



1104538

For KCC Use ONLY

API # 15 - _____

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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

Operator: _____

Lease: _____

Well Number: _____

Field: _____

Number of Acres attributable to well: _____

QTR/QTR/QTR/QTR of acreage: _____ - _____ - _____ - _____

Location of Well: County: _____

_____ feet from N / S Line of Section

_____ feet from E / W Line of Section

Sec. _____ Twp. _____ S. R. _____ E W

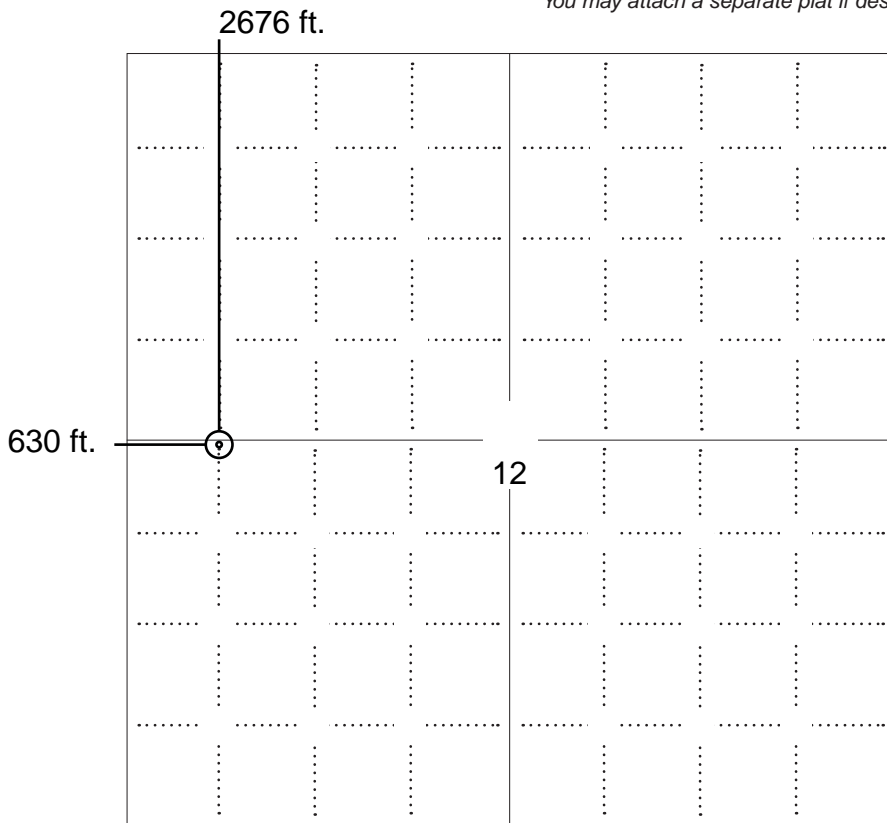
Is Section: Regular or Irregular

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

Section corner used: NE NW SE SW

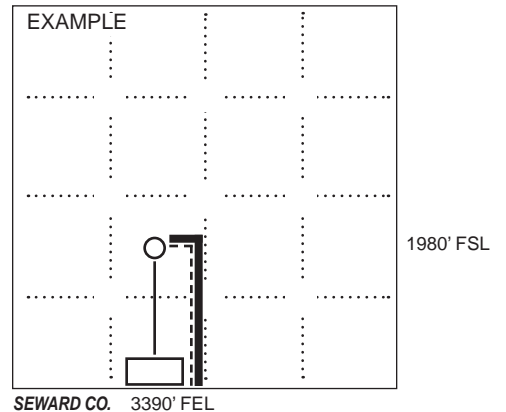
PLAT

Show location of the well. Show footage to the nearest lease or unit boundary line. Show the predicted locations of lease roads, tank batteries, pipelines and electrical lines, as required by the Kansas Surface Owner Notice Act (House Bill 2032). You may attach a separate plat if desired.



