





1103067

**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

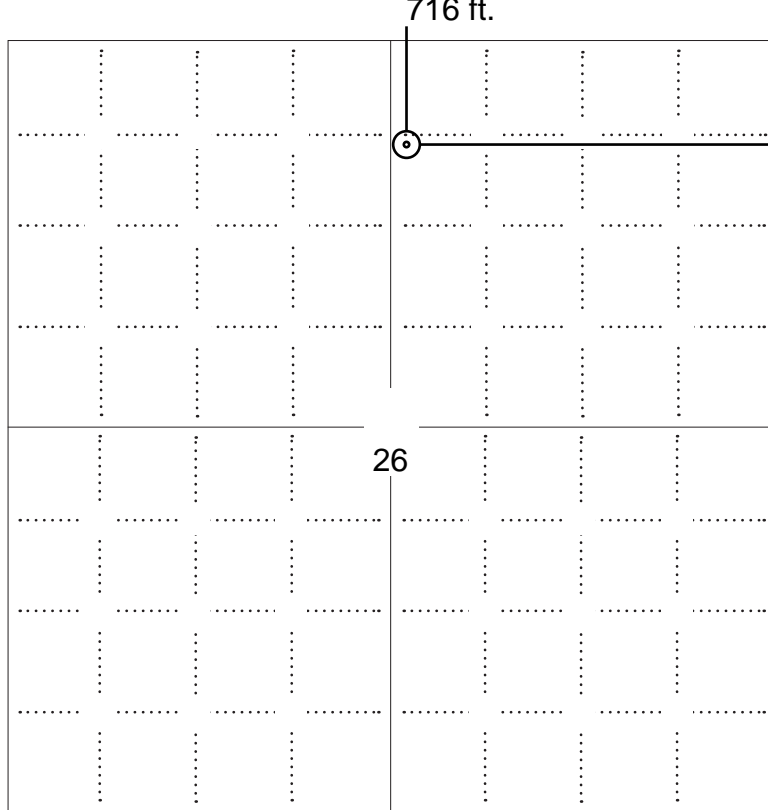
**If Section is Irregular, locate well from nearest corner boundary.**

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



1980' FSL

**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 1103067  
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):<br>_____-_____-_____-_____  |  |
| Type of Pit:<br><input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit<br><input type="checkbox"/> Settling Pit <input type="checkbox"/> Drilling Pit<br><input type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit<br><i>(If WP Supply API No. or Year Drilled)</i>             |  | Pit is:<br><input type="checkbox"/> Proposed <input type="checkbox"/> Existing<br>If Existing, date constructed: _____<br>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<br><i>(For Emergency Pits and Settling Pits only)</i>   |  |
| Is the bottom below ground level?<br><input type="checkbox"/> Yes <input type="checkbox"/> No   |  | Artificial Liner?<br><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<br>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:<br>_____ feet    Depth of water well _____ feet  |  | Depth to shallowest fresh water _____ feet.<br>Source of information:<br><input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input type="checkbox"/> KDWR   |  |
| <b>Emergency, Settling and Burn Pits ONLY:</b><br>Producing Formation: _____<br>Number of producing wells on lease: _____<br>Barrels of fluid produced daily: _____<br>Does the slope from the tank battery allow all spilled fluids to flow into the pit? <input type="checkbox"/> Yes <input type="checkbox"/> No |  | <b>Drilling, Workover and Haul-Off Pits ONLY:</b><br>Type of material utilized in drilling/workover: _____<br>Number of working pits to be utilized: _____<br>Abandonment procedure: _____<br>_____<br>Drill pits must be closed within 365 days of spud date. |  |
| <p><b>Submitted Electronically</b></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.

