

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:					
Effective Date:						
District #						
SGA?	Yes No					

### KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

Form C-1 March 2010 Form must be Typed Form must be Signed All blanks must be Filled

## **NOTICE OF INTENT TO DRILL**

,	Surface Owner Notification Act, MUST be submitted with this form.				
Expected Spud Date:	Spot Description:				
o.a uuy you.	Sec Twp S. R E W				
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:	County:				
Contact Person:	Lease Name: Well #:				
Phone:	Field Name:				
CONTRACTOR: License#	Is this a Prorated / Spaced Field?				
Name:	Target Formation(s):				
Well Drilled For: Well Class: Type Equipment:	Nearest Lease or unit boundary line (in footage):				
	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:				
Disposal Wildcat Cable	Depth to bottom of fresh water:				
Seismic ; # of Holes Other	Depth to bottom of usable water:				
Other:	Surface Pipe by Alternate:				
If OWWO: old well information as follows:	Length of Surface Pipe Planned to be set:				
	Length of Conductor Pipe (if any):				
Operator:	Projected Total Depth:				
Well Name:	Formation at Total Depth:				
Original Completion Date: Original Total Depth:	Water Source for Drilling Operations:				
Directional, Deviated or Horizontal wellbore?	Well Farm Pond Other:				
If Yes, true vertical depth:	— — —				
Bottom Hole Location:	DWR Permit #:(Note: Apply for Permit with DWR )				
KCC DKT #:	Will Cores be taken?				
	If Yes, proposed zone:				
	11 166; proposed 20116.				
AFI	FIDAVIT				
The undersigned hereby affirms that the drilling, completion and eventual plu	gging 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	n drilling rig;				
3. The minimum amount of surface pipe as specified below shall be set					
through all unconsolidated materials plus a minimum of 20 feet into the					
4. If the well is dry hole, an agreement between the operator and the dist	, , , , , , , , , , , , , , , , , , , ,				
5. The appropriate district office will be notified before well is either plugg	, ,				
6. If an ALTERNATE II COMPLETION, production pipe shall be cemente Or pursuant to Appendix "B" - Fastern Kansas surface casing order #3	133,891-C, which applies to the KCC District 3 area, alternate II cementing				
• • • • • • • • • • • • • • • • • • • •	e plugged. <i>In all cases, NOTIFY district office</i> prior to any cementing.				
ubmitted Electronically					
dominada Erectromodny	Pamambar to:				
For KCC Use ONLY	Remember to:				
ΛPI # 15 -	- File Certification of Compliance with the Kansas Surface Owner Notification Act (KSONA-1) with Intent to Drill;				
API # 15	- File Drill Pit Application (form CDP-1) with Intent to Drill;				
Conductor pipe requiredfeet	- File Drill Pit Application (form CDP-1) with Intent to Drill; - File Completion Form ACO-1 within 120 days of spud date;				
Minimum surface pipe requiredfeet per ALT. I	- File acreage attribution plat according to field proration orders;				
Approved by:	Notify appropriate district office 48 hours prior to workover or re-entry;				
This authorization expires:	- Submit plugging report (CP-4) after plugging is completed (within 60 days);				
i ·	- Obtain written approval before disposing or injecting salt water.				
(This authorization void if drilling not started within 12 months of approval date.)	- Obtain written approval before disposing of injecting salt water.				

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

Spud date: \_



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 Number:								feet from E / W Line of Section			
Field:				Se	Sec Twp S. R E						
Number of QTR/QTR/							- IS	Section:	Regular or Irregular		
								Section is	Irregular, locate well from nearest corner boundary	,	
								ection corne		<b>y</b> .	
							36	ection come	si usediNEiNWSESW		
				ipelines an	d electrica You n	al lines, as nav attach a	required b		dary line. Show the predicted locations of as Surface Owner Notice Act (House Bill 2032).		
					2540 ft	•					
		:	:	:		:	:	:			
		:	:	:		:		:	LEGEND		
									_		
		:	:	:		:	:	:	O Well Location		
		:		:		:		:	Tank Battery Location		
					•••••				—— Pipeline Location		
		:	:			:	:	:	Electric Line Location		
		:	:				:	:	Lease Road Location		
				·				·			
		:	:	:		:	:	:			
25.40.6		:	:			:	:	:	EXAMPLE : :		
2540 ft		:	:	<del></del>	)	:	:	:			
				. 3	31		:	:			
			•	:	]	:	:	:			
		:	•	:		:	:	:			
			•	:		:	:	:			
					•••••	• • • • • • • • • • • • • • • • • • • •	• • • • • • • • • • • • • • • • • • • •		198	0' FSL	
		:		:		:	:	:			
				:		:	:	:			
		•	· ·	· · · · · · · · · · · · · · · · · · · ·		·			<u> </u>		

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

1105012 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)  Is the pit located in a Sensitive Ground Water A		Existing nstructed: (bbls)	SecTwpR East WestFeet from North / South Line of SectionFeet from East / West Line of SectionCounty  Chloride concentration: mg/l (For Emergency Pits and Settling Pits only)		
Is the bottom below ground level?	Artificial Liner?  Yes  N	No	How is the pit lined if a plastic liner is not used?		
	Length (fee		Width (feet) N/A: Steel Pits No Pit		
If the pit is lined give a brief description of the li material, thickness and installation procedure.	illel		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:		Drilling, Work	over and Haul-Off Pits ONLY:		
Producing Formation:		Type of materia	al utilized in drilling/workover:		
Number of producing wells on lease:		Number of working pits to be utilized:			
Barrels of fluid produced daily:		Abandonment	procedure:		
Does the slope from the tank battery allow all s flow into the pit? Yes No	pilled fluids to	Drill pits must be closed within 365 days of spud date.			
Submitted Electronically					
KCC OFFICE USE ONLY Liner Steel Pit RFAC RFAS					
Date Received: Permit Num	ber:	Permi	it Date: Lease Inspection: Yes No		



