described above; and (4) all strips or tracts of land adjacent or contiguous to the lands described above owned or acquired by Lessor through adverse possession or other similar statutes of the state in which the lands are located. It is the specific intent of Lessor and Lessee herein that Lessor hereby leases and lets unto Lessee under all of the provisions of this lease all mineral interest Lessor owns in the sections described above, whether or not properly described herein.

1. It is agreed that this lease shall remain in force for a term of three (3) years from this date and as long thereafter as oil or gas of whatsoever nature or kind is produced from said leased premises or on acreage pooled therewith, or drilling operations are continued as hereinafter provided. 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 therewith but Lessee is then engaged in drilling or re-working 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 therewith; and operations shall be considered to be continuously prosecuted if not more than ninety (90) 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 said land or on acreage pooled therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or re-working operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith. Lessor grants to Lessee an option to extend this lease for two (2) years beyond the primary term hereof on all or a portion of the lands described herein upon payment of a sum equal to the bonus consideration per net mineral acre paid herewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. Lessee covenants and agrees to pay royalty to Lessor as follows:

(a) On oil, to deliver to the credit of Lessor, free of cost in the pipeline to which Lessee may connect wells on the Premises, the equal part of three sixteenths (3/16) of all oil produced and saved from the Premises.

(b) On gas of whatsoever nature or kind, including coalbed gas and other gases, liquid hydrocarbons and their respective constituent elements, casinghead gas or other gaseous substances, produced from the Premises ("Gas") Lessee shall pay, as royalty, three sixteenths (3/16) of the net proceeds realized by Lessee from the sale thereof; provided that Lessee shall have the continuing right to sell that Gas to itself or to an affiliate of Lessee, in which event the royalty shall be based upon the prevailing wellhead market price paid for Gas of similar quality in the same field (or if there is no such price prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase arrangements, including arrangements under which Lessee, or an affiliate, is purchaser, entered into on the same or nearest preceding date as the date on which Lessee, or an affiliate, commences its purchases hereunder; and further provided that the net proceeds or prevailing wellhead market price, as applicable, shall be after deduction for costs (third party charges and tariffs) related to gathering, transporting, dehydrating, compressing, processing and treating the Gas.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. 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 gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. 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.

7. When requested by Lessor, Lessee shall bury Lessee's pipeline below plow depth.

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

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

10. 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.

11. The rights of Lessor and Lessee hereunder may be assigned in whole or part. No change in ownership of Lessor's interest (by assignment or otherwise) shall be binding on Lessee until Lessee has been furnished with notice, consisting of certified copies of all recorded instruments or documents and other information necessary to establish a complete chain of record title from Lessor, and then only with respect to payments thereafter made. No other kind of notice, whether actual or constructive, shall be binding on Lessee. No present or future division of Lessor's ownership as to different portions or parcels of said land shall operate to enlarge the obligations or diminish the rights of Lessee, and all Lessee's operations may be conducted without regard to any such division. If all or any part of this lease is assigned, no leasehold owner shall be liable for any act or omission of any other leasehold owner.

12. Lessee, at its option, is hereby given the right and power to pool or combine into one or more units the land covered by this lease, or any portion thereof, with other land covered by another lease, or leases in the immediate vicinity, 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 such minerals in and under said land, such pooling to be in a unit or units not exceeding 80 acres each in the event of an oil well, or into a unit or units not exceeding 640 acres each in the event of gas and/or condensate or distillate well, plus a tolerance of 10% to conform to governmental survey sections. Lessee shall execute in writing and file for record in the county in which the land is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a unit or units 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 any part of the pooled acreage it shall be treated as if production is had from this lease whether any well is located on the land covered by this lease or not. Any well drilled on such unit shall be and constitute a well hereunder. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled only on the portion of the royalty stipulated herein as the amount of his net royalty interest therein on an acreage basis bears to the total mineral acreage so pooled in the particular unit.

13. 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.

14. 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, insofar as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

15. Should any one or more of the parties hereinabove named as Lessor fail to execute this lease, it shall nevertheless be binding upon all such parties who do execute it as Lessor. The word "Lessor," as used in this lease, shall mean any one or more or all of the parties who execute this lease as Lessor. All the provisions of this lease shall be binding on the heirs, successors and assigns of Lessor and Lessee.

IN WITNESS WHEREOF, this instrument is executed as of the date first above written.

  
J.W. Vanderpool

  
Paulette Vanderpool

STATE OF Kansas }  
COUNTY OF Meade } ss.

Oklahoma, Kansas, New Mexico, Wyoming, Montana, Colorado, Utah  
Nebraska, North Dakota, South Dakota, Texas  
ACKNOWLEDGMENT INDIVIDUAL

The foregoing instrument was acknowledged before me this 21<sup>st</sup> day of March

2011, by J.W. Vanderpool and Paulette Vanderpool

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

**DEBBIE HEINSON**

Notary Public

My Commission Expires \_\_\_\_\_  
State of Kansas

My Appt. Expires 05-11-2014

Debbie Heinson  
Notary Public

STATE OF \_\_\_\_\_ }  
COUNTY OF \_\_\_\_\_ } ss.

ACKNOWLEDGMENT (For use by Corporation)

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, A. D.

2011, by \_\_\_\_\_

\_\_\_\_\_ of \_\_\_\_\_

\_\_\_\_\_ a \_\_\_\_\_ corporation,

on behalf of the corporation.