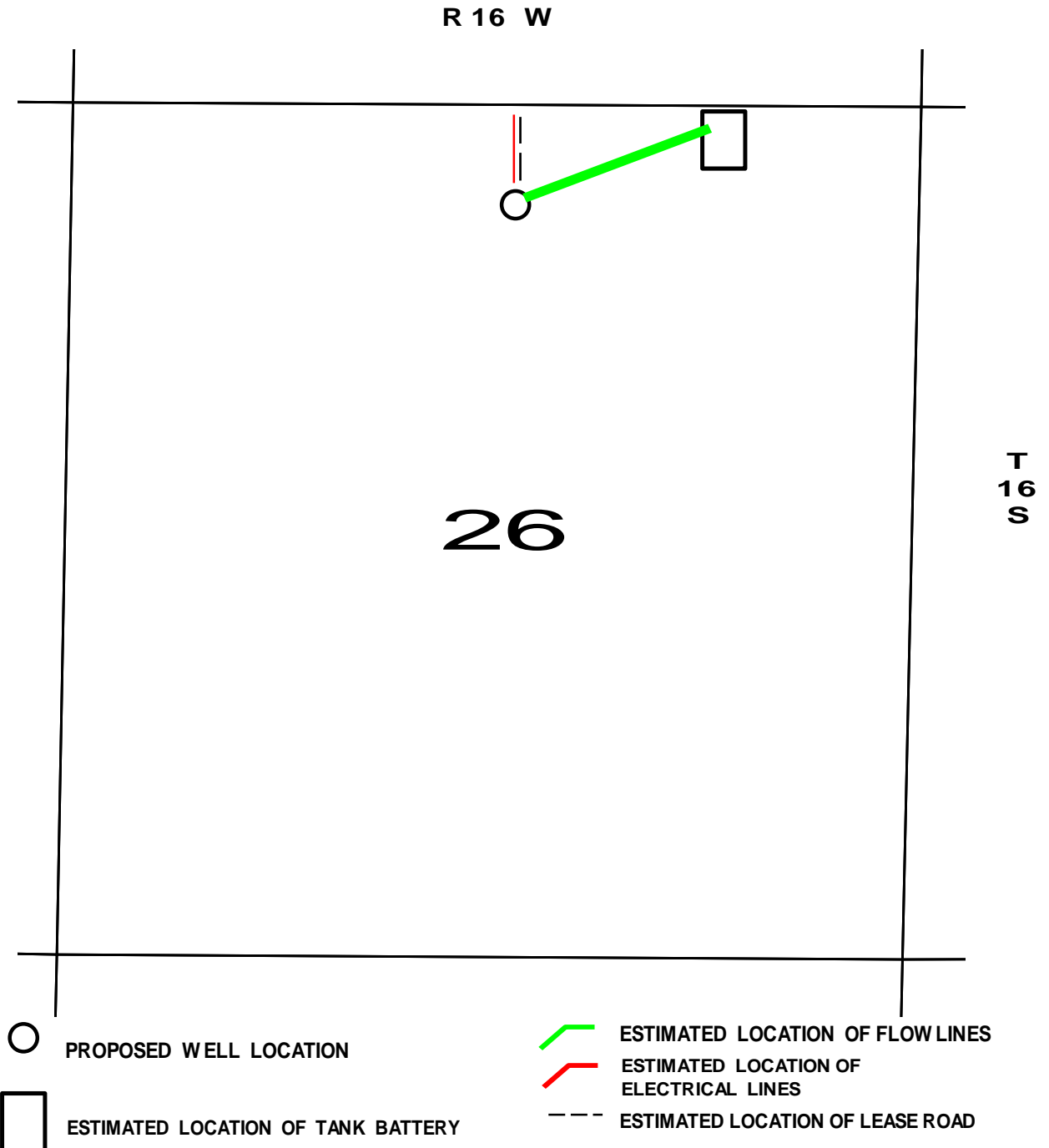
*If choosing the second option, submit payment of the \$30.00 handling fee with this form. If the fee is not received with this form, the KSONA-1 form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-1 will be returned.*

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 :** CLAIR ET AL 1-26

**LOCATION :** 716 FNL / 2540 FEL Sec. 26-16S-16W RUSH COUNTY

**SURFACE OWNERS :** Jean Clair  
1004 4th St  
Great Bend, KS 67530  
Carla Jecha  
RR 2, Box 8276  
Timken, KS 67575  
Barbara Walters  
1131 S. Court Ave.  
Colby, KS 67701



**CLAIR ET AL 1-26 ADDITIONAL SURFACE OWNERS:**

CARLA B. JECHA  
RR 2, BOX 8276  
TIMKEN, KS 67575

BARBARA S. WALTERS  
1131 S. COURT AVE.  
COLBY, KS 67701

## OIL AND GAS LEASE

AGREEMENT, Made and entered into the 10<sup>th</sup> day of February 2011by and between ROBERT YARMER AND VALERIE D. YARMER, husband and wifewhose mailing address is 17529 Michaelis Road, Russell, Kansas 67665 hereinafter called Lessor (whether one or more),and High Plains Energy Partners, LLC  
1515 Wynkoop Street, Suite 700, Denver, CO 80202 hereinafter called Lessee:

Lessor, in consideration of Ten and Other Valuable Considerations 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 County of Rush State of Kansas described as follows to-wit:**SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF FOR PROPERTY DESCRIPTION.**In Section 26 Township 16 South Range 16 West and containing 160.00 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 pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions hereof.

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, (including casinghead 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 net proceeds received by Lessee from such sales, such net proceeds to be less a proportionate part of the production, severance, or other excise taxes and the cost incurred by Lessee in delivering, treating for the removal of nitrogen, helium or other impurities in the gas, processing, compressing, or otherwise making any such gas merchantable) for the gas sold, used off the premises, or in the manufacture of products therefrom, said payments to be made monthly.

