

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

Kansas Corporation Commission 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

Expected Spud Date:	Spot Description:
month day year	
OPERATOR: License#	(O/O/O/Q) feet from N / S Line of Section
Name:	feet from E / W Line of Section
Address 1:	Is SECTION: Regular Irregular?
Address 2:	(Note: Locate well on the Section Plat on reverse side)
City: State: Zip: +	County:
Contact Person:	Lease Name: Well #:
Phone:	Field Name:
CONTRACTOR: License#	Is this a Prorated / Spaced Field?
lame:	Target Formation(s):
Well Drilled For: Well Class: Type Equipment:	Nearest Lease or unit boundary line (in footage):
	Ground Surface Elevation:feet MS
Oil Enh Rec Infield Mud Rotary Gas Storage Pool Ext. Air Rotary	Water well within one-quarter mile:
Disposal Wildcat Cable	Public water supply well within one mile:
Seismic; # of Holes Other	Depth to bottom of fresh water:
Other:	Depth to bottom of usable water:
	Surface Pipe by Alternate: III
If OWWO: old well information as follows:	Length of Surface Pipe Planned to be set:
Operator:	Length of Conductor Pipe (if any):
Well Name:	Projected Total Depth:
Original Completion Date: Original Total Depth:	Formation at Total Depth:
	Water Source for Drilling Operations:
Directional, Deviated or Horizontal wellbore?	Well Farm Pond Other:
f Yes, true vertical depth:	DWR Permit #:
CCC DKT #:	(Note: Apply for Permit with DWR)
	Will Cores be taken?
	If Yes, proposed zone:
AFF	FIDAVIT
The undersigned hereby affirms that the drilling, completion and eventual plu	gging of this well will comply with K.S.A. 55 et. seq.
is agreed that the following minimum requirements will be met:	
Notify the appropriate district office <i>prior</i> 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	
through all unconsolidated materials plus a minimum of 20 feet into the	
· · · · · · · · · · · · · · · · · · ·	
4. If the well is dry hole, an agreement between the operator and the dist	
· · · · · · · · · · · · · · · · · · ·	ed or production casing is cemented in;
4. If the well is dry hole, an agreement between the operator and the dist5. The appropriate district office will be notified before well is either plugg6. If an ALTERNATE II COMPLETION, production pipe shall be cemented	ed or production casing is cemented in;
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4. If the well is dry hole, an agreement between the operator and the dist 5. The appropriate district office will be notified before well is either plugg 6. If an ALTERNATE II COMPLETION, production pipe shall be cemente Or pursuant to Appendix "B" - Eastern Kansas surface casing order #1 must be completed within 30 days of the spud date or the well shall be submitted Electronically For KCC Use ONLY API # 15 -	led or production casing is cemented in; Id from below any usable water to surface within 120 DAYS of spud date. 33,891-C, which applies to the KCC District 3 area, alternate II cementing plugged. In all cases, NOTIFY district office prior to any cementing. 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;
4. If the well is dry hole, an agreement between the operator and the dist 5. The appropriate district office will be notified before well is either plugg 6. If an ALTERNATE II COMPLETION, production pipe shall be cemente. Or pursuant to Appendix "B" - Eastern Kansas surface casing order #1 must be completed within 30 days of the spud date or the well shall be Ubmitted Electronically For KCC Use ONLY API # 15 - Conductor pipe required	Remember to: - File Certification of Compliance with the Kansas Surface Owner Notification Act (KSONA-1) with Intent to Drill; - File Completion Form ACO-1 within 120 days of spud date;
4. If the well is dry hole, an agreement between the operator and the dist 5. The appropriate district office will be notified before well is either plugg 6. If an ALTERNATE II COMPLETION, production pipe shall be cemented or pursuant to Appendix "B" - Eastern Kansas surface casing order #1 must be completed within 30 days of the spud date or the well shall be submitted Electronically For KCC Use ONLY API # 15	Remember to: File Certification of Compliance with the Kansas Surface Owner Notification Act (KSONA-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;
4. If the well is dry hole, an agreement between the operator and the dist 5. The appropriate district office will be notified before well is either plugg 6. If an ALTERNATE II COMPLETION, production pipe shall be cemente. Or pursuant to Appendix "B" - Eastern Kansas surface casing order #1 must be completed within 30 days of the spud date or the well shall be ubmitted Electronically For KCC Use ONLY API # 15	Remember to: File Certification of Compliance with the Kansas Surface Owner Notification Act (KSONA-1) with Intent to Drill; File Completion Form ACO-1 within 120 days of spud date; Notify appropriate district office 48 hours prior to workover or re-entry;
4. If the well is dry hole, an agreement between the operator and the dist 5. The appropriate district office will be notified before well is either plugg 6. If an ALTERNATE II COMPLETION, production pipe shall be cemented or pursuant to Appendix "B" - Eastern Kansas surface casing order #1 must be completed within 30 days of the spud date or the well shall be ubmitted Electronically For KCC Use ONLY API # 15	Remember to: File Certification of Compliance with the Kansas Surface Owner Notification Act (KSONA-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;

