

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

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

1097738

Form C-1

March 2010

Form must be Typed

Form must be Signed

All blanks must be Filled

NOTICE OF INTENT TO DRILL

	re (5) days prior to commencing well s Surface Owner Notification Act, MUST be submitted with this form.
Expected Stud Date:	Spot Description:
Expected Spud Date:	·
OPERATOR: License#	feet from N / S Line of Section
Name:	feet from E / W Line of Section
Address 1:	Is SECTION: Regular Irregular?
Address 2:	(Note: Locate well on the Section Plat on reverse side)
City: State: Zip: +	County:
Contact Person:	Lease Name: Well #:
Phone:	Field Name:
CONTRACTOR: License#	Is this a Prorated / Spaced Field?
Name:	Target Formation(s):
Mall Deillad Fare Mall Class. Time Facilinascut.	Nearest Lease or unit boundary line (in footage):
Well Drilled For: Well Class: Type Equipment:	Ground Surface Elevation:feet MSL
Oil Enh Rec Infield Mud Rotary	Water well within one-quarter mile:
Gas Storage Pool Ext. Air Rotary	Public water supply well within one mile: Yes No
Disposal Wildcat Cable	
Seismic ; # of Holes Other	Depth to bottom of fresh water:
Other:	Depth to bottom of usable water:
If OWWO: old well information as follows:	Surface Pipe by Alternate: III
II OVVVO. Old Well IIIIOTTIation as follows.	Length of Surface Pipe Planned to be set:
Operator:	Length of Conductor Pipe (if any):
Well Name:	Projected Total Depth:
Original Completion Date: Original Total Depth:	Formation at Total Depth:
	Water Source for Drilling Operations:
Directional, Deviated or Horizontal wellbore? Yes No	Well Farm Pond Other:
If Yes, true vertical depth:	DWR Permit #:
Bottom Hole Location:	(Note : Apply for Permit with DWR)
KCC DKT #:	Will Cores be taken?
	If Yes, proposed zone:
	FIDAVIT
The undersigned hereby affirms that the drilling, completion and eventual pl	lugging 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 <i>prior</i> to spudding of well;	
2. A copy of the approved notice of intent to drill shall be posted on each	ch drilling rig;
3. The minimum amount of surface pipe as specified below shall be se	
through all unconsolidated materials plus a minimum of 20 feet into the	
, , ,	strict office on plug length and placement is necessary prior to plugging;
5. The appropriate district office will be notified before well is either plug	
	ed from below any usable water to surface within 120 DAYS of spud date. 133,891-C, which applies to the KCC District 3 area, alternate II cementing
•	re plugged. <i>In all cases, NOTIFY district office</i> prior to any cementing.
must be completed within so days of the spud date of the well shall b	o plugged. In an eases, North T district office prior to any contenting.
Submitted Electronically	
Submitted Electronically	
For MCC Line ONLY	Remember to:
For KCC Use ONLY	- File Certification of Compliance with the Kansas Surface Owner Notification
API # 15	Act (KSONA-1) with Intent to Drill;
Conductor pipe requiredfeet	- File Drill Pit Application (form CDP-1) with Intent to Drill;
Minimum surface pipe requiredfeet per ALTIII	- File Completion Form ACO-1 within 120 days of spud date;
	- File acreage attribution plat according to field proration orders;
Approved by:	Notify appropriate district office 48 hours prior to workover or re-entry; Submit all prior separat (CR 4) after all prior to workover or re-entry;
This authorization expires:	- Submit plugging report (CP-4) after plugging is completed (within 60 days);
(This authorization void if drilling not started within 12 months of approval date.)	- Obtain written approval before disposing or injecting salt water.
	- If well will not be drilled or permit has expired (See: authorized expiration date)

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

_ Agent: _

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:		



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:							_ Lo	cation of W	/ell: County:
Lease:									feet from N / S Line of Section
Well Numb	ber:								feet from E / W Line of Section
Field:	Field:							C	Twp S. R
Number of	f Acres attr	ibutable to	well:				– Is	Section:	Regular or Irregular
QTR/QTR	/QTR/QTR	of acreag	e:				_		
								Section is ection corne	Irregular, locate well from nearest corner boundary. er used: NE NW SE SW
	lease roa				d electrica	al lines, as	required b		dary line. Show the predicted locations of as Surface Owner Notice Act (House Bill 2032). ired.
425 ft.	——————————————————————————————————————	:	:	:		:	:	:	
120 11.		:		:		:			LEGEND
				•				•	O Mall Looption
		:		:				:	O Well Location Tank Battery Location
		:	:	:		:	:	:	——— Pipeline Location
	*********				•••••				Electric Line Location
			:	•			:		Lease Road Location
		•	:	:		:	:	:	Lease Road Location
	•••••	:		:	*******	:		:	
			•						
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		:	•	:		:	:	:	SEWARD CO. 3390' FEL
		:	:	:		:	:	:	

