For KCC Use:

| Eff | e | ct | iv | е | Date |
|------------|---|----|----|---|------|
| — · | | | | | |

| District | # | |
|----------|---|--|

| SGA? | Yes | No |
|------|-----|----|
| | | |

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

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

Form C-1

1090683

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: | Spot Description: |
|--|---|
| month day year | |
| OPERATOR: License# | feet from E / W Line of Section |
| Name: | |
| 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? |
| Name: | Target Formation(s): |
| Well Drilled For: Well Class: Type Equipment: Oil Enh Rec Infield Mud Rotary Gas Storage Pool Ext. Air Rotary Disposal Wildcat Cable Seismic ; # of Holes Other Other: | Nearest Lease or unit boundary line (in footage): |
| Directional, Deviated or Horizontal wellbore? | Water Source for Drilling Operations: |
| If Yes, true vertical depth: | Well Farm Pond Other: |
| Bottom Hole Location: | DWR Permit #: |
| KCC DKT #: | (Note: Apply for Permit with DWR) |
| | Will Cores be taken? |
| | If Yes, proposed zone: |

AFFIDAVIT

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

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

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

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

| For KCC Use ONLY | |
|-------------------------------|---------------|
| API # 15 | |
| Conductor pipe required | feet |
| Minimum surface pipe required | feet per ALT. |
| Approved by: | |
| This authorization expires: | |
| 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:

ш

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



For KCC Use ONLY

API # 15 - ____

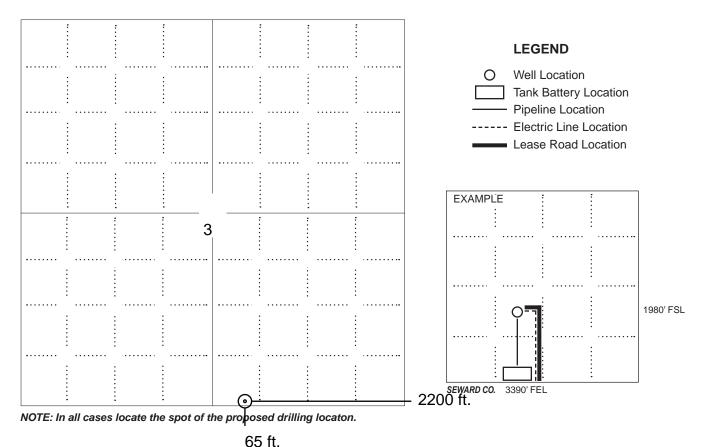
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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

| 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 E 📃 W |
| 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.



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.

Side Two



KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION 1090683

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): | | |
| Depth fro | Artificial Liner? | | | | |
| If the pit is lined give a brief description of the li material, thickness and installation procedure. | of pit: | Depth to shallor Source of inforr | | | |
| | | measured | | | |
| Emergency, Settling and Burn Pits ONLY: Producing Formation: Number of producing wells on lease: Barrels of fluid produced daily: | | Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: Number of working pits to be utilized: Abandonment procedure: | | | |
| Does the slope from the tank battery allow all spilled fluids to flow into the pit? Yes No Drill p | | | Drill pits must be closed within 365 days of spud date. | | |
| Submitted Electronically | | | | | |
| | KCC | OFFICE USE OI | NLY | | |
| Date Received: Permit Num | ber: | Permi | | | |

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



KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

CERTIFICATION OF COMPLIANCE WITH THE KANSAS SURFACE OWNER NOTIFICATION ACT Form KSONA-1 July 2010 Form Must Be Typed Form must be Signed All blanks must be Filled

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

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

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

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

Select one of the following:

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

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

Submitted Electronically

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| FORM 88 – (Producer's Special) (Paid-Up) 63U (Rev 1993) | OIL AND GAS LEASE | NUMERICAL DIRECT INDIRECT COMP. ORIG. COMPUTER | TOWNSEND PROSPECT |
|---|--|---|--|
| AGREEMENT, Made and entered into th | ne <u>23rd</u> day of March | , 2012, by and between | · · · |
| | her capacity as the Successor Trust | | |
| | e Last Will and Testament of Evere | | |
| whose mailing address is 5795 Highw | | | called Lessor (whether one or more), |
| | rp., P.O. Box 1410, Edmond OK 73 | | · · · · · · |
| | | | , hereinafter called Lessee. |
| other means, prospecting drilling, mining and operatin and air into subsurface strata, laying pipe lines, stori manufacture, process, store and transport said oil, lic otherwise caring for its employees, the following descr | erein contained, hereby grants, leases and lets ng for and producing oil, liquid hydrocarbons ng oil, building tanks, power stations, telepho quid hydrocarbons, gases and their respectiv ribed land, together with any reversionary righ | exclusively unto lessee for the purpose s, all gases, and their respective constitu- one lines, and other structures and thing e constituent products and other produ- ts and after-acquired interest, | ent products, injecting gas, water, other fluids, |
| therein situated in County of <u>Lane</u> Sta | ate of <u>Kansas</u> described | as follows to-wit: | 1 |
| | The South Half of the Southeast | Ouester $(S^{1/2} \circ f SE^{1/2})$ | · · · · |
| | The South That of the Southeast | Quarter (3 /2 01 3E /4) | |
| In Section <u>03</u> , Township <u>19 South</u> | n_, Range <u>29 West</u> , and contain | ing <u>80</u> acres, more | or less, and all accretions thereto. |
| In consideration of the premises the said lessor of the mean of the presence shall have the right to use, free of c When requested by lessor, lessee shall bur. No well shall be drilled nearer than 200 fet Lessee shall have the right any time to re lessee of assignment of the party hereto is assignment or provide the state of either party hereto is assignment or No with a written transfer or assignment or premises, or in the manufacture of products therefrom the preceding paragraph. This lease may be maintained during the p lease or any extension thereof, the lessee shall have the quantities, this lease shall continue and be in force with If said lessor owns a less interest in the al said lessor only in the proportion which lessor's interess Lessee shall have the right to use, free of c When requested by lessor, lessee shall bur. No well shall be drilled nearer than 200 fet Lessee shall have the right at any time to re If the estate of either party hereto is assigned portion or portions arising subsequent to the data the state of parts or assignment or the state of parts or assignment or the state of parts or assignment or the state of the parts or the state of the states or arising subsequent to the data the state of parts or assignment or the state of the states or assign but no been furnished with a written transfer or assignment or the state of parts or assignment or the states of the states or assign but no the parts of the states of the parts or assignment or the states of the states or assignment or the states of the states of the states of the the states of the the the states of the the states of the the states of the the the states of the the states of the the the states or the the states of the the the states of the the the the the the the states of the | ective constituent products, or any of them, is essee covenants and agrees: ssor, free of cost, in the pipeline to which less soever nature or kind produced and sold, or u d by lessee, in no event more than one-eighth a, said payments to be made monthly. Where re retained hereunder, and if such payment or rimary term hereof without further payment or right to drill such well to completion with ret a like effect as if such well had been completed bove described land than the entire and undivided fee. to the sort, gas, oil and water produced on said land fa y lessee's pipe lines below plow depth. et to the house or barn now on said premises v ssee's operations to growing crops on said lan emove all machinery and fixtures placed on sa igned, and the privilege of assigning in who o change in the ownership of the land or assig a true copy thereof. In case lessee assigns this ate of assignment. | produced from said land or land with where may connect wells on said land, the see may connect wells on said land, the sed off the proceeds received by lessee gas from a well producing gas only is tender is made it will be considered that r drilling operations. If the lessee shall c asonable diligence and dispatch, and if or d within the term of years first mentione for Lessee's operations thereon, except without written consent of lessor. d. and premises, including the right to draw ble or in part is expressly allowed, the grument of rentals or royalties shall be these, in whole or in part, lessee shall be these. | equal one-eighth (1/8) part of all oil produced ufacture of any products therefrom, one-eighth from such sales), for the gas sold, used off the not sold or used, lessee may pay or tender as it gas is being produced within the meaning of commence to drill a well within the term of this il or gas, or either of them, be found in paying d. royalties herein provided for shall be paid the vater from the wells of lessor. |
| All express or implied covenants of the lea | e relieved of all obligations as to the acreage s ase shall be subject to all Federal and State La | urrendered. ws. Executive Orders, Rules or Regulat | ions and this loose shall not be termineted in |
| Regulation. Lessor hereby warrants and agrees to defer any mortgages, taxes or other liens on the above descri lessors, for themselves and their heirs, successors and dower and homestead may in any way affect the purpos Lessee, at its option, is hereby given the r immediate vicinity thereof, when in lessee's judgment i of oil, gas or other minerals in and under and that may i acres each in the event of an oil well, or into a unit or ur the county in which the land herein leased is situated an purposes except the payment of royalities on production production is had from this lease, whether the well or w on production from a unit so pooled only such portion bears to the total acreage so pooled in the particular unit Lessee agrees upon the completion of any practicable and to remove all equipment within a reason Lessee shall have the option of renewing th | or failure to comply therewith, if compliance and the title to the lands herein described, and a ibed lands, in the event of default of payment assigns, hereby surrender and release all righ es for which this lease is made, as recited here ight and power to pool or combine the acreag it is necessary or advisable to do so in order t be produced from said premises, such pooling nits not exceeding 640 acres each in the event n instrument identifying and describing the po n from the pooled unit, as if it were includer wells be located on the premises covered by th of the royalty stipulated herein as the amour is involved. / test as a dry hole or upon abandonment of able time. is lease for a period of two (2) years under the on to conduct a seismic survey across your la | e is prevented by, or if such failure is agrees that the lessee shall have the righ by lessor, and be subrogated to the rig t of dower and homestead in the premis- bin. ge covered by this lease or any portion o properly develop and operate said leas of a gas well. Lessee shall execute in w voled acreage. The entire acreage so poor d in this lease. If production is found o his lease or not. In lieu of the royalties e at of his acreage placed in the unit or he any producing well, to restore the pre- | the result of, any such Law, Order, Rule or t at any time to redeem for lessor, by payment hts of the holder thereof, and the undersigned ses described herein, in so far as said right of thereof with other land; lease or leases in the se premises so as to promote the conservation and to be into a unit or units not exceeding 40 riting and record in the conveyance records of oled into a tract or unit shall be treated, for all n the pooled acreage, it shall be treated as if lsewhere herein specified, lessor shall receive is royalty interest therein on an acreage basis mises to their original condition as nearly as ler. |
| IN WITNESS WHEREOF, the undersigned EVERETT AMMI SMITH TRUST created Last Will and Testament of Everett Ammi S Deceased, by: | d execute this instrument as of the day and yea under the Smith, | r first above written. | |