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

Spud date: _

please check the box below and return to the address below.

Date:
2

Side Two



For KCC Use ONLY	
API # 15	

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

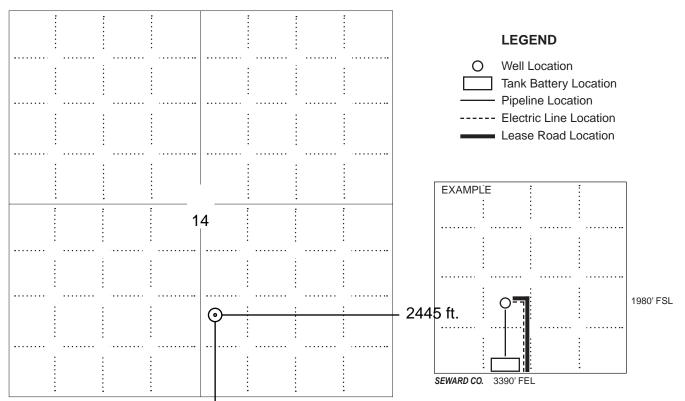
In all cases, please fully complete this side of the form. Include items 1 through 5 at the bottom of this page.

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

PLAT

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

You may attach a separate plat if desired.



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

1120 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 OIL & GAS CONSERVATION DIVISION

088688

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: Emergency Pit Burn Pit Settling Pit Drilling Pit Workover Pit Haul-Off Pit (If WP Supply API No. or Year Drilled) Is the pit located in a Sensitive Ground Water A	Pit is: Proposed Existing If Existing, date constructed: Pit capacity: (bbls) Area? Yes No		SecTwpR East WestFeet from North / South Line of SectionFeet from East / West Line of SectionCounty Chloride concentration: mg/l(For Emergency Pits and Settling Pits only)		
Is the bottom below ground level?	Artificial Liner? Yes N	No	How is the pit lined if a plastic liner is not used?		
	Length (fee		Width (feet)		
If the pit is lined give a brief description of the li material, thickness and installation procedure.	nei		dures for periodic maintenance and determining ncluding any special monitoring.		
Distance to nearest water well within one-mile of	of pit:	Depth to shallo Source of infor	west fresh water feet. mation:		
feet Depth of water wellfeet		measured	well owner electric log KDWR		
Emergency, Settling and Burn Pits ONLY:		Drilling, Work	over and Haul-Off Pits ONLY:		
Producing Formation:		Type of materia	al utilized in drilling/workover:		
Number of producing wells on lease:		Number of working pits to be utilized:			
Barrels of fluid produced daily:		Abandonment	procedure:		
Does the slope from the tank battery allow all s flow into the pit? Yes No	pilled fluids to	Drill pits must b	pe closed within 365 days of spud date.		
Submitted Electronically					
KCC OFFICE USE ONLY Liner Steel Pit RFAC RFAS					
Date Received: Permit Num	ber:	Permi	it Date: Lease Inspection: Yes No		



Kansas Corporation Commission Oil & Gas Conservation Division

1088688

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

CERTIFICATION OF COMPLIANCE WITH THE KANSAS SURFACE OWNER NOTIFICATION ACT

This form must be submitted with all Forms C-1 (Notice of Intent to Drill); CB-1 (Cathodic Protection Borehole Intent); T-1 (Request for Change of Operator Transfer of Injection or Surface Pit Permit); and CP-1 (Well Plugging Application).

