



KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

1144466

Form C-1  
March 2010

Form must be Typed  
Form must be Signed  
All blanks must be Filled

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

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

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

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

Well Drilled For:  Oil  Gas  Seismic ; \_\_\_\_\_ # of Holes  Other: \_\_\_\_\_  
Well Class:  Enh Rec  Storage  Disposal  Infield  Pool Ext.  Wildcat  Other  
Type Equipment:  Mud Rotary  Air Rotary  Cable

If OWWO: old well information as follows:  
Operator: \_\_\_\_\_  
Well Name: \_\_\_\_\_  
Original Completion Date: \_\_\_\_\_ Original Total Depth: \_\_\_\_\_

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

Spot Description: \_\_\_\_\_  
\_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ Sec. \_\_\_\_\_ Twp. \_\_\_\_\_ S. R. \_\_\_\_\_  E  W  
(Q/Q/Q/Q) \_\_\_\_\_ 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)  
County: \_\_\_\_\_

Lease Name: \_\_\_\_\_ Well #: \_\_\_\_\_  
Field Name: \_\_\_\_\_

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: \_\_\_\_\_

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

For KCC Use ONLY  
API # 15 - \_\_\_\_\_  
Conductor pipe required \_\_\_\_\_ feet  
Minimum surface pipe required \_\_\_\_\_ feet per ALT.  I  II  
Approved by: \_\_\_\_\_  
This authorization expires: \_\_\_\_\_  
(This authorization void if drilling not started within 12 months of approval date.)  
Spud date: \_\_\_\_\_ Agent: \_\_\_\_\_

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

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

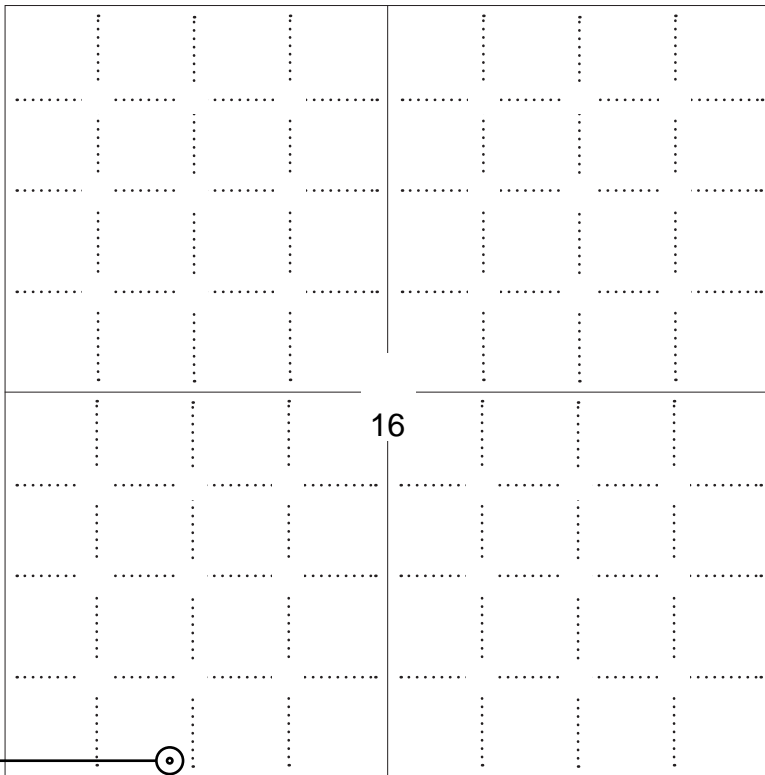
Is Section:  Regular or  Irregular

**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.



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

118 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.

**LEGEND**

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



1980' FSL

**APPLICATION FOR SURFACE PIT***Submit in Duplicate*

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

**KCC OFFICE USE ONLY**
 Liner     Steel Pit     RFAC     RFAS

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

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

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

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

OPERATOR: License # \_\_\_\_\_

Name: \_\_\_\_\_

Address 1: \_\_\_\_\_

Address 2: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ + \_\_\_\_\_

Contact Person: \_\_\_\_\_

Phone: ( \_\_\_\_\_ ) \_\_\_\_\_ Fax: ( \_\_\_\_\_ ) \_\_\_\_\_

Email Address: \_\_\_\_\_

Well Location:

\_\_\_\_ - \_\_\_\_ - \_\_\_\_ - \_\_\_\_ Sec. \_\_\_\_ Twp. \_\_\_\_ S. R. \_\_\_\_  East  West

County: \_\_\_\_\_

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

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

**Surface Owner Information:**

Name: \_\_\_\_\_

Address 1: \_\_\_\_\_

Address 2: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ + \_\_\_\_\_

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

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

**Select one of the following:**

I certify that, pursuant to the Kansas Surface Owner Notice Act (House Bill 2032), I have provided the following to the surface owner(s) of the land upon which the subject well is or will be located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form CP-1 that I am filing in connection with this form; 2) if the form being filed is a Form C-1 or Form CB-1, the plat(s) required by this form; and 3) my operator name, address, phone number, fax, and email address.

