



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

KANSAS CORPORATION COMMISSION 1092903
 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

OPERATOR: License# _____
 Name: _____
 Address 1: _____
 Address 2: _____
 City: _____ State: _____ Zip: _____ + _____
 Contact Person: _____
 Phone: _____
 CONTRACTOR: License# _____
 Name: _____

Well Drilled For:	Well Class:	Type Equipment:
<input type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input type="checkbox"/> Infield
<input type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input type="checkbox"/> Pool Ext.
	<input type="checkbox"/> Disposal	<input type="checkbox"/> Wildcat
<input type="checkbox"/> Seismic ; _____ # of Holes	<input type="checkbox"/> Other	<input type="checkbox"/> Mud Rotary
<input type="checkbox"/> Other: _____		<input type="checkbox"/> Air Rotary
		<input type="checkbox"/> Cable

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 #: _____

Spot Description: _____
 _____ - _____ - _____ 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)

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: _____

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



1092903

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

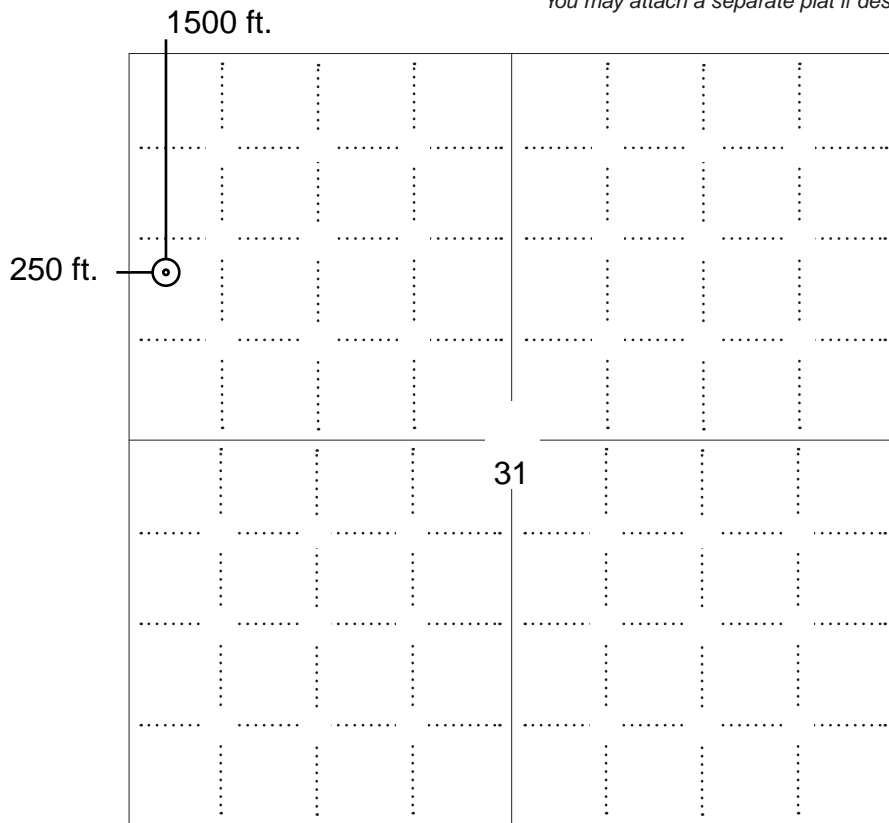
Is Section: Regular or Irregular

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.

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 1092903
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	
Emergency, Settling and Burn Pits ONLY: Producing Formation: _____ Number of producing wells on lease: _____ Barrels of fluid produced daily: _____ Does the slope from the tank battery allow all spilled fluids to flow into the pit? <input type="checkbox"/> Yes <input type="checkbox"/> No		Drilling, Workover and Haul-Off Pits ONLY: 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>Submitted Electronically</p>			

KCC OFFICE USE ONLY

Liner Steel Pit RFAC RFAS

Date Received: _____ Permit Number: _____ Permit Date: _____ Lease Inspection: Yes No



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

OIL AND GAS LEASE

AGREEMENT, made and entered into this 30th day of March, 2011, by and between

Ernest C. Wicke and Betty Jean Wicke, his wife whose mailing address is

27797 Road BB, Ludell, KS 67744, hereinafter called lessor (whether one or more), and

HOP Energies, LLC, PO Box 47911, Wichita, KS 67201, hereinafter called lessee.

1. Lessor, in consideration of Ten Dollars (\$ 10.00) in hand paid, receipt of which is hereby acknowledged and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring by geophysical and other means, prospecting, drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases, and their respective constituent products, injecting gas, water, other fluids and air into subsurface strata, laying pipe lines, storing oil, building tanks, power stations, telephone lines, and other structures and things thereon to produce, save, take care of, treat, manufacture, process, store and transport said oil, liquid hydrocarbons, gases and their respective constituent products and other products manufactured therefrom, and housing and otherwise caring for its employees, the following described land, together with any reversionary rights and after-acquired interest, therein situated in the County of Rawlins, State of Kansas, described as follows, to wit:

**Township 1 South, Range 32 West
Section 36: NE/4**

- In Section XX, Township XX, Range XX and containing 160.80 Acres, more or less, and all accretions thereto.
2. Subject to the provisions herein contained, this lease shall remain in force for a term of Two (2) years from June 14, 2011 (called "primary term"), and as long as thereafter as oil, liquid hydrocarbons or gas or other respective constituent products, or any form of them is produced from said land or land with which said land is pooled.
3. In consideration of these premises lessee covenants and agrees:
- 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.
 - 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-eighth (1/8), at the market price at the well, (but, as to gas sold by lessee, in no event more than one-eighth (1/8) of the 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 as 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.
4. 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 this 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 paying 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.
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 herein provided for shall be paid to 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 the leased premises for lessee's operations thereon, except water from wells of lessor.
7. When requested by the lessor, lessee shall bury lessee's pipelines below plow depth.
8. No well shall be drilled nearer than 200 feet to a house or barn now on said premises without the written consent of the lessor.
9. Lessee shall pay for all 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. 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 its heirs, executors, administrators, successors or assigns, but no change in the ownership of the lands or assignment of rentals or royalties shall be binding on lessee until after the lessee has been furnished with a written transfer or assignment or a true copy thereof. In case lessee assigns this lease, in whole or in part, lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment.
12. Lessee may at any time execute and deliver to lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.
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, in so far as said right of dower and homestead may in any way affect the purposes for which this leases is made, as recited herein.
15. 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 of tracts contiguous to one another and to be into a unit or units not exceeding 40 acres each in the event of an oil well, or into a unit or units not exceeding 640 acres each in the event of a gas well. Lessee shall execute in writing and record in the conveyance records of the county in which the land herein leases is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit shall be treated, for all purposes except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on the pooled acreage, it shall be treated as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere herein specified, lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.


Lessee, or its assigns, will consult with Lessor regarding routes of ingress and egress prior to commencing operations.

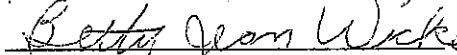
Lessee, or its assigns, will restore surface to original condition as nearly as is practicable upon completion of operations, including backfilling all pits when dried and restoring terraces disturbed by operations.

In the event some or all of the lands covered by this lease are enrolled in the Conservation Reserve Program (CRP) of the U.S. Department of Agriculture, Lessee shall comply with the rules and notification procedures of that program insofar as the same may apply to operations of Lessee on the enrolled lands, Lessee shall compensate Lessor for CRP penalties or CRP withdrawal reimbursements resulting directly from Lessee's operations hereunder.

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

Witnesses:


Ernest C. Wicke


Betty Jean Wicke

Tax ID #

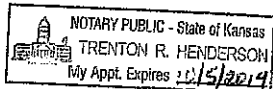
Tax ID #

STATE of Kansas
COUNTY of Rawlins

ss: Acknowledgment for Individual (KS, OK, CO)

Before me, the undersigned, a Notary Public, within and for said County and State, on this 30th day of March, 2011, personally appeared Ernest C. Wicke and Betty Jean Wicke, his wife, to me personally known to be the identical person(s) who executed the within foregoing instrument and acknowledged to me that they executed the same as their free and voluntary act(s) and deed(s) for the uses and purposes therein set forth.
IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

My commission expires



Trenton R. Henderson
Trenton R. Henderson, Notary Public

STATE of _____)
COUNTY of _____)

ss: Acknowledgment for Individual (KS, OK, CO)

Before me, the undersigned, a Notary Public, within and for said County and State, on this _____ day of _____, personally appeared _____ to me personally known to be the identical person(s) who executed the within foregoing instrument and acknowledged to me that _____ executed the same as _____ free and voluntary act(s) and deed(s) for the uses and purposes therein set forth.
IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

My commission expires

_____, Notary Public

STATE of _____)
COUNTY of _____)

ss: Acknowledgment for Individual (KS, OK, CO)

Before me, the undersigned, a Notary Public, within and for said County and State, on this _____ day of _____, personally appeared _____ to me personally known to be the identical person(s) who executed the within foregoing instrument and acknowledged to me that _____ executed the same as _____ free and voluntary act(s) and deed(s) for the uses and purposes therein set forth.
IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

My commission expires

_____, Notary Public

STATE of _____)
COUNTY of _____)

ss: Acknowledgment for Individual (KS, OK, CO)

Before me, the undersigned, a Notary Public, within and for said County and State, on this _____ day of _____, personally appeared _____ to me personally known to be the identical person(s) who executed the within foregoing instrument and acknowledged to me that _____ executed the same as _____ free and voluntary act(s) and deed(s) for the uses and purposes therein set forth.
IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

My commission expires

_____, Notary Public

No. _____
OIL AND GAS LEASE
FROM _____
TO _____
Date _____, 20____
Section _____ Twp. _____ Rng. _____
No. of Acres _____
Term _____
County _____
STATE OF KANSAS)
County of RAWLINS) ss:
This instrument was filed for record on the
13th day of APRIL, 2011
at 9:00 o'clock A. M. and duly
recorded in Book X-87 Page 251
of the records of this office.
By <u>Carolyn Marsh</u> Register of Deeds
When recorded, return to _____

STATE of _____)
COUNTY of _____)

ss: Acknowledgment for Corporation (KS, OK, CO)