1105012

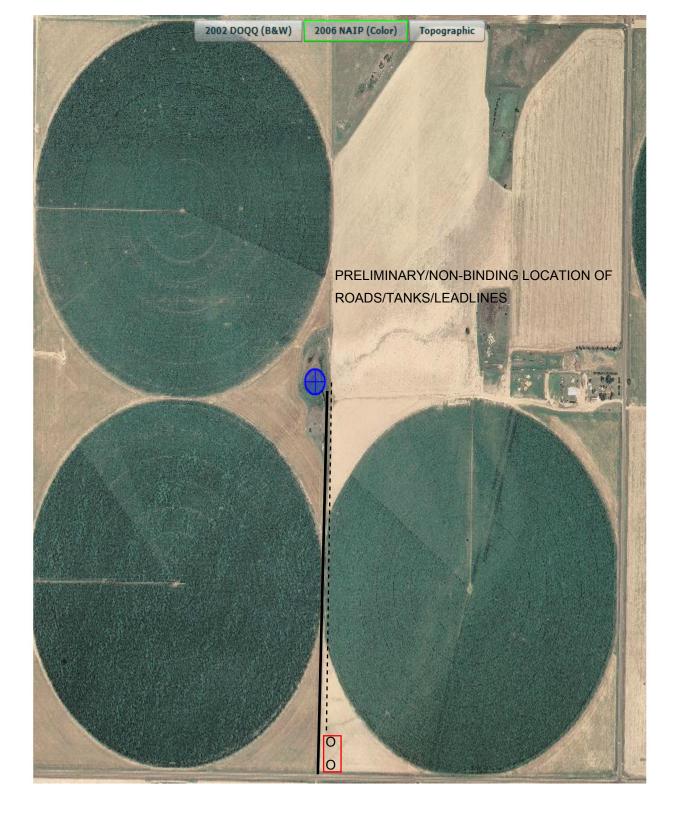
Form KSONA-1
July 2010
Form Must Be Typed
Form must be Signed
All blanks must be Filled

# 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 (C	Cathodic Protection Borehole Intent) T-1 (Transfer) CP-1 (Plugging Application)				
OPERATOR: License #	Well Location:				
Name:					
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	dic Protection Borehole Intent), you must supply the surface owners and batteries, pipelines, and electrical lines. The locations shown on the plat in the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted.				
Select one of the following:					
owner(s) of the land upon which the subject well is or will be loc CP-1 that I am filing in connection with this form; 2) if the form be form; and 3) my operator name, address, phone number, fax, and I have not provided this information to the surface owner(s). I ack KCC will be required to send this information to the surface owner(s).	cknowledge that, because I have not provided this information, the rner(s). To mitigate the additional cost of the KCC performing this				
task, I acknowledge that I am being charged a \$30.00 handling  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				
Submitted Electronically	_				



### OIL AND GAS LEASE

THIS AGREEMENT, Entered into this 18th day of January, 2010, between, James K. Koehn and Sherlyn J. Koehn, husband and wife, 19506 2 Rd., Copeland, KS 67837, hereinafter called lessor, and Harris Energies, Inc., P. O. Box 489, Elkhart, KS 67950, hereinafter called lessee, does witness:

That lessor, for and in consideration of the sum of Ten and More Dollars (\$10.00) in hand paid and of the covenants and agreements hereinafter contained to be performed by the 1. That lessor, for and in consideration of the sum of Ten and More Dollars (\$10.00) in hand paid and of the covenants and agreements hereinafter contained to be performed by the lessee, has this day granted, leased, and let and by these presents does hereby grant, lease, and let exclusively unto the lessee the hereinafter described land, with any reversionary rights therein, and with the right to unitize this lease or any part thereof with other oil and gas leases as to all or any part of the lands covered thereby as hereinafter provided, for the purpose of carrying on geological, geophysical and other exploratory work thereon, including core drilling and the drilling, mining, and operating for, producing and saving all of the oil, gas, so condensate, gas distillate, casinghead gasoline and their respective constituent vapors, and all other gases, found thereon, the exclusive right of injecting water, brine, and other fluids and substances into the subsurface strata, and for constructing roads, laying pipe lines, building tanks, storing oil, building power stations, electrical lines and other structures thereon necessary or convenient for the economical operation of said land alone or conjointly with neighboring lands, to produce, save, take care of, and manufacture all of such substances, and the latesting of water, brine and distributed in the Countried Carry. State of Manufacture all of such substances, and the injection of water, brine, and other substances into the subsurface strata, said tract of land being situated in the County of Gray. State of Kansas, and described as follows:

Lot 1 (38.38a), Lot 2 (38.39a), and the East Half of the Northwest Quarter, a/d/a The Northwest Quarter (NW/4), of Section 31, Township 28 South, Range 30 West.

