

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

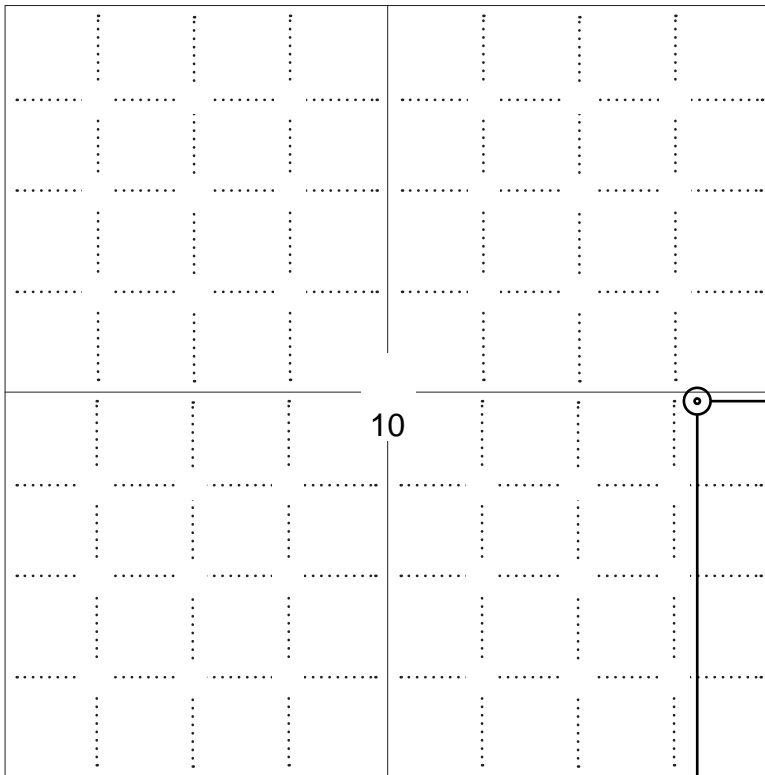
Is Section: Regular or Irregular

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

Section corner used: NE NW SE SW

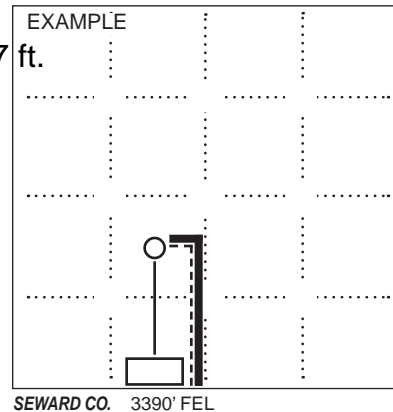
PLAT

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.

2573 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	
Emergency, Settling and Burn Pits ONLY: Producing Formation: _____ Number of producing wells on lease: _____ Barrels of fluid produced daily: _____ Does the slope from the tank battery allow all spilled fluids to flow into the pit? <input type="checkbox"/> Yes <input type="checkbox"/> No		Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: _____ Number of working pits to be utilized: _____ Abandonment procedure: _____ _____ Drill pits must be closed within 365 days of spud date.	
Submitted Electronically			

KCC OFFICE USE ONLY			
Date Received: _____		Permit Number: _____	
Permit Date: _____		Lease Inspection: <input type="checkbox"/> Yes <input type="checkbox"/> No	
		<input type="checkbox"/> Liner <input type="checkbox"/> Steel Pit <input type="checkbox"/> RFAC <input type="checkbox"/> RFAS	



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

63U (Rev 1993)

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 13th day of June, 2008, by and between

Gerald E. Riley and Donna D. Riley, husband and wife

whose mailing address is P.O. Box 397, Dighton, Kansas 67839, hereinafter called Lessor (whether one or more),

and Scout Exploration Corp. P.O. Box 1348 Edmond, Oklahoma 73083-1348, hereinafter called Lessee.