\_\_\_\_\_  
Notary Public

My Commission expires \_\_\_\_\_



\$16.00  
STATE OF KANSAS, Meade County  
This instrument was filed for record on the  
1 day of April, A.D. 2011  
at 12:05 P.M. and duly recorded  
in Book 120 on Page(s) 298-300  
Paulette Vanderpool  
Register of Deeds

**Photocopied**

**EXHIBIT A**

In the event a producing gas well is located on the leased premises or in the event the leased premises are consolidated into a gas leasehold estate with other land on which a producing well is located, Lessors shall have the right to take in kind the royalty or any portion thereof to which Lessors are entitled and use such gas for domestic, farming, agricultural and irrigation purposes on said land.

Any gas so taken by Lessors shall be taken at or near the mouth of the well at a point to be designated by Lessee. All equipment necessary for taking of gas and measuring same shall be furnished by Lessors at their expense. The methods of taking gas and the point of connection for taking must be such as not to interfere with the operations of the well and must be submitted to Lessee or its assigns and accepted by Lessee before gas is taken. For gas so taken by Lessors (which shall never be more than the full royalty percentage provided for herein), Lessee shall have the right to make a corresponding deduction in gas royalty payments due Lessors, said payment to be made in accordance with the term of this lease. Lessee or its assigns shall never be liable to Lessors, Lessor's agent or employees or any other person with respect to the gas taken, the use thereof, the equipment used, the manner of its use, the use to which put or anything incident or resulting therefrom. Lessee or its assigns shall never be under any obligation to produce gas from any well unless practical or economical to do so. Lessor shall pay wellhead price for any gas used.

It is understood by Lessor and Lessee, that all irrigation gas will be subtracted from Lessor's royalty, and that he is solely responsible for payment of said gas, even though it is being used by his tenant farmer. Any over run in said gas use (more than Lessor's royalty interest share) shall be billed to and paid for by Lessor or his tenant farmer. At Lessor's request, tenant farm will be bill for all gas taken; however, if said gas is not paid for in a timely manner (45 days for invoice) Lessee will hold Lessors run checks until tenant farmer pays for the gas used. Lessor guarantees payment of gas by giving Lessee a lien on his royalty share of the gas.


Lessee agrees to pay lessor a reasonable amount, \$10,000, for each wellsite inside irrigated circle without crop on it. Lessee agrees to put any reserve pit outside the circle at all times. Should Lessee drill any well inside the irrigated circle when crop is on the ground, Lessee agrees to pay Lessor additional damages for crop loss at market value. Lessee agrees to pay Lessor a reasonable amount, \$8,000, for each wellsite on dry land pasture. Lessee will set a low-profile pumping unit inside irrigated circle in the event of production, and agrees to buy tower extension and/or build earthen ramps. Said pumping unit will be caged in some manner to prevent damage to Lessors irrigation equipment.

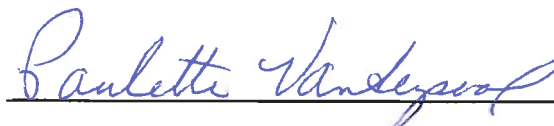
Lessor has this day executed six separate oil and gas lease in favor of Lessee covering parts of Sections 4, 5, and 8 all in 34S-28W, in Meade Co., Kansas. The Lessee covenants that if a producing gas well is located on the leased acreage covered by these leases that only Lessor's land will be included in the gas production unit and said unit will be no larger than 320 acres without written permission of Lessor.

Lessor agrees to buy water from Lessee for drilling of any well on said land.

**IN WITNESS WHEREOF**, we sign the day and year first written above.

**SIGNED FOR IDENTIFICATION:**

  
\_\_\_\_\_  
J.W. Vanderpool

  
\_\_\_\_\_  
Paulette Vanderpool



8

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 8th day of March, 2011, by and between J.W. Vanderpool and Paulette Vanderpool, Husband and wife, whose post office address is 25048 15 Road, Meade, Kansas 67864, hereinafter called Lessor (whether one or more) and O'Brien Energy Resources Corp. whose post office address is 18 Congress Street, Ste. 207, Portsmouth, NH 03801 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of ten and more DOLLARS cash in hand paid, the receipt of which is hereby acknowledged, and the covenants and agreements hereinafter contained, has granted, demised, leased and let, and by these presents does grant, demise, lease and let exclusively unto the said Lessee, the land hereinafter described, with the exclusive right for the purpose of mining, exploring by geophysical and other methods, and operating for and producing therefrom oil and all gas of whatsoever nature or kind, with rights of way and easements for laying pipe lines, and erection of structures thereon to produce, save and take care of said products, all that certain tract of land situated in the County of Meade, State of KANSAS, described as follows, to-wit:

TOWNSHIP 34 SOUTH, RANGE 28 WEST, 6<sup>TH</sup> P. M.  
SECTION 5: NE/4, also described as Lot 1(39.18a) & Lot 2 (39.19a) & S/2 NE/4

and containing 158.34 acres, more or less, ("the Premises").