✓ <u>Sociella Stevens</u> Louella L. Stevens Title: Successor Trustee

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| TATE OF New Mey Co | ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe) | |
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| TATE OF New Country OF Lunc | _ | |
| he foregoing instrument was acknowledged before me this | - Mloth day of april | |
| | Trustee of the Everett Ammi Smith Trust created under the Last Will and | |
| Testament of Everett Ammi Smith, Deceased, on | | · |
| ly Commission Expires 10-27-2015 | Notary Batter | |
| | | OFFICIAL SE |
| TATE OF | | Patricia Ari |
| OUNTY OF | ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCorrege) My Commission | STATE OF NEW ME |
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| y Commission Expires | | ······································ |
| • | Notary Public | |
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| TATE OF | ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe) | |
| OUNTY OF | day of | 2012 by |
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| y Commission Expires | | |
| | Notary Public | |
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| `ATE OF | ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe) | |
| DUNTY OF | day of | . 2012. bv |
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| OIL AND GAS LEASE | Term Rge. Term Rge. Term M. and duly record on the Page 84 Record of the Record of the Page 184 Recorded Register of Deced. | |
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| ATE OF | ACKNOWLEDGMENT FOR CORPORATION (KsOkCoNe) | |
| DUNTY OF | ne this day of | , 2012. bv |
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| <u> </u> | a | |
| poration, on behalf of the corporation. | | |
| y Commission Expires | | |
| | Notary Public | |
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FORM 88 - (Producer's Special) (Paid-Up)

