



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

KANSAS CORPORATION COMMISSION 1111777  
 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**

*Must be approved by KCC five (5) days prior to commencing well*

**Form KSONA-1, Certification of Compliance with the Kansas Surface Owner Notification Act, MUST be submitted with this form.**

Expected Spud Date: \_\_\_\_\_  
 month day year

Spot Description: \_\_\_\_\_

OPERATOR: License# \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Address 1: \_\_\_\_\_  
 Address 2: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ + \_\_\_\_\_  
 Contact Person: \_\_\_\_\_  
 Phone: \_\_\_\_\_

\_\_\_\_\_-\_\_\_\_\_-\_\_\_\_\_-\_\_\_\_\_-\_\_\_\_\_-\_\_\_\_\_-\_\_\_\_\_-\_\_\_\_\_-\_\_\_\_\_-\_\_\_\_\_-  
 (Q/Q/Q/Q) \_\_\_\_\_ Sec. \_\_\_\_\_ Twp. \_\_\_\_\_ S. R. \_\_\_\_\_  E  W  
 \_\_\_\_\_ feet from  N /  S Line of Section  
 \_\_\_\_\_ feet from  E /  W Line of Section

Is SECTION:  Regular  Irregular?  
 (Note: Locate well on the Section Plat on reverse side)

CONTRACTOR: License# \_\_\_\_\_  
 Name: \_\_\_\_\_

County: \_\_\_\_\_  
 Lease Name: \_\_\_\_\_ Well #: \_\_\_\_\_

Well Drilled For:	Well Class:	Type Equipment:
<input type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input type="checkbox"/> Infield
<input type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input type="checkbox"/> Pool Ext.
	<input type="checkbox"/> Disposal	<input type="checkbox"/> Wildcat
<input type="checkbox"/> Seismic ; _____ # of Holes	<input type="checkbox"/> Other	<input type="checkbox"/> Mud Rotary
<input type="checkbox"/> Other: _____		<input type="checkbox"/> Air Rotary
		<input type="checkbox"/> Cable
<input type="checkbox"/> If OWWO: old well information as follows:		

Is this a Prorated / Spaced Field?  Yes  No  
 Target Formation(s): \_\_\_\_\_

Nearest Lease or unit boundary line (in footage): \_\_\_\_\_  
 Ground Surface Elevation: \_\_\_\_\_ feet MSL

Water well within one-quarter mile:  Yes  No  
 Public water supply well within one mile:  Yes  No

Depth to bottom of fresh water: \_\_\_\_\_  
 Depth to bottom of usable water: \_\_\_\_\_

Surface Pipe by Alternate:  I  II  
 Length of Surface Pipe Planned to be set: \_\_\_\_\_

Length of Conductor Pipe (if any): \_\_\_\_\_  
 Projected Total Depth: \_\_\_\_\_

Formation at Total Depth: \_\_\_\_\_  
 Water Source for Drilling Operations:

Well  Farm Pond  Other: \_\_\_\_\_  
 DWR Permit #: \_\_\_\_\_

(Note: Apply for Permit with DWR )

Will Cores be taken?  Yes  No  
 If Yes, proposed zone: \_\_\_\_\_

Directional, Deviated or Horizontal wellbore?  Yes  No  
 If Yes, true vertical depth: \_\_\_\_\_  
 Bottom Hole Location: \_\_\_\_\_  
 KCC DKT #: \_\_\_\_\_

**AFFIDAVIT**

The undersigned hereby affirms that the drilling, completion and eventual plugging 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 **prior** to spudding of well;
2. A copy of the approved notice of intent to drill **shall be** posted on each drilling rig;
3. The minimum amount of surface pipe as specified below **shall be set** by circulating cement to the top; in all cases surface pipe **shall be set** through all unconsolidated materials plus a minimum of 20 feet into the underlying formation.
4. If the well is dry hole, an agreement between the operator and the district office on plug length and placement is necessary **prior to plugging**;
5. The appropriate district office will be notified before well is either plugged or production casing is cemented in;
6. If an ALTERNATE II COMPLETION, production pipe shall be cemented from below any usable water to surface within **120 DAYS** of spud date. Or pursuant to Appendix "B" - Eastern Kansas surface casing order #133,891-C, which applies to the KCC District 3 area, alternate II cementing must be completed within 30 days of the spud date or the well shall be plugged. **In all cases, NOTIFY district office** prior to any cementing.