In addition to the lands described above, Lessor hereby grants, leases and lets exclusively unto lessee, to the same extent as if specifically described, lands which are owned or claimed by Lessor by one of the following reasons: (1) all lands and rights acquired or retained by Lessor by avulsion, accretion, reliction or otherwise as the result of a change in the boundaries or centerline of any river or stream traversing or adjoining the lands described above; (2) all riparian lands and rights which are or may be incident, appurtenant, related or attributed to Lessor in any lake, reservoir, stream or river traversing or adjoining the lands described above by virtue of Lessor's ownership of the lands described above; (3) all lands included in any road, easement or right-of-way traversing or adjoining the lands described above which are or may be incident, appurtenant, related or attributed to Lessor by virtue of Lessor's ownership of the lands described above; and (4) all strips or tracts of land adjacent or contiguous to the lands described above owned or acquired by Lessor through adverse possession or other similar statutes of the state in which the lands are located. It is the specific intent of Lessor and Lessee herein that Lessor hereby leases and lets unto Lessee under all the provisions of this lease all mineral interest Lessor owns in the sections described above, whether or not properly described herein.

1. It is agreed that this lease shall remain in force for a term of three (3) years from this date and as long thereafter as oil or gas of whatsoever nature or kind is produced from said leased premises or on acreage pooled therewith, or drilling operations are continued as hereinafter provided. 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 therewith but Lessee is then engaged in drilling or re-working 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 therewith; and operations shall be considered to be continuously prosecuted if not more than ninety (90) 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 said land or on acreage pooled therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or re-working operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith. Lessor grants to Lessee an option to extend this lease for two (2) years beyond the primary term hereof on all or a portion of the lands described herein upon payment of a sum equal to the bonus consideration per net mineral acre paid herewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. Lessee covenants and agrees to pay royalty to Lessor as follows:

(a) On oil, to deliver to the credit of Lessor, free of cost in the pipeline to which Lessee may connect wells on the Premises, the equal part of three-sixteenths (3/16) of all oil produced and saved from the Premises.

(b) On gas of whatsoever nature or kind, including coalbed gas and other gases, liquid hydrocarbons and their respective constituent elements, casinghead gas or other gaseous substances, produced from the Premises ("Gas") Lessee shall pay, as royalty, three-sixteenths (3/16) of the net proceeds realized by Lessee from the sale thereof; provided that Lessee shall have the continuing right to sell that Gas to itself or to an affiliate of Lessee, in which event the royalty shall be based upon the prevailing wellhead market price paid for Gas of similar quality in the same field (or if there is no such price prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase arrangements, including arrangements under which Lessee, or an affiliate, is purchaser, entered into on the same or nearest preceding date as the date on which Lessee, or an affiliate, commences its purchases hereunder; and further provided that the net proceeds or prevailing wellhead market price, as applicable, shall be after deduction for costs (third party charges and tariffs) related to gathering, transporting, dehydrating, compressing, processing and treating the Gas.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. 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 gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. 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.

7. When requested by Lessor, Lessee shall bury Lessee's pipeline below plow depth.

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

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

10. 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.

11. The rights of Lessor and Lessee hereunder may be assigned in whole or part. No change in ownership of Lessor's interest (by assignment or otherwise) shall be binding on Lessee until Lessee has been furnished with notice, consisting of certified copies of all recorded instruments or documents and other information necessary to establish a complete chain of record title from Lessor, and then only with respect to payments thereafter made. No other kind of notice, whether actual or constructive, shall be binding on Lessee. No present or future division of Lessor's ownership as to different portions or parcels of said land shall operate to enlarge the obligations or diminish the rights of Lessee, and all Lessee's operations may be conducted without regard to any such division. If all or any part of this lease is assigned, no leasehold owner shall be liable for any act or omission of any other leasehold owner.

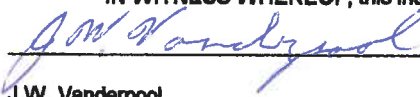
12. Lessee, at its option, is hereby given the right and power to pool or combine into one or more units the land covered by this lease, or any portion thereof, with other land covered by another lease, or leases in the immediate vicinity, when in Lessee's judgment, it is necessary or advisable to do so, in order to properly develop and operate said lease premises so as to promote the conservation of such minerals in and under said land, such pooling to be in a unit or units not exceeding 80 acres each in the event of an oil well, or into a unit or units not exceeding 640 acres each in the event of gas and/or condensate or distillate well, plus a tolerance of 10% to conform to governmental survey sections. Lessee shall execute in writing and file for record in the county in which the land is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a unit or units 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 any part of the pooled acreage it shall be treated as if production is had from this lease whether any well is located on the land covered by this lease or not. Any well drilled on such unit shall be and constitute a well hereunder. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled only on the portion of the royalty stipulated herein as the amount of his net royalty interest therein on an acreage basis bears to the total mineral acreage so pooled in the particular unit.

13. 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.


14. 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, insofar as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

15. Should any one or more of the parties hereinabove named as Lessor fail to execute this lease, it shall nevertheless be binding upon all such parties who do execute it as Lessor. The word "Lessor," as used in this lease, shall mean any one or more or all of the parties who execute this lease as Lessor. All the provisions of this lease shall be binding on the heirs, successors and assigns of Lessor and Lessee.

IN WITNESS WHEREOF, this instrument is executed as of the date first above written.



J.W. Vanderpool



Paulette Vanderpool

STATE OF Kansas }  
COUNTY OF Meade } ss.