I have not provided this information to the surface owner(s). I acknowledge that, because I have not provided this information, the KCC will be required to send this information to the surface owner(s). To mitigate the additional cost of the KCC performing this task, I acknowledge that I am being charged a \$30.00 handling fee, payable to the KCC, which is enclosed with this form.

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

I Submitted Electronically

## OIL AND GAS LEASE

THIS AGREEMENT, Entered into this the 18th day of October, 2006 between

Vernon F. Meyer as Trustee of the Vernon F. Meyer Revocable Trust

\_\_\_\_\_ hereinafter called Lessor (whether one or more),  
and American Warrior, Inc.

\_\_\_\_\_ hereinafter called Lessee:

Lessor, in consideration of Ten (10) & O.V.C. Dollars 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 the County of Ness State of Kansas and described as follows to-wit:

The Northwest Quarter (NW/4)

In Section 21, Township 19 South, Range 21 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 or can be produced from said land or land with which said land is pooled. If, due to circumstances beyond Lessee's control, Lessee is unable to obtain a rotary drilling rig prior to the expiration of the primary term, Lessor agrees that Lessee shall have a reasonable time, not to exceed ninety (90) days, within which to obtain such rotary drilling rig and commence operations for the drilling of a well.

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.

2<sup>nd</sup>. 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. At any time, either before or after the expiration of the primary term of this lease, if there is a gas well or wells on the above land (and, for the purposes of this clause, the term "gas well" shall include wells capable of producing natural gas, condensate, distillate or any gaseous substance and wells classified as gas wells by any governmental authority) and such well or wells are shut-in, before or after production therefrom, lessee or any assignee hereunder may pay or tender annually, within sixty (60) days after the end of each yearly period during which such gas well or gas wells are shut-in, as substitute gas royalty, One Dollar (\$1.00) per net mineral acre retained hereunder, for the acreage then held under this lease, by the party making such payments or tenders, and, if such payments or tenders are made, it shall be considered under all provisions of this lease that gas is being produced from the leased premises in paying quantities.

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

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

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

Lessee shall bury lessee's pipelines 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 said land.

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

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

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

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

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

State of Kansas      Ness County  
Book: 305 Page: 569  
Receipt #: 1845      Recording Fee: \$12.00  
Pages Recorded: 2  
Cashier Initials: MH

Date Recorded: 11/21/2006 11:35:00 AM

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 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.

If at the end of the primary term, this lease is not otherwise extended by production, lessee or its assigns is hereby granted an option to extend this lease for an additional one (1) year provided the following conditions are met. The lessee shall review the 3-D seismic covering this lease with the lessor. The lessee shall have an intent to Drill filed with the Kansas Corporation Commission. In the event the lessee elects to exercise this option, a consideration of Five dollars (\$5.00) per mineral acre shall be paid to the lessor.

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

SS or Tax# [Redacted] Vernon F. Meyer, Trustee

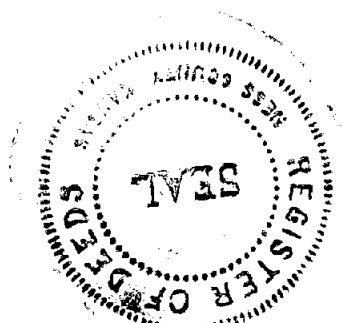
SS# or Tax #: \_\_\_\_\_  
SS# or Tax #: \_\_\_\_\_  
SS# or Tax #: \_\_\_\_\_  
SS# or Tax #: \_\_\_\_\_

STATE OF Kansas  
COUNTY OF Neosho  
The foregoing instrument was acknowledged before me this 24th day of October, 2006 by Vernon F. Meyer as Trustee of the Vernon F. Meyer Revocable Trust

My commission expires 2/17/10  
Notary Public Dorise Moore  
The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by \_\_\_\_\_

My commission expires \_\_\_\_\_  
Notary Public \_\_\_\_\_  
STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_  
The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by \_\_\_\_\_

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



# OIL AND GAS LEASE

(PAID-UP)

AGREEMENT, Made and entered into this 1st day of September, 2009, by and between **Farmers National Company, Agent for Commerce Trust Company, a division of Commerce Bank, N.A., (successor in interest to Farmers State Bank and Trust Company), as Trustee of the Freda Wilhelm Charitable Trust created under the Agreement dated January 9, 1992**, located at 5110 S. Yale Ave., Suite 400, Tulsa, OK 74135, party of the first part, hereinafter called lessor, (whether one or more), and **American Warrior, Inc.**, located at P.O. Box 399, Garden City, KS 67846 party of the second part, hereinafter called lessee.