Any such form submitted without an accompanying Form KSONA-1 will be returned.

Select the corresponding form being filed: C-1 (Intent) CB-1 (CB-1)	Cathodic Protection Borehole Intent) T-1 (Transfer) CP-1 (Plugging Application)		
OPERATOR: License #	Well Location:		
Name:			
Address 1:	County:		
Address 2:	Lease Name: Well #:		
City:	If filing a Form T-1 for multiple wells on a lease, enter the legal description of		
Contact Person:	the lease below:		
Phone: () Fax: ()			
Email Address:			
Surface Owner Information:			
Name:	When filing a Form T-1 involving multiple surface owners, attach an additional		
Address 1:	sheet listing all of the information to the left for each surface owner. Surface owner information can be found in the records of the register of deeds for the		
Address 2:	county, and in the real estate property tax records of the county treasurer.		
City:			
the KCC with a plat showing the predicted locations of lease roads, tank	dic Protection Borehole Intent), you must supply the surface owners and a batteries, pipelines, and electrical lines. The locations shown on the plat in the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted.		
☐ I certify that, pursuant to the Kansas Surface Owner Notice A owner(s) of the land upon which the subject well is or will be to CP-1 that I am filing in connection with this form; 2) if the form to form; and 3) my operator name, address, phone number, fax, at ☐ I have not provided this information to the surface owner(s). I at KCC will be required to send this information to the surface owner(s).	cknowledge that, because I have not provided this information, the vner(s). To mitigate the additional cost of the KCC performing this		
task, I acknowledge that I am being charged a \$30.00 handling If choosing the second option, submit payment of the \$30.00 handling form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-	fee with this form. If the fee is not received with this form, the KSONA-1		
Submitted Electronically			

July 24, 2012

Dota

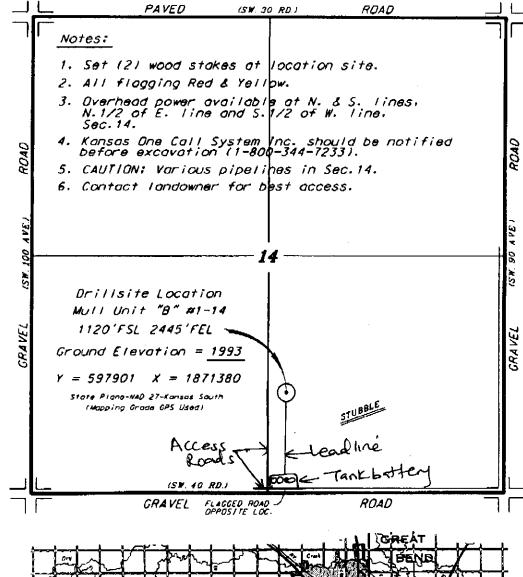
07/25/2012 16:34 FAX 6207922873

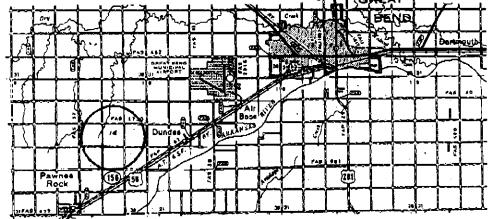
shown on this of the state of t

CENTRAL KS SURVEYING

Ø 002

F.G. HOLL COMPANY, LLC MULL UNIT LEASE SE. 1/4. SECTION 14. T20S. R15W BARTON COUNTY, KANSAS





Controlling data it based wobs the best much and photographs ordinale to us and upon a requise section of long containing 640 meters.

CENTRAL KANSAS OILFIELD SERVICES, INC. (620)792-1977

section of long-containing Edd marks.

Asserting a Section lines were getermined using one normal standard of core and differ a surveyor's anothering in the state of Konses. The section contents which establish me precise section lines were not necessary in Cocces, and the establish the different eddition in 100 section is not government. Interfaces the appearance securing only service and according to set of a section of a service and according to the section section of the section of a service and according to the section of the section o

orm 88 (producers) Rev. 1-83 Ökla. – Colo.