LEGEND

- Well Location
- Tank Battery Location
- Pipeline Location
- Electric Line Location
- Lease Road Location



NOTE: In all cases locate the spot of the proposed drilling locaton.

In plotting the proposed location of the well, you must show:

1. The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, 4 sections, etc.
2. The distance of the proposed drilling location from the south / north and east / west outside section lines.
3. The distance to the nearest lease or unit boundary line (in footage).
4. If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (C0-7 for oil wells; CG-8 for gas wells).
5. The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.



KANSAS CORPORATION COMMISSION 1104538
OIL & GAS CONSERVATION DIVISION

Form CDP-1
May 2010
Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

| | | | |
|---|--|--|--|
| Operator Name: _____ | | License Number: _____ | |
| Operator Address: _____ | | | |
| Contact Person: _____ | | Phone Number: _____ | |
| Lease Name & Well No.: _____ | | Pit Location (QQQQ): _____-_____-_____-_____ | |
| Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input type="checkbox"/> Drilling Pit <input type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit <i>(If WP Supply API No. or Year Drilled)</i> | | Pit is: <input type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: _____ (bbls) | |
| Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input type="checkbox"/> No | | Chloride concentration: _____ mg/l <i>(For Emergency Pits and Settling Pits only)</i> | |
| Is the bottom below ground level? <input type="checkbox"/> Yes <input type="checkbox"/> No | | Artificial Liner? <input type="checkbox"/> Yes <input type="checkbox"/> No | |
| How is the pit lined if a plastic liner is not used? | | _____ | |
| Pit dimensions (all but working pits): _____ Length (feet) _____ Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: _____ (feet) <input type="checkbox"/> No Pit | | | |
| If the pit is lined give a brief description of the liner material, thickness and installation procedure. | | Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. | |
| Distance to nearest water well within one-mile of pit: _____ feet Depth of water well _____ feet | | Depth to shallowest fresh water _____ feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input type="checkbox"/> KDWR | |
| Emergency, Settling and Burn Pits ONLY: Producing Formation: _____ Number of producing wells on lease: _____ Barrels of fluid produced daily: _____ Does the slope from the tank battery allow all spilled fluids to flow into the pit? <input type="checkbox"/> Yes <input type="checkbox"/> No | | Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: _____ Number of working pits to be utilized: _____ Abandonment procedure: _____ _____ Drill pits must be closed within 365 days of spud date. | |
| <p>Submitted Electronically</p> | | | |

KCC OFFICE USE ONLY

Liner Steel Pit RFAC RFAS

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



CERTIFICATION OF COMPLIANCE WITH THE KANSAS SURFACE OWNER NOTIFICATION ACT

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

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

OPERATOR: License # _____
Name: _____
Address 1: _____
Address 2: _____
City: _____ State: _____ Zip: _____ + _____
Contact Person: _____
Phone: (_____) _____ Fax: (_____) _____
Email Address: _____

Well Location:
____ - ____ - ____ - ____ Sec. ____ Twp. ____ S. R. ____ East West
County: _____
Lease Name: _____ Well #: _____

If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:

Surface Owner Information:

Name: _____
Address 1: _____
Address 2: _____
City: _____ State: _____ Zip: _____ + _____

When filing a Form T-1 involving multiple surface owners, attach an additional sheet listing all of the information to the left for each surface owner. Surface owner information can be found in the records of the register of deeds for the county, and in the real estate property tax records of the county treasurer.

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

Select one of the following:

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

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

I Submitted Electronically

OIL AND GAS LEASE

THIS LEASE is entered into on the date of its execution by the last of the parties hereto ("Effective Date"), by and between the STATE OF KANSAS, DEPARTMENT OF REVENUE (hereinafter "Lessor"), and RITCHIE EXPLORATION, INC (hereinafter "Lessee").