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 OIL & GAS CONSERVATION DIVISION

097738

Form CDP-1
May 2010
Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name:			License Number:
Operator Address:			
Contact Person:			Phone Number:
Lease Name & Well No.:			Pit Location (QQQQ):
Type of Pit: Emergency Pit Burn Pit Settling Pit Drilling Pit Workover Pit Haul-Off Pit (If WP Supply API No. or Year Drilled)	Pit is: Proposed If Existing, date continued in the pit capacity:	Existing nstructed: (bbls)	SecTwp R East WestFeet from North / South Line of SectionFeet from East / West Line of Section County
Is the pit located in a Sensitive Ground Water A	rea? Yes	No	Chloride concentration: mg/l (For Emergency Pits and Settling Pits only)
Is the bottom below ground level?	Artificial Liner?	No	How is the pit lined if a plastic liner is not used?
Pit dimensions (all but working pits):	Length (fee	et)	Width (feet) N/A: Steel Pits
If the pit is lined give a brief description of the li material, thickness and installation procedure.	om ground level to dee	Describe proce	dures for periodic maintenance and determining any special monitoring.
Distance to nearest water well within one-mile of	of pit:	Depth to shallo Source of infor	west fresh water feet. mation:
feet Depth of water well	feet	measured	well owner electric log 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 s flow into the pit? Yes No Submitted Electronically		Type of materia Number of work Abandonment p Drill pits must b	over and Haul-Off Pits ONLY: all utilized in drilling/workover: king pits to be utilized: procedure: de closed within 365 days of spud date.
	KCC	OFFICE USE O	NLY
Date Received: Permit Num	ber:		Liner Steel Pit RFAC RFAS t Date: Lease Inspection: Yes No



Kansas Corporation Commission Oil & Gas Conservation Division

1097738

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

CERTIFICATION OF COMPLIANCE WITH THE KANSAS SURFACE OWNER NOTIFICATION ACT

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

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

Select the corresponding form being filed: C-1 (Intent) CB-1 (CB-1)	Cathodic Protection Borehole Intent)
OPERATOR: License #	Well Location:
Name:	SecTwpS. R
Address 1:	County:
Address 2:	Lease Name: Well #:
City: State: Zip:+	If filing a Form T-1 for multiple wells on a lease, enter the legal description of
Contact Person:	the lease below:
Phone: () Fax: ()	
Email Address:	
Surface Owner Information:	
Name:	When filing a Form T-1 involving multiple surface owners, attach an additional
Address 1:	sheet listing all of the information to the left for each surface owner. Surface owner information can be found in the records of the register of deeds for the
Address 2:	county, and in the real estate property tax records of the county treasurer.
City: State: Zip:+	
the KCC with a plat showing the predicted locations of lease roads, tank are preliminary non-binding estimates. The locations may be entered or	dic Protection Borehole Intent), you must supply the surface owners and k batteries, pipelines, and electrical lines. The locations shown on the plat n the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted.
owner(s) of the land upon which the subject well is or will be lo CP-1 that I am filing in connection with this form; 2) if the form I form; and 3) my operator name, address, phone number, fax, a I have not provided this information to the surface owner(s). I a KCC will be required to send this information to the surface owner.	Act (House Bill 2032), I have provided the following to the surface ocated: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form being filed is a Form C-1 or Form CB-1, the plat(s) required by this and email address. Acknowledge that, because I have not provided this information, the wher(s). To mitigate the additional cost of the KCC performing this I fee, payable to the KCC, which is enclosed with this form.
If choosing the second option, submit payment of the \$30.00 handling form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-	fee with this form. If the fee is not received with this form, the KSONA-1 will be returned.
Submitted Electronically	

OPERATOR: Samuel Gary Jr & Associates, Inc 1515 Wynkoop Street, Suite 700

Denver, Colorado 80202 office: 303-831-4673; fax: 303-863-7285

WELL NAME: LEIKER-GROSS ET AL 1-32

LOCATION: 115 FNL / 425 FWL Sec. 32-14S-17W ELLIS COUNTY

SURFACE OWNERS: John E. & Deanna Leiker

PO Box 841 Hays, KS 67601

R17 W 14 **ESTIMATED LOCATION OF FLOW LINES ESTIMATED LOCATION OF ELECTRICAL LINES** ESTIMATED LOCATION OF TANK BATTERY **ESTIMATED LEASE ROAD**