156.77 acres, more or less

- This lease shall remain in force for a term of Three (3) years (called "primary term") and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of the products covered by this lease is or can be produced.
- The lessee shall deliver to lessor as royalty, free of cost, on the lease, or into the pipe line to which lessee may connect its wells the equal one-eighth part of all oil produced and saved from the leased premises, or at the lessee's option may pay to the lessor for such one-eighth royalty the market price at the wellhead for oil of like grade and gravity prevailing on the day such oil is run into the pipe line or into storage tanks.
- The lessee shall pay to the lessor, as a royalty, one-eighth (1/8th) of the proceeds received by the lessee from the sale of gas, gas condensate, gas distillate, casinghead gas, gas 4. The lessee snar pay to the lesser, as a royerty, one-eigrin (17 or ) or the protection received by the master from the same or gas, gas convenience, gas unsulfacture of gasoline or any other product, and all other gases, including their constituent parts, produced from the land herein lessed. It such gas is not sold by the lessee, lessee may pay or tender annually at or before the end of each yearly period during which such gas is not sold, as a shut-in royalty, whether one or more wells, an amount equal to one dollar per net mineral acre, and while shut in said royalty is so paid or tendered, it will be considered under all provisions of this lesse that gas is being produced in paying quantities. The first yearly period during which such gas is not sold shall begin on the date the first well is completed for production of gas.
- This lease is a paid-up lease and may be maintaining during primary term without further payments or drilling operations.
- 6. In the event said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein then the royalties herein provided for shall be paid to said lessor only in the proportion which his interest bears to the whole and undivided fee; however, in the event the title to any interest in said land should revert to lessor, or his heirs, or his or their grantee, this lease shall cover such reversion.
- The lessee shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from existing wells of the lessor. When required by lessor, the lessee shall bury its pipe lines below plow depth and shall pay for damage caused by its operations to growing crops on said land. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of the lessor. Lessee shall have the right at any time during, or after the expiration of the lease to remove all machinery fixtures, houses, buildings and other structures placed on said premises, including the right to draw and remove all casing.
- 8. 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 the heirs, devisees, executors, administrations, successors, and assigns, but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of lessee, and no change of ownership in the land or in the royalties or any sum due under this lease shall be binding on the lessee until it has been furnished with either the original recorded instrument of conveyance or a duly certified copy of the will of any deceased owner and of the probate thereof, or certified copy of the proceedings showing appointment of an administrator of the estate of any deceased owner, whichever is appropriate together with all original recorded instruments of conveyance or duly certified copies thereof necessary in showing a complete chain of title back to lessor of the full interest claimed, and all advance payments of rentals made hereunder before receipt
- of said documents shall be binding on any direct or indirect assignee, grantee, devisee, or administrator, executor, or heir of lessor.

  9. If the leased premises are now or shall hereafter be owned in severalty or in separate tracts, the premises may nonetheless be developed and operated as one lease, and all royalties accruling hereunder shall be divided among and paid to such separate owners in the proportion that the acreage owned by each separate owner bears to the entire leased acreage. There shall be no obligations on the part of the lessee to offset wells on separate tracts into which the land covered by the lease may now or hereafter be divided by sale, devisee. descent or otherwise, or to furnish separate measuring or receiving tanks.
- 10. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the lessee, at its option, may pay and discharge in whole or in part any taxes, mortgages or other liens existing, levied, or assessed on or against the above described lands and, in event it exercises such options it shall be subrogated to the rights of any holder or holders thereof and may relmburse itself by applying to the discharge of any such mortgage tax or other lien, any royalty accruling hereunder.

  11. If after the expiration of the primary term, production of oil or gas should cease from any cause, this lease shall not terminate if lessee commences additional drilling or reworking
- operations within one hundred-twenty (120) days thereafter, or if as the expiration of the primary term, oil or gas is not being produced on said land, but lessee is then engaged in drilling or reworking operations thereon, then in either event, this lease shall remain in force so long as operations are prosecuted either on the same well or any other well thereafter commenced with no cessation of more than one hundred-twenty(120) consecutive days, and if they result in production of oil or gas, this lease shall remain in effect so long thereafter as there is production of oil or gas under any provision of this lease.
- 12. Lessee may at any time surrender or cancel this lease in whole or in part by delivering or mailing such release to the lessor, or by placing same of record in the proper county. In case said lease is surrendered and canceled as to only a portion of the acreage covered thereby, then all payments and liabilities thermifter accruing under the terms of said lease as to the portion canceled shall cease and determine, but as to the portion of the acreage not released the terms and provisions of this lease shall continue and remain in full force and effect
- 13. All provisions hereof, express or implied, shall be subject to all federal and state laws and the orders, rules, or regulations (and interpretations thereof) of all governmental agencies administering the same, and this lease shall not be in any way terminated wholly or partially nor shall the lessee be liable in damages for fallure to comply with any of the express or implied provisions hereof if such fallure accords with any such laws, orders, rules or regulations (or interpretations thereof). If lessee should be prevented during the last six months of the primary term hereof from drilling a well hereunder by the order of any constituted authority having jurisdiction thereover, the primary term of this lease shall continue until six months after
- 14.) Lessee, at its option, is hereby given the right and power to pool or combine into one or more units the land covered by this lease, or any portion thereof, with other land covered by another lease, or leases 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 such minerals in and under said land, such pooling to be in a unit or units not exceeding 80 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 and/or condensate or distillate well, plus a tolerance of ten percent (10%) to condensate or distillate well, plus a tolerance of ten percent (10%) to condensate or distillate well, plus a tolerance of ten percent (10%) to condensate or distillate well, plus a tolerance of ten percent (10%) to condensate or distillate well, plus a tolerance of ten percent (10%) to condensate or distillate well, plus a tolerance of ten percent (10%) to condensate or distillate well, plus a tolerance of ten percent (10%) to condensate or distillate well, plus a tolerance of ten percent (10%) to condensate or distillate well, plus a tolerance of ten percent (10%) to condensate or distillate well, plus a tolerance of ten percent (10%) to condensate or distillate well, plus a tolerance of ten percent (10%) to condensate or distillate well, plus a tolerance of ten percent (10%) to condensate or distillate well, plus a tolerance of ten percent (10%) to condensate or distillate well, plus a tolerance of ten percent (10%) to condensate or distillate well, plus a tolerance of ten percent (10%) to condensate or distillate well, plus a tolerance of ten percent (10%) to condensate or distillate well, plus a tolerance of ten percent (10%) to condensate or distillate well, plus a tolerance of ten percent (10%) to condensate or distillate well, plus a tolerance of ten percent (10%) to condensate or distillate well, plus a tolerance of ten percent (10%) to condensate or distillate well, plus a tolerance of ten percent (10%) to condensate or distillate well, plus a tolerance of ten percent (10%) to condensate or distillate well, plus a tolerance or distillate well, pl treated as if production is had from this lease whether any well is located on the land covered by this lease or not. Any well drilled on any such unit shall be and constitute a well hereunder. In lieu of the royalties elsewhere herein specified lessor shall receive on production from the unit so pooled only such portion of the royalty stipulated herein as the amount of his net royalty interest therein on an acreage basis bears to the total mineral acreage so pooled in the particular unit involved.
- 15. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors of said lessor and lessee.