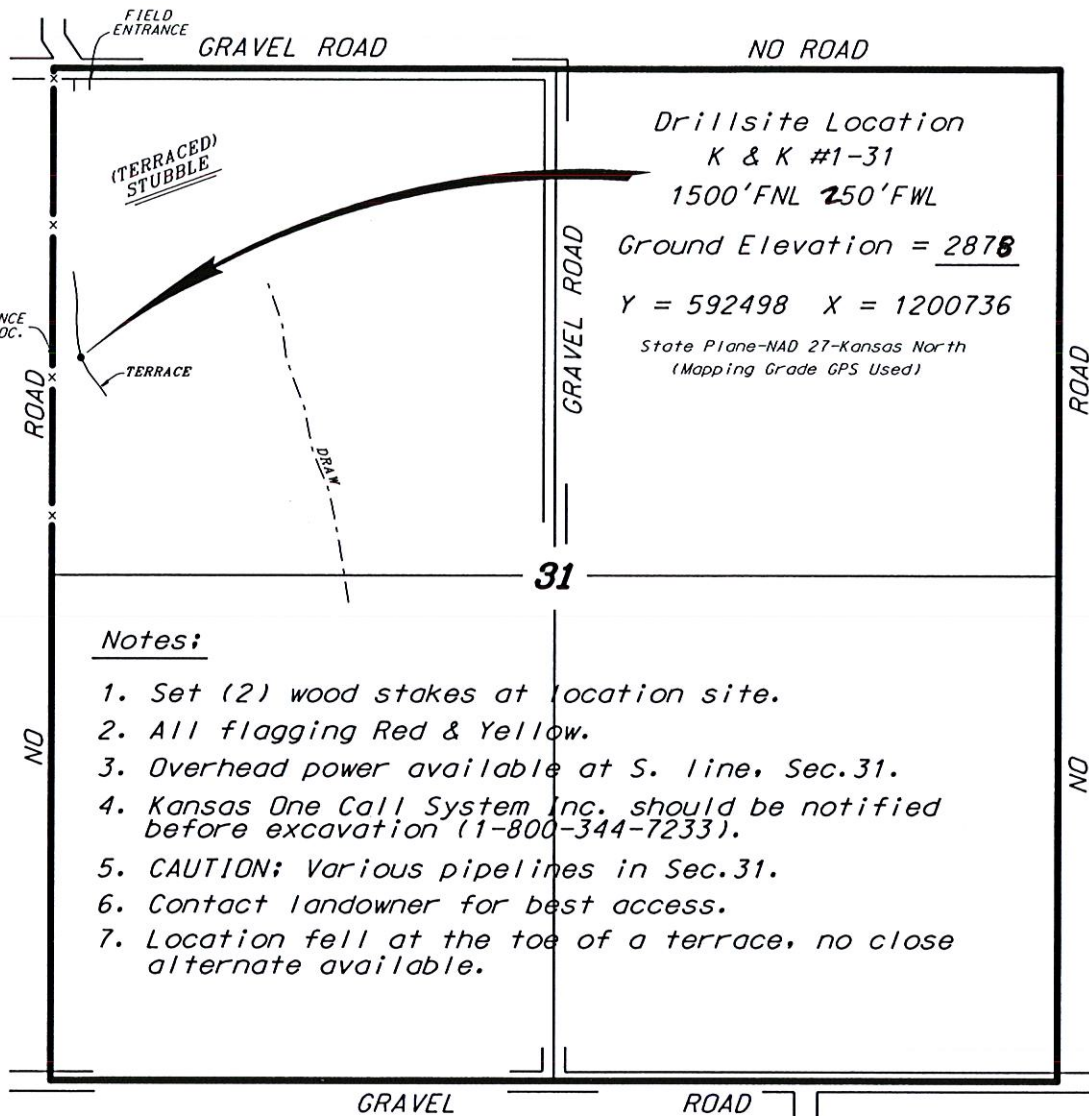
Be it remembered that on this _____ day of _____, 20____, before me, the undersigned, a Notary Public, duly commissioned, in and for the county and state aforesaid, came _____, President of _____ a corporation of the State of _____, personally known to me to be such officer, and to be the same person who executed as such officer the foregoing instrument of writing in behalf of said corporation, and _____ duly acknowledged the execution of the same for _____ self and for said corporation for the uses and purposes therein set forth.
IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

My commission expires

CREDO PETROLEUM CORPORATION
K & K LEASE
 NW. 1/4, SECTION 31, T1S, R31W
 RAWLINS COUNTY, KANSAS

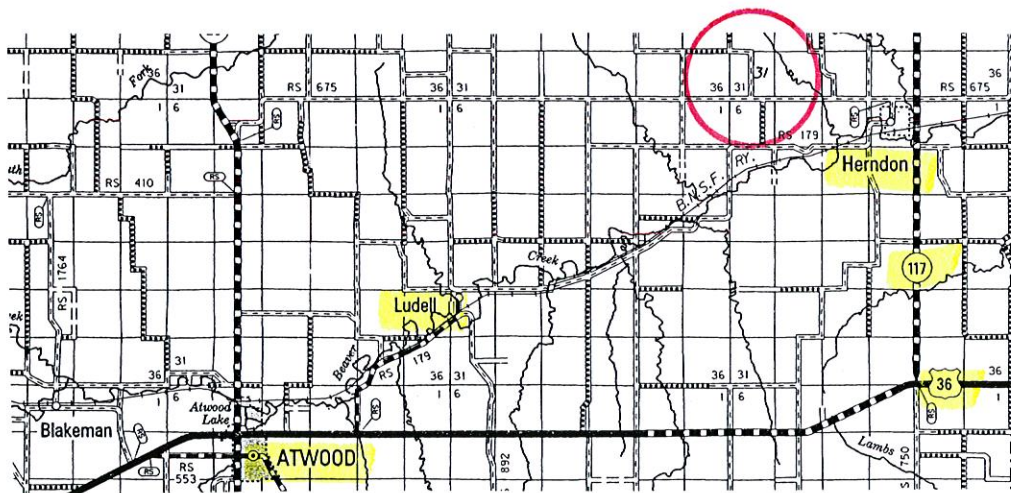
SEP 10 2012

* Ingress and egress to location as shown on this plat is per usage only and may not be legally opened for public use. Contact landowner, tenant and county road department for access.