63U (Rev. 1993)

OIL AND GAS LEASE

AGREEMENT, Made and entered into the	_ 2 st			2010
by and between	SEE E	EXHIBIT "A" A	ATTACHED HERETO	AND MADE A PART HEREOF
	FOR I			ES.
whose mailing address is				
whose mailing address isand	His 1515 Broads	gn Plains Energ	y Partners, LLC	
		la Cannidanati	Denver, CO 80202	,hereinafter called Lessee:
exploring by geophysical and other means, prospecting, gas, water, other fluids, and air into subsurface strata, l care of treat, manufacture, process, store and transport and otherwise caring for its employees, the following of	g drilling, mining and aying pipe lines, storit t said oil, liquid hydr lescribed land, togethe	I the tessee herein con I operating for and pro- ing oil, building tanks, occarbons, gases and the or with any reversional	named, hereby grants, leases an oducing oil, liquid hydrocarbons power stations, telephone lines, heir respective constituent prod- ry rights and after-acquired inter-	s (\$\(\) 10.00 \(\)) in hand paid, receipt of which is hereby d lets exclusively unto lessee for the purpose of investigating, all gases, and their respective constituent products, injecting, and other structures and things thereon to produce, save, take ucts and other products manufactured therefrom, and housing test,
therein situated in County of Ellis				described as follows to-wit:
SEE EXHIBIT "A" ATTAC	HED HERET(O AND MADE	A PART HEREOF FO	OR PROPERTY DESCRIPTION.
				ontaining 320.00 acres, more or less, and
In consideration of the premises the said lesses	e covenants and agree	s:		this date (called "primary term") and as long thereafter as oil soled therewith or this lease is otherwise maintained in effec
				equal one-eighth (1/8) part of all oil produced and saved from
2nd. To pay Lessor for gas, (including casingly one-eighth (1/8), at the market price at the well, (but, a to be less a proportionate part of the production, severe the gas, processing, compressing, or otherwise making made monthly. This lease may be maintained during the prime	nead gas) of whatsoevers to gas sold by Lesse unce, or other excise to gany such gas merch	er nature or kind prod ce, in no event more the axes and the cost incu- cantable) for the gas s	uced and sold, or used off the print one-eighth (1/8) of the net priced by Lessee in delivering, treated used off the premises, or in	emises, or used in the manufacture of any products therefrom roceeds received by Lessee from such sales, such net proceed ating for the removal of nitrogen, helium or other impurities in the manufacture of products therefrom, said payments to be
produced on the leased premises or on acreage pooled as operations are being continuously prosecuted on the than one hundred and twenty (120) days shall elapse discovery of oil or gas on the leased premises or on a Lessee commences additional drilling or reworking op If oil or gas shall be discovered and produced as a resacreage pooled or unitized therewith.	or unitized therewith leased premises or of between the comple creage pooled or unit erations within one his sult of such operation	but Lessee is then en n acreage pooled or ur tion or abandonment ized therewith, the pr undred and twenty (12 s, this lease shall cont	agaged in drilling, reworking open gaged in drilling, reworking open tized therewith; and operations of one well and the beginning oduction should cease from any 20) days from the date of cessati tinue in full force and effect so	prization of the primary term of this lease, oil or gas is not being reations thereon, then this lease shall continue in force so long shall be considered to be continuously prosecuted if not mor of operations for the drilling of a subsequent well. If after cause after the primary term, this lease shall not terminate it on of production or from the date of completion of a dry hole long as oil or gas is produced from the leased premises or or
If after the primary term one or more wells on well or wells are either shut in or production therefrom for a period of ninety (90) consecutive days such well per acre then covered by this lease, such payment to be thereafter on or before each anniversary date of this less or otherwise being maintained by operations, or if produce until the end of the next following anniversary dat shall render Lessee liable for the amount due, but shall	the lease premises on is not being sold by or wells are shut in or se made to Lessor on see while the well or valuction is being sold the e of this lease that ce-	r lands pooled or unitit Lessee, such well or we production therefrom or before the annivers wells are shut in or pro- by Lessee from anothe ssation of such operating the this lease.	zed therewith are capable of provells shall nevertheless be deement is not sold by Lessee, the Lesse sary date of this lease next ensury douction therefrom is not being some well on the leased premises or well on the leased premises or one or production occurs, as the	ducing oil or gas or other substances covered hereby, but such to be producing for the purpose of maintaining the lease. It is shall pay an aggregate shut-in royalty of One Dollar (\$1.00 ing after the expiration of the said ninety (90) day period and old by Lessee; provided that if this lease is in its primary term lands pooled or unitized therewith, no shut-in royalty shall be case may be. Lessee's failure to properly pay shut-in royalty.
If said lessor owns a less interest in the above for shall be paid the said lessor only in the proportion of	described land than t	he entire and undivide	d fee simple estate therein, then	the royalties (including any shut-in royalties) herein provided
Lessee shall have the right to use, free of cost,	gas, oil and water pro	oduced on said land fo	d undivided fee. or lessee's operation thereon, exc	ept water from the wells of lesson
When requested by lessor, lessee shall bury le	ssee's pipe lines below	w plow depth.		
No well shall be drilled nearer than 200 feet to Lessee shall pay for damages caused by lessee	the house or barn no	w on said premises wi	ithout written consent of lessor.	Trues
Lessee shall have the right at any time to remo	ve all machinery and	fixtures placed on said	d premises, including the right to	o draw and remove casing.