See Exhibit "A" attached hereto and made a part hereof

IN WITNESS WHEREOF, we sign the day and year first above written.

PHOTO-COPIED

INDEXED

Sherlyn J. Holve (Sherlyn J. Koelin) STATE OF KANSAS, Gray County This instrument was filed for record on

the 21 day of Jana. D. 20 10

at 330 M. and duly recorded in Book
Thom Page 13-115
Register of Deeds \$ 1600

LL88-1 Form 88 (prod) cers) Rev. 1-83 (Peid-un)

Kans. - Olda. - Colo.

### OIL AND GAS LEASE

THIS AGREEMENT, Entered into this 18th day of January, 2010, between, James K. Koehn and Sherlyn J. Koehn, husband and wife, 19506 2 Rd., Copeland, KS 67837, hereinafter called lessor, and Harris Energies, Inc., P. O. Box 489, Elkhart, KS 67950, hereinafter called lessee, does witness:

1. That lessor, for and in consideration of the sum of Ten and More Dollars (\$10.00) in hand paid and of the covenants and agreements hereinafter contained to be performed by the lessee, has this day granted, leased, and let and by these presents does hereby grant, lease, and let exclusively unto the lessee the hereinafter described land, with any reversionary rights therein, and with the right to unitize this lease or any part thereof with other oil and gas leases as to all or any part of the lands covered thereby as hereinafter provided, for the purpose of carrying on geological, geophysical and other exploratory work thereon, including core drilling and the drilling, mining, and operating for, producing and saving all of the oil, gas, gas condensate, gas distillate, cashighead gasoline and their respective constituent vapors, and all other gases, found thereon, the exclusive right of injecting water, brine, and other fluids and substances into the subsurface strata, and for constructing roads, laying pipe lines, building tanks, storing oil, building power stations, electrical lines and other structures thereon necessary or convenient for the economical operation of said land alone or conjointly with neighboring lands, to produce, save, take care of, and manufacture all of such substances, and the injection of water, brine, and other substances into the subsurface strata, said tract of land being situated in the County of Gray, State of Kansas, and described as follows:

> Lot 3 (38.41a), Lot 4 (38.42a), and the East Half of the Southwest Quarter, a/d/a The Southwest Quarter (SW/4), of Section 31, Township 28 South, Range 30 West.

156.83 acres, more or less

This lease shall remain in force for a term of Three (3) years (called "primary term") and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of the products red by this lease is or can be produced.

3. The lessee shall deliver to lessor as royalty, free of cost, on the lease, or into the pipe line to which lessee may connect its wells the equal one-eighth part of all oil produced and saved from the leased premises, or at the lessee's option may pay to the lessor for such one-eighth royalty the market price at the wellhead for oil of like grade and gravity prevailing on the day such oil is run into the pipe line or into storage tanks.

4. The lessee shall pay to the lessor, as a royalty, one-eighth (1/8th) of the proceeds received by the lessee from the sale of gas, gas condensate, gas distillate, casinghead gas, gas used for the manufacture of gasoline or any other product, and all other gases, including their constituent parts, produced from the land herein leased. If such gas is not sold by the lessee, lessee may pay or tender annually at or before the end of each yearly period during which such gas is not sold, as a shut-in royalty, whether one or more wells, an amount equal to one dollar per net mineral acre, and while shut in said royalty is so paid or tendered, it will be considered under all provisions of this lease that gas is being produced in paying quantities. The first yearly period during which such gas is not sold shall begin on the date the first well is completed for production of gas.

5. This lease is a paid-up lease and may be maintaining during primary term without further payments or drilling operations.

in the event said lessor owns a less interest in the above described land than the entire and undivided fee simple. le estate therein then the royalties herein provided for shall be paid to said lessor only in the proportion which his interest bears to the whole and undivided fee; however, in the event the title to any interest in said land should revert to lessor, or his heirs, or his or their grantee, this lease shall cover such reversion.