Lessor and Lessee, in consideration of the mutual promises, covenants and conditions expressed below, agree as follows:

1. Granting Provision

Lessor leases and lets to Lessee the land described below ("Leased Premises") for the purpose of mining and operating for, and producing oil and gas and their constituent products, including, but not limited to, natural gas liquids, helium and other salable by-products, casinghead gas and casinghead gasoline, laying pipe lines, building tanks and storing oil (for ultimate sale) on the Leased Premises:

Arkansas Riverbed as it meanders through
Township 27 South, Range 24 West; Section
12, in Ford County Kansas

and the right to pool and unitize this Lease with other oil and gas leases, in their respective entirety or parts.

Lessor is not granting Lessee the right to conduct seismic exploration on the Leased Premises without the written consent of Lessor and the payment of additional compensation to the Lessor.

Lessor is not granting Lessee the right to erect on the Leased Premises any plant or facility for gasoline extraction or for gas processing, its constituent products or petroliferous substances, except the normal and necessary heater treater and separator customarily used.

Lessor reserves all rights to grant, lease, mine and/or produce any minerals from the Leased Premises except interests in gas and oil and their constituent products.

2. Pooling and Unitizing Criteria

Lessee may unitize the Leased Premises or any portion or portions thereof, as to all strata or any stratum or strata, with any other lands as to all strata or any stratum or strata, for the production primarily of oil and/or primarily of gas (and their constituent products) with or without distillate. The words "unit", "unitize" and "unitization", as used in this Lease, includes Lease pooling and unitization. The creation of a unit by Lessee shall be based on the following criteria:

- (i) A unit for an oil well (other than a horizontal completion) shall not exceed 160 acres plus a maximum acreage tolerance of 10%, and a unit for a gas well shall not exceed 640 acres plus a maximum acreage tolerance of 10%.

(ii) A unit for a horizontal completion shall not exceed 1280 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction.

(iii) The terms "oil well" and "gas well" (as used in this section) shall have the meanings prescribed by applicable law or the appropriate governmental authority or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on a 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and, the term "horizontal completion" means a well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component.

Lessee shall file written unit designations in all counties in which a designated unit is located unless the unitization occurs from governmental order or rule.

Operations upon and production from a unit shall be treated as if such operations were upon, or such production were from the Leased Premises regardless of whether the well or wells are located on the Leased Premises. The entire acreage within a unit shall be treated for all purposes as if it were covered by and included in this Lease except that the royalty on production from a unit shall be as set out in this Lease and except that in calculating the amount of any shut in gas royalties, only the part of the Leased Premises acreage described in this Lease shall be counted.

Unit production royalty payments shall be allocated to the Leased Premises in the proportion the Leased Premises acreage bears to the total number of surface acres in the unit.

3. Lease Term, Bonus and Delay Rental

The Primary Term of the Lease shall commence on the Effective Date and terminate on the date set forth in Schedule A, incorporated herein as though fully set out ("Termination Date").

The Primary Term non-refundable bonus, drilling delay rent and expenses shall be paid on or before the Effective Date in the amount set forth in Schedule A. If oil, or gas, and/or their respective constituent products are produced during the Primary Term, the Lessee shall pay royalty as set forth in Section 4 below.

This Lease shall not terminate upon the Termination Date of the Primary Term if:

- (i) during the Primary Term, oil, gas, their constituent products including, without limitation, casinghead gas, or casinghead gasoline, are produced and sold on, at or from the Leased Premises and/or land unitized therewith, and the Lessee pays the Lessor monthly royalty commencing from the day of production (prorated for any partial month) and paid on or the first day of each calendar month following the production month as set forth in Section 4; or, ~~2014~~
- (ii) during the Primary Term, oil, gas, their constituent products of oil and gas, casinghead gas, or casinghead gasoline are not produced and sold on, at or from the Leased Premises

~~about~~





OIL AND GAS LEASE

AGREEMENT, Made and entered into the 29th day of October, 2012,
by and between The County of Ford

whose mailing address is 100 Gunsmoke, Dodge City, Kansas 67801 hereinafter called Lessor (whether one or more),
and Ritchie Exploration, Inc.