If the estate of either party hereto is assigne administrators, successors or assigns, but no change in a written transfer or assignment or a true copy thereo portions arising subsequent to the date of assignment.	d, and the privilege of the ownership of the f. In case lessee assig	of assigning in whole land or assignment of ms this lease, in whol	or in part is expressly allowed rentals or royalties shall be bind e or in part, lessee shall be relia	I, the covenants hereof shall extend to their heirs, executors ling on the lessee until after the lessee has been furnished with eved of all obligations with respect to the assigned portion of
Lessee may at any time execute and deliver to lease as to such portion or portions and be relieved of a	lessor or place of rec all obligations as to th	ord a release or releas e acreage surrendered	es covering any portion or portion.	ons of the above described premises and thereby surrender this
All express or implied covenants of this lease in part, nor lessee held liable in damages, for failure to restrictions on the drilling and production of wells, are operations or obligations under this lease are prevente electricity, fuel, access or easements, or by an act of other act of nature, explosion, governmental action, go take or transport such production, or by any other causterminate because of such prevention or delay, and, a provision or implied covenants of this lease when drill	shall be subject to all be comply therewith, it of regulation of the ped or delayed by such God, strike, lockout, vernmental delay, rese, whether of the kint Lessee's option, the ling, production, or off	Federal and State Lar f compliance is prever rice or transportation laws, rules, regulation or other industrial distraint or inaction, or band specifically enumer period of such prever per operations are so p	ws, Executive Orders, Rules or I atted by, or if such failure is the of oil, gas or other substance occurs or orders, or by inability to curbance, act of the public enemy inability to obtain a satisfactor atted above or otherwise, which attended to revented or delayed.	Regulations, and this lease shall not be terminated, in whole o result of, any such Law, Order, Rule or Regulation, including wered hereby. When drilling, reworking, production or othe blain necessary permits, equipment, services, material, water lay, war, blockade, public riot, lightening, fire, storm, flood o ty market for production, or failure of purchasers or carriers to it is not reasonably within control of Lessee, this lease shall not the term hereof. Lessee shall not be liable for breach of any
mortgages, taxes or other liens on the above described themselves and their heirs, successors and assigns, homestead may in any way affect the purposes for whi	lands, in the event of ereby surrender and ch this lease is made	f default of payment b release all right of de as recited berein	y lessor, and be subrogated to the ower and homestead in the pre	the right at any time to redeem for lessor, by payment and it is rights of the holder thereof, and the undersigned lessors, for mises described herein, in so far as said right of dower and
Lessee, at its option, is hereby given the righ immediate vicinity thereof, when in lessee's judgment gas or other minerals in and under and that may be pro 40 acres each in the event of an oil well, or into a unit he county in which the land herein leased is situated be treated, for all purposes except the payment of roy shall be treated as if production is had from this lease, shall receive on production from a unit so pooled only basis bears to the total acreage so pooled or unitized in	it is necessary or adv duced from said prem or units not exceedin an instrument identify alties on production if whether the well or w y such portion of the it the particular unit in	unitize or combine this able to do so in order isses, such pooling or 1g 640 acres each in thou and describing throm the pooled unit, 1 vells be located on the royalty stipulated here volved.	ne acreage covered by this lease at to properly develop and opera unitization to be of tracts contigned e event of a gas well. Lessee she pooled or unitized acreage. The as if it were included in this lease premises covered by this lease of an as the amount of his acreage	or any portion thereof with other land, lease or leases in the te said lease premises so as to promote the conservation of oil to the conservation of oil to the context of
signing, notwithstanding some of the Lessors above a execute this lease as Lessor, although not named above	umbers of counterpart named who may not	ts and shall be effective have joined in the exception	ve as to each Lessor on execution ecution hereof. The word "Les	n hereof as to his or her interest and shall be binding on those sor" as used in this lease shall mean the party or parties who
known or not, including the drilling of holes, use of to of securing geological and geophysical information. sell such information without Lessor's consent. Les associated with seismograph operations (ie: tire tracks tenant (if Lessor has a tenant) will be compensated acc	re the land herein descrision balance, seismo All information obtains sor and Lessee herei in the wheat, pasture cordingly, or Lessee n	cribed by geological, g graph explosions, mag ned by Lessee as a re- n agree that a portion or field, road use, con any elect to repair the	geophysical or other methods, whencometer, or other geophysical sult of such activity shall be the of the consideration paid here mpaction etc.) If any extraordin damages in lieu of compensation	nether similar to those herein specified or not and whether nov or geological instruments, tests or procedures, for the purpos exclusive property of Lessee, and Lessee may disseminate of ein is for advance payment of usual and customary damage ary damages should occur, at Lessor's discretion, Lessor or it
IN WITNESS WHEREOF, the undersigned execute the	is instrument as of the	e day and year first oh	I HEKEUF FOR ADD	DITIONAL TERMS AND PROVISIONS.
John E. Leiher		Jew Mist au		anna Leiker
lad & Hadford			DEANNA LE	unna Kliker KER WHOOTOGO
Elizere & Leihan			JOANN HAD	DOCK
EUGENE LEIKER			BOOK	756 PAGE 344