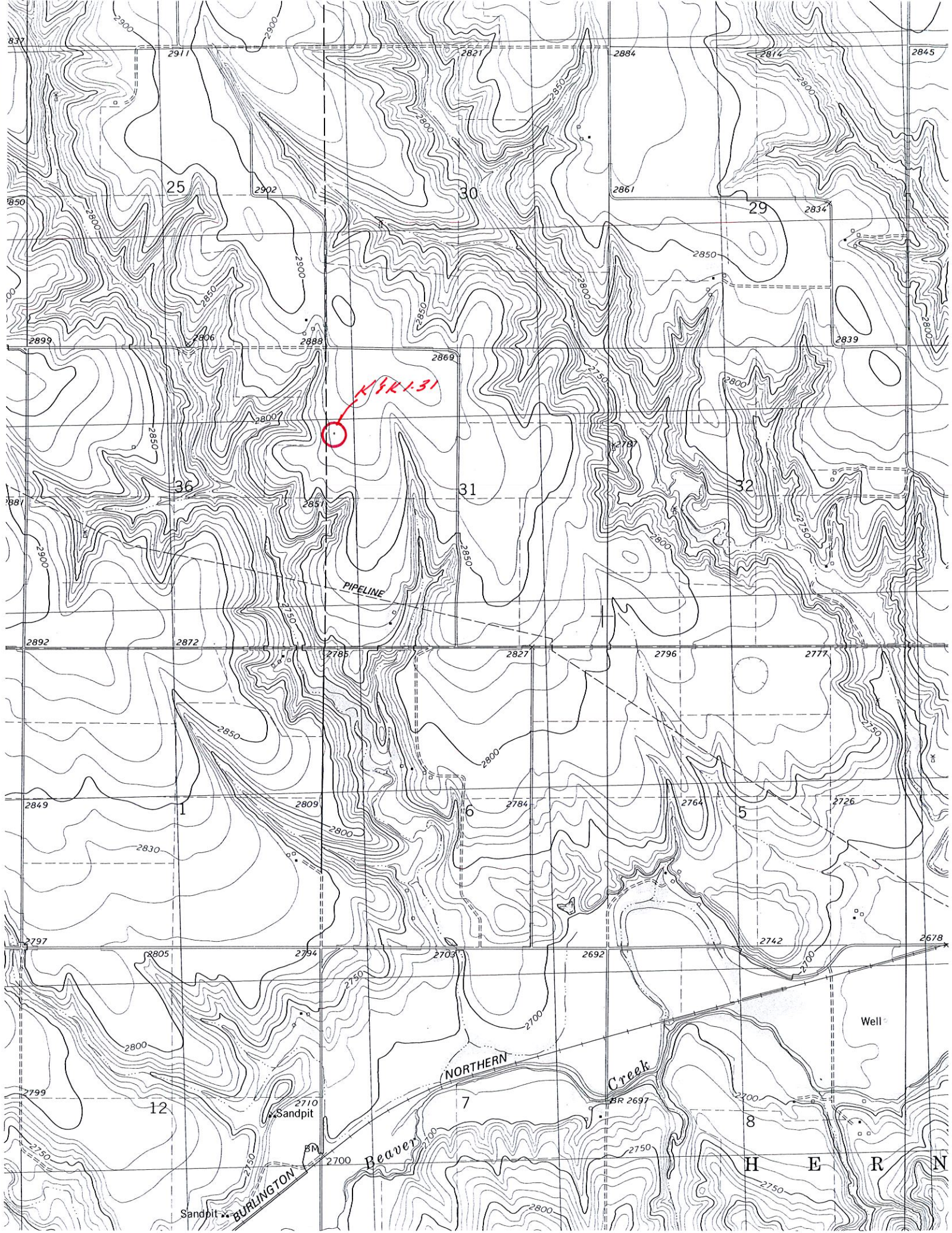
Notes:

1. Set (2) wood stakes at location site.
2. All flagging Red & Yellow.
3. Overhead power available at S. line, Sec. 31.
4. Kansas One Call System Inc. should be notified before excavation (1-800-344-7233).
5. CAUTION; Various pipelines in Sec. 31.
6. Contact landowner for best access.
7. Location fell at the toe of a terrace, no close alternate available.



* Controlling data is based upon the best maps and photographs available to us and upon a regular section of land containing 640 acres.
 * Approximate section lines were determined using the normal standard of care of oilfield surveyors practicing in the state of Kansas. The section corners, which establish the precise section lines, were not necessarily located, and the exact location of the drillsite location in the section is not guaranteed. Therefore, the operator securing this service and accepting this plat and all other parties relying thereon agree to hold Central Kansas Oilfield Services, Inc., its officers and employees harmless from all losses, costs and expenses and said entities released from any liability from incidental or consequential damages.
 * Elevations derived from National Geodetic Vertical Datum.

