



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

KANSAS CORPORATION COMMISSION 1094848
 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: _____

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

If OWWO: old well information as follows:
 Operator: _____
 Well Name: _____
 Original Completion Date: _____ Original Total Depth: _____

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

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

<p>For KCC Use ONLY</p> <p>API # 15 - _____</p> <p>Conductor pipe required _____ feet</p> <p>Minimum surface pipe required _____ feet per ALT. <input type="checkbox"/> I <input type="checkbox"/> II</p> <p>Approved by: _____</p> <p>This authorization expires: _____ <small>(This authorization void if drilling not started within 12 months of approval date.)</small></p> <p>Spud date: _____ Agent: _____</p>
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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



1094848

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

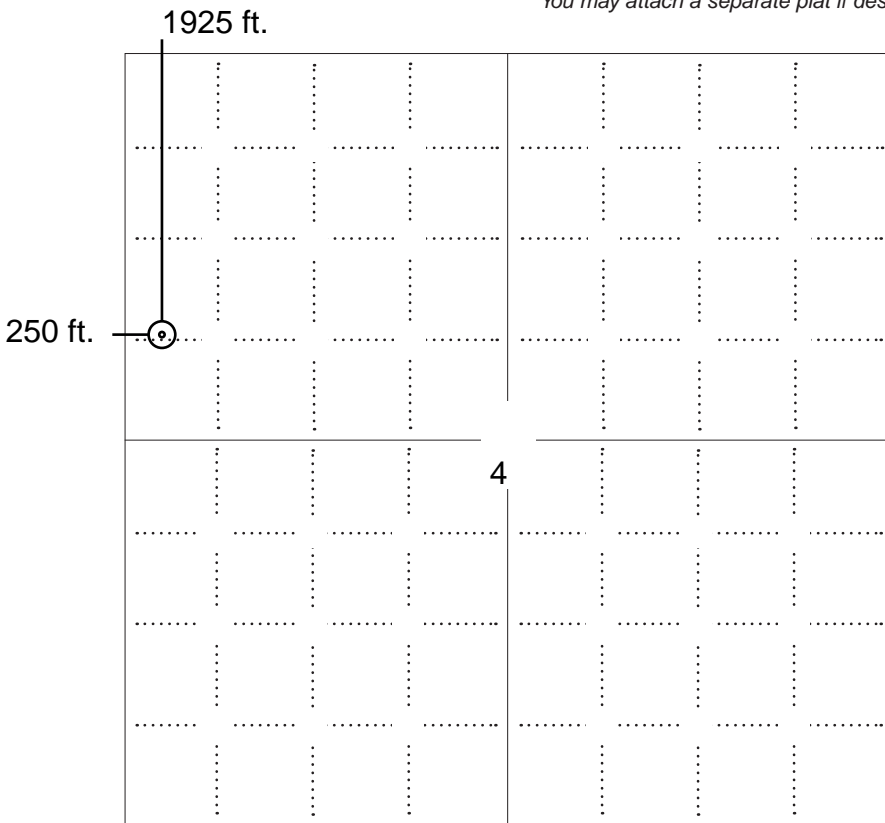
Is Section: Regular or Irregular

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.



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

I

DIRECT
INDIRECT
COMP. ORIG.
COMPUTER

**OIL AND GAS LEASE
KANSAS [PAID UP]**

STATE OF KANSAS, LAINL 0000114, 00
This instrument was filed for record on the
19 day of May
A.D. 2011 at 11:00 o'clock P.M and
duly recorded in Book 134 on page 149
Fee 16.00

Jennifer De Beckwith
Register of Deeds

THIS AGREEMENT, made and entered into this 18th day of May, 2011

by and between Karl E. Jennison, a single man

6001 West Highway 4

Healy, KS 67850

hereinafter called Lessor, (whether one or more) and CREDO PETROLEUM CORPORATION

1801 Broadway, Suite 900, Denver, Colorado 80202

hereinafter called Lessee:

WITNESSETH:

1. That the Lessor, for and in consideration of the sum of ten and more Dollars (\$ 10.00+), and other good and valuable consideration, receipt of which is hereby acknowledged, and the covenants and provisions contained herein to be kept by Lessee, does hereby grant, demise, lease and let unto the said Lessee, the land hereinafter described, with the exclusive right for the purpose of mining, exploring by geophysical and other methods, operating for, producing, and taking care of all oil, gas and all of the products of oil and gas, with rights of way and easements for laying pipelines, telephone and telegraph lines and the exclusive right of injecting water, brine and other fluids into subsurface strata, and the building of structures, tanks, roadways and any and all other rights and privileges necessary, incident to, or convenient for the economical operation alone, or conjointly with neighboring land, for the production, saving and taking care of all said products on that certain tract of land situated in the County of Lane State of Kansas, described as follows, to-wit:

TOWNSHIP 17 SOUTH, RANGE 29 WEST OF THE 6TH P.M.
Section 5: Lot 1 (41.38), Lot 2 (41.24), S1/2NE1/4, (a/d/a NE1/4)

containing 162.62 acres, more or less.

2. It is agreed that this lease shall remain in full force and effect for a primary term of One (1) years from this date, and as long thereafter as oil, gas or the products of oil or gas are produced from said leased premises, or drilling operations are continued as hereinafter provided.

3. This is a PAID-UP LEASE. In consideration of the down payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term, or to make any rental payments during the primary term. Lessee may at any time or times during or after the primary term hereof surrender this lease as to all or a portion of the lands covered herein by delivering to Lessor, or by filing for record a release or releases, and thereafter be relieved of all obligations accruing hereunder as to the acreage surrendered. The lease shall continue in force and effect as to all of the acreage not surrendered.

4. All payments required to be made under this lease shall be made or tendered to the Lessor or to the Lessor's credit in the Pay Directly to Lessor Bank (depository bank) at _____ or successors, or any bank with which it may be merged, or consolidated, or which succeeds to its business or assets or any part thereof, by purchase or otherwise, which shall continue as the depository regardless of changes in the ownership of said land.

5. Lessee agrees to pay Lessor a royalty on production covered hereby as follows:

1st. Lessee shall deliver to the credit of Lessor as royalty, free of cost, in the pipeline to which Lessee may connect its wells, the equal one-eighth part of all oil produced and saved from the leased premises, or at Lessee's option, may pay to the Lessor for such one-eighth royalty the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipeline, or into storage tanks.

2nd. Lessee shall pay Lessor as royalty on gas marketed from each well one-eighth of the proceeds if sold at the well, or if marketed by Lessee, off the leased premises, then one-eighth of its market value at the well.

3rd. Lessee shall pay Lessor one-eighth of the proceeds received by the Lessee from the sale of casinghead gas produced from any oil well and one-eighth of the value, at the mouth of the well, computed at the prevailing market price, of the casinghead gas produced from any oil well and used by Lessee off the leased premises for any purpose or used on the leased premises by Lessee for purposes other than the development and operation thereof.

4th. Lessee shall pay to Lessor one-eighth of the proceeds from the sale of all other products of oil and gas not otherwise referred to hereinabove.

6. Where there is a gas well, or wells on the lands covered by this Lease, or acreage pooled therewith, whether it be before or after the primary term hereof, and such well or wells are shut-in, and there is no other production, drilling operations or other operations being conducted capable of keeping this Lease in force under any of its provisions, Lessee shall pay as royalty to Lessor the sum of One Dollar (\$1.00) per year per net royalty acre, such payment to be made on or before the anniversary date of this Lease next ensuing after the expiration of 90 days from the date such well or wells are shut-in, and thereafter on the anniversary date of this Lease during the period such wells are shut-in, and upon such payment it shall be considered that this Lease is maintained in full force and effect.

7. If the Lessor owns a lesser interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the said Lessor only in the proportion which Lessor's interests bear to the whole and undivided fee.

8. Notwithstanding anything in this lease contained to the contrary, it is expressly agreed that if Lessee shall commence operations for drilling a well at any time while this lease is in force, this lease shall remain in force and its term shall continue so long as such operations are prosecuted as set out in Paragraph 9 hereof, and if production results therefrom, then so long as production continues.