Oklahoma, Kansas, New Mexico, Wyoming, Montana, Colorado, Utah  
Nebraska, North Dakota, South Dakota, Texas  
ACKNOWLEDGMENT INDIVIDUAL

The foregoing instrument was acknowledged before me this 21st day of March

2011, by J.W. Vanderpool and Paulette Vanderpool

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

DEBBIE HEINSON

My Commission Expires 05-11-2014  
Notary Public  
State of Kansas  
My Appt. Expires 05-11-2014

Debbie Heinson  
Notary Public

STATE OF \_\_\_\_\_ }  
COUNTY OF \_\_\_\_\_ } ss.

ACKNOWLEDGMENT (For use by Corporation)

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, A. D.

2011, by \_\_\_\_\_

\_\_\_\_\_ of \_\_\_\_\_

\_\_\_\_\_ a \_\_\_\_\_ corporation,

on behalf of the corporation.

\_\_\_\_\_  
Notary Public

My Commission expires \_\_\_\_\_



Xac ✓

\$120.00  
STATE OF KANSAS, Meade County  
This instrument was filed for record on the 1 day of April, A.D. 2011  
at 12:10 P.M. and duly recorded  
in Book 120 on Page(s) 301-303  
Paulette Vanderpool  
Register of Deeds

Photocopied

**EXHIBIT A**

In the event a producing gas well is located on the leased premises or in the event the leased premises are consolidated into a gas leasehold estate with other land on which a producing well is located, Lessors shall have the right to take in kind the royalty or any portion thereof to which Lessors are entitled and use such gas for domestic, farming, agricultural and irrigation purposes on said land.

Any gas so taken by Lessors shall be taken at or near the mouth of the well at a point to be designated by Lessee. All equipment necessary for taking of gas and measuring same shall be furnished by Lessors at their expense. The methods of taking gas and the point of connection for taking must be such as not to interfere with the operations of the well and must be submitted to Lessee or its assigns and accepted by Lessee before gas is taken. For gas so taken by Lessors (which shall never be more than the full royalty percentage provided for herein), Lessee shall have the right to make a corresponding deduction in gas royalty payments due Lessors, said payment to be made in accordance with the term of this lease. Lessee or its assigns shall never be liable to Lessors, Lessor's agent or employees or any other person with respect to the gas taken, the use thereof, the equipment used, the manner of its use, the use to which put or anything incident or resulting therefrom. Lessee or its assigns shall never be under any obligation to produce gas from any well unless practical or economical to do so. Lessor shall pay wellhead price for any gas used.

It is understood by Lessor and Lessee, that all irrigation gas will be subtracted from Lessor's royalty, and that he is solely responsible for payment of said gas, even though it is being used by his tenant farmer. Any over run in said gas use (more than Lessor's royalty interest share) shall be billed to and paid for by Lessor or his tenant farmer. At Lessor's request, tenant farm will be bill for all gas taken; however, if said gas is not paid for in a timely manner (45 days for invoice) Lessee will hold Lessors run checks until tenant farmer pays for the gas used. Lessor guarantees payment of gas by giving Lessee a lien on his royalty share of the gas.

Lessee agrees to pay lessor a reasonable amount, \$10,000, for each wellsite inside irrigated circle without crop on it. Lessee agrees to put any reserve pit outside the circle at all times. Should Lessee drill any well inside the irrigated circle when crop is on the ground, Lessee agrees to pay Lessor additional damages for crop loss at market value. Lessee agrees to pay Lessor a reasonable amount, \$8,000, for each wellsite on dry land pasture. Lessee will set a low-profile pumping unit inside irrigated circle in the event of production, and agrees to buy tower extension and/or build earthen ramps. Said pumping unit will be caged in some manner to prevent damage to Lessors irrigation equipment.


Lessor has this day executed six separate oil and gas lease in favor of Lessee covering parts of Sections 4, 5, and 8 all in 34S-28W, in Meade Co., Kansas. The Lessee covenants that if a producing gas well is located on the leased acreage covered by these leases that only Lessor's land will be included in the gas production unit and said unit will be no larger than 320 acres without written permission of Lessor.

Lessor agrees to buy water from Lessee for drilling of any well on said land.

**IN WITNESS WHEREOF**, we sign the day and year first written above.

**SIGNED FOR IDENTIFICATION:**

  
\_\_\_\_\_  
J.W. Vanderpool

  
\_\_\_\_\_  
Paulette Vanderpool



OIL AND GAS LEASE

9  
AGREEMENT, Made and entered into the 8th day of March, 2011, by and between J.W. Vanderpool and Paulette Vanderpool, Husband and wife, whose post office address is 25048 15 Road, Meade, Kansas 67864, hereinafter called Lessor (whether one or more) and O'Brien Energy Resources Corp. whose post office address is 18 Congress Street, Ste. 207, Portsmouth, NH 03801 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of ten and more DOLLARS cash in hand paid, the receipt of which is hereby acknowledged, and the covenants and agreements hereinafter contained, has granted, demised, leased and let, and by these presents does grant, demise, lease and let exclusively unto the said Lessee, the land hereinafter described, with the exclusive right for the purpose of mining, exploring by geophysical and other methods, and operating for and producing therefrom oil and all gas of whatsoever nature or kind, with rights of way and easements for laying pipe lines, and erection of structures thereon to produce, save and take care of said products, all that certain tract of land situated in the County of Meade, State of KANSAS, described as follows, to-wit:

TOWNSHIP 34 SOUTH, RANGE 28 WEST, 6<sup>TH</sup> P. M.  
SECTION 5: N/2 SE/4 & SW/4 SE/4

and containing 120 acres, more or less, ("the Premises").