Pawnee Rock, KS. 67567

OIL AND GAS LEASE

REGISTER OF DEEDS NSON BARTON COUNTY, KS 615 Page: 5280 Total Fees: \$12.00 MARCIA JOHNSON
BOOK: 615
Receipt #: 97403
Pages Recorded: 2

Date Recorded: 9/24/2009 12:20:05 PM

<u> 1189</u>	09 PRION COM	iÎ		
THIS AG	GREEMENT, Entered into this the	31st day of	August	. 20 09
	Mull Investments, L. P.			
	c/o Glenn Mull, President	ş. B		
	Rt.1 Box 74	Æ		

nereinarrer called lessor,	
and F. G. Holl Company, L.L.C., 9431 E. Central, #100 Wichita, KS. 67206	
hereinafter called lessee, does witness:	
1. That lessor, for and in consideration of the sum of Ten (1@ and More Dollars in hand paid and of contained to be performed by the lessee, has this day granted, leased, and let and by these presents does the lessee the hereinafter described land, with any reversionary rights therein, and with the right to unitize and gas leases as to all or any part of the lands covered therebyeas hereinafter provided, for the purpose other exploratory work thereon, including core drilling and the grilling, mining, and operating for, proceeding water, brine, and other fluids and substances into the subsurface strata, and for constructing roads building power stations, electrical lines and other structures thereon necessary or convenient for the econjointly with neighboring lands, to produce, save, take care of, and manufacture all of such substances,	hereby grant, lease, and let exclusively unto this lease or any part thereof with other oil of carrying on geological, geophysical and ducing and saving all of the oil, gas, gas ases, found thereon, the exclusive right of , laying pipe lines, building tanks, storing oil, economical operation of said land alone or and the injection of water, brine, and other
substances into subsurface strata, said tract of land being situated in the County of Barton and described as follows:	,State of Kansas

Township 20 South, Range 15 West Section 14: W/2SE/4

containing 80.00 acres, more or less.

- years (called "primary term") and as long thereafter as oil, gas, 2. This lease shall remain in force for a term of Three (3) casinghead gas, casinghead gasoline or any of the products covered by this lease is or can be produced.
- 3. The lessee shall deliver to lessor as royalty, free of cost, on the lease, or into the pipe line to which lessee may connect its wells the equal one-eighth (1/8th) part of all oil produced and saved from the leased premises, or at the lessee's option may pay to the lessor for such one-eighth (1/8th) royalty the market price at the wellhead for oil of like grade and gravity prevailing on the day such oil is run into the pipe line or into storage tanks.
- 4. The lessee shall pay to the lessor, as a royalty, one-eighth (1/8th) of the proceeds received by the lessee from the sale of gas, gas condensate, gas distillate, casinghead gas, gas used for the manufacture of gasoline or any other product, and all other gases, including their constituent parts, produced from the land herein leased. If such gas is not sold by the lessee, lessee may pay or tender annually at or before the end of each yearly period during which such gas is not sold, as a shut-in royalty, whether one or more wells, an amount equal to one dollar per net mineral acre, and while said shut in royalty is so paid or tendered, it will be considered under all provisions of this lease that gas is being produced in paying quantities. The first yearly period during which such gas is not sold shall begin on the date the first well is completed for production of gas.
 - 5. This lease is a paid-up lease and may be maintained during the primary term without further payments or drilling operations.
- 6. In the event said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein then the royalties herein provided for shall be paid to said lessor only in the proportion which his interest bears to the whole and undivided fee; however, in the event the title to any interest in said land should revert to lessor, or his heirs, or his or their grantee, this lease shall cover such reversion.
- 7. The lessee shall have the right to use free of cost, gas, oil and water found on said land for its operations thereon, except water from existing wells of the lessor. When required by lessor, the lessee shall bury its pipe lines below plow depth and shall pay for damage caused by its operations to growing crops on said land. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of the lessor. Lessee shall have the right at any time during, or after the expiration of this lease to remove all machinery, fixtures, houses, buildings and other structures placed on said premises, including the right to draw and remove all casing.
- 8. If the estate of either party hereto is assigned (and the privilege of assigning in whole or in part is expressly allowed), the covenants hereof shall extend to the heirs, devisees, executors, administrators, successors, and assigns, but no change or division in ownership of the land, or royalties, however accomplished; shall operate to enlarge the obligations or diminish the rights of lessee, and no change of ownership in the land or in the royalties or any sum due under this lease shall be binding on the lessee until it has been furnished with either the original recorded instrument of conveyance or a duly certified copy thereof, or a certified copy of the will of any deceased owner and of the probate thereof, or certified copy of the proceedings showing the appointment of an administrator for the estate of any deceased owner, whichever is appropriate, together with all original recorded instruments of conveyance or duly certified copies thereof necessary in showing a complete chain of title back to lessor of the full interest claimed, and all advance payments of rentals made hereunder before receipt of said documents shall be binding on any direct or indirect assignee, grantee, devisee, or administrator, executor, or heir of lessor.
- 9. If the leased premises are now or shall hereafter be owned in severalty or in separate tracts, the premises may nonetheless be developed and operated as one lease, and all royalties accruing hereunder shall be divided among and paid to such separate owners in the proportion that the acreage owned by each separate owner bears to the entire leased acreage. There shall be no obligation on the part of the lessee to offset wells on separate tracts into which the land covered by this lease may now or hereafter be divided by sale, devisee, descent or otherwise, or to furnish separate measuring or receiving tanks.
- 10. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the lessee, at its option, may pay and discharge in whole or in part any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands and, in the event it exercises such options it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying to the discharge of any such mortgage, tax or other lien, any royalty accruing hereunder.
- 11. If after the expiration of the primary term, production of oil or gas should cease from any cause, this lease shall not terminate if lessee commences additional drilling or reworking operations within one hundred-twenty (120) days thereafter, or if at the expiration of the primary term, oil or gas is not being produced on said land, but lessee is then engaged in drilling or reworking operations thereon, then in either event, this lease shall remain in force so long as operations are prosecuted either on the same well or any other well thereafter commenced, with no cessation of more than one hundred-twenty (120) and the same well or any other well thereafter the same less than one than one hundred-twenty (120). twenty (120) consecutive days, and if they result in production of oil or gas, this lease shall remain in effect so long thereafter as there is production of oil or gas under any provision of this lease.
- 12. Lessee may at any time surrender or cancel this lease in whole or in part by delivering or mailing such release to the lessor, or by placing same of record in the proper county. In case said lease is surrendered and canceled as to only a portion of the acreage covered thereby, then all payments and liabilities thereafter accruing under the terms of said lease as to the portion canceled shall cease and determine, but as to the portion of the acreage not released the terms and provisions of this lease shall continue and remain in full force and effect for all purposes.