**Submitted Electronically**

<p><b>For KCC Use ONLY</b></p> <p>API # 15 - _____</p> <p>Conductor pipe required _____ feet</p> <p>Minimum surface pipe required _____ feet per ALT. <input type="checkbox"/> I <input type="checkbox"/> II</p> <p>Approved by: _____</p> <p><b>This authorization expires:</b> _____          (This authorization void if drilling not started within 12 months of approval date.)</p> <p>Spud date: _____ Agent: _____</p>
---

**Remember to:**

- File Certification of Compliance with the Kansas Surface Owner Notification Act (KSONA-1) with Intent to Drill;
- File Drill Pit Application (form CDP-1) with Intent to Drill;
- File Completion Form ACO-1 within 120 days of spud date;
- File acreage attribution plat according to field proration orders;
- Notify appropriate district office 48 hours prior to workover or re-entry;
- Submit plugging report (CP-4) after plugging is completed (within 60 days);
- Obtain written approval before disposing or injecting salt water.
- If well will not be drilled or permit has expired (See: authorized expiration date) please check the box below and return to the address below.

Well will not be drilled or Permit Expired Date: \_\_\_\_\_  
 Signature of Operator or Agent: \_\_\_\_\_

E  
 W

1111777

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

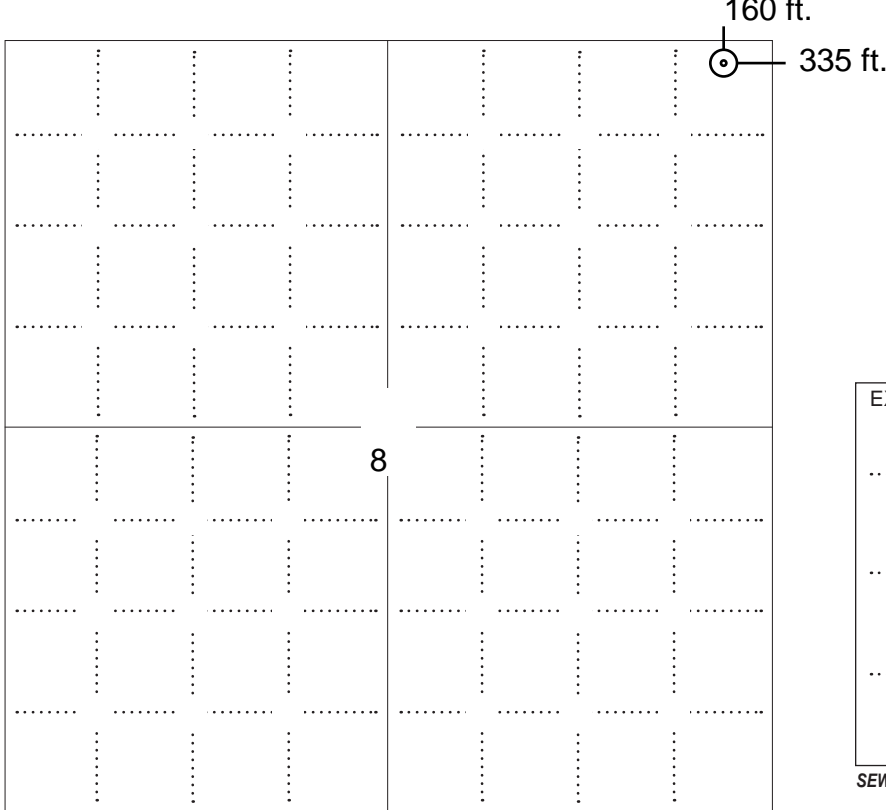
**If Section is Irregular, locate well from nearest corner boundary.**