Lessor, in consideration of Ten and other Dollars (\$10.00) in hand paid, receipt of which is here acknowledged and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring by geophysical and other means, prospecting drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases, and their respective constituent products, injecting gas, water, other fluids, and air into subsurface strata, laying pipe lines, storing oil, 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 Lane State of Kansas described as follows to-wit:

The Southeast Quarter (SE 1/4)

In Section 10, Township 18 South, Range 29 West, 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 Three (3) years from this date (called "primary term"), and as long thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, or any of them, is produced from said land or land 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 pipeline 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 the said lessor only in the proportion which lessor's interest bears to the whole and undivided fee.

Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operations thereon, except water from the wells of lessor.

When requested by lessor, lessee shall bury lessee's pipe lines below plow depth.

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

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

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

If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment of rentals or royalties shall be binding on the lessee until after the lessee has been furnished with a written transfer or assignment or a true copy thereof. In case lessee assigns this lease, in whole or in part, lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment.

Lessee may at any time execute and deliver to lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

All express or implied covenants of the lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, in whole or in part, nor lessee held liable in damages, for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.

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

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

Lessee agrees upon the completion of any test as a dry hole or upon abandonment of any producing well, to restore the premises to their original condition as nearly as practicable and to remove all equipment within a reasonable time.

Lessee shall have the option of renewing this lease for a period of two (2) years under the same bonus consideration paid hereunder.

Scout Exploration Corp. has your permission to conduct a seismic survey across your lands as listed herein for the purpose of Oil & Gas Exploration. Our operations will be conducted in accordance with good standard practices and careful manner, we agree to hold you free and harmless from any and all claims and damages that may result from our work by virtue of your permission herein granted.

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

Witnesses:

Gerald E. Riley

Donna D. Riley

By: Gerald E. Riley

By: Donna D. Riley

SSN/Tax ID#

SSN/Tax ID#

NOTICE FOR EXTENSION
OF OIL AND GAS LEASE

WHEREAS, **Scout Exploration Corp., P.O. Box 1410, Edmond, OK 73083**, is the owner and holder of an oil and gas lease on the following described lands in Lane County, State of Kansas:

The Southeast Quarter (SE/4) of Section 10, Township 18 South, Range 29 West Recorded Book 123, Page 40

dated June 13, 2008, and recorded in Book and Page as listed above of the records of said county, and

IN ACCORDANCE with the provision for extension on the referenced Oil and Gas Lease, notice is hereby given that the required Ten and Other Dollars have been paid in order to extend and keep in effect that certain Oil and Gas Lease for an additional Two (2) year as provided.

IN WITNESS WHEREOF, this instrument is signed on this 1st of April, 2011.

SCOUT EXPLORATION CORP.

ATTEST

J Kyle Carter
By: J. Kyle Carter, President

Emily M. Wisner
By: Emily M. Wisner, Secretary

ACKNOWLEDGEMENT

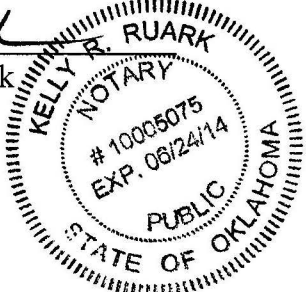
State of Oklahoma)
County of Oklahoma)

Before me the undersigned, a notary public, within and for said county and state, on this 1st day of April, 2011, personally appeared J. Kyle Carter, President of Scout Exploration Corp. known to me to be the person who executed the foregoing instrument on behalf of Scout Exploration Corp., and such person duly acknowledged to me the execution of the same for the purposes therein expressed.

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

My Commission Expires:
06-24-2014

My Commission Number:
10005075

Kelly R. Ruark
Notary Public - Kelly R. Ruark


**RECORD & RETURN TO:
SCOUT EXPLORATION CORP.
P.O. BOX 1410
EDMOND, OK 73083-1410**

STATE OF KANSAS, LANE COUNTY, SS
This instrument was filed for record on the
19 day of May
A.D. 2011 at 11:45 o'clock A M and
duly recorded in Book 134 on page 147
Fee 8.00

Janice Ann Brzykowski
Register of Deeds

NUMERICAL
DIRECT
INDIRECT
 COMP. ORIG.
COMPUTER

63U (Rev 1993)

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 27th day of July, 2009, by and between _____Alan Eugene James and Marilyn Louise James, husband and wife; andJohn David James and Vickie Louise James, husband and wife, whose mailing address is 251 N. Karl Road,Dighton KS 67839; and 2 West Road 210, Dighton KS 67839, respectively, hereinafter called Lessor (whether one or more),and Scout Exploration Corp., P.O. Box 1410, Edmond OK 73083, hereinafter called Lessee.