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- 13. All provisions hereof, express or implied, shall be subject to all federal and state laws and the orders, rules, or regulations (and interpretations thereof) of all governmental agencies administering the same, and this lease shall not be in any way terminated wholly or partially nor shall the lessee be liable in damages for failure to comply with any of the express or implied provisions hereof if such failure accords with any such laws, orders, rules or regulations (or interpretations thereof). If lessee should be prevented during the last six months of the primary term hereof from drilling a well hereunder by the order of any constituted authority having jurisdiction thereover, the primary term of this lease shall continue until six months after said order is suspended.
- 14. 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 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 40 acres each in the event of an oil well, or into a unit or units not exceeding 320 acres each in the event of a gas and/or condensate or distillate well, plus a tolerance of ten percent (10%) to conform to Governmental Survey quarter sections. 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 any such unit shall be and constitute a well hereunder. In lieu of the royalties elsewhere herein specified lessor shall receive on production from the unit so pooled only such 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 involved.
- 15. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors of said lessor and lessee.

IN VVI NESS WHEREOF, we sign the day and year first above written.			
MULL INVESTMENTS, L. P	•	·	
Glam of Re			

STATE OF	Kansus)		
COUNTY OF	Pewnee)ss.)	ACKNOWLEDGMENT FOR INDIVIDUAL	
	nt was acknowledged to f Mull Investments, L.P.	me on	this 3/254 day of August	by <u>Glenn Mull,</u>

My commission expires: 3/6/1/

Glenn Mull, President

NOTARY PUBLIC - State of Kansas
DENNIS JOHNSON
My Appt. Exp. March 6, 2011

Notary Public

LL88-1 Form 88 (producers) Rev. Kans. – Okla. – Colo.