9. If at the expiration of the primary term of this lease, oil, gas, or the products of oil and gas are not being produced on the leased premises but Lessee has been engaged in drilling or reworking operations thereon, then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises; and operations shall be considered to be continuously prosecuted if not more than ninety (90) days shall elapse between the completion or the abandonment of one well and the beginning of operations for the drilling of a subsequent well. If, after the discovery of oil or gas or the products of oil or gas on said land or acreage pooled therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or reworking operations, (including but not limited to drilling, testing, completing, reworking, recompleting, deepening, or plugging back) within ninety (90) days from the date of cessation of production or from date of completion of a dry hole. If oil, gas or the products of oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil, gas, or products of oil and gas shall be produced from the leased premises.

10. 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 the Lessor. When requested by Lessor, Lessee shall bury pipelines below plow depth. No well shall be drilled nearer than 200 feet to any house or barn on said premises as of the date of this lease without written consent of the 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, but shall not have the obligation to do so.

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

12. Lessee, at its option, is hereby given the right and power to voluntarily pool or combine the lands covered by this lease, or any portion thereof, as to the oil and gas, or either of them, with any other land, lease or leases adjacent thereto when in Lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said premises, such pooling to be into units not exceeding eighty (80) acres for an oil well, plus a tolerance of ten percent (10%), and not exceeding six hundred forty (640) acres for a gas well, plus a tolerance of ten percent (10%), except that larger units may be created to conform to any spacing or well unit pattern that may be prescribed by governmental authorities having jurisdiction. Lessee shall execute in writing and record in the County Records as instrument identifying and describing the pooled acreage. The entire acreage so pooled into units shall be treated for all purposes, except the payment of royalties, as if it were included in this lease, and drilling or reworking operations thereon or production of oil or gas therefrom, or the completion thereon of a well as a shut-in gas well, shall be considered by all purposes, except the payment of royalties, as if such operation were on, or such production were from, or such completion was on the land covered by this lease, whether or not the well or wells be located on the premises covered by this lease. In lieu of royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive from a unit so formed only such portion of the royalties stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein bears to the total acreage so pooled.

13. On or before the expiration of the primary term of this lease, the Lessee, its successors or assigns, shall have the option and right to renew this lease as to all or any portion of the acreage described herein and extend the primary term thereto an additional One (1) year commencing on the expiration of the primary term of this lease, by making payment to Lessor's credit in the depository bank hereinabove shown on or before such expiration date in the sum of Fifteen and No Hundredths DOLLARS (\$15.00) per net mineral acre for each acre to which the term of this lease is extended, and to release this lease as to those portions of the leased premises to which an extension is not sought. Further, the Lessee, its successors or assigns, shall have the option and right to again renew this lease as to all or any portion of the acreage described herein and extend this Lease an additional One (1) year commencing on the expiration of the prior extension period by making payment to Lessor's credit in the depository bank hereinabove shown on or before such expiration date in the sum of Fifteen and No Hundredths DOLLARS (\$15.00) per net mineral acre for each acre to which the term of this lease is extended, and to release this lease as to those portions of the leased premises to which an extension is not sought.

14. In the absence of production, Lessee may terminate any unitized area by filing in the county records a Notice of Termination of the unit. All express or implied covenants of this lease shall be subject to all federal and state laws, executed orders, rules or regulations of governmental bodies having jurisdiction, and this lease shall not terminate in whole or in part, nor shall Lessee be 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.

15. 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 land in the event of failure of payment by the Lessor, and be subrogated to the rights of the holder thereof, and in addition Lessee may reimburse itself for such payments out of any royalties or rentals payable to Lessor.

16. All the provisions of this Lease shall be binding on the heirs, successors, assigns, and legal representatives of the Lessor and Lessee.

REFER TO ADDENDUM ATTACHED HERETO.

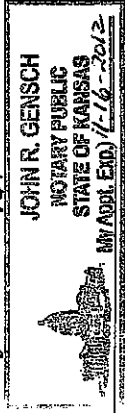
IN WITNESS WHEREOF this instrument is executed on the day and year first hereinabove set out.

