





1109917

**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

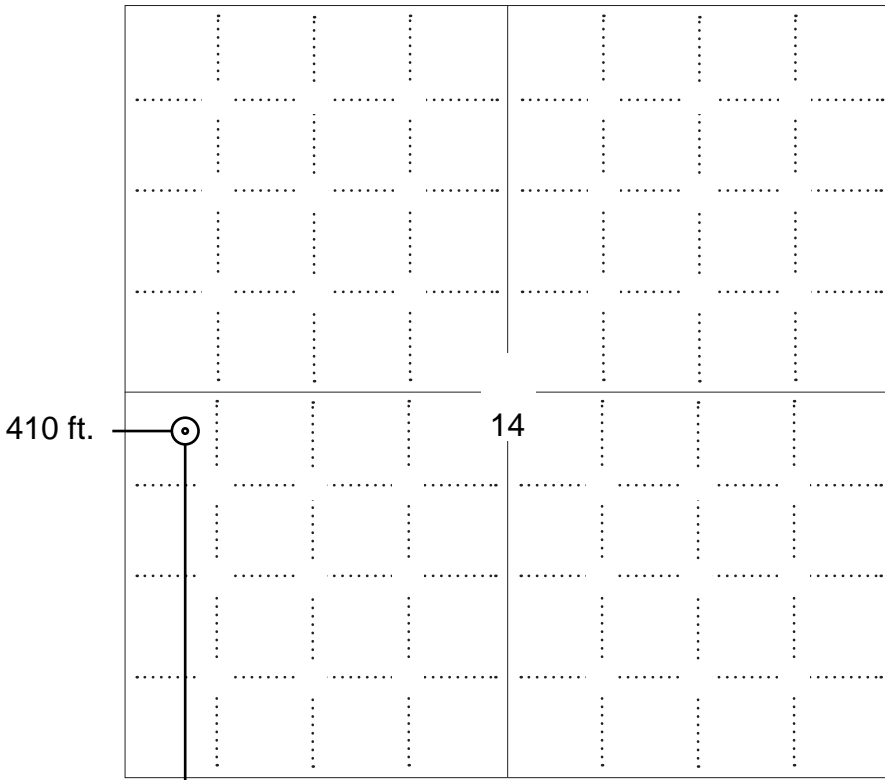
Is Section:  Regular or  Irregular

**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.

2369 ft.

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

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

**APPLICATION FOR SURFACE PIT**

*Submit in Duplicate*

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

**KCC OFFICE USE ONLY**

Liner     Steel Pit     RFAC     RFAS

Date Received: \_\_\_\_\_ Permit Number: \_\_\_\_\_ Permit Date: \_\_\_\_\_ Lease Inspection:     Yes     No



**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 (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

126 748

Form 89--(Producers) Kan., Okla. & Colo. (12-63) Rev. B W

OIL AND GAS LEASE

Remitter No. 09-116

NO. 7402  
WORKING FIELD  
1316-284-3044 WICHITA  
1316-278-5100 FAX  
www.kls.com • kls@kls.com

THIS AGREEMENT, Entered into this the 13th day of July 2004 between

Karl W. Stalnaker, Trustee under Trust Agreement dated April 15, 1973 wherein Karl W. Stalnaker and Dorothy M. Stalnaker, his wife, are Trustors

and Downing-Nelson Oil Company, Inc.

hereinafter called lessor, hereinafter called lessee, does witness:

1. That lessor, for and in consideration of the sum of One (\$1.00) and O.V.C.

has this day granted, leased, and let and by these presents does hereby grant, lease and let exclusively unto the lessee hereinafter described land, together with all consequential rights therein, and with the right to utilize this lease or any part thereof with other oil and gas leases as to all or any part of the lands covered hereby as hereinafter provided for the purpose of carrying on geological, geophysical and other exploratory work, including core drilling and the drilling, mining and operating of, producing and saving all of the oil (including but not limited to distillate and condensate) and gas (including but not limited to casinghead gas and helium and all other gases and all constituents of all gases), and for constructing roads, laying pipe lines, building tanks, storing oil, building power stations, telephone and electric transmission 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, said tract of land being situated in the County of Trego State of Kansas, and described as follows:

All of Kansas

In Section 14 Township 14 S Range 21 W and containing 640 acres, more or less.