In addition to the lands described above, Lessor hereby grants, leases and lets exclusively unto lessee, to the same extent as if specifically described, lands which are owned or claimed by Lessor by one of the following reasons: (1) all lands and rights acquired or retained by Lessor by avulsion, accretion, reliction or otherwise as the result of a change in the boundaries or centerline of any river or stream traversing or adjoining the lands described above; (2) all riparian lands and rights which are or may be incident, appurtenant, related or attributed to Lessor in any lake, reservoir, stream or river traversing or adjoining the lands described above by virtue of Lessor's ownership of the lands described above; (3) all lands included in any road, easement or right-of-way traversing or adjoining the lands described above which are or may be incident, appurtenant, related or attributed to Lessor by virtue of Lessor's ownership of the lands described above; and (4) all strips or tracts of land adjacent or contiguous to the lands described above owned or acquired by Lessor through adverse possession or other similar statutes of the state in which the lands are located. It is the specific intent of Lessor and Lessee herein that Lessor hereby leases and lets unto Lessee under all of the provisions of this lease all mineral interest Lessor owns in the sections described above, whether or not properly described herein.

1. It is agreed that this lease shall remain in force for a term of three (3) years from this date and as long thereafter as oil or gas of whatsoever nature or kind is produced from said leased premises or on acreage pooled therewith, or drilling operations are continued as hereinafter provided. 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 therewith but Lessee is then engaged in drilling or re-working 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 therewith; and operations shall be considered to be continuously prosecuted if not more than ninety (90) 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 said land or on acreage pooled therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or re-working operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith. Lessor grants to Lessee an option to extend this lease for two (2) years beyond the primary term hereof on all or a portion of the lands described herein upon payment of a sum equal to the bonus consideration per net mineral acre paid herewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. Lessee covenants and agrees to pay royalty to Lessor as follows:

(a) On oil, to deliver to the credit of Lessor, free of cost in the pipeline to which Lessee may connect wells on the Premises, the equal part of three-sixteenths (3/16) of all oil produced and saved from the Premises.

(b) On gas of whatsoever nature or kind, including coalbed gas and other gases, liquid hydrocarbons and their respective constituent elements, casinghead gas or other gaseous substances, produced from the Premises ("Gas") Lessee shall pay, as royalty, three-sixteenths (3/16) of the net proceeds realized by Lessee from the sale thereof; provided that Lessee shall have the continuing right to sell that Gas to itself or to an affiliate of Lessee, in which event the royalty shall be based upon the prevailing wellhead market price paid for Gas of similar quality in the same field (or if there is no such price prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase arrangements, including arrangements under which Lessee, or an affiliate, is purchaser, entered into on the same or nearest preceding date as the date on which Lessee, or an affiliate, commences its purchases hereunder; and further provided that the net proceeds or prevailing wellhead market price, as applicable, shall be after deduction for costs (third party charges and tariffs) related to gathering, transporting, dehydrating, compressing, processing and treating the Gas.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. 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 gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. 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.

7. When requested by Lessor, Lessee shall bury Lessee's pipeline below plow depth.

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

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

10. 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.

11. The rights of Lessor and Lessee hereunder may be assigned in whole or part. No change in ownership of Lessor's interest (by assignment or otherwise) shall be binding on Lessee until Lessee has been furnished with notice, consisting of certified copies of all recorded instruments or documents and other information necessary to establish a complete chain of record title from Lessor, and then only with respect to payments thereafter made. No other kind of notice, whether actual or constructive, shall be binding on Lessee. No present or future division of Lessor's ownership as to different portions or parcels of said land shall operate to enlarge the obligations or diminish the rights of Lessee, and all Lessee's operations may be conducted without regard to any such division. If all or any part of this lease is assigned, no leasehold owner shall be liable for any act or omission of any other leasehold owner.

12. Lessee, at its option, is hereby given the right and power to pool or combine into one or more units the land covered by this lease, or any portion thereof, with other land covered by another lease, or leases in the immediate vicinity, 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 such minerals in and under said land, such pooling to be in a unit or units not exceeding 80 acres each in the event of an oil well, or into a unit or units not exceeding 640 acres each in the event of gas and/or condensate or distillate well, plus a tolerance of 10% to conform to governmental survey sections. Lessee shall execute in writing and file for record in the county in which the land is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a unit or units 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 any part of the pooled acreage it shall be treated as if production is had from this lease whether any well is located on the land covered by this lease or not. Any well drilled on such unit shall be and constitute a well hereunder. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled only on the portion of the royalty stipulated herein as the amount of his net royalty interest therein on an acreage basis bears to the total mineral acreage so pooled in the particular unit.

13. 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.

14. 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, insofar as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

15. Should any one or more of the parties hereinabove named as Lessor fail to execute this lease, it shall nevertheless be binding upon all such parties who do execute it as Lessor. The word "Lessor," as used in this lease, shall mean any one or more or all of the parties who execute this lease as Lessor. All the provisions of this lease shall be binding on the heirs, successors and assigns of Lessor and Lessee.

IN WITNESS WHEREOF, this instrument is executed as of the date first above written.

  
J.W. Vanderpool

  
Paulette Vanderpool



STATE OF Kansas }  
COUNTY OF Meade } ss.