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Samuel Gary, Jr. & Associates, Inc. 1515 Wynkoop, Suite 700, Denver, CO 80202	When recorded, return to	Holler Ca Herspe Register of Deeds.	rds of this office.	in Book 756 Page 344 of	day of (CTobe) Zolo	منه ع المناقع الم	STATE OF James	1 SU	No. of Acres TermCSTER OF	Section Twp Rge	Date			TO	FROM	OIL AND GAS LEASE	
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EXHIBIT "A"

Attached to and made a part of that Certain Oil and Gas Lease dated September 2, 2010, by and between, EUGENE E. LEIKER, ET AL, as Lessor, and HIGH PLAINS ENERGY PARTNERS, LLC, as Lessee.

LESSORS NAMES AND ADDRESSES:

EUGENE E. LEIKER, a single person, whose address is 214 E. 19th, Hays, Kansas 67601;

JOHN E. LEIKER, husband of Deanna Leiker, whose address is P.O. Box 841, Hays, Kansas 67601;

JOANN HADDOCK, wife of Jack L. Haddock, whose address is 778 Toulon Avenue, Hays, Kansas 67601.

PROPERTY DESCRIPTION:

TOWNSHIP 14 SOUTH - RANGE 17 WEST

SECTION 32:

That certain tract or parcel of land estimated to contain <u>320.00</u> acres, more or less, and being described as the North Half (N/2) of Section 32, Township 14 South, Range 17 West, Ellis County, Kansas.

ADDITIONAL TERMS AND PROVISIONS:

- 1. The provisions of this **"EXHIBIT "A"** shall control and supersede the terms of the attached oil and gas lease when such terms conflict.
- 2. Lessee shall bury and maintain all pipelines below ordinary plow depth (36").
- 3. Lessee shall pay all damages to crops, including grass, and restore as nearly as practical, said premises to the same conditions and contour as previously existed, upon termination of this lease.
- 4. Lessee is hereby granted the option to extend the primary term of this lease for an additional two (2) years from the expiration of the original primary term. This option may be exercised by Lessee, in total, on or before the expiration date of lease by paying and delivering to Lessor at the above address, the sum of \$15.00 per acre covered by the lease. In the event Lessee exercises this option, Lessee must renew all acreage covered by this lease. Should this option be exercised as herein provided, it shall be considered for all purposes as though this lease originally provided for a term of five (5) years.