Karl E. Jennison
Karl E. Jennison

STATE OF KANSAS)
) SS (INDIVIDUAL ACKNOWLEDGMENT)
COUNTY OF LANE)

Before me the undersigned, a Notary Public, within and for said county and state, on this 19th day of May, 2011, personally appeared Karl E. Jennison, a single man and to me personally to be the identical person who executed the within and foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed 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 November 16, 2012

STATE OF _____)
COUNTY OF _____) SS

John R. Gensch
Notary Public

(CORPORATION ACKNOWLEDGMENT)

On this _____ day _____ before me, the undersigned, a Notary Public in and for the county and state aforesaid, personally appeared _____ to me personally known to be the identical person who signed the name of the maker thereof to the within and foregoing instrument as its _____ and acknowledged to me that _____ executed the same as _____ free and voluntary act and deed, and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

Given under my hand and seal the day and year last above written.

My commission expires _____

Notary Public

ADDENDUM TO OIL AND GAS LEASE

18. Notwithstanding that Lessee will require ingress and egress for operations without delay, Lessee shall consult with the Lessor as to the location, direction and designation of any roadway or access route on the leased premises, provided that such designated and/or access route shall be sufficient in width for normal operations. Furthermore prior to the construction of any roads, mud-pit locations, pipelines, tank battery installations, or installations of other equipment on the leased premises, Lessee shall consult with the surface owner and/or tenant as to the location of same. Notwithstanding, all storage tanks and tank battery installations shall be installed in any of the four (4) corners of the leased premises to avoid interference with any present and/or future irrigation circular sprinkler system.
19. In the event that the Lessee desires to drill a test well(s) on the leased premises, Lessee, prior to the commencement of such drilling operations on the leased premises, shall consult with Lessor (surface owner and/or tenant) and mutually agree to the minimum estimated damages (including but not limited to crop damage) normally associated with and occasioned by such drilling operations. Lessee shall pay Lessor (surface owner and/or tenant) the then agreed upon estimated damages prior to the commencement of its drilling operations. Further, upon the completion of Lessee's drilling and/or well completion operations and the restoration of said determination of any additional measurable, damage (if any) that may exceed the original minimum, estimated damages payment previously paid to Lessor (surface owner and/or tenant) for such operations. In the event that the Lessee conducts drilling operations, whereby well site location(s) are located on flood and/or pivot irrigated lands, Lessee agrees to conduct its drilling operations on the leased premises only from the period between November 15 through April 15, unless otherwise agreed to by Lessor in writing.
20. Lessee shall agree to conduct its operations on the leased premises in such a way as to minimize interference with existing flood irrigation activities that are now being conducted or hereinafter are conducted on the surface. In the event a test well(s) is drilled on the leased premises, Lessee shall timely restore such surface contours as reasonably and practically as possible, in accordance with the surface contours which existed prior to Lessee's operations. In the event a well(s) is drilled on the leased premises and completed for production of oil and gas, Lessee (upon written request by Lessor), agrees to replace any standard sized, existing pumping equipment and install low-profile pumping equipment (and any other equipment required for production of oil and gas), should the Lessor install a pivot irrigation system on the leased premises.

Signed for Identification:


Karl E. Jennison

AFFIDAVIT OF OIL AND GAS LEASE EXTENSION

STATE OF KANSAS)
)
COUNTY OF LANE)

Michael D. Davis, Chief Operating Officer of Credo Petroleum Corporation, being first duly sworn deposes and says:

My name is Michael D. Davis, that I am of lawful age and reside in Denver County, Colorado. Whereas, the following described oil and gas lease:


Date: May 18, 2011
Lessor: Karl E. Jennison, a single person
Lessee: Credo Petroleum Corporation
Recording Data: Book 134 at Page 149
Legal Description: Township 17 South, Range 29 West, Section 5: Lot 1 (41.38), Lot 2 (41.24), S/2NE/4, Lane County, Kansas, containing 162.62 acres more or less. LEAD #34

contains an option to extend the primary term of the referenced lease for an additional one (1) year period by tendering to the Lessor the sum of \$15.00 per net mineral acre covered by the oil and gas lease.

Affiant knows of his knowledge that the above sum and consideration has been paid to the Lessor(s) and that the primary term of the lease has been extended as aforesaid.