RAPTOR PROSPECT

| 63U (Rev 1993) OIL AND GAS LEASE | | | | |
|--|--|--|--|--|
| AGREEMENT, Made and entered into the <u>30th</u> day of <u>December</u> , 2010, by and between | | | | |
| Ronald J. Suppes and Shirley K. Suppes, | | | | |
| husband and wife | | | | |
| whose mailing address is 17 East Highway 96; Dighton KS 67839 hereinafter called Lessor (whether one or more), | | | | |
| and | | | | |
| Lessor, in consideration of <u>******* ten and other ********</u> Dollars (\$ <u>**10.00**</u>) in hand paid, receipt of which is here acknowledged and of the royaltie herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring by geophysical an other means, prospecting drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases, and their respective constituent products, injecting gas, water, other fluids and air into subsurface strata, laying pipe lines, storing oil, building tanks, power stations, telephone lines, and other structures and things thereon to produce, save, take care of, treat manufacture, process, store and transport said oil, liquid hydrocarbons, gases and their respective constituent products manufactured therefrom, and housing an otherwise caring for its employees, the following described land, together with any reversionary rights and after-acquired interest, therein situated in County of <u>Lane</u> State of <u>Kansas</u> described as follows to-wit: | | | | |
| therein situated in County of <u>Lane</u> State of <u>Kansas</u> described as follows to-wit. | | | | |
| The Northeast Quarter (NE ¹ / ₄) | | | | |
| In Section 10, Township 19 South, Range 29 West, and containing 160 acres, more or less, and all accretions thereto. | | | | |
| Subject to the provisions herein contained, this lease shall remain in force for a term of <u>two (2)</u> years from January 8, 2011, (called "primary term"), and as lon thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, or any of them, is produced from said land or land with which said land is pooled. In consideration of the premises the said lessee covenants and agrees: 1 st . To deliver to the credit of lessor, free of cost, in the pipeline to which lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced | | | | |
| and saved from the leased premises. 2^{nd} . To pay lessor for gas of whatsoever nature or kind produced and sold, or used off the premises, or used in the manufacture of any products therefrom, one-eight (1/8) at the market price at the well, (but, as to gas sold by lessee, in no event more than one-eighth (1/8) of the proceeds received by lessee from such sales), for the gas sold, used off the premises, or in the manufacture of products therefrom, said payments to be made monthly. Where gas from a well producing gas only is not sold or used, lessee may pay or tender a royalty One Dollar (\$1.00) per year per net mineral acre retained hereunder, and if such payment or tender is made it will be considered that gas is being produced within the meaning of the preceding paragraph. | | | | |
| This lease may be maintained during the primary term hereof without further payment or drilling operations. If the lessee shall commence to drill a well within the term of the lease or any extension thereof, the lessee shall have the right to drill such well to completion with reasonable diligence and dispatch, and if oil or gas, or either of them, be found in payin quantities, this lease shall continue and be in force with like effect as if such well had been completed within the term of years first mentioned. If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein provided for shall be paid the said lessor only in the proportion which lessor's interest bears to the whole and undivided fee. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operations thereon, except water from the wells of lessor. | | | | |
| When requested by lessor, lessee shall bury lessee's pipe lines below plow depth. | | | | |
| No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of lessor. | | | | |
| Lessee shall pay for damages caused by lessee's operations to growing crops on said land. Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing. | | | | |
| If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heir executors, administrators, successors or assigns, but no change in the ownership of the land or assignment of rentals or royalties shall be binding on the lessee until after the lessee he been furnished with a written transfer or assignment or a true copy thereof. In case lessee assigns this lease, in whole or in part, lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment. Lessee may at any time execute and deliver to lessor or place of record a release or releases covering any portion or portions of the above described premises and therefore the assignment or provide the above described premises and therefore the assignment or portions of the above described premises and therefore the assignment or portions of the above described premises and therefore the assignment or portions of the above described premises and therefore the assignment or portions of the above described premises and therefore the assignment or portions of the above described premises and therefore the above described premises and therefore the assignment or portions of the above described premises and therefore the assignment or portions of the above described premises and therefore therefore the abo | | | | |
| surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered. All express or implied covenants of the lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, 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 | | | | |
| Regulation. Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the lessee shall have the right at any time to redeem for lessor, by payme 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 undersign lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, in so far as said right dower and homestead may in any way affect the purposes for which this lease is made, as recited herein. | | | | |
| Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land; lease or leases in the immediate vicinity thereof, when in lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises, such pooling to be tracts contiguous to one another and to be into a unit or units not exceeding 640 acress each in the event of a noil well, or into a unit or units not exceeding 640 acress each in the event of a gas well. Lessee shall execute in writing and record in the conveyance records the county in which the land herein leased is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit shall be treated, for a purposes except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on the pooled acreage, it shall be treated as production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere herein specified, lessor shall recein on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage bar bears to the total acreage so pooled in the particular unit involved. | | | | |
| Lessee agrees upon the completion of any test as a dry hole or upon abandonment of any producing well, to restore the premises to their original condition as nearly practicable and to remove all equipment within a reasonable time. Scout Exploration Corp. has your permission to conduct a seismic survey across your lands as listed herein for the purpose of Oil & Gas Exploration. Our operations will conducted in accordance with good standard practices and careful manner; we agree to hold you free and harmless from any and all claims and damages that may result from our work | | | | |
| virtue of your permission herein granted. Attached hereto is an Addendum to Oil and Gas Lease, which is incorporated as though fully set forth herein. | | | | |
| | | | | |
| | | | | |
| IN WITNESS WHEREOF, the undersigned execute this instrument as of the day and year first above written. | | | | |