Oklahoma, Kansas, New Mexico, Wyoming, Montana, Colorado, Utah  
Nebraska, North Dakota, South Dakota, Texas  
ACKNOWLEDGMENT INDIVIDUAL

The foregoing instrument was acknowledged before me this 21<sup>st</sup> day of March

2011, by J.W. Vanderpool and Paulette Vanderpool

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

DEBBIE HEINSON

My Commission Expires Notary Public  
State of Kansas  
My Appt. Expires 05-11-2014

Debbie Heinson  
Notary Public

STATE OF \_\_\_\_\_ }  
COUNTY OF \_\_\_\_\_ } ss.

ACKNOWLEDGMENT (For use by Corporation)

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, A. D.

2011, by \_\_\_\_\_

\_\_\_\_\_ of \_\_\_\_\_

\_\_\_\_\_ a \_\_\_\_\_ corporation,

on behalf of the corporation.

\_\_\_\_\_  
Notary Public

My Commission expires \_\_\_\_\_



#16.00  
STATE OF KANSAS, Meade County  
This instrument was filed for record on the  
1 day of April, A.D. 2011  
at 12:15 P. M. and duly recorded  
in Book 120 on Page(s) 304-306  
Paulette Davis  
Register of Deeds

Photocopied

**EXHIBIT A**

In the event a producing gas well is located on the leased premises or in the event the leased premises are consolidated into a gas leasehold estate with other land on which a producing well is located, Lessors shall have the right to take in kind the royalty or any portion thereof to which Lessors are entitled and use such gas for domestic, farming, agricultural and irrigation purposes on said land.

Any gas so taken by Lessors shall be taken at or near the mouth of the well at a point to be designated by Lessee. All equipment necessary for taking of gas and measuring same shall be furnished by Lessors at their expense. The methods of taking gas and the point of connection for taking must be such as not to interfere with the operations of the well and must be submitted to Lessee or its assigns and accepted by Lessee before gas is taken. For gas so taken by Lessors (which shall never be more than the full royalty percentage provided for herein), Lessee shall have the right to make a corresponding deduction in gas royalty payments due Lessors, said payment to be made in accordance with the term of this lease. Lessee or its assigns shall never be liable to Lessors, Lessor's agent or employees or any other person with respect to the gas taken, the use thereof, the equipment used, the manner of its use, the use to which put or anything incident or resulting therefrom. Lessee or its assigns shall never be under any obligation to produce gas from any well unless practical or economical to do so. Lessor shall pay wellhead price for any gas used.

It is understood by Lessor and Lessee, that all irrigation gas will be subtracted from Lessor's royalty, and that he is solely responsible for payment of said gas, even though it is being used by his tenant farmer. Any over run in said gas use (more than Lessor's royalty interest share) shall be billed to and paid for by Lessor or his tenant farmer. At Lessor's request, tenant farm will be bill for all gas taken; however, if said gas is not paid for in a timely manner (45 days for invoice) Lessee will hold Lessors run checks until tenant farmer pays for the gas used. Lessor guarantees payment of gas by giving Lessee a lien on his royalty share of the gas.

Lessee agrees to pay lessor a reasonable amount, \$10,000, for each wellsite inside irrigated circle without crop on it. Lessee agrees to put any reserve pit outside the circle at all times. Should Lessee drill any well inside the irrigated circle when crop is on the ground, Lessee agrees to pay Lessor additional damages for crop loss at market value. Lessee agrees to pay Lessor a reasonable amount, \$8,000, for each wellsite on dry land pasture. Lessee will set a low-profile pumping unit inside irrigated circle in the event of production, and agrees to buy tower extension and/or build earthen ramps. Said pumping unit will be caged in some manner to prevent damage to Lessors irrigation equipment.


Lessor has this day executed six separate oil and gas lease in favor of Lessee covering parts of Sections 4, 5, and 8 all in 34S-28W, in Meade Co., Kansas. The Lessee covenants that if a producing gas well is located on the leased acreage covered by these leases that only Lessor's land will be included in the gas production unit and said unit will be no larger than 320 acres without written permission of Lessor.

Lessor agrees to buy water from Lessee for drilling of any well on said land.

**IN WITNESS WHEREOF**, we sign the day and year first written above.

**SIGNED FOR IDENTIFICATION:**

  
\_\_\_\_\_  
J.W. Vanderpool

  
\_\_\_\_\_  
Paulette Vanderpool

OIL AND GAS LEASE

10  
AGREEMENT, Made and entered into the 8th day of March, 2011, by and between J.W. Vanderpool and Paulette Vanderpool, Husband and wife, whose post office address is 25048 15 Road, Meade, Kansas 67864, hereinafter called Lessor (whether one or more) and O'Brien Energy Resources Corp. whose post office address is 18 Congress Street, Ste. 207, Portsmouth, NH 03801 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of ten and more DOLLARS cash in hand paid, the receipt of which is hereby acknowledged, and the covenants and agreements hereinafter contained, has granted, demised, leased and let, and by these presents does grant, demise, lease and let exclusively unto the said Lessee, the land hereinafter described, with the exclusive right for the purpose of mining, exploring by geophysical and other methods, and operating for and producing therefrom oil and all gas of whatsoever nature or kind, with rights of way and easements for laying pipe lines, and erection of structures thereon to produce, save and take care of said products, all that certain tract of land situated in the County of Meade, State of KANSAS, described as follows, to-wit:

TOWNSHIP 34 SOUTH, RANGE 28 WEST, 6<sup>TH</sup> P. M.  
SECTION 8: N/2 NW/4 & SE/4 NW/4

and containing 120 acres, more or less, ("the Premises").