Further affiant saith not.

Executed this 16th day of April, 2012


Michael D. Davis, COO

STATE OF COLORADO)
)
COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this 16th day of April, 2012, by Michael D. Davis.

MARIE D. HEUSER
NOTARY PUBLIC
STATE OF COLORADO

My appointment expires: 05-27-14

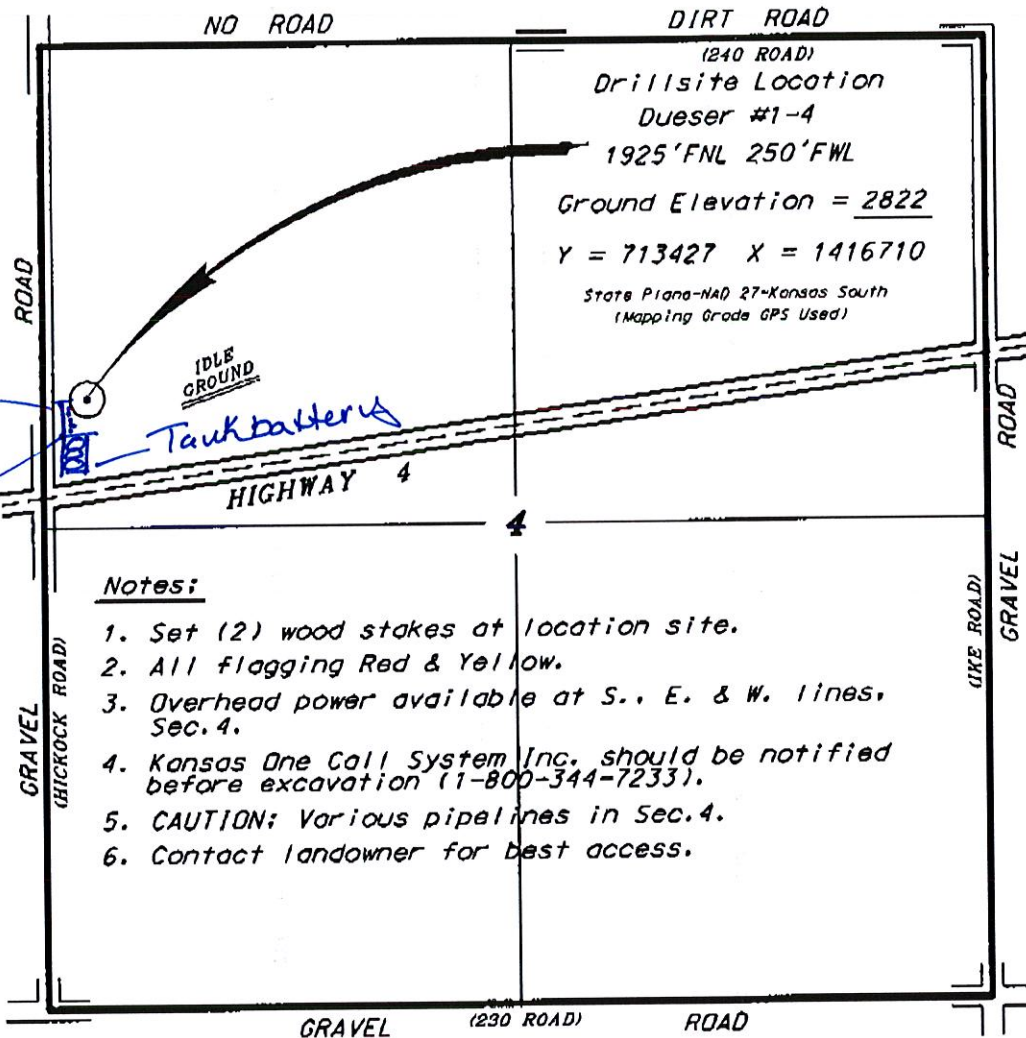

Notary Public

NUMERICAL
DIRECT
INDIRECT
COMPR. ORIG.
COMPUTER

STATE OF KANSAS, LANE COUNTY, SS
This instrument was filed for record on the
11 day of May
A.D. 2012 at 11:05 clock A.M. and
duly recorded in Book 139 on page 37
Fee \$06