This lease may be maintained during the primary term hereof without further payment or drilling operations. If at the expiration of the primary term of this lease, oil or gas is not being produced on the leased premises or on acreage pooled or unitized therewith but Lessee is then engaged in drilling, reworking operations thereon, then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises or on acreage pooled or unitized therewith; and operations shall be considered to be continuously prosecuted if not more than one hundred and twenty (120) days shall elapse between the completion or abandonment of one well and the beginning of operations for the drilling of a subsequent well. If after discovery of oil or gas on the leased premises or on acreage pooled or unitized therewith, the production should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or reworking operations within one hundred and twenty (120) days from the date of cessation of production or from the date of completion of a dry hole. If oil or gas shall be discovered and produced as a result of such operations, this lease shall continue in full force and effect so long as oil or gas is produced from the leased premises or on acreage pooled or unitized therewith.

If after the primary term one or more wells on the lease premises or lands pooled or unitized therewith are capable of producing oil or gas or other substances covered hereby, but such well or wells are either shut in or production therefrom is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing for the purpose of maintaining the lease. If for a period of ninety (90) consecutive days such well or wells are shut in or production therefrom is not sold by Lessee, the Lessee shall pay an aggregate shut-in royalty of One Dollar (\$1.00) per acre then covered by this lease, such payment to be made to Lessor on or before the anniversary date of this lease next ensuing after the expiration of the said ninety (90) day period and thereafter on or before each anniversary date of this lease while the well or wells are shut in or production therefrom is not being sold by Lessee; provided that if this lease is in its primary term or otherwise being maintained by operations, or if production is being sold by Lessee from another well on the leased premises or lands pooled or unitized therewith, no shut-in royalty shall be due until the end of the next following anniversary date of this lease that cessation of such operations or production occurs, as the case may be. Lessee's failure to properly pay shut-in royalty shall render Lessee liable for the amount due, but shall not operate to terminate this lease.

If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in 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 pipe lines below plow depth.

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

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

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

If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their 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, including restrictions on the drilling and production of wells, and regulation of the price or transportation of oil, gas or other substance covered hereby. When drilling, reworking, production or other operations or obligations under this lease are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by an act of God, strike, lockout, or other industrial disturbance, act of the public enemy, war, blockade, public riot, lightning, fire, storm, flood or other act of nature, explosion, governmental action, governmental delay, restraint or inaction, or by inability to obtain a satisfactory market for production, or failure of purchasers or carriers to take or transport such production, or by any other cause, whether of the kind specifically enumerated above or otherwise, which is not reasonably within control of Lessee, this lease shall not terminate because of such prevention or delay, and, at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any provision or implied covenants of this lease when drilling, production, or other operations are so prevented or delayed.

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, unitize 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 or unitization 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 or a horizontal oil 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 or unitized acreage. The entire acreage so pooled or unitized 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 or unitized 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 or unitized in the particular unit involved.

Lessor agrees to give written notice to Lessee, if, during the primary term of this lease, Lessor receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor, a lease covering any or all of the substances covered by this lease and covering all or a portion of said land herein, with the lease becoming effective upon expiration of this lease. Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer. All offers made up to and including the last day of the primary term of this lease shall be subject to the terms and conditions of this paragraph. Should Lessee elect to purchase the lease pursuant to the terms, hereto, it shall so notify Lessor in writing by mail or telegram prior to expiration of said 15-day period. Lessee shall promptly thereafter furnish to Lessor the new lease for execution on behalf of Lessor along with Lessee's collection draft payable to Lessor in payment of the specified amount as consideration for the new lease, such draft being subject only to approval of title according to the terms thereof. Upon receipt thereof, Lessor shall promptly execute said lease and return the same along with the endorsed draft to Lessee's representative or through Lessor's bank of record for payment.

This lease may be signed in any number or numbers of counterparts and shall be effective as to each Lessor on execution hereof as to his or her interest and shall be binding on those signing, notwithstanding some of the Lessors above named who may not have joined in the execution hereof. The word "Lessor" as used in this lease shall mean the party or parties who execute this lease as Lessor, although not named above.

Lessee shall have the exclusive right to explore the land herein described by geological, geophysical or other methods, whether similar to those herein specified or not and whether now known or not, including the drilling of holes, use of torsion balance, seismograph explosions, magnetometer, or other geophysical or geological instruments, tests or procedures, for the purpose of securing geological and geophysical information. All information obtained by Lessee as a result of such activity shall be the exclusive property of Lessee, and Lessee may disseminate or sell such information without Lessor's consent. Lessor and Lessee herein agree that a portion of the consideration paid herein is for advance payment of usual and customary damages associated with seismograph operations (i.e.: tire tracks in the wheat, pasture or field, road use, compaction etc.). If any extraordinary damages should occur, at Lessee's discretion, Lessor or its tenant (if Lessor has a tenant) will be compensated accordingly, or Lessee may elect to repair the damages in lieu of compensation.