OF DEED SHEET

OIL AND GAS LEASE

MARCIA JOHNSON
BART
BOOK: 615 Pag
Receipt #: 97483
Pages Recorded: 2

And the second s

REGISTER OF DEEDS
INSON BARTON COUNTY, KS
615 Page: 5281
3 Total Fees: \$12.80

Recorded: 2 Date Recorded: 9/24/2009 12:20:06 PM

	A CAN COLOR				
	REEMENT, Entered into this the				, 20 <u>09</u>
Between	Mull Investments, L. P.				
	olo Clone Mull. Precident				
	Rt.1 Box 74				
	Pawnee Rock, KS. 67567	,			
hereinafter	called lessor,				
and F. G.	. Holl Company, L.L.C., 9	431 E. Ce	ntral, #100	Wichita, KS. 67206	
hereinafter	called lessee, does witness:				

1. That lessor, for and in consideration of the sum of Ten (10) and More Dollars in hand paid and of the covenants and agreements, hereinafter contained to be performed by the lessee, has this day granted, leased, and let and by these presents does hereby grant, lease, and let exclusively unto the lessee the hereinafter described land, with any reversionary rights therein, and with the right to unitize this lease or any part thereof with other oil and gas leases as to all or any part of the lands covered thereby as hereinafter provided, for the purpose of carrying on geological, geophysical and other exploratory work thereon, including, core drilling and the drilling, mining, and operating for, producing and saving all of the oil, gas, gas condensate, gas distillate, casinghead gasoline and their respective constituent vapors, and all other gases, found thereon, the exclusive right of injecting water, brine, and other fluids and substances into the subsurface strata, and for constructing roads, laying pipe lines, building tanks, storing oil, building power stations, electrical lines and other structures thereon necessary or convenient for the economical operation of said land alone or conjointly with neighboring lands, to produce, save, take care of, and manufacture all of such substances, and the injection of water, brine, and other substances into subsurface strata, said tract of land being situated in the County of Barton , State of Kansas and described as follows:

Township 20 South, Range 15 West

Section 14: SW/4, EXCEPT that part conveyed to Gerald P. Keenan, by Warranty Deed filed July 3, 1973, in Book 172 Page 176 described as: A tract of land commencing at the Southwest corner of said Section 14, thence East on the South line of said section 1105.0 feet for a point of beginning; thence North at Right angles to the South line 770.15 feet; thence East 365 feet; thence South 770.15 feet; thence West on the South line of said Section 365.0 feet to point of beginning. Tract contains 6.45 acres more or less, subject to Township Road Right-of-Way.

containing 153.55 acres, more or less.