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 1111777  
 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?		Is the pit lined? <input type="checkbox"/> N/A: Steel Pits <input type="checkbox"/> No Pit	
Pit dimensions (all but working pits): _____ Length (feet)    _____ Width (feet) Depth from ground level to deepest point: _____ (feet)			
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.	
<p><b>Submitted Electronically</b></p>			

**KCC OFFICE USE ONLY**

Liner     Steel Pit     RFAC     RFAS

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



### CERTIFICATION OF COMPLIANCE WITH THE KANSAS SURFACE OWNER NOTIFICATION ACT

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

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

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

Well Location:  
\_\_\_\_ - \_\_\_\_ - \_\_\_\_ - \_\_\_\_ Sec. \_\_\_\_ Twp. \_\_\_\_ S. R. \_\_\_\_  East  West  
County: \_\_\_\_\_  
Lease Name: \_\_\_\_\_ Well #: \_\_\_\_\_

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

**Surface Owner Information:**

Name: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ + \_\_\_\_\_

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

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

**Select one of the following:**

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

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

I Submitted Electronically

**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: R Berens Unit  
 Well Number: 1-8  
 Field: Widcat  
 Number of Acres attributable to well: 40  
 QTR/QTR/QTR/QTR of acreage: NE - NW - NW - NW

Location of Well: County: Rush  
160 feet from  N /  S Line of Section  
335 feet from  E /  W Line of Section  
 Sec. 8 Twp. 16 S. R. 17  E  W

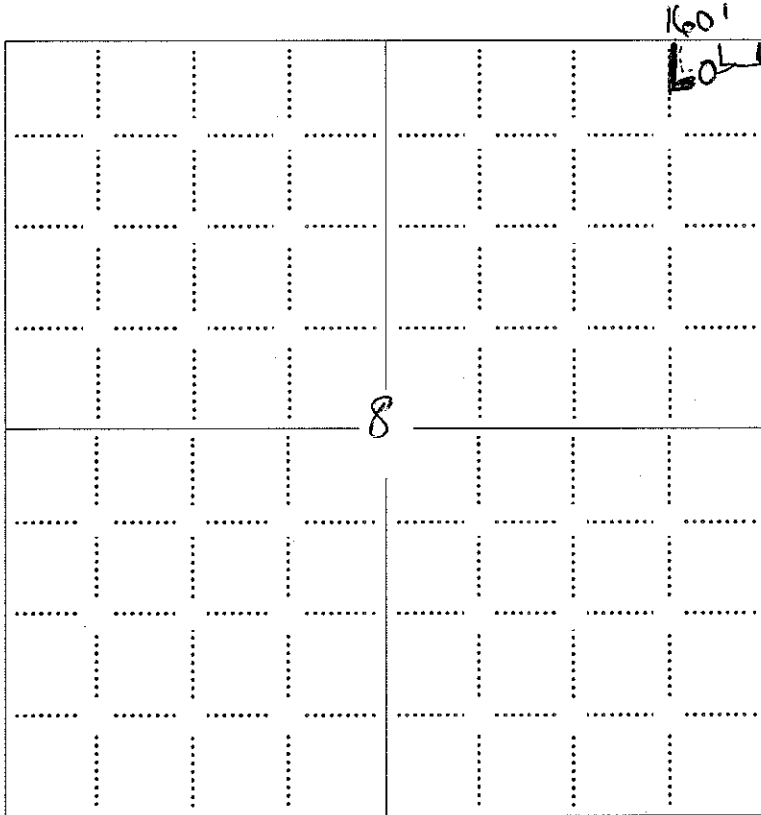
Is Section:  Regular or  Irregular

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

Section corner used:  NE  NW  SE  SW

**PLAT**

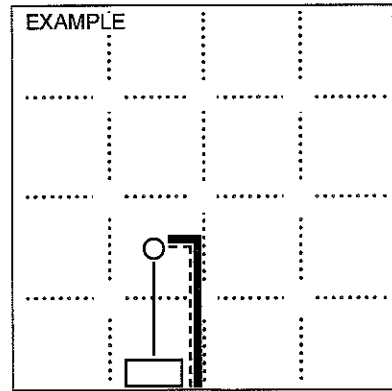
Show location of the well. Show footage to the nearest lease or unit boundary line. Show the predicted locations of lease roads, tank batteries, pipelines and electrical lines, as required by the Kansas Surface Owner Notice Act (House Bill 2032). You may attach a separate plat if desired.