In addition to the lands described above, Lessor hereby grants, leases and lets exclusively unto lessee, to the same extent as if specifically described, lands which are owned or claimed by Lessor by one of the following reasons: (1) all lands and rights acquired or retained by Lessor by avulsion, accretion, reliction or otherwise as the result of a change in the boundaries or centerline of any river or stream traversing or adjoining the lands described above; (2) all riparian lands and rights which are or may be incident, appurtenant, related or attributed to Lessor in any lake, reservoir, stream or river traversing or adjoining the lands described above by virtue of Lessor's ownership of the lands described above; (3) all lands included in any road, easement or right-of-way traversing or adjoining the lands described above which are or may be incident, appurtenant, related or attributed to Lessor by virtue of Lessor's ownership of the lands described above; and (4) all strips or tracts of land adjacent or contiguous to the lands described above owned or acquired by Lessor through adverse possession or other similar statutes of the state in which the lands are located. It is the specific intent of Lessor and Lessee herein that Lessor hereby leases and lets unto Lessee under all of the provisions of this lease all mineral interest Lessor owns in the sections described above, whether or not properly described herein.

1. It is agreed that this lease shall remain in force for a term of three (3) years from this date and as long thereafter as oil or gas of whatsoever nature or kind is produced from said leased premises or on acreage pooled therewith, or drilling operations are continued as hereinafter provided. 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 therewith but Lessee is then engaged in drilling or re-working 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 therewith; and operations shall be considered to be continuously prosecuted if not more than ninety (90) 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 said land or on acreage pooled therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or re-working operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith. Lessor grants to Lessee an option to extend this lease for two (2) years beyond the primary term hereof on all or a portion of the lands described herein upon payment of a sum equal to the bonus consideration per net mineral acre paid herewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. Lessee covenants and agrees to pay royalty to Lessor as follows:

(a) On oil, to deliver to the credit of Lessor, free of cost in the pipeline to which Lessee may connect wells on the Premises, the equal part of three-sixteenths (3/16) of all oil produced and saved from the Premises.

(b) On gas of whatsoever nature or kind, including coalbed gas and other gases, liquid hydrocarbons and their respective constituent elements, casinghead gas or other gaseous substances, produced from the Premises ("Gas") Lessee shall pay, as royalty, three-sixteenths (3/16) of the net proceeds realized by Lessee from the sale thereof; provided that Lessee shall have the continuing right to sell that Gas to itself or to an affiliate of Lessee, in which event the royalty shall be based upon the prevailing wellhead market price paid for Gas of similar quality in the same field (or if there is no such price prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase arrangements, including arrangements under which Lessee, or an affiliate, is purchaser, entered into on the same or nearest preceding date as the date on which Lessee, or an affiliate, commences its purchases hereunder; and further provided that the net proceeds or prevailing wellhead market price, as applicable, shall be after deduction for costs (third party charges and tariffs) related to gathering, transporting, dehydrating, compressing, processing and treating the Gas.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. 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 gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. 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.

7. When requested by Lessor, Lessee shall bury Lessee's pipeline below plow depth.

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

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

10. 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.

11. The rights of Lessor and Lessee hereunder may be assigned in whole or part. No change in ownership of Lessor's interest (by assignment or otherwise) shall be binding on Lessee until Lessee has been furnished with notice, consisting of certified copies of all recorded instruments or documents and other information necessary to establish a complete chain of record title from Lessor, and then only with respect to payments thereafter made. No other kind of notice, whether actual or constructive, shall be binding on Lessee. No present or future division of Lessor's ownership as to different portions or parcels of said land shall operate to enlarge the obligations or diminish the rights of Lessee, and all Lessee's operations may be conducted without regard to any such division. If all or any part of this lease is assigned, no leasehold owner shall be liable for any act or omission of any other leasehold owner.

12. Lessee, at its option, is hereby given the right and power to pool or combine into one or more units the land covered by this lease, or any portion thereof, with other land covered by another lease, or leases in the immediate vicinity, 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 such minerals in and under said land, such pooling to be in a unit or units not exceeding 80 acres each in the event of an oil well, or into a unit or units not exceeding 640 acres each in the event of gas and/or condensate or distillate well, plus a tolerance of 10% to conform to governmental survey sections. Lessee shall execute in writing and file for record in the county in which the land is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a unit or units 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 any part of the pooled acreage it shall be treated as if production is had from this lease whether any well is located on the land covered by this lease or not. Any well drilled on such unit shall be and constitute a well hereunder. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled only on the portion of the royalty stipulated herein as the amount of his net royalty interest therein on an acreage basis bears to the total mineral acreage so pooled in the particular unit.

13. 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.

14. 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, insofar as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

15. Should any one or more of the parties hereinabove named as Lessor fail to execute this lease, it shall nevertheless be binding upon all such parties who do execute it as Lessor. The word "Lessor," as used in this lease, shall mean any one or more or all of the parties who execute this lease as Lessor. All the provisions of this lease shall be binding on the heirs, successors and assigns of Lessor and Lessee.