✓ Ronald J. Supper

len K. Suppos R Shirley K. Suppes

| STATE OF KANSAS | |
|---|--|
| COUNTY OF | ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe) |
| The foregoing instrument was acknowledged before me this | √ 5th day of √ Tansuary, 20 √1, by |
| Ronald J. Suppes and Shirley K. Suppes, | |
| husband and wife | 7 |
| My Commission Expires <u>5-29-11</u> | |
| STATE OF | JACK M. BEVER NOTARY PUBLIC STATE OF KANSAS My Appt. Exp. <u>5-29-11</u> ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe) |
| COUNTY OF | day of, 2010, by |
| | adj or, 2010, By |
| | |
| My Commission Expires | Notary Public |
| | Notary Fublic |
| STATE OF | |
| | ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe) |
| COUNTY OF | day of, 2010, by |
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| My Commission Expires | |
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| COUNTY OF | day of, 2010, by |
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| No. OIL AND GAS LEASE FROM TO Date | Section Twp. Ree. No. of Acres Term No. of Acres Term County County County STATE OF A a mean STATE OF A a mean STATE OF A a mean County a mean of the for record on the This instrument was filed for record on the This instrument was filed for record on the of a g o 0 d a mean At g o 0 d a |
| STATE OF COUNTY OF The foregoing instrument was acknowledged before me th | ACKNOWLEDGMENT FOR CORPORATION (KsOkCoNe) |

corporation, on behalf of the corporation.

My Commission Expires_

Notary Public

۰ ۱ Addendum to that certain Oil and Gas Lease dated December 30, 2010, between Ronald J. Suppes and Shirley K. Suppes (hereinafter referred to as "Lessor"), and Scout Exploration Corp. (hereinafter referred to as "Lessee").