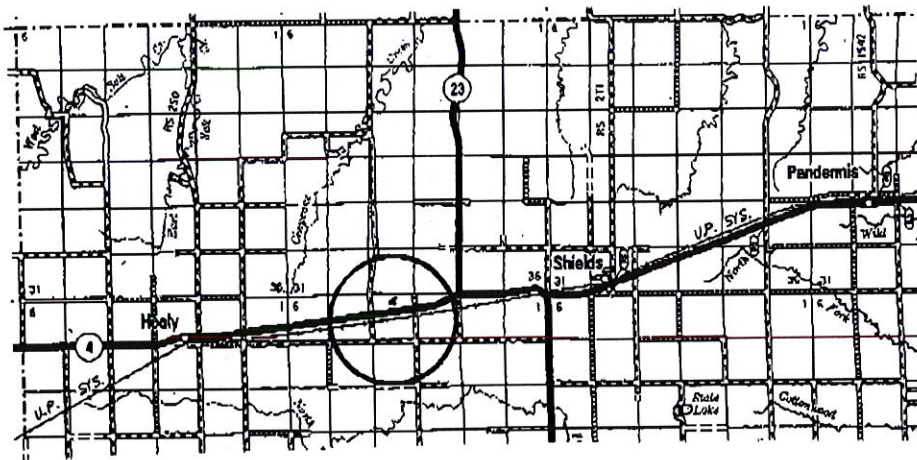

Register of Deeds

CREDO PETROLEUM CORPORATION
DUESER LEASE
NW. 1/4, SECTION 4, T17S, R29W
LANE COUNTY, KANSAS



Notes:

1. Set (2) wood stakes at location site.
2. All flagging Red & Yellow.
3. Overhead power available at S., E. & W. lines, Sec. 4.
4. Kansas One Call System Inc. should be notified before excavation (1-800-344-7233).
5. CAUTION: Various pipelines in Sec. 4.
6. Contact landowner for best access.



• 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 standards of care of oilfield surveyors practicing in the state of Kansas. The location of the precise section lines, including the location of the wellhead location, in the section is not guaranteed. Therefore, the operator securing this service and accepting this plan 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 Geographic Vertical Datum.

Date September 20, 2012

NUMERICAL
DIRECT
INDIR.
COMP. ORIG.
COMPUTER

This instrument was filed for record on the
5 day of November
A.D. 2009 at 11 o'clock A.M and
duly recorded in Book 127 on page 161
Fee 12.00

**OIL AND GAS LEASE
KANSAS (PAID UP)**

Queen De Saickowski
Register of Deeds

THIS AGREEMENT, made and entered into this 15th day of September, 2009, by
and between Dorothy R. Dueser, a married woman dealing in her sole and separate property
1501 Sycamore
Breckenridge, TX 76424
hereinafter called Lessor, (whether one or more) and CREDO PETROLEUM CORPORATION
1801 Broadway, Suite 900, Denver, Colorado 80202
hereinafter called Lessee:

WITNESSETH:

1. That the Lessor, for and in consideration of the sum of ten and more Dollars (\$ 10.00+), and other good and valuable consideration, receipt of which is hereby acknowledged, and the covenants and provisions contained herein to be kept by Lessee, does hereby grant, demise, lease and let unto the said Lessee, the land hereinafter described, with the exclusive right for the purpose of mining, exploring by geophysical and other methods, operating for, producing, and taking care of all oil, gas and all of the products of oil and gas, with rights of way and easements for laying pipelines, telephone and telegraph lines and the exclusive right of injecting water, brine and other fluids into subsurface strata, and the building of structures, tanks, roadways and any and all other rights and privileges necessary, incident to, or convenient for the economical operation alone, or conjointly with neighboring land, for the production, saving and taking care of all said products on that certain tract of land situated in the County of Lane State of Kansas, described as follows, to-wit:

TOWNSHIP 17 SOUTH, RANGE 29 WEST OF THE 6TH P.M.
Section 4: Lot 3 (41.46), Lot 4 (41.45), S1/2NW1/4 (a/k/a NW1/4)

containing 162.91 acres, more or less.