335'

**LEGEND**

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



1980' FSL

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

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

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

*Bore Lore Ha*

*EXT*

0520

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 9<sup>th</sup> day of November 2011,

by and between Ronald J. Berens and Loria P. Berens, husband and wife

whose mailing address is 2818 25<sup>th</sup> Street, Great Bend, KS 67530 hereinafter called Lessor

(whether one or more) and Downing-Nelson Oil Company, Inc. PO Box ~~202~~ 1619 Hays, KS 67601 hereinafter called Lessee:

Lessor, in consideration of One or More Dollars (\$1.00 and More) 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, building tanks, power stations, telephone lines, and other structures and things thereon to produce, save, take care of, treat, manufacture, process, store and transport ~~separately~~ separately hydrocarbons, gases and their respective constituent products and other products manufactured therefrom, and housing and otherwise caring for ~~its employees~~ its employees, the following described land, together with any reversionary rights and after acquired interest, therein situated in County of RUSH State of KANSAS described as follows, to-wit:

The Northeast Quarter (NE/4)

In Section 8 Township 16 Range 17 and containing 160 acres, more or less, and all accretions thereto.

Subject to the provisions herein contained, this lease shall remain in force for a term of five (5) years from this date (called "primary term") and as long thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, or any of them, is produced from said land or land 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), at the market price at the well, (but, as to gas sold by lessee, in no event more than one-eighth (1/8) of the 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 to 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 the 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 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, ~~and all 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, within in Lessee's judgment if it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the beneficial production 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 ~~in the same tract or tracts~~ not exceeding 80 acres each if 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 public records of the county in which the land herein leased is situated an instrument identifying and describing the pooled acreage, the percentage 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.~~ the following 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 ~~in any other~~ in any other 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~~~~

OPTION

This Lease is for a term of Five (5) years with the first three (3) being paid-up at the time of granting the Lease. The Lessee may, at its option, extend the term of this lease for an additional two (2) years by payment of the delay rental at \$10.00 per net mineral acre of the Lease per year. If the Lessor does not specify a depository for the payment of the delay rentals the Lessee may tender to Lessor such delay rental payments at Lessor's last known address or such other address as Lessor may designate to Lessee, in writing. Payment of such delay rental payments 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 Lessee to the Lessor.

ADDENDUM

Lessor does hereby agree that they have no prior knowledge or have not received compensation for any 3-D seismic work for drilling purposes on the above described real estate under this lease. If it is determined, that Lessor has received compensation for any 3-D seismic work on the above described real estate, all lease money paid to the Lessor under this lease shall be paid back to the Lessee within 30 days of notice.

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

*Ronald J. Berens*

Ronald J. Berens

*Loria P. Berens*

Loria P. Berens

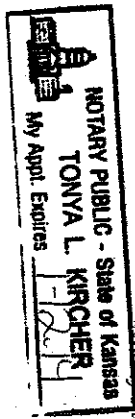
STATE OF KANSAS )  
COUNTY OF ROTTON ) ss.

ACKNOWLEDGMENT FOR INDIVIDUAL (K.S.O.K.C.06)

foregoing instrument was acknowledged before me this 9th day of NOVEMBER, 2011.