Lessor (and Lessee) herein agree to less and except from the terms of this Oil and Gas Lease any currently existing oil and/or gas well(s), bore hole(s) or other related facilities located on the hereinabove described lease premises. Lessor further agrees that Lessee shall not be liable nor shall Lessee have the obligation to plug and abandon any of said existing oil and/or gas wells(s), bore hole(s) or related facilities.

**SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF FOR ADDITIONAL TERMS AND PROVISIONS.**

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

ROBERT YARMER

Robert Yarmer by Valerie D Yarmer  
By: Valerie D. Yarmer, as Power of Attorney

Valerie D Yarmer  
VALERIE D YARMER

STATE OF Kansas

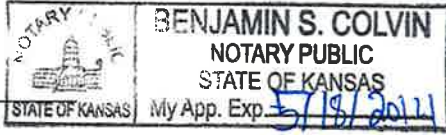
COUNTY OF Russell

The foregoing instrument was acknowledged before me this 10<sup>th</sup> day of February, 2011,  
by Valerie D. Yarmer, individually and as Power of Attorney for Robert Yarmer

My commission expires May 18, 2014

*Benjamin S. Colvin*  
Notary Public:

Benjamin S. Colvin



STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_,  
by \_\_\_\_\_

My commission expires \_\_\_\_\_

Notary Public

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_,  
by \_\_\_\_\_

My commission expires \_\_\_\_\_

**MICROFILMED**

Notary Public

No. \_\_\_\_\_  
**OIL AND GAS LEASE**

FROM

TO

Date

Section \_\_\_\_\_ Twp. \_\_\_\_\_ Rge. \_\_\_\_\_

No. of Acres \_\_\_\_\_ Term \_\_\_\_\_

County \_\_\_\_\_

STATE OF Kansas

County Russell

This instrument was filed for record on the 10<sup>th</sup>  
day of Feb. 2011.  
at 2:12 o'clock P M., and duly recorded  
in Book 157-Misc Page 989 of \_\_\_\_\_

the records of this office.

*Deborah*  
By \_\_\_\_\_ Register of Deeds.

When recorded, return to \_\_\_\_\_

Samuel Gary Jr. & Associates, Inc.  
1515 Wynkoop St., Ste. 700, Denver, CO 80202

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_,  
by \_\_\_\_\_ of \_\_\_\_\_  
a \_\_\_\_\_ corporation, on behalf of the corporation.

My commission expires \_\_\_\_\_

Notary Public

INDEXED  N  #162  
#183



**EXHIBIT "A"**

Attached to and made a part of that Certain Oil and Gas Lease dated February 10<sup>th</sup>, 2011, by and between, ROBERT YARMER, ET UX, as Lessor, and High Plains Energy Partners, LLC, as Lessee.

**PROPERTY DESCRIPTION:****TOWNSHIP 16 SOUTH – RANGE 16 WEST****SECTION 26:**

That certain tract or parcel of land estimated to contain **160.00 acres**, more or less, and being described as the Northwest Quarter (NW/4) of Section 26, Township 16 South, Range 16 West, Rush 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, 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.

63U (Rev. 1993)

**OIL AND GAS LEASE**

AGREEMENT, Made and entered into the 15<sup>th</sup> day of August 2006

by and between SEE EXHIBIT “A” ATTACHED HERETO AND MADE A PART HEREOF  
FOR LESSORS NAMES AND ADDRESSES.

whose mailing address is \_\_\_\_\_ hereinafter called Lessor (whether one or more),  
 and Samuel Gary Jr. & Associates, Inc  
1670 Broadway, Suite 3300, Denver, CO 80202 hereinafter called Lessee:

Lessor, in consideration of Ten and Other Valuable Considerations 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 County of Rush State of Kansas described as follows to-wit:

**SEE EXHIBIT “A” ATTACHED HERETO AND MADE A PART HEREOF FOR PROPERTY DESCRIPTION.**

In Section 26 Township 16 South Range 16 West and containing 160.00 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 pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions hereof.

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, (including casinghead 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 net proceeds received by Lessee from such sales, such net proceeds to be less a proportionate part of the production, severance, or other excise taxes and the cost incurred by Lessee in delivering, treating for the removal of nitrogen, helium or other impurities in the gas, processing, compressing, or otherwise making any such gas merchantable) for the gas sold, used off the premises, or in the manufacture of products therefrom, said payments to be made monthly.