Lessor, in consideration of ***** ten and other ***** Dollars (\$ **10.00**) in hand paid, receipt of which is here acknowledged and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring by geophysical and other means, prospecting drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases, and their respective constituent products, injecting gas, water, other fluids, and air into subsurface strata, laying pipe lines, storing oil, 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 Lane State of Kansas described as follows to-wit:

A tract of land located in the Northwest Quarter (NW/4) of Section Ten (10), in Township Eighteen (18) South, of Range Twenty-nine (29) West of the 6th P.M., more fully described as follows:

Beginning at the Southwest corner of the Northwest Quarter (NW/4) of Section Ten (10), Township Eighteen (18) South, Range Twenty-nine (29), West of the 6th P.M., Lane County, Kansas, as established in a permanent survey by C.G. Waterson; thence North 0°45'27" East along the West line of said Northwest Quarter (NW/4) for a distance of 1,019.69 feet; said point being 1,630.02 feet South of the Northwest corner of said Section Ten (10); thence South 89°28'26" East for a distance of 2,192.86 feet; thence South 0°04'55" East for a distance of 1,036.86 feet; thence North 89°01'47" West along the South line of said Northwest Quarter (NW/4) for a distance of 2,208.05 feet to the point of beginning, containing 51.94 acres, more or less, including that part used for public road purposes;

and

A tract of land located in the Northeast Quarter (NE/4) of Section Ten (10), Township Eighteen (18) South, Range Twenty-nine (29), West of the 6th P.M., more fully described as follows:

Commencing at the Northwest corner of the Northeast Quarter (NE/4) of Section Ten (10), in Township Eighteen (18) South, of Range Twenty-nine (29), West of the 6th P.M., as established in a permanent survey by C.G. Waterson, thence South 89°01'47" East along the North line of said Northeast Quarter (NE/4) for 391 feet to the point of beginning; thence continuing South 89°01'47" East along the North line of said Northeast Quarter (NE/4) for 2,100 feet; thence South 0°02'16" East along the centerline of the existing County road for 2,616.48 feet; thence North 89°24'15" West for 1,044.15 feet; thence North 0°06'33" West for 949.80 feet; thence North 86°44'36" West for 246.12 feet; thence North 7°13'58" West for 747.98 feet; thence North 57°31'39" West for 827.63 feet; thence North 2°01'39" West for 491.53 feet to the point of beginning, containing 86.48 acres, more or less, including that part used for public road purposes; ALSO DESCRIBED AS: All that part of the Northeast Quarter (NE/4) of Section Ten (10), in Township Eighteen (18) South, Range Twenty-nine (29), West of the 6th P.M., under cultivation as now divided by fences.

In Section 10, Township 18 South, Range 29 West, and containing 138.42 acres, more or less, and all accretions thereto.

Subject to the provisions herein contained, this lease shall remain in force for a term of three (3) years from this date (called "primary term"), and as long thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, or any of them, is produced from said land or land 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 pipeline 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 the said lessor only in the proportion which lessor's interest bears to the whole and undivided fee.

Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operations thereon, except water from the wells of lessor.

When requested by lessor, lessee shall bury lessee's pipe lines below plow depth.

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

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

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

If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment of rentals or royalties shall be binding on the lessee until after the lessee has been furnished with a written transfer or assignment or a true copy thereof. In case lessee assigns this lease, in whole or in part, lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment.

Lessee may at any time execute and deliver to lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

All express or implied covenants of the lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, in whole or in part, nor lessee held liable in damages, for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.

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

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

Lessee agrees upon the completion of any test as a dry hole or upon abandonment of any producing well, to restore the premises to their original condition as nearly as practicable and to remove all equipment within a reasonable time.