2. This lease shall remain in force for a term of five (5) years from date (herein called 'primary term'), and as long thereafter as oil, gas, or any of the substances covered by this lease is or can be produced.

3. The lessee shall deliver as royalty, free of cost, to lessor, or to the credit of lessor, the royalty on the oil or gas produced from the leased premises, and the lessee's option may pay to the lessor for each one-eighth (1/8) royalty but not limited to distillate and condensate produced and saved from the leased premises, and the lessee's option oil is run into the pipe line or into storage tanks.

4. The lessee shall pay to lessor for gas of whatever nature or kind (with all of its constituents) produced and used by the lessee for the manufacture of gasoline or any other product, on royalty one-eighth (1/8) of the market value of such gas at the mouth of the well; if said gas is sold by the lessee, then as royalty one-eighth (1/8) of the proceeds of the sale thereof at the mouth of the well; said payments to be made monthly. During any period (whether before or after expiration of the primary term hereof) when this lease is not being so sold or used and the well or wells are shut in and there is no current production of oil or operations on said leased premises sufficient to keep this lease in force, lessee shall pay or tender a royalty of One Dollar (\$1.00) per year, not monthly, until such time as the well is shut in and thereafter on the anniversary date of this lease during the period such well is shut in, to the royalty owner or to the royalty owner's credit in the rental depository bank hereinafter designated. When such payment or tender of royalty shall be made, the lessee shall deliver to the royalty owner, in writing, the entire lease. Out of any surplus not needed for operations hereunder, the lessor may have, free of charge, gas from any gas well on the leased premises for stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of such gas to be at the lessor's sole risk and expense.

5. If drilling operations or mining operations are not commenced on the leased premises on or before three (3) years from (this date, this lease shall then terminate as to both parties unless lessee on or before the expiration of said period shall pay or tender to lessor, or to the credit of lessor in

Bank at \_\_\_\_\_ Dollars (\$ 3,200.00 ), hereinafter called 'rental', which shall extend for twelve months

the time within which drilling operations or mining operations may be commenced. Thereafter, annually, in like manner and upon like payments or tenders the rental payment may be made by check or draft of lessee, delivered or mailed to the authorized depository bank or lessor (at address last known to lessee) on or before such other bank which may, as hereinafter provided, have been designated as depository, should fail or liquidate or for any reason refuse or fail to accept rental, lessee shall not be held in default for failure to make such payment or tender of rental until thirty days after lessee shall deliver to lessee a proper recordable instrument naming another bank to receive such payments or tenders. The above named or successor bank or any other bank which may be designated as depository shall be lessor's agent. Drilling operations or mining operations shall be deemed to be commenced when the first material is placed on the leased premises or when the first work, other than surveying or staking the location, is done thereon which is necessary for such operations.

6. If at any time prior to the discovery of oil or gas on this land and during the primary term of this lease, the lessee shall drill a dry hole or dry holes on this land, this lease shall not terminate if the lessee commences further drilling operations or commences or resumes the payment of rentals in the manner and in the amount hereinafter provided by the rental paying date, if any, next ensuing after thirty (30) days following the completion of the dry hole, or if there be no such rental paying date, commencing such further operations before the expiration of the primary term.

7. In case said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein then the royalties and rentals herein provided for shall be paid the said lessor only in the proportion which his interest bears to the whole and undivided fee. However, such rental shall be in-creased at the next succeeding rental anniversary after any reversion interest occurs to cover the interest so acquired.

8. The lessee shall bear the cost of all gas, oil and water found on said land for its operations thereon, except water from the wells of the lessor. No well shall be drilled deeper than 200 feet to the house or barn now on said premises without written consent of the lessor. Lessee shall have the right to draw and remove all casing, but lessee shall be under no obligation to do so, nor shall lessee be under any obligation to restore the surface to its original condition, where any alterations or changes were due to operations reasonably necessary under this lease.

9. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to their heirs, devisees, executors, administrators, successors and assigns, however, no change or division in ownership of the lands, rentals, or royalties shall enlarge the obligations or diminish the rights of the lessee. No change of membership in the lands, rentals, 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 duly certified copy of an administrator for the estate of any deceased owner and of that, provided all original recorded instruments of conveyance or duly certified copies thereof necessary in showing a complete chain of title back to lessor, together with claimed, and all advance payments of rentals made hereunder before receipt of said documents shall be binding on any and all direct or indirect assignees, grantees, devisees, administrators, executors, or heirs of lessor. In the event this lease shall be assigned as to a part or as to parts of the above described premises, grantees, devisees, administrators, executors, or heirs of lessor shall not operate to defeat or affect this lease insofar as it covers a part or parts of said land upon which the lessee or any assignee hereof shall make due payment of said rentals.

10. If the leased premises are now or shall hereafter be owned in severality or in separate tracts, the premises may nevertheless 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 obligation on the part of the lessee to offset wells on separate tracts into which the land covered by this lease may now or hereafter be divided by sale, devise, descent or otherwise, or to furnish separate receiving or measuring tanks or devices.

11. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the lessee, at its option, may have and shall have the right to cause to be recorded in the public records of the county in which the land is situated, a copy of this lease, together with any other instruments which may be necessary to perfect the title to the land herein described and agrees to reimburse lessee by applying to the discharge of any such mortgage, tax or other lien, any royalty or rentals accruing hereunder.

12. Notwithstanding anything in this lease contained to the contrary, it is expressly agreed that if lessee shall commence to drill a well or commence operations as herein provided, the acreage covered hereby is reduced by each such release, but as to the portion of the acreage not released the terms and provisions hereof shall continue in full force and effect for all purposes.

13. Lessee may at any time and from time to time surrender or cancel this lease in whole or in part by delivering or mailing such release to the lessor or its heirs, administrators, executors, or assigns, or by recording in the public records of the county in which the land is situated, a copy of this lease, together with any other instruments which may be necessary to perfect the title to the land herein described and agrees to reimburse lessee by applying to the discharge of any such mortgage, tax or other lien, any royalty or rentals accruing hereunder.

14. 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 due to equipment necessary in the drilling thereof being available on account of any cause, the primary term of this lease shall continue until six months after said order is suspended and/or said equipment is available, but the lessee shall pay delay rentals herein provided during such extended time.

15. Lessee is hereby granted the right at any time and from time to time, either before or after production is obtained, to form or reform a unit or units covering 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 more than 640 acres (plus such tolerance as may be appropriate by reason of oversize legal subdivisions); or for the production primarily of oil shall embrace more than 40 acres (plus such tolerance as may be appropriate by reason of oversize legal subdivisions); or for the production primarily of gas with or without distillate a spacing pattern for the development of the field, or to allocate a producing allowable based on acreage per well, then any such unit may embrace as much additional acreage as may be so prescribed or as may be used in such allocation of allowable. Lessee shall file written designations in the county in which the leased premises are located in order to form, to reform or to dissolve a unit or units. Operations upon and production from the unit shall be treated as if such operations were upon such production were from the leased premises, whether or not the well or wells are located thereon. The entire acreage within a unit shall be treated for all purposes as if it were covered by and included in this lease, and the royalty on production from the unit shall be as below provided, and except that in calculating the amount of any rentals or shut in gas royalties, only that portion of the acreage originally leased and then actually produced by this lease shall be counted. In respect to production from the unit, lessee shall pay lessee, in lieu of other royalties hereon, only such proportion of the royalty attributable herein as the amount of his acreage placed in the unit, or his royalty interest therein, or an average basis bears to the total acreage in the unit.

16. Should any one or more of the parties above named as lessor fail to execute this lease, it shall nevertheless be binding upon all such parties who do execute it as lessor. The word "lessor" as used in this lease means the party who executed this lease as lessor, although not named above.

See Appendix attached hereto and made a part hereof.

*Karl W. Stalnaker*  
Karl W. Stalnaker, Trustee under Trust Agreement

dated April 15, 1973 wherein Karl W. Stalnaker and Dorothy M. Stalnaker, his wife, are Trustors

126 748

ID#

126 749

STATE OF ARIZONA  
COUNTY OF MARICOPA

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)

The foregoing instrument was acknowledged before me this 13<sup>th</sup> day of July  
by Karl W. Stalnaker, Trustee under Trust Agreement dated  
April 15, 1973 wherein Karl W. Stalnaker and Dorothy M. Stalnaker, are Trustors.