This lease may be maintained during the primary term hereof without further payment or drilling operations. If at the expiration of the primary term of this lease, oil or gas is not being produced on the leased premises or on acreage pooled or unitized therewith but Lessee is then engaged in drilling, reworking operations thereon, then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises or on acreage pooled or unitized therewith; and operations shall be considered to be continuously prosecuted if not more than one hundred and twenty (120) days shall elapse between the completion or abandonment of one well and the beginning of operations for the drilling of a subsequent well. If after discovery of oil or gas on the leased premises or on acreage pooled or unitized therewith, the production should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or reworking operations within one hundred and twenty (120) days from the date of cessation of production or from the date of completion of a dry hole. If oil or gas shall be discovered and produced as a result of such operations, this lease shall continue in full force and effect so long as oil or gas is produced from the leased premises or on acreage pooled or unitized therewith.

If after the primary term one or more wells on the lease premises or lands pooled or unitized therewith are capable of producing oil or gas or other substances covered hereby, but such well or wells are either shut in or production therefrom is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing for the purpose of maintaining the lease. If for a period of ninety (90) consecutive days such well or wells are shut in or production therefrom is not sold by Lessee, the Lessee shall pay an aggregate shut-in royalty of One Dollar (\$1.00) per acre then covered by this lease, such payment to be made to Lessor on or before the anniversary date of this lease next ensuing after the expiration of the said ninety (90) day period and thereafter on or before each anniversary date of this lease while the well or wells are shut in or production therefrom is not being sold by Lessee; provided that if this lease is in its primary term or otherwise being maintained by operations, or if production is being sold by Lessee from another well on the leased premises or lands pooled or unitized therewith, no shut-in royalty shall be due until the end of the next following anniversary date of this lease that cessation of such operations or production occurs, as the case may be. Lessee’s failure to properly pay shut-in royalty shall render Lessee liable for the amount due, but shall not operate to terminate this lease.

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in 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 pipe lines below plow depth.

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

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

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

If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their 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, including restrictions on the drilling and production of wells, and regulation of the price or transportation of oil, gas or other substance covered hereby. When drilling, reworking, production or other operations or obligations under this lease are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by an act of God, strike, lockout, or other industrial disturbance, act of the public enemy, war, blockade, public riot, lightning, fire, storm, flood or other act of nature, explosion, governmental action, governmental delay, restraint or inaction, or by inability to obtain a satisfactory market for production, or failure of purchasers or carriers to take or transport such production, or by any other cause, whether of the kind specifically enumerated above or otherwise, which is not reasonably within control of Lessee, this lease shall not terminate because of such prevention or delay, and, at Lessee’s option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any provision or implied covenants of this lease when drilling, production, or other operations are so prevented or delayed.

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, unitize 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 or unitization 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 or unitized acreage. The entire acreage so pooled or unitized 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 or unitized 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 or unitized in the particular unit involved.

This lease may be signed in any number or numbers of counterparts and shall be effective as to each Lessor on execution hereof as to his or her interest and shall be binding on those signing, notwithstanding some of the Lessors above named who may not have joined in the execution hereof. The word “Lessor” as used in this lease shall mean the party or parties who execute this lease as Lessor, although not named above.

Lessee shall have the exclusive right to explore the land herein described by geological, geophysical or other methods, whether similar to those herein specified or not and whether now known or not, including the drilling of holes, use of torsion balance, seismograph explosions, magnetometer, or other geophysical or geological instruments, tests or procedures, for the purpose of securing geological and geophysical information. All information obtained by Lessee as a result of such activity shall be the exclusive property of Lessee, and Lessee may disseminate or sell such information without Lessor’s consent. Lessor and Lessee herein agree that a portion of the consideration paid herein is for advance payment of usual and customary damages associated with seismograph operations (ie: tire tracks in the wheat, pasture or field, road use, compaction etc.) If any extraordinary damages should occur, at Lessor’s discretion, Lessor or its tenant (if Lessor has a tenant) will be compensated accordingly, or Lessee may elect to repair the damages in lieu of compensation.

**SEE EXHIBIT “A” ATTACHED HERETO AND MADE A PART HEREOF FOR ADDITIONAL TERMS AND PROVISIONS.**

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

Witnesses:  
 \_\_\_\_\_  
 \_\_\_\_\_

Jean A. Clair  
 JEAN A. CLAIR

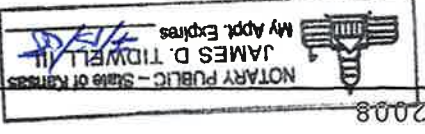
Carla B. Jecha  
 CARLA B. JECHA

Barbara S. Walters  
 BARBARA S. WALTERS

STATE OF Kansas  
COUNTY OF Rush  
The foregoing instrument was acknowledged before me this 15 day of August 2006  
by Jean A. Clair and Carla B. Jecha

ACKNOWLEDGMENT FOR INDIVIDUAL (K&OKC&N)