Lessee shall have the option of renewing this lease for a period of two (2) years under the same bonus consideration paid hereunder.

Scout Exploration Corp. has your permission to conduct a seismic survey across your lands as listed herein for the purpose of Oil & Gas Exploration. Our operations will be conducted in accordance with good standard practices and careful manner; we agree to hold you free and harmless from any and all claims and damages that may result from our work by virtue of your permission herein granted.

In the event a seismic survey is conducted, this lease is further subject to the Addendum to the Seismic Survey Damage Settlement executed by and between Lessor and Lessee.

See attached addendum Exhibit A, which is incorporated herein as though fully set forth herein.

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

✓ Alan Eugene James
Alan Eugene James

✓ John David James
John David James

✓ Marilyn Louise James
Marilyn Louise James

✓ Vickie Louise James
Vickie Louise James

STATE OF KANSAS

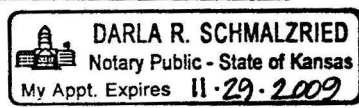
ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)

COUNTY OF LANE

The foregoing instrument was acknowledged before me this 14th day of August, 2009, by Alan Eugene James and Marilyn Louise James, husband and wife

My Commission Expires 11-29-2009

✓ Darla R. Schmalzried
Notary Public



STATE OF KANSAS

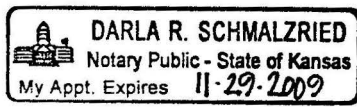
ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)

COUNTY OF LANE

The foregoing instrument was acknowledged before me this 12th day of August, 2009, by John David James and Vickie Louise James, husband and wife

My Commission Expires 11-29-2009

✓ Darla R. Schmalzried
Notary Public



NUMERICAL
DIRECT
INDIRECT
LOAD
CO...

No.	
OIL AND GAS LEASE	
FROM	
TO	
Date	
Section	Twp. Rge.
No. of Acres	Term
	County
STATE OF <u>Kansas</u>	
County <u>Lane</u>	
This instrument was filed for record on the <u>18</u> Day of <u>Aug</u> , 20 <u>09</u>	
At <u>9</u> o'clock <u>AM</u> , and duly recorded	
In Book <u>128</u> Page <u>129</u>	
the records of this office.	
By <u>Jessie De Barykowski</u>	Register of Deeds.
When recorded, return to	

STATE OF _____

ACKNOWLEDGMENT FOR CORPORATION (KsOkCoNe)

COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 2009, by _____

of _____ a _____ corporation, on behalf of the corporation.

My Commission Expires _____

Notary Public

NOTICE FOR RENEWAL OF OIL AND GAS LEASE

WHEREAS, Scout Exploration Corp., P.O. Box 1410, Edmond, OK 73083, is the owner and holder of an oil and gas leases on the following described land in Lane County, State of Kansas:

A tract of land located in the Northwest Quarter (NW/4) of Section Ten (10), in Township Eighteen (18) South, of Range Twenty-nine (29) West of the 6th P.M., more fully described as follows:

Beginning at the Southwest corner of the Northwest Quarter (NW/4) of Section Ten (10), Township Eighteen (18) South, Range Twenty-nine (29) West of the 6th P.M., Lane County, Kansas, as established in a permanent survey by C.G. Waterson; thence North 0°45'27" East along the West line of said Northwest Quarter (NW/4) for a distance of 1,019.69 feet; said point being 1,630.02 feet South of the Northwest corner of said Section Ten (10); thence South 89°28'26" East for a distance of 2,192.86 feet, thence South 0°04'55" East for a distance of 1,036.86 feet; thence North 89°01'47" West along the South line of said Northwest Quarter (NW/4) for a distance of 2,208.05 feet to the point of beginning, containing 51.94 acres, more or less, including that part used for public road purposes;

and

A tract of land located in the Northeast Quarter (NE/4) of Section Ten (10), Township Eighteen (18) South, Range Twenty-nine (29) West of the 6th P.M., more fully described as follows:

Commencing at the Northwest corner of the Northeast Quarter (NE/4) of Section Ten (10), in Township Eighteen (18) South, Range Twenty-nine (29) West of the 6th P.M., as established in a permanent survey by C.G. Waterson, thence South 89°01'47" East along the North line of said Northeast Quarter (NE/4) for 391 feet to the point of beginning; thence continuing South 89°01'47" East along the North line of said Northeast Quarter (NE/4) for 2,100' feet; thence South 0°02'16" East along the centerline of the existing County road for 2,616.48 feet; thence North 89°24'15" West for 1,044.15 feet; thence North 0°06'33" West for 246.12 feet, thence North 7°13'58" West for 747.98 feet; thence North 57°31'39" West for 827.63 feet; thence North 2°01'39" West for 491.53 feet to the point of beginning, containing 86.48 acres, more or less, including that part used for public road purposes; ALSO DESCRIBED AS: All that part of the Northeast Quarter (NE/4) of Section Ten (10), in Township Eighteen (18) South, Range Twenty-nine (29) West of the 6th P.M., under cultivation as now divided by fences.

Recorded Book 128, Page 129

The Northeast Quarter (NW ¼) of Section 14, Township 18 South, Range 29 West **Recorded Book 128, Page 130**

The Northwest Quarter (NW ¼) of Section 14, Township 18 South, Range 29 West **Recorded Book 128, Page 131**

The Southwest Quarter (SW ¼)

EXCEPT a tract of land 220 feet by 200 feet in the Southwest corner of said Quarter section, containing 0.92 acres; and EXCEPT the right of way of the A.T. & S.F. Railroad containing 5.97 acres ; and EXCEPT a tract of land beginning at a point on the South line 235.5 feet East of the Southwest corner of said quarter section; thence North 140 feet parallel to the West line of said quarter section; thence East to the East 140 feet North of the Southeast corner of said quarter section; thence South along said East line to the South line of said quarter section; thence West along said South line to the place of beginning, containing 5.53 acres more or less, exclusive of the existing highway; and EXCEPT a tract beginning at the Southeast Corner of said Quarter Section, thence on a bearing of North 89 degrees 30 minutes 58 seconds West, 1005.16 feet along the South line, thence North 00 degrees 05 seconds West, 265.01 feet, thence South 89 degrees 30 minutes 58 seconds East 1001.40 feet to the East line, thence South 00 degrees 48 minutes 58 seconds East, 265.07 feet along said East Line to the point of beginning, containing 3.78 acres more or less; in Section 14, Township 18 South, Range 29 West

Recorded Book 128, Page 133

All that portion of the Southeast Quarter (SE ¼) lying North of the railroad right-of-way in Section 14, Township 18 South, Range 29 West

Recorded Book 128, Page 132

dated July 27, 2009, and recorded in Book and Page as listed above of the records of said county, and

IN ACCORDANCE with the provision for renewal on the referenced Oil and Gas Leases, notice is hereby given that the required Ten and Other Dollars have been paid in order to renew, extend and keep in effect those certain Oil and Gas Leases for an additional two (2) years as provided.

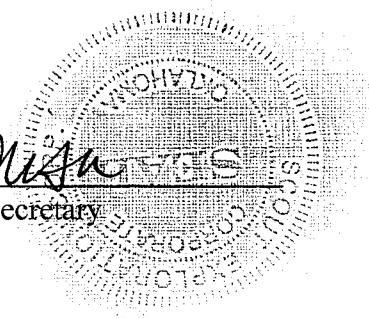
IN WITNESS WHEREOF, this instrument is signed on this 30th of August, 2012.

SCOUT EXPLORATION CORP.

ATTEST

J. Kyle Carter
By: J. Kyle Carter, President

Emily M. Wisner
By: Emily M. Wisner, Secretary



STATE OF KANSAS, LANE COUNTY, SS
This instrument was filed for record on the
23 day of January
A.D. 2013 at 9:10 o'clock A M and
duly recorded in Book 144 on page 144
Fee 12.00
Jenice Olo Bar, Kowitz
Register of Deeds

NUMERICAL
DIRECT
INDIRECT
COMP. ORIG.
COMPUTER