The lessee shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from existing wells of the lessor. When required by lessor, the lessee shall bury its pipe lines below plow depth and shall pay for damage caused by its operations to growing crops on said land. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of the lessor. Lessee shall have the right at any time during, or after the expiration of the lesse to remove all machinery

fixtures, houses, buildings and other structures placed on said premises, including the right to draw and remove all casing.

8. 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 the heirs, devisees, executors, administrations, successors, and assigns, but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diffinish the rights of lessee, and no change of ownership in the land or in the noyalties or any sun, die under this lease shall be binding on the lessee until it has been furnished with either the original recorded instrument of conveyance or a duly certified copy thereof, or a certified copy of the will of any deceased owner and of the probate thereof, or certified copy of the proceedings showing appointment of an administrator of the estate of any deceased owner, whichever is appropriate together with all original recorded instruments of conveyance or duly certified copies thereof necessary in showing a complete chain of title back to lessor of the full interest claimed, and all advance payments of rentals made hereunder before receipt of said documents shall be binding on any direct or indirect assignee, grantee, devisee, or administrator, executor, or heir of lessor.

9. If the leased premises are now or shall hereafter be owned in severality or in separate tracts, the premises may nonetheless be developed and operated as one lease, and all

royalties accruing hereunder shall be divided among and paid to such separate owners in the proportion that the acreage owned by each separate owner bears to the entire leased acreage. There shall be no obligations on the part of the lessee to offset wells on separate tracts into which the land covered by the lease may now or hereafter be divided by sale, devisee, nt or otherwise, or to furnish separate measuring or receiving tanks.

descent of otherwise, or to running separate measuring or receiving tanks.

10. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the lessee, at its option, may pay and discharge in whole or in part any taxes, mortgages or other liens existing, levied, or assessed on or against the above described lands and, in event it exercises such options it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying to the discharge of any such mortgage tax or other lien, any royalty accruing hereunder.

11. If after the expiration of the primary term, production of oil or gas should cease from any cause, this lease shall not terminate if lessee commences additional drilling or reworking

operations within one hundred-twenty (120) days thereafter, or if as the expiration of the primary term, oil or gas is not being produced on said land, but lessee is then engaged in drilling or reworlding operations thereon, then in either event, this lease shall remain in force so long as operations are prosecuted either on the same well or any other well thereafter commenced with no cessation of more than one hundred-twenty(120) consecutive days, and if they result in production of oil or gas, this lease shall remain in effect so long thereafter as there is production of oil or gas under any provision of this lease.

12. Lease may at any time surrender or cancel this lease in whole or in part by delivering or mailing such release to the lessor, or by placing same of record in the proper county. In case said lease is surrendered and canceled as to only a portion of the acreage covered thereby, then all payments and liabilities thereafter accruing under the terms of said lease as to the portion canceled shall cease and determine, but as to the portion of the acreage not released the terms and provisions of this lease shall continue and remain in full force and effect for all purposes.

All provisions hereof, express or implied, shall be subject to all federal and state laws and the orders, rules, or regulations (and interpretations thereof) of all governmental agencies administering the same, and this lease shall not be in any way terminated wholly or partially nor shall the lessee be liable in damages for failure to comply with any of the express or implied provisions hereof if such failure accords with any such laws, orders, rules or regulations (or interpretations thereof). If lessee should be prevented during the last six months of the primary term hereof from drilling a well hereunder by the order of any constituted authority having jurisdiction thereover, the primary term of this lease shall continue until six months after id order is suspended.

Lessee, at its option, is hereby given the right and power to pool or combine into one or more units the land covered by this lease, or any portion thereof, with other land covered by the land covered by this lease, or any portion thereof, with other land covered by the land covered by this lease, or any portion thereof, with other land covered by the land covered by this lease, or any portion thereof, with other land covered by the land covered by this lease, or any portion thereof, with other land covered by the land covered by this lease, or any portion thereof, with other land covered by the land covered by this lease, or any portion thereof, with other land covered by this lease, or any portion thereof, with other land covered by the land covered by this lease, or any portion thereof, with other land covered by the land covered by this lease, or any portion thereof, with other land covered by the land covered by this lease, or any portion thereof, with other land covered by the land cov such minerals in and under said land, such pooling to be in a unit or units not exceeding 80 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 and/or condensate or distiliate well, plus a tolerance of ten percent (10%) to conform to Governmental Survey quarter sections. Lessee shall execute in writing and file for record in the county in which the land is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a unit or units shall be treated for all purposes, except the payments of royalties on production from the pooled unit, as if it were included in this lease. If production is found on any part of the pooled acreage it shall be hereunder. In Ileu of the royaltles elsewhere herein specified lessor shall receive on production from the unit so pooled only such portion of the royaltles elsewhere herein specified lessor shall receive on production from the unit so pooled only such portion of the royaltles elsewhere herein specified lessor shall receive on production from the unit so pooled only such portion of the royaltles elsewhere herein as the amount of his net royaltly interest therein on an acreage basis bears to the total mineral acreage so pooled in the particular unit involved.

15. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors of said lessor and lessee.

See Exhibit "A" attached hereto and made a part hereof

IN WITNESS WHEREOF, we sign the day and year first above written.