PO Box 783188, Wichita, Kansas 67278-3188 hereinafter called Lessee:

Lessor, in consideration of one and more Dollars (\$ 1.00 + _____) in hand paid, receipt of which is here acknowledged and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring by geophysical and other means, prospecting, drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases, and their respective constituent products, injecting gas, water, other fluids, and air into subsurface strata, laying pipe lines, storing oil, liquid hydrocarbons, all gases, and their respective products 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 Ford State of Kansas described as follows to-wit:

All that part of the NW/4 lying South of a line described as beginning at a point where the west line of Section 1-27S-24W intersects the center line of U.S. Highway 154, thence South along the west line of said Section 1 and Section 12, a distance of 2,315', thence East at right angles to said section line, a distance of 250', thence South parallel to said section line a distance of 440', thence Southeasterly to a point on the East line of said NW/4 that is 1,920' South of the intersection of the center line of U.S. Highway 154 and the East line of the NW/4 of said Section 12.

In Section 12 Township 27S Range 24W and containing 31 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) months lessor from this date (called "primary term"), and as long thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, or any of them, is produced from said land or land with which said land is pooled.

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

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

2nd. To pay lessor for gas of whatsoever nature or kind produced and sold, or used off the premises, or used in the manufacture of any products therefrom, one-eighth (1/8) of the market price at the well, (but, as to gas sold by lessee, in no event more than one-eighth (1/8) of the proceeds received by lessee from such sales), for the gas sold, used off the premises, or in the manufacture of products therefrom, said payments to be made monthly. Where gas from a well producing gas only is not sold or used, lessee may pay or tender as royalty One Dollar (\$1.00) per year per net mineral acre retained hereunder, and if such payment or tender is made it will be considered that gas is being produced within the meaning of the preceding paragraph.

This lease may be maintained during the primary term hereof without further payment or drilling operations. If the lessee shall commence to drill a well within the term of this lease or any extension thereof, the lessee shall have the right to drill such well to completion with reasonable diligence and dispatch, and if oil or gas, or either of them, be found in paying quantities, this lease shall continue and be in force with like effect as if such well had been completed within the term of years first mentioned.

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein provided for shall be paid the said lessor only in the proportion which lessor's interest bears to the whole and undivided fee.

Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for lessee's 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.

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

Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land; lease or leases in the immediate vicinity thereof, when in lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises, such pooling to be of tracts contiguous to one another and to be into a unit or units not exceeding 40 acres each in the event of an oil well, or into a unit or units not exceeding 640 acres each in the event of a gas well. Lessee shall execute in writing and record in the conveyance records of the county in which the land herein leased is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit shall be treated, for all purposes except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on the pooled acreage, it shall be treated as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere herein specified, lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.

Lessee agrees to comply with all reasonable rules and regulations imposed by Lessor with regard to opening, closing and locking all gates to prevent loss or damage to Lessor's property.

It is agreed by the Lessor and Lessee that in paragraph #3 and #4 where the word "one-eighth" (1/8) appears, it should read fifteen percent (15%) in each case.

This lease shall supersede and replace that certain Oil and Gas Lease dated August 16, 2012, by and between Ford County, Lessor, and Ritchie Exploration, Inc., Lessee, recorded in Book 59 at Pages 698-700.

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

Witnesses:

THE COUNTY OF FORD

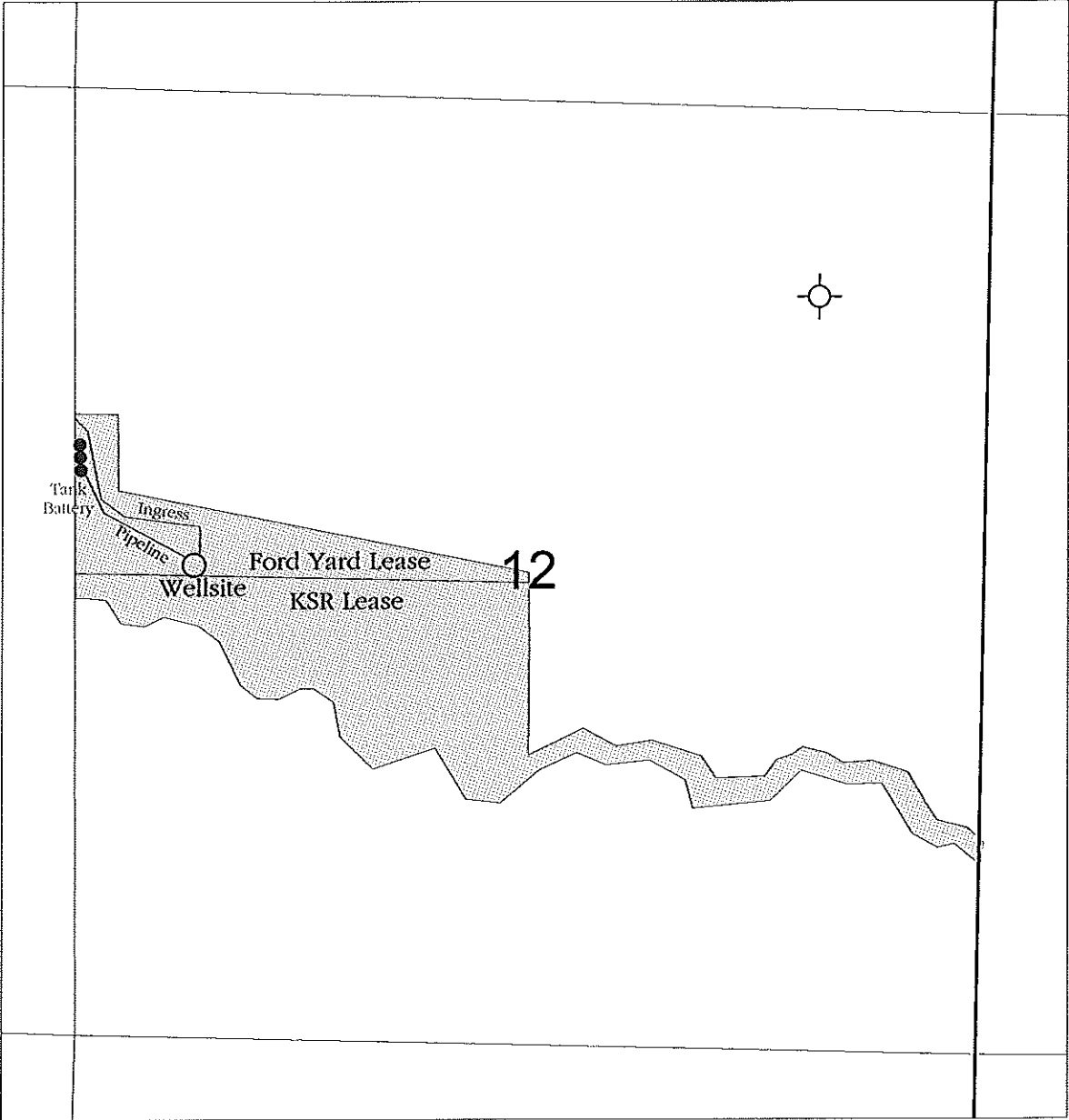
By: Edward W. Fliam
County Administrator



KANSAS SURFACE OWNER NOTIFICATION ACT

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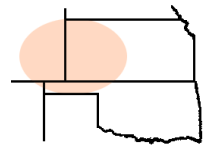


SCALE = 1 : 12,000

FORD COUNTY, KANSAS



Pro-Stake LLC
Oil Field & Construction Site Staking
 P.O. Box 2324
 Garden City, Kansas 67846
 Office/Fax: (620) 276-6159
 Cell: (620) 272-1499



132724L
 PLAT NO.

10543
 INVOICE NO.

Ritchie Exploration, Inc

OPERATOR

#1 Ford Yard - KSR (re-stake)

LEASE NAME

Ford County, KS

COUNTY

12 27s 24w
 Sec. Twp. Rng.