IN WITNESS WHEREOF, this instrument is executed as of the date first above written.

J.W. Vanderpool  
J.W. Vanderpool

Paulette Vanderpool  
Paulette Vanderpool

STATE OF Kansas }  
COUNTY OF Meade } ss.

Oklahoma, Kansas, New Mexico, Wyoming, Montana, Colorado, Utah  
Nebraska, North Dakota, South Dakota, Texas  
ACKNOWLEDGMENT INDIVIDUAL

The foregoing instrument was acknowledged before me this 21<sup>st</sup> day of March

2011, by J.W. Vanderpool and Paulette Vanderpool

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

DEBBIE HEINSON

My Commission Expires \_\_\_\_\_  
Notary Public

State of Kansas

My Appt. Expires 05-11-2014

Debbie Heinson  
Notary Public

STATE OF \_\_\_\_\_ }  
COUNTY OF \_\_\_\_\_ } ss.

ACKNOWLEDGMENT (For use by Corporation)

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, A. D.

2011, by \_\_\_\_\_

\_\_\_\_\_ of \_\_\_\_\_

\_\_\_\_\_ a \_\_\_\_\_ corporation,

on behalf of the corporation.

\_\_\_\_\_  
Notary Public

My Commission expires \_\_\_\_\_



# 16.00  
STATE OF KANSAS, Meade County  
This instrument was filed for record on the  
1 day of April, A.D. 2011  
at 12:30 P. M. and duly recorded  
in Book 120 on Page(s) 307-309  
Janetta Davis  
Register of Deeds

Photocopied



**EXHIBIT A**

In the event a producing gas well is located on the leased premises or in the event the leased premises are consolidated into a gas leasehold estate with other land on which a producing well is located, Lessors shall have the right to take in kind the royalty or any portion thereof to which Lessors are entitled and use such gas for domestic, farming, agricultural and irrigation purposes on said land.

Any gas so taken by Lessors shall be taken at or near the mouth of the well at a point to be designated by Lessee. All equipment necessary for taking of gas and measuring same shall be furnished by Lessors at their expense. The methods of taking gas and the point of connection for taking must be such as not to interfere with the operations of the well and must be submitted to Lessee or its assigns and accepted by Lessee before gas is taken. For gas so taken by Lessors (which shall never be more than the full royalty percentage provided for herein), Lessee shall have the right to make a corresponding deduction in gas royalty payments due Lessors, said payment to be made in accordance with the term of this lease. Lessee or its assigns shall never be liable to Lessors, Lessor's agent or employees or any other person with respect to the gas taken, the use thereof, the equipment used, the manner of its use, the use to which put or anything incident or resulting therefrom. Lessee or its assigns shall never be under any obligation to produce gas from any well unless practical or economical to do so. Lessor shall pay wellhead price for any gas used.

It is understood by Lessor and Lessee, that all irrigation gas will be subtracted from Lessor's royalty, and that he is solely responsible for payment of said gas, even though it is being used by his tenant farmer. Any over run in said gas use (more than Lessor's royalty interest share) shall be billed to and paid for by Lessor or his tenant farmer. At Lessor's request, tenant farm will be bill for all gas taken; however, if said gas is not paid for in a timely manner (45 days for invoice) Lessee will hold Lessors run checks until tenant farmer pays for the gas used. Lessor guarantees payment of gas by giving Lessee a lien on his royalty share of the gas.

Lessee agrees to pay lessor a reasonable amount, \$10,000, for each wellsite inside irrigated circle without crop on it. Lessee agrees to put any reserve pit outside the circle at all times. Should Lessee drill any well inside the irrigated circle when crop is on the ground, Lessee agrees to pay Lessor additional damages for crop loss at market value. Lessee agrees to pay Lessor a reasonable amount, \$8,000, for each wellsite on dry land pasture. Lessee will set a low-profile pumping unit inside irrigated circle in the event of production, and agrees to buy tower extension and/or build earthen ramps. Said pumping unit will be caged in some manner to prevent damage to Lessors irrigation equipment.

Lessor has this day executed six separate oil and gas lease in favor of Lessee covering parts of Sections 4, 5, and 8 all in 34S-28W, in Meade Co., Kansas. The Lessee covenants that if a producing gas well is located on the leased acreage covered by these leases that only Lessor's land will be included in the gas production unit and said unit will be no larger than 320 acres without written permission of Lessor.


Lessor agrees to buy water from Lessee for drilling of any well on said land.

**IN WITNESS WHEREOF**, we sign the day and year first written above.

**SIGNED FOR IDENTIFICATION:**

  
\_\_\_\_\_

J.W. Vanderpool

  
\_\_\_\_\_

Paulette Vanderpool

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



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

Mark Sievers, Chairman  
Ward Loyd, Commissioner  
Thomas E. Wright, Commissioner

Sam Brownback, Governor

July 23, 2012

Joe Forma  
O'Brien Energy Resources Corp.  
18 CONGRESS ST, STE 207  
PORTSMOUTH, NH 03801-4091

Re: Drilling Pit Application  
Vanderpool 2-5  
NW/4 Sec.05-34S-28W  
Meade County, Kansas

Dear Joe Forma:

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 the Hutchinson Salt section has been drilled through and displacement of the fluids into the reserve pit has occurred. The fluids should be removed again within 96 hours 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) 225-8888 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) 225-8888.