- 2. This lease shall remain in force for a term of Three (3) years (called "primary term") and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of the products covered by this lease is or can be produced.
- .3. The lessee shall deliver to lessor as royalty, free of cost, on the lease, or into the pipe line to which lessee may connect its wells the equal one-eighth (1/8th) part of all oil produced and saved from the leased premises, or at the lessee's option may pay to the lessor for such one-eighth (1/8th) royalty the market price at the wellhead for oil of like grade and gravity prevailing on the day such oil is run into the pipe line or into storage tanks.
- 4. The lessee shall pay to the lessor, as a royalty, one-eighth (1/8th) of the proceeds received by the lessee from the sale of gas, gas condensate, gas distillate, casinghead gas, gas used for the manufacture of gasoline or any other product, and all other gases, including their constituent parts, produced from the land herein leased. If such gas is not sold by the lessee, lessee may pay or tender annually at or before the end of each yearly period during which such gas is not sold, as a shut-in royalty, whether one or more wells, an amount equal to one dollar per net mineral acre, and while said shut in royalty is so paid or tendered, it will be considered under all provisions of this lease that gas is being produced in paying quantities. The first yearly period during which such gas is not sold shall begin on the date the first well is completed for production of gas.
 - 5. This lease is a paid-up lease and may be maintained during the primary term without further payments or drilling operations.
- 6. In the event said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein then the royalties herein provided for shall be paid to said lessor only in the proportion which his interest bears to the whole and undivided fee; however, in the event the title to any interest in said land should revert to lessor, or his heirs, or his or their grantee, this lease shall cover such reversion.
- 7. The lessee shall have the right to use free of cost, gas, oil and water found on said land for its operations thereon, except water from existing wells of the lessor. When required by lessor, the lessee shall bury its pipe lines below plow depth and shall pay for damage caused by its operations to growing crops on said land. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of the lessor. Lessee shall have the right at any time during, or after the expiration of this lease to remove all machinery, fixtures, houses, buildings and other structures placed on said premises, including the right to draw and remove all casing.
- 8. If the estate of either party hereto is assigned (and the privilege of assigning in whole or in part is expressly allowed), the covenants hereof shall extend to the heirs, devisees, executors, administrators, successors, and assigns, but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of lessee, and no change of ownership in the land or in the royalties or any sum due under this lease shall be binding on the lessee until it has been furnished with either the original recorded instrument of conveyance or a duly certified copy thereof, or a certified copy of the will of any deceased owner and of the probate thereof, or certified copy of the proceedings showing the appointment of an administrator for the estate of any deceased owner, whichever is appropriate, together with all original recorded instruments of conveyance or duly certified copies thereof necessary in showing a complete chain of title back to lessor of the full interest claimed, and all advance payments of rentals made hereunder before receipt of said documents shall be binding on any direct or indirect assignee, grantee, devisee, or administrator, executor, or heir of lessor.
- 9. If the leased premises are now or shall hereafter be owned in severalty or in separate tracts, the premises may nonetheless be developed and operated as one lease, and all royalties accruing hereunder shall be divided among and paid to such separate owners in the proportion that the acreage owned by each separate owner bears to the entire leased acreage. There shall be no obligation on the part of the lessee to offset wells on separate tracts into which the land covered by this lease may now or hereafter be divided by sale, devisee, descent or otherwise, or to furnish separate measuring or receiving tanks.
- 10. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the lessee, at its option, may pay and discharge in whole or in part any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands and, in the event it exercises such options it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying to the discharge of any such mortgage, tax or other lien, any royalty accruing hereunder.
- 11. If after the expiration of the primary term, production of oil or gas should cease from any cause, this lease shall not terminate if lessee commences additional drilling or reworking operations within one hundred-twenty (120) days thereafter, or if at the expiration of the primary term, oil or gas is not being produced on said land, but lessee is then engaged in drilling or reworking operations thereon, then in either event, this lease shall remain in force so long as operations are prosecuted either on the same well or any other well thereafter commenced, with no cessation of more than one hundred-

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twenty (120) consecutive days, and if they result in production of oil or gas, this lease shall remain in effect so long thereafter as there is production of oil or gas under any provision of this lease.

- 12. Lessee may at any time surrender or cancel this lease in whole or in part by delivering or mailing such release to the lessor, or by placing same of record in the proper county. In case said lease is surrendered and canceled as to only a portion of the acreage covered thereby, then all payments and liabilities thereafter accruing under the terms of said lease as to the portion canceled shall cease and determine, but as to the portion of the acreage not released the terms and provisions of this lease shall continue and remain in full force and effect for all purposes.
- 13. All provisions hereof, express or implied, shall be subject to all federal and state laws and the orders, rules, or regulations (and interpretations thereof) of all governmental agencies administering the same, and this lease shall not be in any way terminated wholly or partially nor shall the lessee be liable in damages for failure to comply with any of the express or implied provisions hereof if such failure accords with any such laws, orders, rules or regulations (or interpretations thereof). If lessee should be prevented during the last six months of the primary term hereof from drilling a well hereunder by the order of any constituted authority having jurisdiction thereover, the primary term of this lease shall continue until six months after said order is suspended.
- 14. 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 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 40 acres each in the event of an oil well, or into a unit or units not exceeding 320 acres each in the event of a gas and/or condensate or distillate well, plus a tolerance of ten percent (10%) to conform to Governmental Survey quarter sections. 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 any such unit shall be and constitute a well hereunder. In lieu of the royalties elsewhere herein specified lessor shall receive on production from the unit so pooled only such 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 involved.
- 15. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors of said lessor and lessee.

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

By: Glenn Mull, President

STATE OF KALUS)

COUNTY OF PAWARR)

ACKNOWLEDGMENT FOR INDIVIDUAL

This instrument was acknowledged to me on this 18th day of August , by Glenn Mull, as President of Mull Investments, L.P.

My commission expires:

Notary Public

NOTARY PUBLIC - State of Kansas DENNIS JOHNSON My Appt. Exp. March 6, 2011