2. It is agreed that this lease shall remain in full force and effect for a primary term of Three (3) years from this date, and as long thereafter as oil, gas or the products of oil or gas are produced from said leased premises, or drilling operations are continued as hereinafter provided.

3. This is a PAID-UP LEASE. In consideration of the down payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term, or to make any rental payments during the primary term. Lessee may at any time or times during or after the primary term hereof surrender this lease as to all or a portion of the lands covered herein by delivering to Lessor, or by filing for record a release or releases, and thereafter be relieved of all obligations accruing hereunder as to the acreage surrendered. The lease shall continue in force and effect as to all of the acreage not surrendered.

4. All payments required to be made under this lease shall be made or tendered to the Lessor or to the Lessor's credit in the Pay Directly to Lessor Bank (depository bank) at _____ or successors, or any bank with which it may be merged, or consolidated, or which succeeds to its business or assets or any part thereof, by purchase or otherwise, which shall continue as the depository regardless of changes in the ownership of said land.

5. Lessee agrees to pay Lessor a royalty on production covered hereby as follows:

1st. Lessee shall deliver to the credit of Lessor as royalty, free of cost, in the pipeline to which Lessee may connect its wells, the equal one-eighth part of all oil produced and saved from the leased premises, or at Lessee's option, may pay to the Lessor for such one-eighth royalty the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipeline, or into storage tanks.

2nd. Lessee shall pay Lessor as royalty on gas marketed from each well one-eighth of the proceeds if sold at the well, or if marketed by Lessee, off the leased premises, then one-eighth of its market value at the well.

3rd. Lessee shall pay Lessor one-eighth of the proceeds received by the Lessee from the sale of casinghead gas produced from any oil well and one-eighth of the value, at the mouth of the well, computed at the prevailing market price, of the casinghead gas produced from any oil well and used by Lessee off the leased premises for any purpose or used on the leased premises by Lessee for purposes other than the development and operation thereof.

4th. Lessee shall pay to Lessor one-eighth of the proceeds from the sale of all other products of oil and gas not otherwise referred to hereinabove.

6. Where there is a gas well, or wells on the lands covered by this Lease, or acreage pooled therewith, whether it be before or after the primary term hereof, and such well or wells are shut-in, and there is no other production, drilling operations or other operations being conducted capable of keeping this Lease in force under any of its provisions, Lessee shall pay as royalty to Lessor the sum of One Dollar (\$1.00) per year per net royalty acre, such payment to be made on or before the anniversary date of this Lease next ensuing after the expiration of 90 days from the date such well or wells are shut-in, and thereafter on the anniversary date of this Lease during the period such wells are shut-in, and upon such payment it shall be considered that this Lease is maintained in full force and effect.

7. If the Lessor owns a lesser interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the said Lessor only in the proportion which Lessor's interests bear to the whole and undivided fee.

8. Notwithstanding anything in this lease contained to the contrary, it is expressly agreed that if Lessee shall commence operations for drilling a well at any time while this lease is in force, this lease shall remain in force and its term shall continue so long as such operations are prosecuted as set out in Paragraph 9 hereof, and if production results therefrom, then so long as production continues.

9. If at the expiration of the primary term of this lease, oil, gas, or the products of oil and gas are not being produced on the leased premises but Lessee has been engaged in drilling or reworking operations thereon, then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises, and operations shall be considered to be continuously prosecuted if not more than ninety (90) days shall elapse between the completion or the abandonment of one well and the beginning of operations for the drilling of a subsequent well. If, after the discovery of oil or gas or the products of oil or gas on said land or acreage pooled therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or reworking operations within ninety (90) days from the date of cessation of production or from date of completion of a dry hole. If oil, gas or the products of oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil, gas, or the products of oil or gas shall be produced from the leased premises.

10. 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 the Lessor. When requested by Lessor, Lessee shall bury pipelines below plow depth. No well shall be drilled nearer than 200 feet to any house or barn on said premises as of the date of this lease without written consent of the 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, but shall not have the obligation to do so.