PHOTO-COPIED INDEXED

Sturlyn J. Kochn STATE OF KANSAS, Gray County

This instrument was filed for record on the 2 day of 200 A.D. 20 10 at 30 M. and duly recorded in Book
on Page 410 472

Register of Deed's

٨

Kans. -- Okla. -- Colo

### OIL AND GAS LEASE

THIS AGREEMENT, Entered into this 15th day of January, 2010, between, Joan Ward, a single person, P.O. Box 6. Copeland, KS 67837, hereinafter called lessor, and Harris Energies, Inc., P. O. Box 489, Elkhart, KS 67950, hereinafter called lessee, does witness:

That lessor, for and in consideration of the sum of ten and more politars (\$10.00) in hand paid and of the cover ned to be performed by the e, has this day granted, leased, and let and by these presents does hereby grant, lease, and let exclusively unto the lessee the hereinafter described land, with any reversionary rights lessee, has this day granted, lessed, and let and by these presents does hereby grant, lease, and let exclusively unto the lessee the hereinafter described land, with any reversionary rights therein, and with the right to unitize this lease or any part thereof with other oil and gas leases as to all or any part of the lands covered thereby as hereinafter provided, for the purpose of carrying on geological, geophysical and other exploratory work thereon, including core drilling, and ling, and operating for, producing and saving all of the oil, gas, gas condensate, gas distillate, casinghead gasoline and their respective constituent vapors, and all other gases, found thereon, the exclusive right of injecting water, brine, and other fluids and substances into the subsurface strata, and for constructing roads, laying pipe lines, building tanks, storing oil, building power stations, electrical lines and other structures thereon necessary or convenient for the economical operation of said land alone or conjointly with neighboring lands, to produce, save, take care of, and manufacture all of such substances, and the injection of water, brine, and other substances into the subsurface strata, said tract of land being situated in the County of Gray. State of Kenses, and described as follows:

The Southeast Quarter (SE/4), of Section 31, Township 28 South, Range 30 West.

containing 160 acres, more or less.

This lease shall remain in force for a term of Three (3) years (called "primary term") and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of the products covered by this lease is or can be produced.

The lessee shall deliver to lessor as royalty, free of cost, on the lease, or into the pipe line to which lessee may connect its wells the equal one-eighth part of all oil produced and saved from the leased premises, or at the lessee's option may pay to the lessor for such one-eighth royalty the market price at the wellhead for oil of like grade and gravity prevailing on the day such oil is run into the pipe line or into storage tanks.

4. The lessee shall pay to the lessor, as a royalty, one-eighth (1/8") of the proceeds received by the lessee from the sale of gas, gas condensate, gas distillate, casinghead gas, gas used for the manufacture of gasoline or any other product, and all other gases, including their constituent parts, produced from the land herein leused. If such gas is not sold by the lessee, lessee may pay or tender annually at or before the end of each yearly period during which such gas is not sold, as a shut-in royalty, whether one or more wells, an amount equal to ral acre, and while shut in said royalty is so paid or tendered, it will be considered under all provisions of this lease that gas is being produced in paying quantities. The first yearly period during which such gas is not sold shall begin on the date the first well is completed for production of gas.

This lease is a paid-up lease and may be maintaining during primary term without further payments or drilling operations.

In the event said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein then the royalities herein provided for shall be paid to said lessor only in the proportion which his interest bears to the whole and undivided fee; however, in the event the title to any interest in said land should revert to lessor, or his helrs, or his or their grantee, this lease shall cover such reversion.

The lessee shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from existing wells of the lessor. When required by lessor, the lessee shall have the right to use, fire or use, gas, on any value round of some length of the respective for the lesser. The ressee shall bury its pipe lines below plow depth and shall pay for damage caused by its operations to growing crops on said land. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of the lessor. Lessee shall have the right at any time during, or after the expiration of the lease to remove all machinery

to the noise or pain now on sard premises without written consent or the ressort. Lesses shall neve up in light at any time during, or after the expiration or the rease to remove all casing.

8. 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 the heirs, devisees, executors, administrations, successors, and assigns, but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of lessee, and no change of ownership in the land or in the royalties or any sum due under this lease shall be binding on the lessee until it has been furnished with either the original recorded instrument of conveyance or a duly certified copy thereof, or a certified copy of the will of any deceased owner and of the probate thereof, or certified copy of the proceedings showing appointment of an administrator of the estate of any deceased owner, whichever is appropriate together with all original recorded instruments of conveyance or duly certified copies thereof necessary in showing a complete chain of title back to lessor of the full interest claimed, and all advance payments of rentals made hereunder before receipt of said documents shall be binding on any direct or indirect assignee, grantee, devisee, or administrator, executor, or heir of lessor.

9. If the leased premises are now or shall hersefter be owned in severalty or in separate tracts, the premises may nonetheless be developed and operated as one lease, and all royalties accruing hereunder shall be divided among and pald to such separate owners in the proportion that the acreage owned by each separate owner bears to the entire leased acreage. There shall be no obligations on the part of the lessee to offset wells on separate tracts into which the land covered by the lease may now or hereafter be divided by sale, devisee, descent or otherwise, or to furnish separate measuring or receiving tanks.

10. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the lessee, at its option, may pay and discharge in whole or in part any taxes, mortgages or other liens existing, levied, or assessed on or against the above described lands and, in event it exercises such options it shall be subrogated to the rights of any holder or

morgages or other liens existing, levied, or assessed on or against the above described lattice and, in event it excludes such options to clinic to such options to clinic the such options to clinic to such options to such options to clinic to such options to such opti or reworking operations thereon, then in either event, this lease shall remain in force so long as operations are prosecuted either on the same well or any other well thereafter commenced tion of more than one hundred-twenty (120) consecutive days, and if they result in production of oil or gas, this lease shall remain in effect so long thereafter as there is roduction of oil or gas under any provision of this lease.