2676' FNL - 630' FWL (2718' FSL)

LOCATION SPOT

SCALE: 1" = 1000'
 DATE: Dec. 11th, 2012
 MEASURED BY: Luke R.
 DRAWN BY: Luke R.
 AUTHORIZED BY: Justin C.

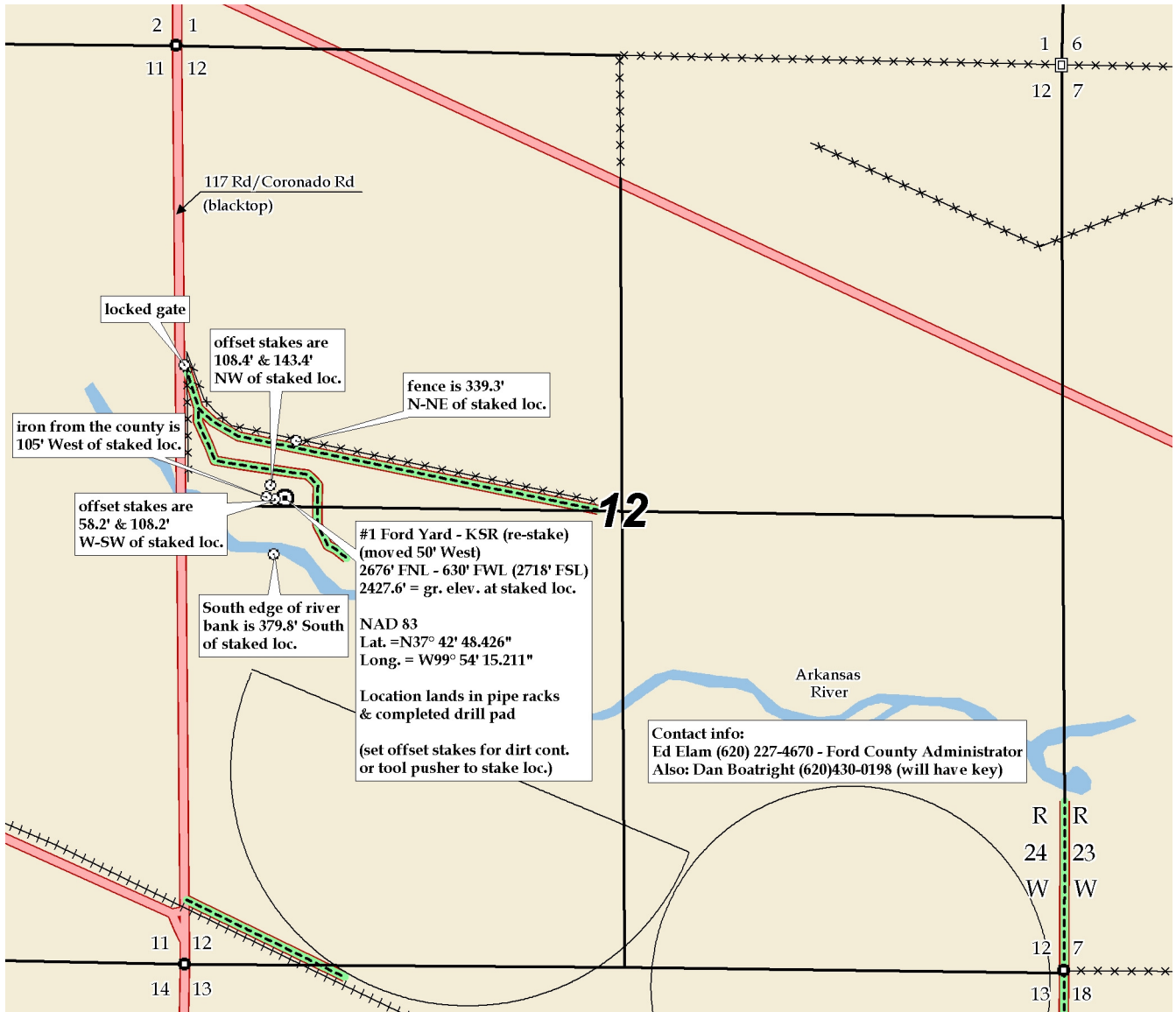


GR. ELEVATION: **2427.6'**

Directions: From the NE corner of Fort Dodge, Ks at the intersection of Hwy 400 & 115 Spur North & Sheridan South - Now go SE on Hwy 400 1.75 miles - Now go South 0.1 to the NW Corner of Sec.12-27s-24w - Now go South 0.4 mile on 117 Road/Coronado Rd to entry gate of the Ford County Highway Dept. Yard on the East Side of the road - Now go SE & East 0.2 mile through graveled area into staked location.

Final ingress must be verified with land owner or Operator.

This drawing does not constitute a monumented survey or a land survey plat.
This drawing is for construction purposes only



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/>

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

Sam Brownback, Governor

December 12, 2012

Justin Clegg
Ritchie Exploration, Inc.
8100 E 22ND ST N # 700
BOX 783188
WICHITA, KS 67278-3188

Re: Drilling Pit Application
Ford Yard-KSR 1X
NW/4 Sec.12-27S-24W
Ford County, Kansas

Dear Justin Clegg:

According to the drilling pit application referenced above, no earthen pits will be used at this location. Steel pits will be used. Please inform the Commission in writing as to which disposal well you utilized to dispose of the contents in the steel pits and the amount of fluid that was disposed. Please file form CDP-5 (August 2008), Exploration and Production Waste Transfer, within 30 days of fluid removal.

Should a haul-off pit be necessary please file form CDP-1 (April 2004), Application for Surface Pit, through KOLAR. This location will have to be inspected prior to approval of the haul-off pit application.

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 (620) 225-8888.

HAUL-OFF PIT APPLICATION FILING REQUIREMENTS

82-3-607.

DISPOSAL OF DIKE AND PIT CONTENTS.

(a)
pit

Each operator shall perform one of the following when disposing of dike or contents:

- (1) Remove the liquid contents to a disposal well or other oil and gas operation approved by the commission or to road maintenance or construction locations approved by the department;