- 1. All utility lines and pipelines shall be buried 42" deep. If Lessor, in the process of good farming practices, modifies the terrain to such an extent that existing lines are not below plowed depth, Lessee shall, upon request, and within a reasonable time thereafter, lower such lines to a level below plowed depth.
- 2. It is hereby agreed that all topsoil shall be piled separately and returned to the surface when the pits are filled. Lessee shall have the obligation to restore the surface of the premises as nearly as reasonably possible to its original condition where any alterations or changes were due to operations reasonably necessary.
- 3. Lessor reserves the right to designate the direction and location of every road or roadway on the premises and no roads, roadways or casements shall be constructed, laid, or in any manner made to and from any well location or drill site except as may be so designated by Lessor. Lessor will not unreasonably withhold ingress and egress. Provided only that such roads shall, upon request of Lessee, be designated and the width thereof shall be sufficient for all normal operations of Lessee. Lessee agrees to place its lease tank battery and necessary equipment pertaining thereto on the perimeter of the leasehold as near as practical to the county roadway or property line.
- 4. Any and all salt water or other waste material developed or produced from the Lessee's operations under this lease shall not be disposed of on the surface of this land but shall be collected and transported to a salt water disposal well and there injected into the ground at a strata below an impervious strata and at least into a formation sometimes referred to as Cedar Hills.
- 5. Lessee and Lessor agree that this lease includes the surface down to a depth of 6,500 feet and below that depth would be available for another lease.
- 6. It is herewith agreed that if any production ceases for 120 days, in order that the lease remain intact, a fee of \$5.00 (five) per retroactive to the day when operation of the well ceased shall be paid until production begins again. It is further agreed if production has ceased and the lease has expired, Lessee will remove all machinery equipment from the premises within 12 (twelve) months, and return the ground as nearly as practicable to its original condition.
- 7. No more than two (2) acres shall be used for a drill site, Lessee and/or assigns further agree to pay Lessor the sum of \$500.00 for each test drilled and \$500.00 per acre for any crop loss.
- 8. A completed well shall not tie up more than eighty (80) acres per lease. It is hereby understood between Lessor and Lessee the intent of the Oil and Gas Lease constitutes the same restrictions as if each 80 acre tract was taken on a separate lease.
- 9. Lessor will be considered to act as pumper on any producing wells on the leased premises, subject to lessor providing lessee with industry standard licensing or certifications.
- 10. Damages for seismic activity and other surface damages will be paid separately from lease and shall be negotiated in good faith and based on established industry standards for Lane County, Kansas.
- 11. Permission for a salt water disposal well is hereby not granted and is only possible with written consent from Lessor.

LESSOR:

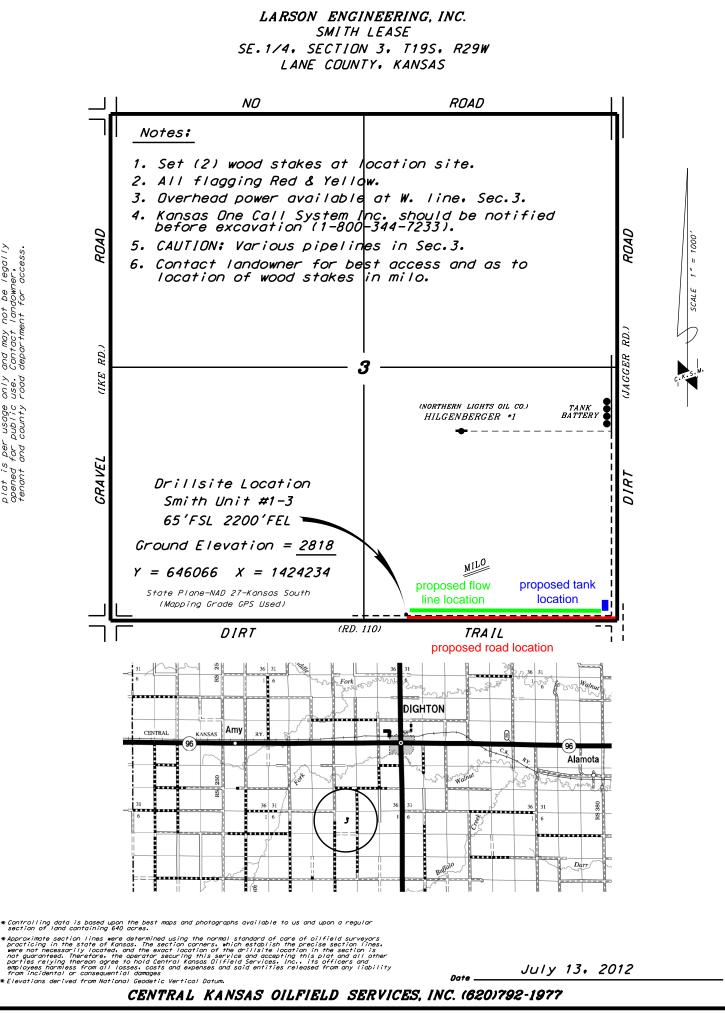
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LESSEE:

SCOUT EXPLORATION CORP.

. Kyle Carter, President



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