OIL AND GAS LEASE

Lessor, in consideration		826 Toulon A	venue Have		GROSS, husband		200
Lessor, in consideration		826 Toulon A	venue, Havs	Vancos 67601			
Lessor, in consideration		826 Toulon A	venue, Havs	Vancos 67601			
Lessor, in consideration		Samuel Garv.	Jr. & Assoc	iates Inc		hereinafter cal	led Lessor (whether one or mo
Lessor, in consideration		1560 Broadw	ay, Suite 210	00, Denver, CO	80202		led Lessor (whether one or mo
knowledged and of the royalt	n of Ten a	nd Other Valua	ble Consider	rations	_ Dollars (<u>\$ 10.00</u>) in hand paid	l, receipt of which is her
cophysical and other means, por into subsurface strata, laving	rospecting drilling, mining a g pipe lines, storing oil, build	and operating for and ding tanks, power state	producing oil, liqu	id hydrocarbons, all ga	uses, and their respective	unto Lessee for the purp constituent products, inje	I, receipt of which is her cose of investigating, exploring ecting gas, water, other fluids, f treat, manufacture, process, s g for its employees, the follow
erein situated in County of	, , , , , , , , , , , , , , , , , , , ,	woquirou nitorose,		State of		ıs	
SEE EX	HIBIT "A" ATTA	CHED HERET	O AND MA	DE A PART H	EREOF FOR PRO	PERTY DESCR	described as follows to-v
Section 29 retions thereto.	Township	14 South	Range	17 West	and containing	200.00	acres, more or less, and
Subject to the provision hydrocarbons, gas or provisions hereof.	ns herein contained, this leas other respective constituent	se shall remain in force products, or any of	e for a term of them, is produced	Three (3) from said land or lan	years from this date (ca	alled "primary term") ar is lease is otherwise ma	nd as long thereafter as oil, lic intained in effect pursuant to
	premises the said Lessee co- credit of Lessor, free of cost		vhich Lessee may	connect wells on said	land, the equal one-eight	h (1/8) part of all oil pro	oduced and saved from the lea
2nd. To pay Lessor fo 8), at the market price at the	r gas, (including casinghead well, (but, as to gas sold by)	gas) of whatsoever n	ature or kind produce than one-eight	uced and sold, or used	off the premises, or used	in the manufacture of a	ny products therefrom, one-eig
t of the production, severand erwise making any such gas This lease may be mai	e, or other excise taxes and merchantable) for the gas so ntained during the primary t	the cost incurred by ld, used off the premi-	Lessee in delivering ses, or in the manu-	ig, treating for the rem facture of products the	eds received by Lessee froval of nitrogen, helium or refrom, said payments to be the expiration of the arrival of the expiration of the expir	om such sales, such net por other impurities in the made monthly.	ny products therefrom, one-eig proceeds to be less a proportion e gas, processing, compressing
leased premises or on acrea itinuously prosecuted on the is shall elapse between the co	ge pooled or unitized therevalenced premises or on acrea completion or abandonment of	with but Lessee is the ge pooled or unitized f one well and the hea	n engaged in drill therewith; and op-	ing, reworking operations shall be considered for the drilling of a	ons thereon, then this lea	se shall continue in force or secuted if not more the	oil or gas is not being produced be so long as operations are be nan one hundred and twenty (1
oled or unitized therewith, the ndred and twenty (120) days all continue in full force and a	e production should cease f from the date of cessation of effect so long as oil or gas is	rom any cause after to f production or from produced from the lea	he primary term, the date of completes of premises or or	his lease shall not terretion of a dry hole. If a creage pooled or uni	ninate if Lessee commendation of gas shall be discovered therewith.	discovery of oil or gas on sees additional drilling or seed and produced as a re-	bil or gas is not being produced se so long as operations are be ann one hundred and twenty (1 the leased premises or on acre reworking operations within esult of such operations, this le
If after the primary ter either shut in or production assecutive days such well or v	m one or more wells on the therefrom is not being sold I yells are shut in or production	lease premises or land by Lessee, such well of the refrom is not sol	ds pooled or unitize or wells shall never	ed therewith are capable	le of producing oil or gas be producing for the purp	or other substances cove ose of maintaining the le	ered hereby, but such well or wease. If for a period of ninety (er then covered by this lease, seach anniversary date of this learnations, or if production is bedate of this lease that cessation to terminate this lease.
ment to be made to Lessor of ile the well or wells are shut id by Lessee from another we	in or production therefrom i	date of this lease next is not being sold by L	ensuing after the essee; provided the	essee shall pay an aggreexpiration of the said natif this lease is in its	egate shut-in royalty of O inety (90) day period and primary term or otherwise	ne Dollar (\$1.00) per act thereafter on or before being maintained by or	re then covered by this lease, seach anniversary date of this lease are the perations, or if production is he
ch operations or production o	ccurs, as the case may be. La	essee's failure to prop	ed therewith, no sh erly pay shut-in ro	nut-in royalty shall be o yalty shall render Less	lue until the end of the ne- ee liable for the amount d	xt following anniversary ue, but shall not operate	date of this lease that cessation to terminate this lease.
d the said Lessor only in the	proportion which Lessor's in	iterest bears to the wh	ole and undivided	fee.	rein, then the royalties (in	scluding any shut-in roys	alties) herein provided for shall
When requested by Le	right to use, free of cost, gas, essor, Lessee shall bury Lesse	ee's pipe lines below	ed on said land for plow depth.	Lessee's operation the	reon, except water from the	ne wells of Lessor.	Photo AM
No well shall be drille	d nearer than 200 feet to the	house or barn now on	said premises with	out written consent of	Lessor.		10 Direct 2011
	amages caused by Lessee's or right at any time to remove al						Summerica Many
If the estate of either ccessors or assigns, but no c ignment or a true copy there	party hereto is assigned, and hange in the ownership of to of. In case Lessee assigns thi	d the privilege of ass the land or assignment is lease, in whole or in	igning in whole or it of rentals or roy part, Lessee shall	premises, including the r in part is expressly a alties shall be binding be relieved of all oblis	e right to draw and remove allowed, the covenants he on the Lessee until after tations with respect to the	e casing. reof shall extend to their the Lessee has been fur assigned portion or port	ir heirs, executors, administrat unished with a written transfe ions arising subsequent to the