2004

My commission expires 07-26-2005



Mary Lynn D'Aubin  
Notary Public  
Mary Lynn D'Aubin

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

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)

My commission expires \_\_\_\_\_  
STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_  
The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_  
by \_\_\_\_\_ and \_\_\_\_\_

Notary Public

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

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)

My commission expires \_\_\_\_\_  
STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_  
The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_  
by \_\_\_\_\_ and \_\_\_\_\_

Notary Public

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

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)

My commission expires \_\_\_\_\_  
STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_  
The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_  
by \_\_\_\_\_ and \_\_\_\_\_

Notary Public

OIL AND GAS LEASE

TO \_\_\_\_\_

FROM \_\_\_\_\_

Date \_\_\_\_\_

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

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

County \_\_\_\_\_

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

This instrument was filed for record on the \_\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock \_\_\_\_\_ M., and duly recorded in Book \_\_\_\_\_ Page \_\_\_\_\_ of \_\_\_\_\_ Register of Deeds.

By \_\_\_\_\_  
When Recorded, return to \_\_\_\_\_

STATE OF KANSAS  
COUNTY OF TREGO SS  
THIS INSTRUMENT WAS FILED  
FOR RECORD THIS 27th DAY OF  
July, 2004 AT 9:30 AM  
AND RECORDED IN BOOK 126 OF  
RECORDS AT PAGE 748 FEE \$ 16.00

Evea M. Rumpel  
Evea M. Rumpel, REGISTER OF DEEDS  
ACKNOWLEDGMENT FOR CORPORATION (KsOkCoNe)

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

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_  
by \_\_\_\_\_ of \_\_\_\_\_  
corporation, on behalf of the corporation.  
My commission expires \_\_\_\_\_

Notary Public

126 749

126 750

## ADDENDUM

This Addendum is made and entered into this 13th day of July, 2004, with regard to that certain Oil and Gas Lease dated the date hereof and executed herewith which Oil and Gas Lease covers the following described real property located in Trego County, Kansas, to-wit:

All of Section Fourteen (14), Township Fourteen (14) South, Range Twenty-One (21) West of the 6<sup>th</sup> P.M., Trego County, Kansas.

In addition to the terms of such Oil and Gas Lease the parties agree as follows:

1. This Lease is for a term of five (5) years with the first three (3) years being paid up at the time of granting the Lease. The Lessee may, at it's option, extend the term of this lease for an additional two (2) years by payment of the delay rental called for in paragraph 5 of the Lease. If the Lessor does not specify a depository for the payment of delay rentals the Lessee may tender to Lessor such delay rental payments at Lessor's last known address in writing. Payment of such delay rental shall be deemed to be made by Lessee to Lessor on the date that such payment is deposited in the United States Mail by certified mail from the Lessee to the Lessor.
  2. Lessor hereby grants to the Lessee, its successors or assigns, the exclusive right to perform three dimensional seismic exploration on the leased premises for the consideration paid by the Lessee to the Lessor for the granting of this Oil and Gas Lease which consideration includes all reasonable damages incurred by the Lessee as a result of such 3-D seismic exploration.
  3. Lessee acknowledges and agrees that upon abandonment of this Oil and Gas Lease the Lessee will plug all wells drilled thereon by Lessee according to KCC regulations.
  4. The Parties agree that minimum damages in the amount of \$500.00 will be paid for each well drilled on the above described property.
- FURTHER PROVIDED that it is understood that the damages indicated represent liquidated damages for the activities contemplated on the property which damages are reasonable under the circumstances. It is not intended that this amount of liquidated damages will include unreasonable or unnecessary damages that might be caused to the property as a result of the Lessee's activities thereon.

Except for and to the extent of the provisions contained in this Addendum the Oil and Gas Lease referred to hereinabove shall be in full force and effect and its terms shall control the operations of the Lessee on the leased property.