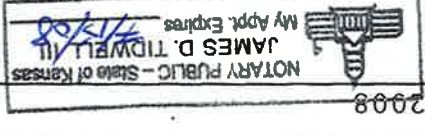
My commission expires July 15, 2008  
James D. Tidwell III  
Notary Public



STATE OF Kansas  
COUNTY OF Ellis  
The foregoing instrument was acknowledged before me this 18 day of August 2006  
by Barbara S. Walters

ACKNOWLEDGMENT FOR INDIVIDUAL (K&OKC&N)

My commission expires July 15, 2008  
James D. Tidwell III  
Notary Public



STATE OF Kansas  
COUNTY OF  
The foregoing instrument was acknowledged before me this day of and

ACKNOWLEDGMENT FOR INDIVIDUAL (K&OKC&N)

My commission expires  
Notary Public

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

ACKNOWLEDGMENT FOR INDIVIDUAL (K&OKC&N)

My commission expires  
Notary Public

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

ACKNOWLEDGMENT FOR INDIVIDUAL (K&OKC&N)

My commission expires  
Notary Public

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

ACKNOWLEDGMENT FOR CORPORATION (K&OKC&N)

OIL AND GAS LEASE

FROM

No. \_\_\_\_\_  
TO \_\_\_\_\_  
Date \_\_\_\_\_  
Section \_\_\_\_\_ Twp. \_\_\_\_\_ Rge. \_\_\_\_\_  
No. of Acres \_\_\_\_\_ Term \_\_\_\_\_  
County \_\_\_\_\_  
STATE OF Kansas  
County \_\_\_\_\_  
This instrument was filed for record on the 2 day of April 2007.  
at \_\_\_\_\_ o'clock A.M., and duly recorded in Book 150 Page 749 of the records of this office.  
By \_\_\_\_\_  
When recorded, return to \_\_\_\_\_



ACKNOWLEDGMENT FOR CORPORATION (K&OKC&N)

STATE OF  
COUNTY OF  
The foregoing instrument was acknowledged before me this day of and  
by \_\_\_\_\_ of \_\_\_\_\_ a \_\_\_\_\_  
corporation, on behalf of the corporation.  
My commission expires  
Notary Public

MICROFILMED

#533 INDEXED G 1 N 9 16.00

**EXHIBIT "A"**

Attached to and made a part of that Certain Oil and Gas Lease dated August 15, 2006, by and between, JEAN A. CLAIR, ET AL, as Lessor, and SAMUEL GARY, JR. & ASSOCIATES, INC., as Lessee.

**LESSORS NAMES AND ADDRESSES:**

JEAN A. CLAIR, wife of Gary Clair, dealing herein with her separate property, whose address is 1004 4<sup>th</sup> Street, Great Bend, Kansas 67530;

CARLA B. JECHA, wife of Craig Jecha, dealing herein with her separate property, whose address is RR 2 Box 8276, Timken, Kansas 67575;

BARBARA S. WALTERS, wife of Michael Walters, dealing herein with her separate property, whose address is 1131 S Court Avenue, Colby, Kansas 67701.

**PROPERTY DESCRIPTION:****TOWNSHIP 16 SOUTH – RANGE 16 WEST****SECTION 26:**

That certain tract or parcel of land estimated to contain **160.00 acres**, more or less, and being described as the Northeast Quarter (NE/4) of Section 26, Township 16 South, Range 16 West, Rush 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 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. Damages will be paid 1/3 to the owner of the land and 2/3 to the tenant.
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.

EXTENSION OF OIL AND GAS LEASE

STATE OF KANSAS }
COUNTY OF RUSH }

KNOW ALL MEN BY THESE PRESENTS:

THAT, an Oil and Gas Lease dated August 15, 2006 covering that certain tract of land containing an aggregate of 160.00 acres, more or less, being situated in the Northeast Quarter (NE/4) of Section 26, Township 16 South, Range 16 West, Rush County, Kansas, was executed by:

Jean A. Clair, wife of Gary Clair, dealing with her separate property, Carla B. Jecha, wife of Craig Jecha, dealing with her separate property, and Barbara S. Walters, wife of Michael Walters, dealing with her separate property, whose address is declared to be 1004 4th Street, Great Bend, Kansas 67530, as Lessor (whether one or more);

in favor of

SAMUEL GARY, JR. & ASSOCIATES, INC., whose address is declared to be 1515 Wynkoop, #700, Denver, Colorado 80202, as Lessee;

and being recorded in Book 150, Page 749, of the official records of the Register of Deeds, Rush County, Kansas, and being referred to hereinafter as the Subject Lease; and,

WHEREAS, the term of the Subject Lease was granted for a period of Three (3) years with option to extend for two (2) years; and

WHEREAS, Lessee exercised its option to extend the Subject Lease for two (2) years; and

WHEREAS, Lessor has agreed to grant a second extension of the Subject Lease for an additional One (1) year;

NOW THEREFORE, in consideration of Ten Dollars and No/100 and Other Good and Valuable Consideration (\$10.00 & OVC) the receipt and adequacy of which are hereby acknowledged, the undersigned Lessor does hereby amend, modify and reform the Subject Lease, as follows:

The Term and Habendum Clause of the Subject Lease shall be and is hereby amended, modified and reformed to provide for a primary term of Six (6) Years and Zero (0) Months.