Lessee may at any timesh portion or portions and be	ne execute and deliver to Les	sor or place of record	a release or releas	ses covering any portio	on or portions of the above	e described premises and	I thereby surrender this lease a
All express or implied see held liable in damages,	covenants of this lease shall for failure to comply therew	l be subject to all Fed	leral and State Lav	vs, Executive Orders, I	Rules or Regulations, and	this lease shall not be to	erminated, in whole or in part,
production of wells, and re- vented or delayed by such I ke, lockout, or other industr	gulation of the price or transpaws, rules, regulations or or	portation of oil, gas or ders, or by inability t	other substance co o obtain necessary	overed hereby. When a permits, equipment, s	drilling, reworking, produ- ervices, material, water, o	ction or other operations electricity, fuel, access of	or obligations under this lease reasements, or by an act of C
traint or inaction, or by inal ecifically enumerated above evention or delay shall be add delayed.	or otherwise, which is not re- led to the term hereof. Less	y market for product easonably within cont ee shall not be liable	ckade, public riot, ion, or failure of produced to the following roll of Lessee, this for breach of any produced to the form of the fact o	lightening, fire, storm purchasers or carriers lease shall not termina provision or implied co	, flood or other act of nat to take or transport such ate because of such preve evenants of this lease whe	ture, explosion, government production, or by any nation or delay, and, at Leading, production, or trilling, production,	erminated, in whole or in part, cluding restrictions on the dril or obligations under this lease or easements, or by an act of Cental action, governmental de other cause, whether of the lessee's option, the period of so other operations are so prevent
Lessor hereby warrant other liens on the above des cessors and assigns, hereby ich this lesse is made as rec	s and agrees to defend the tic cribed lands, in the event of surrender and release all righted herein	tle to the lands herein default of payment b at of dower and home	described, and agr y Lessor, and be s stead in the premis	rees that the Lessee sha ubrogated to the rights ses described herein, in	all have the right at any ti s of the holder thereof, an so far as said right of do	ne to redeem for Lessor, d the undersigned Lesso wer and homestead may	by payment any mortgages, to ors, for themselves and their ho in any way affect the purposes
Lessee, at its option, is	s hereby given the right and p	power to pool, unitize	or combine the ac	reage covered by this	ease or any portion thereo	of with other land, lease	or leases in the immediate vici
der and that may be produced into a unit or units not excee	1 from said premises, such poding 640 acres each in the every	ooling or unitization to cent of a gas well. Le	to be of tracts cont ssee shall execute	iguous to one another in writing and record in	ase premises so as to pro and to be into a unit or un n the conveyance records	mote the conservation o its not exceeding 40 acr of the county in which the	f oil, gas or other minerals in es each in the event of an oil w he land herein leased is situated
om the pooled unit, as if it we the premises covered by this	re included in this lease. If p is lease or not. In lieu of the	acreage. The entire a production is found on royalties elsewhere he	creage so pooled o the pooled or unit crein specified, Les	r unitized into a tract o ized acreage, it shall b ssor shall receive on pr	r unit shall be treated, for e treated as if production oduction from a unit so n	all purposes except the pair had from this lease, w	or leases in the immediate vici f oil, gas or other minerals in es each in the event of an oil w he land herein leased is situate payment of royalties on produc- hether the well or wells be loc- of the royalty stipulated herein
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rees to notify Lessee in writing riod of fifteen days after rece	ig of said offer immediately, ipt of the notice, shall have t	ed by this lease and c including in the notic he prior and preferred	covering all or a pose the name and add right and option to	ortion of said land here dress of the offeror, the	ein, with the lease become e price offered and all other	ing effective upon expirer pertinent terms and co	ation of this lease. Lessor her nditions of the offer. Lessee, f
ms and conditions specified in purchase the lease pursuant to use for execution on behalf of title according to the terms the	n the offer. All offers made o the terms, hereto, it shall so Lessor along with Lessee's nereof. Upon receipt thereof	up to and including the notify Lessor in wrice collection draft payals, Lessor shall prompt	ne last day of the printing by mail or telepole to Lessor in payly execute said leas	rimary term of this lease egram prior to expiration yment of the specified se and return the same	part mereor or interest the see shall be subject to the te on of said 15-day period. amount as consideration f along with the endorsed d	erem, covered by the offerms and conditions of the Lessee shall promptly the new lease, such diraft to Lessee's represent	ny party offering to purchase f ation of this lease. Lessor her nditions of the offer. Lessee, f er at the price and according to its paragraph. Should Lessor the le nereafter furnish to Lessor the r raft being subject only to appre- tative or through Lessor's ban
This lease may be sig twithstanding some of the La hough not named above.	ned in any number or numb ssors above named who may	bers of counterparts a y not have joined in th	nd shall be effecti ne execution hereo	ve as to each Lessor of. The word "Lessor";	on execution hereof as to as used in this lease shall	his or her interest and mean the party or parties	shall be binding on those sign s who execute this lease as Les
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	"A" ATTACHED F						
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EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated November 7, 2007, by and between, WILBERT L. GROSS, ET UX, as Lessor, and SAMUEL GARY, JR. & ASSOCIATES, INC., as Lessee.