LEAD # 36
PROSPECT # 6

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

12. Lessee, at its option, is hereby given the right and power to voluntarily pool or combine the lands covered by this lease, or any portion thereof, as to the oil and gas, or either of them, with any other land, lease or leases adjacent thereto when in Lessee's judgment it is necessary or advisable to do so in order to property develop and operate said premises; such pooling to be into units not exceeding eighty (80) acres for an oil well, plus a tolerance of ten percent (10%), and not exceeding six hundred forty (640) acres for a gas well, plus a tolerance of ten percent (10%), except that larger units may be created to conform to any spacing or well unit pattern that may be prescribed by governmental authorities having jurisdiction. Lessee shall execute in writing and record in the County Records as instrument identifying and describing the pooled acreage. The entire acreage so pooled into units shall be treated for all purposes, except the payment of royalties, as if it were included in this lease, and drilling or reworking operations thereon or production of oil or gas therefrom, or the completion thereon of a well as a shut-in gas well, shall be considered for all purposes, except the payment of royalties, as if such operation were on, or such production were from, or such completion was on the land covered by this lease, whether or not the well or wells be located on the premises covered by this lease. In lieu of royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive from a unit so formed only such portion of the royalties stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein bears to the total acreage so pooled.

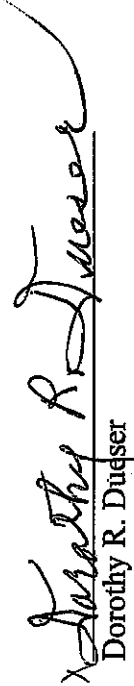
13. On or before the expiration of the primary term of this lease, the Lessee, its successors or assigns, shall have the option and right to renew this lease as to all or any portion of the acreage described herein and extend the primary term thereto an additional Two (2) years commencing on the expiration of the primary term of this lease, by making payment to Lessor's credit in the depository bank hereinabove shown on or before such expiration date in the sum of Fifteen and No Hundredths DOLLARS (\$15.00) per net mineral acre for each acre to which the term of this lease is extended, and to release this lease as to those portions of the leased premises to which an extension is not sought.

14. In the absence of production, Lessee may terminate any unitized area by filing in the county records a Notice of Termination of the unit. All express or implied covenants of this lease shall be subject to all federal and state laws, executed orders, rules or regulations of governmental bodies having jurisdiction, and this lease shall not terminate in whole or in part, nor shall Lessee be 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.

15. 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 land in the event of failure of payment by the Lessor, and be subrogated to the rights of the holder thereof, and in addition Lessee may reimburse itself for such payments out of any royalties or rentals payable to Lessor.

16. All the provisions of this Lease shall be binding on the heirs, successors, assigns, and legal representatives of the Lessor and Lessee.

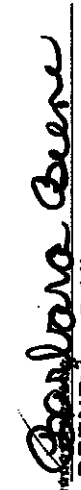
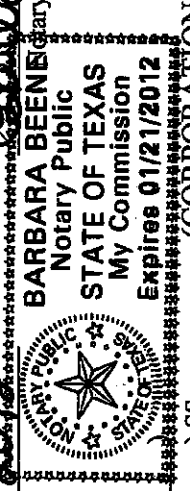
IN WITNESS WHEREOF this instrument is executed on the day and year first hereinabove set out.


Dorothy R. Dueser

STATE OF TEXAS) SS (INDIVIDUAL ACKNOWLEDGMENT)
COUNTY OF STEPHENS)

Before me the undersigned, a Notary Public, within and for said county and state, on this 27th day of September, 2009, personally appeared Dorothy R. Dueser, a married woman dealing in her sole and separate property and to me personally to be the identical person who executed the within and foregoing instrument and acknowledged to me that she executed the same as her free and voluntary act and deed 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 1-21-2012 

STATE OF _____) SS (CORPORATION ACKNOWLEDGMENT)
COUNTY OF _____)

On this _____ day _____ before me, the undersigned, a Notary Public in and for the county and state aforesaid, personally appeared _____ to me personally known to be the identical person who signed the name of the maker thereof to the within and foregoing instrument as its and deed, and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

Given under my hand and seal the day and year last above written.

My commission expires _____

Notary Public