1.

It is expressly declared to be the intention of the parties that the Subject Lease be extended for Two(2) additional years plus One (1) year, to the same extent and effect as though the Subject Lease had been granted in the first instance for a primary term of 5 Six (6) years with the intent that the Lease term shall expire August 15, 2011 cf

It is expressly declared to be the intention of the parties that the Subject Lease be further amended by Lessor to hereby exclude from the terms of the Subject Lease any currently existing oil and/or gas well(s), bore hole(s) or other related facilities located on the hereinabove described lease premises. Lessor and Lessee further agree that Lessee shall not be liable nor shall Lessee have the obligation to plug and abandon any of said existing oil and/or gas well(s), bore hole(s) or related facilities.

2.

Lessor herein acknowledges that the Subject Lease, as amended is in full force and effect, and except as expressly amended, modified and reformed herein, the Subject Lease shall remain in full force and effect in accordance with its original terms and provisions. That, the Lessor hereby adopts, ratifies and confirms the Subject Lease, and further grants, leases and lets unto Samuel Gary, Jr. & Associates, Inc., as Lessee, in accordance with the terms and provisions of the Subject Lease.

This instrument may be signed in any number of counterparts, each of which shall be binding on the party or parties so signing regardless of whether all of the owners join in the granting of this instrument; and the failure of any party named herein as Lessor to sign this instrument shall not affect the validity as to those whose signatures appear hereon or on a counterpart hereof.

The consideration paid by Lessee to Lessor is accepted as full and adequate consideration for all rights, options and privileges herein granted.

IN WITNESS WHEREOF, this instrument is executed on 8-15-09

LESSOR:

JEAN A. CLAIR

Carla B. Jecha
CARLA B. JECHA

BARBARA S. WALTERS

EXTENSION OF OIL AND GAS LEASE

STATE OF KANSAS }
COUNTY OF RUSH }

KNOW ALL MEN BY THESE PRESENTS:

THAT, an Oil and Gas Lease dated August 15, 2006 covering that certain tract of land containing an aggregate of 160.00 acres, more or less, being situated in the Northeast Quarter (NE/4) of Section 26, Township 16 South, Range 16 West, Rush County, Kansas, was executed by:

Jean A. Clair, wife of Gary Clair, dealing with her separate property, Carla B. Jecha, wife of Craig Jecha, dealing with her separate property, and Barbara S. Walters, wife of Michael Walters, dealing with her separate property, whose address is declared to be 1004 4th Street, Great Bend, Kansas 67530, as Lessor (whether one or more);

in favor of

SAMUEL GARY, JR. & ASSOCIATES, INC., whose address is declared to be 1515 Wynkoop, #700, Denver, Colorado 80202, as Lessee;

and being recorded in Book 150, Page 749, of the official records of the Register of Deeds, Rush County, Kansas, and being referred to hereinafter as the Subject Lease; and,

WHEREAS, the term of the Subject Lease was granted for a period of Three (3) years with option to extend for two (2) years; and

WHEREAS, Lessee exercised its option to extend the Subject Lease for two (2) years; and

WHEREAS, Lessor has agreed to grant a second extension of the Subject Lease for an additional One (1) year;

NOW THEREFORE, in consideration of Ten Dollars and No/100 and Other Good and Valuable Consideration (\$10.00 & OVC) the receipt and adequacy of which are hereby acknowledged, the undersigned Lessor does hereby amend, modify and reform the Subject Lease, as follows:

The Term and Habendum Clause of the Subject Lease shall be and is hereby amended, modified and reformed to provide for a primary term of Six (6) Years and Zero (0) Months.

1.

It is expressly declared to be the intention of the parties that the Subject Lease be extended for Two(2) additional years plus One (1) year, to the same extent and effect as though the Subject Lease had been granted in the first instance for a primary term of Six (6) years with the intent that the Lease term shall expire August 15, 2012.

It is expressly declared to be the intention of the parties that the Subject Lease be further amended by Lessor to hereby exclude from the terms of the Subject Lease any currently existing oil and/or gas well(s), bore hole(s) or other related facilities located on the hereinabove described lease premises. Lessor and Lessee further agree that Lessee shall not be liable nor shall Lessee have the obligation to plug and abandon any of said existing oil and/or gas well(s), bore hole(s) or related facilities.