Ronald J. Berens and Loria P. Berens, husband and wife

commission expires: 1-12-14 Bongard Kirchner  
Notary Public



DATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss. ACKNOWLEDGMENT FOR INDIVIDUAL (K.S.O.K.C.06)

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

commission expires: \_\_\_\_\_ Notary Public

DATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss. ACKNOWLEDGMENT FOR INDIVIDUAL (K.S.O.K.C.06)

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

commission expires: \_\_\_\_\_ Notary Public



**MICROFILMED**  
STATE OF KANSAS, RUSH COUNTY, S.S.  
THIS INSTRUMENT WAS FILED FOR RECORD ON  
THE 17 DAY OF NOV A.D.  
2011 AT 1:42 O'CLOCK P. M. AND  
DULY RECORDED IN BOOK 159 OF W3C  
AT PAGE 532D  
Debra K. Bennett  
REGISTER OF DEEDS

INDEXED 0  N   
# 1248 # 1242

DATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss. ACKNOWLEDGMENT FOR CORPORATION (K.S.O.K.C.06)

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

commission expires: \_\_\_\_\_ Notary Public

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

Loretta - Kusl

0082

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 4 day of January February 2011,  
by and between Glen Burgardt (undivided 1/4<sup>th</sup> share)

whose mailing address is 3769 S. 196<sup>th</sup> Ave, Omaha, NE 68130 hereinafter called Lessor  
Downing-Nelson Oil Company, Inc, PO Box 372, Hays, KS 67601, hereinafter called Lessee:

(whether one or more) and One Dollar and other valuable consideration Dollars (\$1.00 & o.v.c.) in  
Lessor, in consideration of One Dollar and other valuable consideration  
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, building tanks, power stations, telephone lines and other structures and things thereon to produce, save, take care of, treat,  
manufacture, process, store and transport said oil, liquid hydrocarbons, gases and their respective constituent products and other products manufactured  
therefrom, and housing and otherwise caring for its employees, the following described land, together with any reversionary rights and after acquired interest,  
therein situated in County of RUSH State of KANSAS described as follows, to-wit:

South Half of the Southeast Quarter (S/2 SE/4)

In Section 4 Township 16 Range 17 and containing 80 acres, more or less, and all  
accretions thereto.

Subject to the provisions herein contained, this lease shall remain in force for a term of five (5) years from this date (called "primary term")  
and as long thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, or any of them, is produced from said land or land 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), at the market price at the well, (but, as to gas sold by lessee, in no event more than one-eighth (1/8) of the 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 to 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 the 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 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 80 acres each in the event of a gas 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 obtained 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.

OPTION

This Lease is for a term of Five (5) years with the first three (3) being paid-up at the time of granting the Lease. The Lessee may, at its option,  
extend the term of this lease for an additional two (2) years by payment of the delay rental at \$5.00 per net mineral acre of the Lease. If the  
Lessor does not specify a depository for the payment of the delay rentals the Lessee may tender to Lessor such delay rental payments at  
Lessor's last known address or such other address as Lessor may designate to Lessee, in writing. Payment of such delay rental payments 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 Lessee to  
the Lessor.

ADDENDUM

Lessor does hereby agree that they have no prior knowledge or have not received compensation for any 3-D seismic work for drilling purposes  
on the above described real estate under this lease. If it is determined, that Lessor has received compensation for any 3-D seismic work on the  
above described real estate, all lease money paid to the Lessor under this lease shall be paid back to the Lessee within 30 days of notice.

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

  
Glen Burgardt



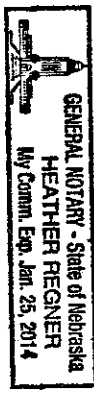
STATE OF Nebraska  
COUNTY OF Douglas, ) ss.

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOKCoNe)

the foregoing instrument was acknowledged before me this 4<sup>th</sup> day of February, 2011.

Glen Burgardt

commission expires: Jan 25, 2014 Heather Regner  
Notary Public



DATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss.

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOKCoNe)

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

My commission expires: \_\_\_\_\_ Notary Public

DATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss.

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOKCoNe)

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

My commission expires: \_\_\_\_\_ Notary Public



**MICROFILMED**

STATE OF KANSAS, RUSH COUNTY, S.S.  
THIS INSTRUMENT WAS FILED FOR RECORD ON  
THE 23 DAY OF FEB P.M., A.D.  
2011 AT 1:40 O'CLOCK 158 OF 118C  
DULY RECORDED IN BOOK 82  
AT PAGE 82

Debra Wilkerson  
REGISTER OF DEEDS

INDEXED 0 ✓ N ✓  
# 2114 \$ 12.00

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss.