By: Karl W. Stalnak  
 Karl W. Stalnak, Trustee under Trust  
 Agreement dated April 15, 1973  
 wherein Karl W. Stalnak and Dorothy M.  
 Stalnak, his wife, are Trustors

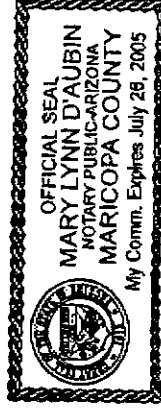
STATE OF KANSAS  
 COUNTY OF ELLIS, ss:

BE IT REMEMBERED, that on this 13<sup>th</sup> day of July, 2004, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came Karl W. Stalnak, Trustee under Trust Agreement dated April 15, 1973 wherein Karl W. Stalnak and Dorothy M. Stalnak, his wife, are Trustors who is personally known to me to be the same person who executed the within instrument of writing and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal, on the day and year last above written.

My Appointment Expires: 07-26-2005

Mary Lynn D'Aubin  
 Notary Public Mary Lynn D'Aubin



126 750



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: Downing Nelson Oil Company Inc.

Lease: Stalnaker "B"

Well Number: 1-14

Field: Wildcat

Number of Acres attributable to well: 40

QTR/QTR/QTR/QTR of acreage: NE - NW - NW - SW

Location of Well: County: Trego

2,369 feet from  N /  S Line of Section

410 feet from  E /  W Line of Section

Sec. 14 Twp. 14 S. R. 21  E  W

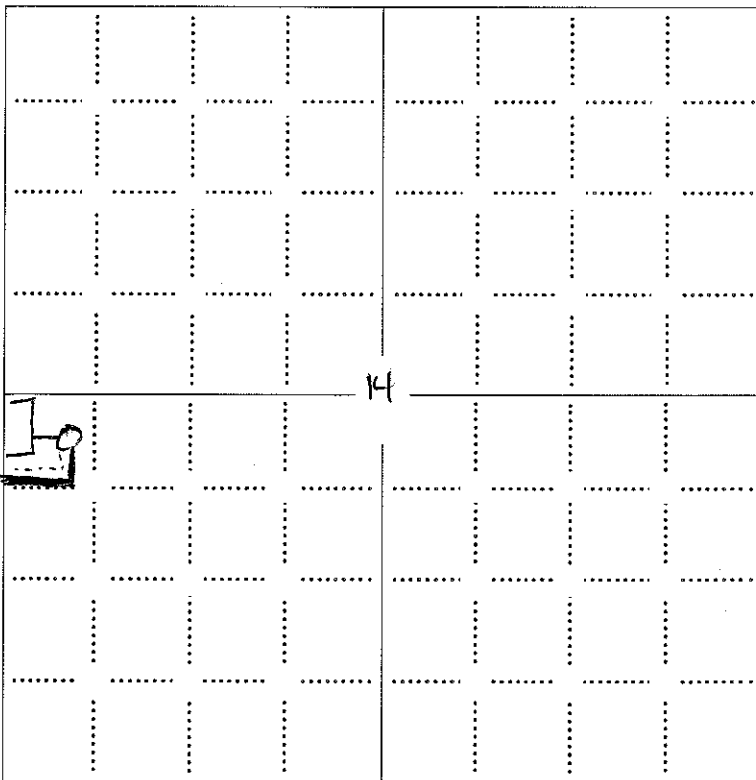
Is Section:  Regular or  Irregular

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

Section corner used:  NE  NW  SE  SW

**PLAT**

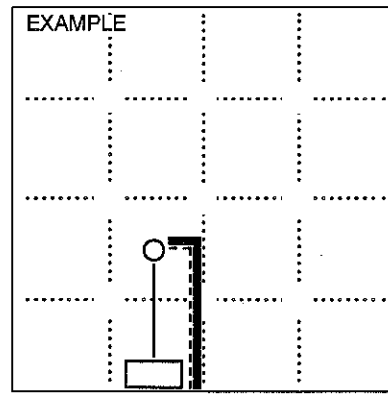
Show location of the well. Show footage to the nearest lease or unit boundary line. Show the predicted locations of lease roads, tank batteries, pipelines and electrical lines, as required by the Kansas Surface Owner Notice Act (House Bill 2032). You may attach a separate plat if desired.



410

**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 location.

2369

**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.