2.

Lessor herein acknowledges that the Subject Lease, as amended is in full force and effect, and except as expressly amended, modified and reformed herein, the Subject Lease shall remain in full force and effect in accordance with its original terms and provisions. That, the Lessor hereby adopts, ratifies and confirms the Subject Lease, and further grants, leases and lets unto Samuel Gary, Jr. & Associates, Inc., as Lessee, in accordance with the terms and provisions of the Subject Lease.

This instrument may be signed in any number of counterparts, each of which shall be binding on the party or parties so signing regardless of whether all of the owners join in the granting of this instrument; and the failure of any party named herein as Lessor to sign this instrument shall not affect the validity as to those whose signatures appear hereon or on a counterpart hereof.

The consideration paid by Lessee to Lessor is accepted as full and adequate consideration for all rights, options and privileges herein granted.

IN WITNESS WHEREOF, this instrument is executed on 8-12-09

LESSOR:

Jean A. Clair signature
JEAN A. CLAIR

CARLA B. JECHA

BARBARA S. WALTERS

EXTENSION OF OIL AND GAS LEASE

STATE OF KANSAS }
COUNTY OF RUSH }

KNOW ALL MEN BY THESE PRESENTS:

THAT, an Oil and Gas Lease dated August 15, 2006 covering that certain tract of land containing an aggregate of 160.00 acres, more or less, being situated in the Northeast Quarter (NE/4) of Section 26, Township 16 South, Range 16 West, Rush County, Kansas, was executed by:

Jean A. Clair, wife of Gary Clair, dealing with her separate property, Carla B. Jecha, wife of Craig Jecha, dealing with her separate property, and Barbara S. Walters, wife of Michael Walters, dealing with her separate property, whose address is declared to be 1004 4th Street, Great Bend, Kansas 67530, as Lessor (whether one or more);

in favor of

SAMUEL GARY, JR. & ASSOCIATES, INC., whose address is declared to be 1515 Wynkoop, #700, Denver, Colorado 80202, as Lessee;

and being recorded in Book 150, Page 749, of the official records of the Register of Deeds, Rush County, Kansas, and being referred to hereinafter as the Subject Lease; and,

WHEREAS, the term of the Subject Lease was granted for a period of Three (3) years with option to extend for two (2) years; and

WHEREAS, Lessee exercised its option to extend the Subject Lease for two (2) years; and

WHEREAS, Lessor has agreed to grant a second extension of the Subject Lease for an additional One (1) year;

NOW THEREFORE, in consideration of Ten Dollars and No/100 and Other Good and Valuable Consideration (\$10.00 & OVC) the receipt and adequacy of which are hereby acknowledged, the undersigned Lessor does hereby amend, modify and reform the Subject Lease, as follows:

The Term and Habendum Clause of the Subject Lease shall be and is hereby amended, modified and reformed to provide for a primary term of Six (6) Years and Zero (0) Months.

1.

It is expressly declared to be the intention of the parties that the Subject Lease be extended for Two(2) additional years plus One (1) year, to the same extent and effect as though the Subject Lease had been granted in the first instance for a primary term of 5 Six (6) years with the intent that the Lease term shall expire August 15, 2011 BW.

It is expressly declared to be the intention of the parties that the Subject Lease be further amended by Lessor to hereby exclude from the terms of the Subject Lease any currently existing oil and/or gas well(s), bore hole(s) or other related facilities located on the hereinabove described lease premises. Lessor and Lessee further agree that Lessee shall not be liable nor shall Lessee have the obligation to plug and abandon any of said existing oil and/or gas well(s), bore hole(s) or related facilities.

2.

Lessor herein acknowledges that the Subject Lease, as amended is in full force and effect, and except as expressly amended, modified and reformed herein, the Subject Lease shall remain in full force and effect in accordance with its original terms and provisions. That, the Lessor hereby adopts, ratifies and confirms the Subject Lease, and further grants, leases and lets unto Samuel Gary, Jr. & Associates, Inc., as Lessee, in accordance with the terms and provisions of the Subject Lease.

This instrument may be signed in any number of counterparts, each of which shall be binding on the party or parties so signing regardless of whether all of the owners join in the granting of this instrument; and the failure of any party named herein as Lessor to sign this instrument shall not affect the validity as to those whose signatures appear hereon or on a counterpart hereof.

The consideration paid by Lessee to Lessor is accepted as full and adequate consideration for all rights, options and privileges herein granted.

IN WITNESS WHEREOF, this instrument is executed on 8-13-09

LESSOR:

JEAN A. CLAIR

CARLA B. JECHA

Handwritten signature of Barbara S. Walters and printed name BARBARA S. WALTERS