ACKNOWLEDGMENT FOR CORPORATION (KsOKCoNe)

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

My commission expires: \_\_\_\_\_ Notary Public

My commission expires: \_\_\_\_\_ Notary Public

*Rush*

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 31 day of January, 2011,  
 by and between Duane Burgardt (undivided 1/4<sup>th</sup> share)

whose mailing address is 5966 Rosewood Dr., Great Bend, KS 67530 hereinafter called Lessor  
 (whether one or more) and Downing-Nelson Oil Company, Inc., PO Box 372, Hays, KS 67601, hereinafter called Lessee.

Lessor, in consideration of One Dollar and other valuable consideration Dollars (\$1.00 & o.v.c.) 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, building tanks, power stations, telephone lines, and other structures and things thereon to produce, save, take care of, treat, manufacture, process, store and transport said oil, liquid hydrocarbons, gases and their respective constituent products and other products manufactured therefrom, and housing and otherwise caring for its employees, the following described land, together with any reversionary rights and after acquired interest, therein situated in County of RUSH State of KANSAS described as follows, to-wit:

South Half of the Southeast Quarter (S/2 SE/4)

In Section 4, Township 16, Range 17, and containing 80 acres, more or less, and all accretions thereto.

Subject to the provisions herein contained, this lease shall remain in force for a term of five (5) years from this date (called "primary term") and as long thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, or any of them, is produced from said land or land 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), at the market price at the well, (but, as to gas sold by lessee, in no event more than one-eighth (1/8) of the 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 to 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 the 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 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 right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.~~

~~Lessee grants, grants to, lets, lets by, lets by power, 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, whereby 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 best utilization of oil gas or other minerals and/or other land and/or other premises, such pooling to be of tracts contiguous to one another and to be into a unit of 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 this 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.~~

OPTION

This Lease is for a term of Five (5) years with the first three (3) being paid-up at the time of granting the Lease. The Lessee may, at its option, extend the term of this lease for an additional two (2) years by payment of the delay rental at \$5.00 per net mineral acre of the Lease. If the Lessor does not specify a depository for the payment of the delay rentals the Lessee may tender to Lessor such delay rental payments at Lessor's last known address or such other address as Lessor may designate to Lessee, in writing. Payment of such delay rental payments 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 Lessee to the Lessor.

ADDENDUM

Lessor does hereby agree that they have no prior knowledge or have not received compensation for any 3-D seismic work for drilling purposes on the above described real estate under this lease. If it is determined, that Lessor has received compensation for any 3-D seismic work on the above described real estate, all lease money paid to the Lessor under this lease shall be paid back to the Lessee within 30 days of notice.

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

*Duane Burgardt*  
 Duane Burgardt

STATE OF Kansas )  
COUNTY OF Barton ) ss. ACKNOWLEDGMENT FOR INDIVIDUAL (KsOKCoNe)  
foregoing instrument was acknowledged before me this 31 day of Jan, 2011,  
Duane Burgardt

commission expires: 4-14-11 Connel P. Lighter  
Notary Public



DATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss. ACKNOWLEDGMENT FOR INDIVIDUAL (KsOKCoNe)  
the foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

commission expires: \_\_\_\_\_  
Notary Public

DATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss. ACKNOWLEDGMENT FOR INDIVIDUAL (KsOKCoNe)  
the foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

commission expires: \_\_\_\_\_  
Notary Public

**MICROFILMED**

STATE OF KANSAS, RUSH COUNTY, S.S.  
THIS INSTRUMENT WAS FILED FOR RECORD ON  
THE 20 DAY OF Feb A.D.  
AT 1:45 O'CLOCK P.M. AND  
DULY RECORDED IN BOOK 157 OF MISC  
AT PAGE 183  
Digi Library  
REGISTER OF DEEDS