Date September 5, 2012



KTR 131

PIPELINE

NORTHERN

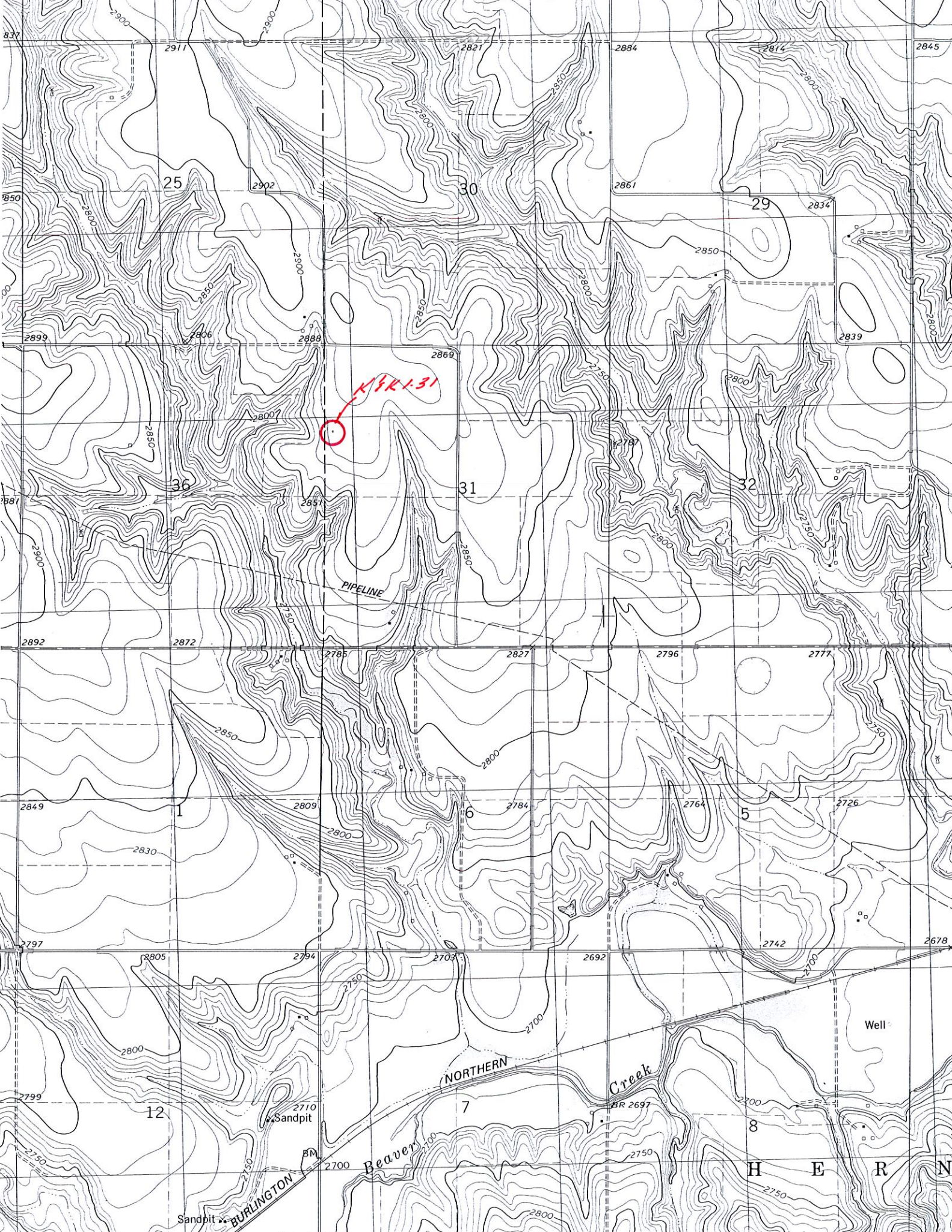
Beaver

Creek

Well

Sandpit

BURLINGTON



OIL AND GAS LEASE

Lease No. 1

AGREEMENT, Made and entered into this 10 August 2006 day of February by and between K & K Partnership Gary Kastens and Terry Kastens, Owners

whose mailing address is RE2, Box 81, Herndon, KS 67739 hereinafter called Lessor (whether one or more), and IA OPERATING, INC., a Kansas Corporation, 900 North Tyler Road #14, Wichita, Kansas, 67212, hereinafter called Lessee:

Lessor, in consideration of One Thousand Four Hundred Forty Dollars (\$1,440.00) in hand paid, receipt of which is here acknowledged and of the royalties herein provided and of the agreements of the Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring by geophysical and other means, prospecting, drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases, and their respective constituent products, injecting gas, water, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, power stations, telephone lines, and other structures and things thereon to produce save, take care of, treat, manufacture, process, store and transport said oil, liquid hydrocarbons, gases and their respective constituent products and other products manufactured therefrom, and housing and otherwise caring for its employees, the following described land, together with any reversionary rights and after-acquired interest, therein situated in County of KANSAS State of KANSAS described as follows to-wit:

Township 1 South, Range 32 West
Section 35: N2 - 501d

Township 1 South, Range 31 West
Section 31: NW4

In Section _____, Township _____, Range _____, and containing 480 acres more or less, and all accretions thereto.

Subject to the provisions herein contained, this lease shall remain in force for a term of three (3) years from this date (called "primary term") and as long thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, or any of them is produced from said land or land with which said land is pooled.

In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipe line to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor for gas of whatsoever nature or kind produced and sold, or used off the premises, or used in the manufacture of any products therefrom, one-eighth (1/8) of 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 as 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 this 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 paying 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 describe 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 operation thereon, except water from the wells of Lessor.

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

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

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

Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment of rentals or royalties shall be binding on the Lessee until after the Lessee has been furnished with a written transfer or assignment or a true copy thereof. In case Lessee assigns this lease, in whole or in part, Lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment.

Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages, for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.

Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the Lessee shall have the right at any time to redeem for Lessor, by payment any mortgages, taxes or other liens on the above described lands, in the event of default of payment by Lessor, and be subrogated to the rights of the holder thereof, and the undersigned Lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, in so far as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portions 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 of tracts contiguous to one another and to be into a unit or units not exceeding 40 acres each in the event of an oil well, or into a unit or units not exceeding 640 acres each in the event of a gas well. Lessee shall execute in writing and record in the conveyance records of the county in which the land herein leased is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit shall be treated, for all purposes except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on the pooled acreage, it shall be treated as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere herein specified, Lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.

If at the end of the primary term, this lease is not otherwise continued in force under the provisions hereof, this lease shall expire, unless Lessee on or before the end of the primary term shall extend the lease or any part thereof by paying or tendering to Lessor, the sum of Five Dollars (\$5.00) multiplied by the number of net mineral acres for any portion so extended and subject to this lease, the primary term of this lease or any portion thereof shall be extended for an additional term of Five (5) years from the end of the primary term hereof.

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

K & K Partnership

Gary Kastens, Owner

Gary Kastens, Owner

Terry Kastens, Owner

Terry Kastens, Owner

Under the powers granted in that certain "Geophysical Permit and Oil and Gas Option to Lease Agreement" dated Feb, 25, 2005 and recorded in Book X-70 at Page 228, the date of this lease has been changed to the date said Option was exercised

X-77 - 25

STATE OF KANSAS
COUNTY OF RAWLINS
The foregoing instrument was acknowledged before me this 25 day of FEBRUARY
by GARY KASTENS, OWNER

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)

and 2005



My commission expires _____
Michelle R. Reeh
Notary Public

STATE OF Kansas
COUNTY OF Riley
The foregoing instrument was acknowledged before me this 28 day of February
by Terry Kastens, owner

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)

and N/A
2005

My commission expires Oct 21 2008

Cheryl K. Smider
Notary Public

STATE OF _____
COUNTY OF _____
The foregoing instrument was acknowledged before me this _____ day of _____
by _____

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)

and _____

My commission expires _____

Notary Public

STATE OF _____
COUNTY OF _____
The foregoing instrument was acknowledged before me this _____ day of _____
by _____

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)

and _____

My commission expires _____

Notary Public

OIL AND GAS LEASE

No. _____ FROM _____ TO _____
Date _____
Section _____ Twp. _____ Rge. _____
No. of Acres _____ Term _____
County _____
STATE OF KANSAS
County RAWLINS
This instrument was filed for record on the 28th day of August, 2006
at 9:00 o'clock A.M. and duly recorded in Book X-77 Page 25 of _____ the records of this office.
By Cheryl K. Smider Registrar of Deeds.
When recorded, return to _____

STATE OF _____
COUNTY OF _____
ACKNOWLEDGMENT FOR CORPORATION (KsOkCoNe)

The foregoing instrument was acknowledged before me this _____ day of _____
by _____ of _____

corporation, on behalf of the corporation.
My commission expires _____

Notary Public

#42197 STATE OF KANSAS, RAWLINS COUNTY SS:

This instrument was filed for record this 27th day of August 2008 at 9:00 AM and recorded in book X-82 of Misc. page 91.

ASSIGNMENT OF OIL AND GAS LEASE

Carolyn Marshall

Carolyn Marshall
Register of Deeds

State: Kansas
County: Rawlins

Assignor: IA Operating, Inc.
9915 West 21st Street North, Suite B
Wichita, Kansas 67205

Assignee: Credo Petroleum Corporation
1801 Broadway, Suite 900
Denver, Colorado 80202

Effective Date: August 15, 2008

For adequate consideration, and subject to the reservation set out below, Assignor, named above, assigns, sells, and conveys to Assignee, named above, **eighty percent (80%) Assignor's working interest** in the oil and gas leases (the "Leases") on lands located in the county and state named above (the "Lands"). The Leases and Lands are described on Exhibit "A" to this Assignment.

Assignor excepts from this Assignment and reserves to IA Operating, Inc. an overriding royalty interest, payable out of all oil, gas, and associated hydrocarbons produced, saved, and sold from the Lands and Leases and shall deliver an eighty one percent **(81%) net revenue interest** to Assignee in the Leases as of the Effective Date of the Assignment. The overriding royalty interest reserved by Assignor shall be subject to proportionate reduction if it is determined that the Leases cover less than **100% of the oil and gas mineral estate** in the Lands, or Assignor owns less than all interest in the Leases.

The interest in the Leases assigned to Assignee shall bear and be subject to all lease and leasehold estate burdens affecting or burdening Assignor's interest, which are of record as of the Effective Date of this Assignment.

The interest in said Leases assigned herein shall be subject to all the terms and conditions of a mutually agreeable Joint Operating Agreement designating IA Operating, Inc. as Operator, pursuant to that certain Letter Agreement dated January 15, 2008.

This Assignment is delivered by Assignor and accepted by Assignee without warranty of title, express or implied.

This Assignment is executed by Assignor as of the date of acknowledgment of Hal C. Porter, President, IA Operating, Inc.'s signature below, but shall be effective for all purposes as of the Effective Date stated above.

Assignor: IA Operating, Inc.