- (2) dispose of reserve pit waste down the annular space of a well completed according to the alternate I requirements of K.A.R. 82-3-106, if the waste to be disposed of was generated during the drilling and completion of the well;

or

- (3) dispose of the remaining solid contents in any manner required by the commission. The requirements may include any of the following:
 - (A) Burial in place, in accordance with the grading and restoration requirements in K.A.R. 82-3-602 (f);
 - (B) removal and placement of the contents in an on-site disposal area approved by the commission;
 - (C) removal and placement of the contents in an off-site disposal area

on

lease

from

acreage owned by the same landowner or to another producing or unit operated by the same operator, if prior written permission the landowner has been obtained; or

approved (D) removal of the contents to a permitted off-site disposal area
by the department.

(b) Each violation of this regulation shall be punishable by the following:

- (1) A \$1,000 penalty for the first violation;
- (2) a \$2,500 penalty for the second violation; and
- (3) a \$5,000 penalty and an operator license review for the third violation.

File Haul-Off Pit Application in KOLAR. Review the information below and attach all required documents to the pit application when submitting through KOLAR. This form will automatically generate and fill in from questions asked in KOLAR.

Haul-off pit will be located in an on-site disposal area: ___Yes ___No

Haul-off pit is located in an off-site disposal area on acreage owned by the same landowner: ___Yes ___No If yes, written permission from the land owner must be obtained. Attach written permission to haul-off pit application.

Haul-off pit is located in an off-site disposal area on another **producing** lease or unit operated by the same operator: ___Yes ___No If yes, written permission from the land owner must be obtained. Attach permission and a copy of the lease assignment that covers the acreage where the haul-off pit is to be located, to the haul-off pit application.