12. Lessee may at any time surrender or cancel this lease in whole or in part by delivering or mailing such release to the lessor, or by placing same of record in the proper county. In case said lease is surrendered and canceled as to only a portion of the acreage covered thereby, then all payments and liabilities thereafter accruing under the terms of said lease as to the portion canceled shall cease and determine, but as to the portion of the acreage not released the terms and provisions of this lease shall continue and remain in full force and effect

13. All provisions hereof, express or implied, shall be subject to all federal and state laws and the orders, rules, or regulations (and interpretations thereof) of all governmental agencies administering the same, and this lease shall not be in any way terminated wholly or partially nor shall the lessee be liable in damages for failure to comply with any of the express or implied provisions hereof if such failure accords with any such laws, orders, rules or regulations (or interpretations thereof). If lessee should be prevented during the last six months of the primary term hereof from drilling a well hereunder by the order of any constituted authority having jurisdiction thereover, the primary term of this lease shall continue until six months after ald order is suspended.

Lessee, at its option, is hereby given the right and power to pool or combine into one or more units the land covered by this lease, or any portion thereof, with other land covered by another lease, or leases 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 such inheratis in and under said land, such pooling to be in a unit or units not exceeding 80 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 and/or condensate or distillate well, plus a tolerance of ten percent (10%) to conform to Governmental Survey quarter sections. Lessee shall execute in writing and file for record in the county in which the land is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a unit or units shall be treated for all purposes, except the payments of royalties on production from the pooled unit, as if it were included in this lease. If production is found on any part of the pooled acreage it shall be treated as if production is had from this lease whether any well is located on the land covered by this lease or not. Any well drilled on any such unit shall be and constitute a well hereunder. In lieu of the royalties elsewhere herein specified lessor shall receive on production from the unit so pooled only such portion of the royalty stipulated herein as the amount of his net royalty interest therein on an acreage basis bears to the total mineral acreage so pooled in the particular unit involved.

15. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors of said lessor and lessee. See Exhibit "A" attached hereto and made a part hereof

IN WITNESS WHEREOF, we sign the day and year first above written.

(Joan/Ward)

PHOTO-COPIED INDEXED

STATE OF KANSAS, Gray County This instrument was filed for record on the 25 day of 00 A.D. 20 10 at 250 M. and duly recorded in Book

Register of Deeds

### OIL AND GAS LEASE

THIS AGREEMENT, Entered into this 11th day of January, 2010, between, Travis Jantz and Brooke Jantz, husband and wife, 30505 2 Rd, Copeland, KS 67837, hereinafter called lessor, and Harris Energies, Inc., P. O. Box 489, Elkhart, KS 67950, hereinafter called lessee, does witness:

1. That lessor, for and in consideration of the sum of Ten and More Dollars (\$10.00) in hand paid and of the covenants and agreements hereinafter contained to be performed by the lessee, has this day granted, lessed, and let and by these presents does hereby grant, lesse, and let exclusively unto the lessee the hereinafter described land, with any reversionary rights therein, and with the right to unitize this lesse or any part thereof with other oil and gas lesses as at all or any part of the lands covered thereby as hereinafter provided, for the purpose of carrying on geological, geophysical and other exploratory work thereon, including core drilling and the drilling, mining, and operating for, producing and saving all of the oil, gas, gas condensate, gas distillate, casinghead gasoline and their respective constituent vapors, and all other gases, found thereon, the exclusive right of injecting water, brine, and other fluids and substances into the subsurface strata, and for constructing roads, laying pipe lines, building the substances, so which is provided and the injection of water, brine, and other substances into the subsurface strata, said tract of land being situated in the County of Gray. State of Kansses, and described as follows:

The Northeast Quarter (NE/4), of Section 31, Township 28 South, Range 30 West.

containing 160 acres, more or less.