By: *Hal C. Porter*
Hal C. Porter, President

State of Kansas)
County of Sedgwick) ss ACKNOWLEDGEMENT FOR CORPORATION

Be it remembered that on this 21st day of August 2008, before me, the undersigned, a Notary Public, duly commissioned, in and for the county and state aforesaid, came Hal C. Porter, the President of IA Operating, Inc. a corporation of the State of Kansas, personally known to me to be such officer and to be the same person who executed as such officer the foregoing instrument of writing in behalf of said corporation, and he duly acknowledged the execution of the same for himself and for said corporation for the uses and purposes therein set forth.
IN WITNESS WHEREOF, I have set my hand and official the day and year last above written.

March 10, 2009
My commission expires

Julie Burrows
Notary Public

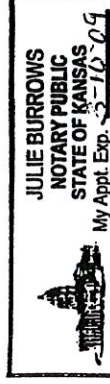


Exhibit "A"
ASSIGNMENT OF OIL & GAS LEASES
CREDO PETROLEUM CORPORATION
August 15, 2008

The following Oil and Gas Leases covering lands in Rawlins County, Kansas:

Lease No. 1

Lessor: K & K Partnership, Gary Kastens and Terry Kastens, Owners
Lessee: IA Operating, Inc.
Date: August 10, 2006
Recorded: Book X-77 Page 25

In so far as and only in so far as the lease covers:

Township 1 South, Range 31 West;
Section 31: Northwest Quarter (NW/4)

Lease No. 2

Lessor: Don and Jeannine Curry, husband and wife
Lessee: IA Operating, Inc.
Date: August 31, 2006
Recorded: Book X-77 Page 85
Covering:

Township 1 South, Range 31 West;
Section 31: South Half of the Northeast Quarter (S/2 NE/4)
Section 32: South Half of the Northwest Quarter (S/2 NW/4)

Lease No. 2a

Lessor: Florian Brown
Lessee: IA Operating, Inc.
Date: August 10, 2006
Recorded: Book X-77 Page 53
Covering:

Township 1 South, Range 31 West;
Section 31: South Half of the Northeast Quarter (S/2 NE/4)
Section 32: South Half of the Northwest Quarter (S2 NW/4)

Lease No. 2b

Lessor: Paul Palic and Thelma Palic, husband and wife
Lessee: IA Operating, Inc.
Date: August 31, 2006
Recorded: Book X-77 Page 87
Covering:

Township 1 South, Range 31 West;
Section 31: South Half of the Northeast Quarter (S/2 NE/4)
Section 32: South Half of the Northwest Quarter (S/2 NW/4)

Lease No. 2c

Lessor: Clemens Kogl and Rose Kogl, husband and wife
Lessee: IA Operating, Inc.
Date: August 31, 2006
Recorded: Book X-77 Page 89
Covering:

Township 1 South, Range 31 West;
Section 32: South Half of the Northwest Quarter (S/2 NW/4)
Section 31: South Half of the Northeast Quarter (S/2 NE/4)

Lease No. 3

Lessor: Elizabeth A. Basgall, a Living Trust, Elizabeth A. Basgall, Trustee
Lessee: IA Operating, Inc.

Date: August 10, 2006

Recorded: Book X-77 Page 37

In so far as and only in so far as the lease cover the:

Township 1 South, Range 31 West,

Section 29: Northwest Quarter (NW/4)

Lease No. 4

Lessor: Geraldine Nemeth

Lessee: IA Operating, Inc.

Date: August 31, 2006

Recorded: Book X-77 Page 83

Covering:

Township 1 South, Range 31 West,

Section 29: West Half of the Southeast Quarter (W/2 SE/4)

Lease No. 5

Lessor: Geraldine Nemeth

Lessee: IA Operating, Inc.

Date: August 31, 2006

Recorded: Book X-77 Page 81

Covering:

Township 1 South, Range 31 West,

Section 29: Southwest Quarter (SW/4)

Lease No. 6

Lessor: Marjorie Koetter

Lessee: IA Operating, Inc.

Date: October 17, 2006

Recorded: Book X-77 Page 520

In so far as and only in so far as the lease covers the:

Township 1 South, Range 31 West,

Section 29: Northeast Quarter (NE/4) and the East Half of the Southeast Quarter (E/2 SE/4)

Lease No. 7

Lessor: Bockwinkel Family Trust, Joseph E. Bockwinkel, Trustee and Martina Bockwinkel, Trustee

Lessee: IA Operating, Inc.

Date: August 10, 2006

Recorded: Book X-77 Page 51

In so far as and only in so far as the lease covers the:

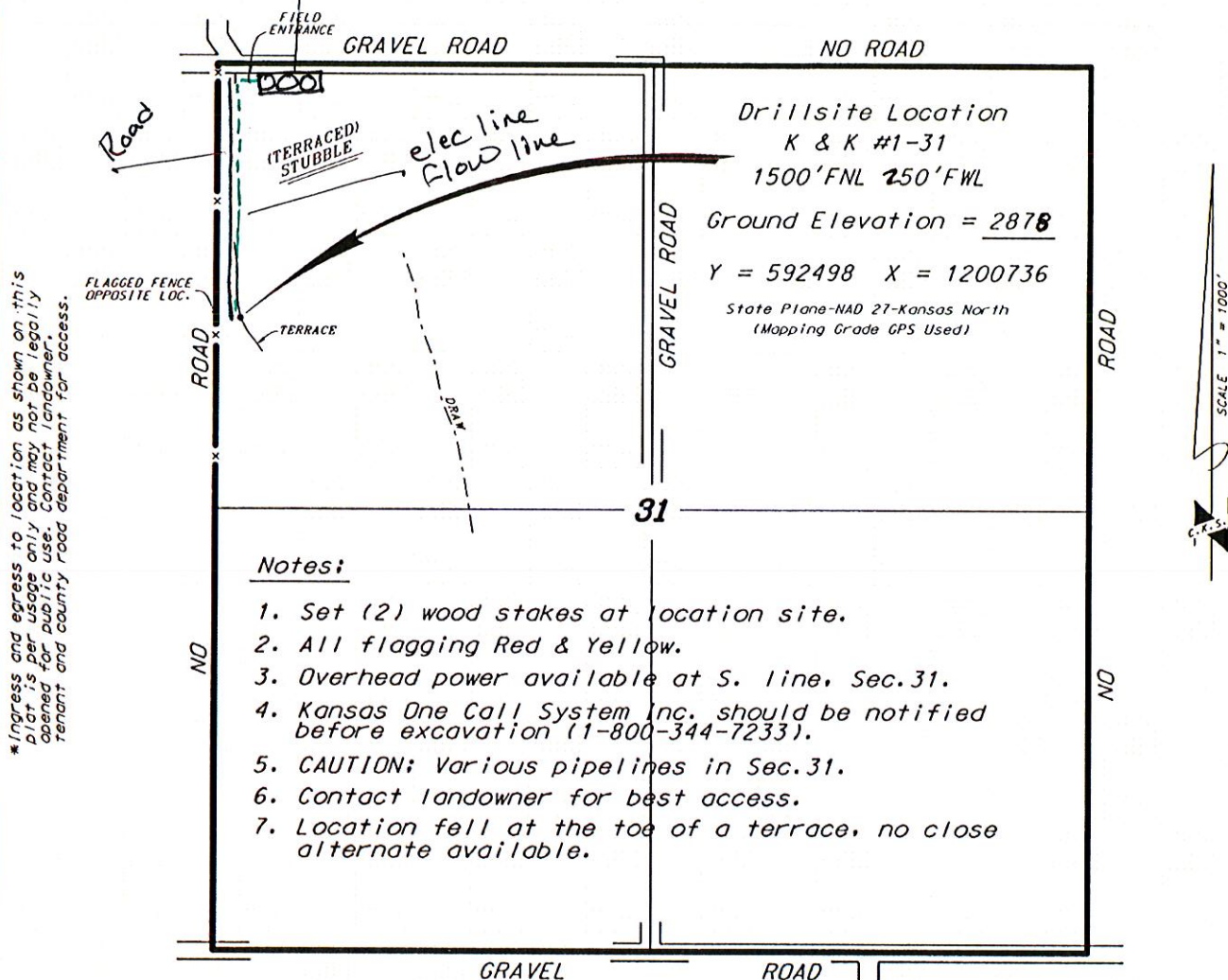
Township 1 South, Range 31 West,

Section 30: North Half of the Northeast Quarter (N/2 NE/4)

Tank Battery

CREDO PETROLEUM CORPORATION
K & K LEASE
NW. 1/4, SECTION 31, T15, R31W
RAWLINS COUNTY, KANSAS

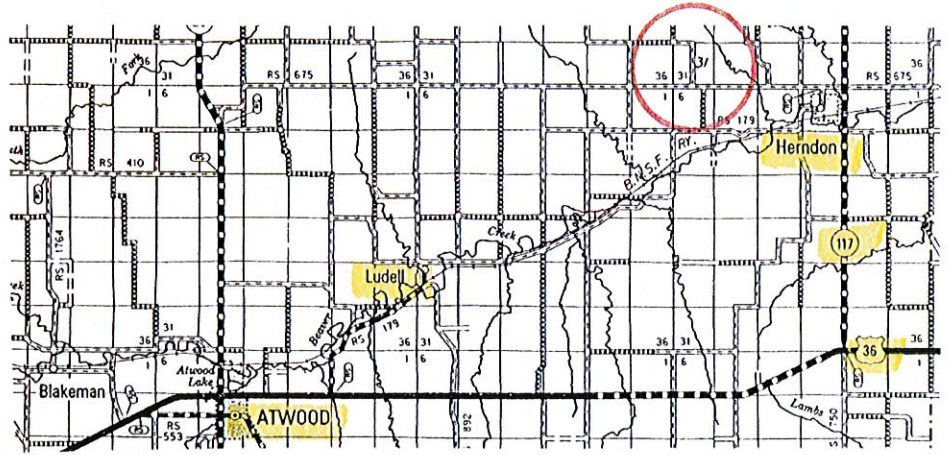
SEP 10 2012



*Ingress and egress to location as shown on this plot is per usage only and may not be legally opened for public use. Contact landowner, tenant and county road department for access.

Notes:

1. Set (2) wood stakes at location site.
2. All flagging Red & Yellow.
3. Overhead power available at S. line, Sec. 31.
4. Kansas One Call System Inc. should be notified before excavation (1-800-344-7233).
5. CAUTION: Various pipelines in Sec. 31.
6. Contact landowner for best access.
7. Location fell at the toe of a terrace, no close alternate available.



Controlling data is based upon the best maps and photographs available to us and upon a regular section of land containing 640 acres.
Approximate section lines were determined using the normal standard of care of oilfield surveyors practicing in the state of Kansas. The section corners, which establish the precise section lines, were not necessarily located, and the exact location of the drillsite location in the section is not guaranteed. Therefore, the operator securing this service and accepting this plot and all other parties relying thereon agree to hold Central Kansas Oilfield Services, Inc., its officers and employees harmless from all losses, costs and expenses and said entities released from any liability from incidental or consequential damages.
Elevations derived from National Geodetic Vertical Datum.

Date September 5, 2012