PROPERTY DESCRIPTION:

TOWNSHIP 14 SOUTH - RANGE 17 WEST

SECTION 29:

That certain tract or parcel of land estimated to contain <u>200.00</u> acres, more or less, being described as the Southwest Quarter (SW/4) and the Southwest Quarter of the Southeast Quarter (SW/4 of the SE/4) of Section 29, Township 14 South, Range 17 West, Ellis County, Kansas.

It is the intention of this lease to cover and include any mineral interest which the Lessor may own in and to the above described tract, including streets, roads, canals, drainage ditches, rights of way or other servitudes, including, but not limited to, any reversionary interest which Lessor may acquire in the same, by prescription of nonuse.

ADDITIONAL TERMS AND PROVISIONS:

- 1. The provisions of this **EXHIBIT** "A" shall control and supersede the terms of the attached oil and gas lease when such terms conflict.
- 2. Lessee shall bury and maintain all pipelines below ordinary plow depth (36").
- 3. Lessee shall pay all damages, caused by Lessee's operations hereunder to crops, including grass, and restore as nearly as practical, said premises to the same conditions and contour as previously existed, upon termination of this lease.
- 4. Lessee is hereby granted the option to extend the primary term of this lease for an additional two (2) years from the expiration of the original primary term. This option may be exercised by Lessee, in total, on or before the expiration date of lease by paying and delivering to Lessor at the above address, the sum of \$12.00 per acre covered by the lease. In the event Lessee exercises this option, Lessee must renew all acreage covered by this lease. Should this option be exercised as herein provided, it shall be considered for all purposes as though this lease originally provided for a term of five (5) years.

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



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

Sam Brownback, Governor

Mark Sievers, Chairman Thomas E. Wright, Commissioner Shari Feist Albrecht, Commissioner

October 19, 2012

CHRISTOPHER MITCHELL Samuel Gary Jr. & Associates, Inc. 1515 WYNKOOP, STE 700 DENVER, CO 80202

Re: Drilling Pit Application LEIKER-GROSS ET AL 1-32 NW/4 Sec.32-14S-17W Ellis County, Kansas

Dear CHRISTOPHER MITCHELL:

District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed <u>without slots</u>, the bottom shall be flat and reasonably level and the free fluids must be removed. The fluids are to be removed from the reserve pit as soon as the Hutchinson Salt section has been drilled through and displacement of the fluids into the reserve pit has occurred. The fluids should be removed again within 24 hours after drilling operations have ceased.

If production casing is set all completion fluids shall be removed from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve pit.

The fluids should be taken to an authorized disposal well. Please call the District Office at (785) 625-0550 when the fluids have been removed. Please file form CDP-5 (August 2008), Exploration and Production Waste Transfer, through KOLAR within 30 days of fluid removal.

A copy of this letter should be posted in the doghouse along with the approved Intent to Drill. If you have any questions or concerns please feel free to contact the District Office at (785) 625-0550.