- This lease shalf remain in force for a term of Three (3) years (called "primary term") and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of the products covered by this lease is or can be produced.
- 3. The lessee shall deliver to lessor as royalty, free of cost, on the lease, or into the pipe line to which lessee may connect its wells the equal one-eighth part of all oil produced and saved from the leased premises, or at the lessee's option may pay to the lessor for such one-eighth royalty the market price at the wellhead for oil of like grade and gravity prevailing on the day such oil is run into the pipe line or into storage tanks.
- 4. The lessee shall pay to the lessor, as a royalty, one-eighth (1/8") of the proceeds received by the lessee from the sale of gas, gas condensate, gas distillate, casinghead gas, gas used for the manufacture of gasoline or any other product, and all other gases, including their constituent parts, produced from the land herein leased. If such gas is not sold by the lessee, lessee may pay or tender annually at or before the end of each yearly period during which such gas is not sold, as a shut-in royalty, whether one or more wells, an amount equal to one dollar per net mineral acre, and while shut in sald royalty is so paid or tendered, it will be considered under all provisions of this lease that gas is being produced in paying quantities. The first yearly period during which such gas is not sold shall begin on the date the first well is completed for production of gas.
- . This lease is a paid-up lease and may be maintaining during primary term without further payments or drilling operations.
- 6. In the event said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein then the royalties herein provided for shall be paid to said lessor only in the proportion which his interest bears to the whole and undivided fee; however, in the event the title to any interest in said land should revert to lessor, or his heirs, or his or their grantee, this lease shall cover such reversion.
- 7. The lessee shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from existing wells of the lessor. When required by lessor, the lessee shall have its pipe lines below plow depth and shall pay for damage caused by its operations to growing crops on said land. No well shall be drilled nearer than 200 feet to the house or ham now on said premises without written consent of the lessor. Lessee shall have the right at any time during, or after the expiration of the lease to remove all machinery fixtures, houses, buildings and other structures placed on said premises, including the right to draw and remove all casing.
- 8. 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 the heirs, devisees, executors, administrations, successors, and assigns, but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of lessee, and no change of ownership in the land or in the royalties or any sum due under this lease shall be binding on the lessee until it has been furnished with either the original recorded instrument of conveyance or a duly certified copy thereof, or a certified copy of the will of any deceased owner and of the probate thereof, or certified option the proceedings showing appointment of an administrator of the estate of any deceased owner, whichever is appropriate together with all original recorded instruments of conveyance or duly certified copies thereof necessary in showing a complete chain of title back to lessor of the full interest claimed, and all advance payments of rentals made hereunder before receipt of said documents shall be binding on any direct or indirect assignee, strantes, devisee, or administrator, executor, or heir of fessor.
- of said documents shall be binding on any direct or indirect assignee, grantee, devisee, or administrator, executor, or heir of lessor.

  9. If the leased premises are now or shall hereafter be owned in severalty or in separate tracts, the premises may nonetheless be developed and operated as one lease, and all royalties accruing hereunder shall be divided among and paid to such separate owners in the proportion that the acreage owned by each separate owner bears to the entire leased acreage. There shall be no obligations on the part of the lessee to offset wells on separate tracts into which the land covered by the lease may now or hereafter be divided by sale, devisee, descent or otherwise, or to furnish separate measuring or receiving tanks.
- Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the lessee, at its option, may pay and discharge in whole or in part any taxes, mortgages or other llens existing, levied, or assessed on or against the above described lands and, in event it exercises such options it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying to the discharge of any such mortgage tax or other llen, any royalty accruing hereunder.
   If after the expiration of the primary term, production of oil or gas should cease from any cause, this lease shall not terminate it lessee commences additional drilling or reworking
- 11. If after the expiration of the primary term, production of oil or gas should cease from any cause, this lease shall not terminate if lessee commences additional drilling or reworking operations within one hundred-twenty (120) days thereafter, or if as the expiration of the primary term, oil or gas is not being produced on said land, but lessee is then engaged in drilling or reworking operations thereon, then in either event, this lease shall remain in force so long as operations are prosecuted either on the same well or any other well thereafter commenced with no cessation of more than one hundred-twenty(120) consecutive days, and if they result in production of oil or gas, this lease shall remain in effect so long thereafter as there is production of oil or gas under any provision of this lease.
- 12. Lessee may at any time surrender or cancel this lease in whole or in part by delivering or mailing such release to the lessor, or by placing same of record in the proper county. In case said lease is surrendered and canceled as to only a portion of the acreage covered thereby, then all payments and liabilities thereafter accruing under the terms of said lease as to the portion canceled shall cease and determine, but as to the portion of the acreage not released the terms and provisions of this lease shall continue and remain in full force and effect for all purposes.
- 13. All provisions hereof, express or implied, shall be subject to all federal and state laws and the orders, rules, or regulations (and interpretations thereof) of all governmental agencies administering the same, and this lease shall not be in any way terminated wholly or partially nor shall the lessee be liable in damages for failure to comply with any of the express or implied provisions hereof if such failure accords with any such laws, orders, rules or regulations (or interpretations thereof). If lessee should be prevented during the last six months of the primary term hereof from drilling a well hereunder by the order of any constituted authority having jurisdiction thereover, the primary term of this lease shall continue until six months after said order is suspended.
- salt order is suspended.

  4. Lessee, at its option, is hereby given the right and power to pool or combine into one or more units the land covered by this lease, or any portion thereof, with other land covered by another lease, or leases 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 such minerals in and under said land, such pooling to be in a unit or units not exceeding 80 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 and/or condensate or distillate well, plus a tolerance of ten percent (10%) to conform to Governmental Survey quarter sections. Lessee shall exceed in writing and file for record in the county in which the land is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a unit or units shall be treated for all purposes, except the payments of royalties on production from the pooled unit, as if it were included in this lease. If production is found on any part of the pooled acreage it shall be treated as if production is had from this lease whether any well is located on the land covered by this lease or not. Any well drilled on any such unit shall be and constitute a well hereunder. In lieu of the royaltes elsewhere herein specified lessor shall receive on production from the units opooled only such portion of the royalty stipulated herein as the amount of his net royalty interest therein on an acreage basis bears to the total mineral acreage so pooled in the particular unit involved.
- 15. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors of said lessor and lessee.

See Exhibit "A" attached hereto and made a part hereof

IN WITNESS WHEREOF, we sign the day and year first above written.

(Travis Jantz)

PHOTO-COPIED

INDEXED

Brooke Jantz)

STATE OF KANSAS, Gray County
This instrument was filed for record on
the \_\_\_\_\_\_ day of \_\_\_\_\_\_ A.D. 20 10\_\_\_\_\_\_

at 32 M. and duly recorded in Book

I on Page 456-458 Darla Stuffu

Register of Deeds