INDEXED  178 N  \$ 12.00

DATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss. ACKNOWLEDGMENT FOR CORPORATION (KsOKCoNe)  
the foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

commission expires: \_\_\_\_\_  
Notary Public

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

Kush

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 31 day of January 2011,  
by and between Gay Lou Werth (undivided 1/4<sup>th</sup> share)

whose mailing address is 5973 Rosewood Dr., Great Bend, KS 67530 hereinafter called Lessor  
(whether one or more) and Downing-Nelson Oil Company, Inc., PO Box 372, Hays, KS 67601 hereinafter called Lessee;

Lessor, in consideration of One Dollar and other valuable consideration Dollars (\$1.00 & o.v.c.) 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, building tanks, power stations, telephone lines, and other structures and things thereon to produce, save, take care of, treat, manufacture, process, store and transport said oil, liquid hydrocarbons, gases and their respective constituent products and other products manufactured therefrom, and housing and otherwise caring for its employees, the following described land, together with any reversionary rights and after acquired interest, therein situated in County of RUSH, State of KANSAS described as follows, to-wit:

South Half of the Southeast Quarter (S/2 SE/4)

In Section 4 Township 16 Range 17 and containing 80 acres, more or less, and all accretions thereto.

Subject to the provisions herein contained, this lease shall remain in force for a term of five (5) years from this date (called "primary term") and as long thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, or any of them, is produced from said land or land 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), at the market price at the well, (but, as to gas sold by lessee, in no event more than one-eighth (1/8) of the 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 to 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. 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 the 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 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 ~~part~~ <sup>entire</sup> said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

Lessee, ~~with the 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 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 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.

OPTION

This Lease is for a term of Five (5) years with the first three (3) being paid-up at the time of granting the Lease. The Lessee may, at its option, extend the term of this lease for an additional two (2) years by payment of the delay rental at \$5.00 per net mineral acre of the Lease. If the Lessor does not specify a depository for the payment of the delay rentals the Lessee may tender to Lessor such delay rental payments at Lessor's last known address or such other address as Lessor may designate to Lessee, in writing. Payment of such delay rental payments 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 Lessee to the Lessor.

ADDENDUM

Lessor does hereby agree that they have no prior knowledge or have not received compensation for any 3-D seismic work for drilling purposes on the above described real estate under this lease. If it is determined, that Lessor has received compensation for any 3-D seismic work on the above described real estate, all lease money paid to the Lessor under this lease shall be paid back to the Lessee within 30 days of notice.

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

Gay Lou Werth Gay Lou Werth  
Gay Lou Werth Gay Lou Werth  
January - 31 - 2011 1 - 31 - 2011

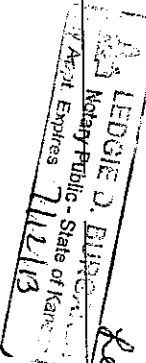
STATE OF Kansas )  
COUNTY OF Barton ) ss.

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOKCoNe)

the foregoing instrument was acknowledged before me this 31 day of Jan, 2011.

Gay Lou Werth

My commission expires: 7/12/13



Keesha D Burghart

Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss.

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOKCoNe)

the foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

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

Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss.

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOKCoNe)

the foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

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

Notary Public

**MICROFILMED**

STATE OF KANSAS, RUSH COUNTY, S.S.  
THIS INSTRUMENT WAS FILED FOR RECORD ON  
THE 7 DAY OF Feb A.D.  
20 11 AT 7:45 O'CLOCK P M., AND  
DULY RECORDED IN BOOK 157 OF 1130  
AT PAGE 981

Walter H. Hester  
REGISTER OF DEEDS

INDEXED G  N  # 177 # 1222

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss.

ACKNOWLEDGMENT FOR CORPORATION (KsOKCoNe)

the foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_ of \_\_\_\_\_ a  
corporation, on behalf of the corporation.

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

Notary Public

*Rush*

0985

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 31 day of January 2011,  
by and between Gorden Burgardt (undivided 1/4<sup>th</sup> share)

whose mailing address is 3509 Fairway, Hays, KS 67601 hereinafter called Lessor

(whether one or more) and Downing-Nelson Oil Company, Inc., PO Box 372, Hays, KS 67601 hereinafter called Lessee:

Lessor, in consideration of One Dollar and other valuable consideration Dollars (\$1.00 & o.v.c.) 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, building tanks, power stations, telephone lines, and other structures and things thereon to produce, save, take care of, treat, manufacture, process, store and transport said oil, liquid hydrocarbons, gases and their respective constituent products and other products manufactured therefrom, and housing and otherwise caring for its employees, the following described land, together with any reversionary rights and after acquired interest, therein situated in County of RUSH, State of KANSAS described as follows, to-wit:

South Half of the Southeast Quarter (S/2 SE/4)

In Section 4 Township 16 Range 17 and containing 80 acres, more or less, and all accretions thereto.

Subject to the provisions herein contained, this lease shall remain in force for a term of five (5) years from this date (called "primary term") and as long thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, or any of them, is produced from said land or land 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), at the market price at the well, (but, as to gas sold by lessee, in no event more than one-eighth (1/8) of the 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 to 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 the 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 and undesignated 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 the option of the lessor, hereby grants, leases and lets unto lessee, in whole or in part, 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 hereof, 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 best operation of the 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 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 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 a part of the tract or unit. 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.

OPTION

This Lease is for a term of Five (5) years with the first three (3) being paid-up at the time of granting the Lease. The Lessee may, at its option, extend the term of this lease for an additional two (2) years by payment of the delay rental at \$5.00 per net mineral acre of the Lease. If the Lessor does not specify a depository for the payment of the delay rentals the Lessee may tender to Lessor such delay rental payments at Lessor's last known address or such other address as Lessor may designate to Lessee, in writing. Payment of such delay rental payments 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 Lessee to the Lessor.

ADDENDUM

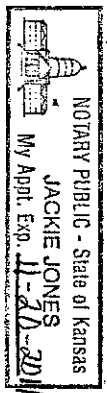
Lessor does hereby agree that they have no prior knowledge or have not received compensation for any 3-D seismic work for drilling purposes on the above described real estate under this lease. If it is determined, that Lessor has received compensation for any 3-D seismic work on the above described real estate, all lease money paid to the Lessor under this lease shall be paid back to the Lessee within 30 days of notice.

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

Gorden Burgardt  
*Gorden Burgardt*

STATE OF Kansas )  
COUNTY OF Ellis ) ss. ACKNOWLEDGMENT FOR INDIVIDUAL (KSOKCoNe)  
The foregoing instrument was acknowledged before me this 31st day of January, 2011.  
Gorden Burgardt \_\_\_\_\_

My commission expires: Nov 20, 2011 Jackie Jones  
Notary Public



DATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss. ACKNOWLEDGMENT FOR INDIVIDUAL (KSOKCoNe)  
The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

My commission expires: \_\_\_\_\_  
Notary Public

DATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss. ACKNOWLEDGMENT FOR INDIVIDUAL (KSOKCoNe)  
The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

My commission expires: \_\_\_\_\_  
Notary Public

**MICROFILMED**

STATE OF KANSAS, RUSH COUNTY, S.S.  
THIS INSTRUMENT WAS FILED FOR RECORD ON  
THE \_\_\_\_\_ DAY OF \_\_\_\_\_ A.D.  
AT \_\_\_\_\_ O'CLOCK \_\_\_\_\_ P.M. AND  
DULY RECORDED IN BOOK \_\_\_\_\_ OF \_\_\_\_\_  
AT PAGE \_\_\_\_\_  
Debra Sherry  
REGISTER OF DEEDS

INDEXED g ✓ N ✓ # 179 \$ 12.00

DATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss. ACKNOWLEDGMENT FOR CORPORATION (KSOKCoNe)  
The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_,  
Notary Public, on behalf of the corporation.

My commission expires: \_\_\_\_\_  
Notary Public