WITNESSETH, That the said lessor, for and in consideration of TEN AND MORE (\$10.00) DOLLARS, cash in hand paid, receipt of which is hereby acknowledged and of the covenants and agreements hereinafter contained on the part of lessee to be paid, kept and performed, has granted, demised, leased and let and by these presents does grant, demise, lease and let exclusively unto the said lessee, for the sole and only purpose of exploring by geophysical and other methods, mining and operating for oil (including but not limited to distillate and condensate), gas (including casinghead gas), coal gas and helium and all other constituents, and for laying pipe lines, and building tanks, power stations and structures thereon, to produce, save and take care of said products, all that certain tract of land, together with any reversionary rights therein, situated in the County of Ness, State of Kansas, described as follows, to wit:

**SW/4**

**of Section 16, Township 19 South, Range 21 West, containing 160 acres, more or less.**

It is agreed that this lease shall remain in force for a term of **one (1) year** from date (herein called primary term) and as long thereafter as oil or gas, or either of them, is produced from said land by the lessee.

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 it may connect its wells, the **one-eighth (1/8)** part of all oil (including but not limited to condensate and distillate) produced and saved from the leased premises.

2nd. To pay lessor for gas of whatsoever nature or kind (with all of its constituents) produced and sold or used off the leased premises, or used in the manufacture of products therefrom, **one-eighth (1/8)** of the gross proceeds received for the gas sold, used off the premises, or in the manufacture of products therefrom but in no event more than **one-eighth (1/8)** of the actual amount received by the lessee, said payments to be made monthly. During any period (whether before or after expiration of the primary term hereof) when gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or operations on said leased premises sufficient to keep this lease in force, lessee shall pay or tender a royalty of One Dollar (\$1.00) per year per net royalty acre retained hereunder, such payment or tender to be made, on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut in and thereafter on the anniversary date of this lease during the period such well is shut in, to the royalty owners. When such payment or tender is made it will be considered that gas is being produced within the meaning of the entire lease.

3rd. To pay lessor for gas produced from any oil well and used off the premises, or for the manufacture of casinghead gasoline or dry commercial gas **one-eighth (1/8)** of the gross proceeds, at the mouth of the well, received by lessee for the gas during the time such gas shall be used, said payments to be made monthly.

If the lessee shall commence to drill a well or commence reworking operations on an existing well within the term of this lease or any extension thereof, or on acreage pooled therewith, the lessee shall have the right to drill such well to completion or complete reworking operations 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.

Lessee is hereby granted the right at any time and from time to time to unitize the leased premises or any portion or portions thereof, as to all strata or any stratum or strata, with any other lands as to all strata or any stratum or strata, for the production primarily of oil or primarily of gas with or without distillate. However, no unit for the production primarily of oil shall embrace more than 40 acres, or for the production primarily of gas with or without distillate more than 640 acres; provided that if any governmental regulation shall prescribe a spacing pattern for the development of the field or allocate a producing allowable based on acreage per well, then any such unit may embrace as much additional acreage as may be so prescribed or as may be used in such allocation of allowable. Lessee shall file written unit designations in the county in which the lease premises are located. Operations upon and production from the unit shall be treated as if such operations were upon or such production were from the leased premises whether or not the well or wells are located thereon. The entire acreage within a unit shall be treated for all purposes as if it were covered by and included in this lease except that the royalty on production from the unit shall be as below provided, and except that in calculating the amount of any shut in gas royalties, only the part of the acreage originally leased and then actually embraced by this lease shall be counted. In respect to production from the unit, Lessee shall pay Lessor, in lieu of other royalties thereon, only such proportion of the royalties stipulated therein as the amount of his acreage placed in the unit, or his royalty interest therein on an acreage basis bears to the total acreage in the unit.

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 shall be paid to the lessor only in the proportion which his interest bears to the whole and undivided fee.

State of Kansas - Ness County

Book: 326 Page: 713

Receipt #: 5944

Pages Recorded: 5

Cashier Initials: MH

Recording Fee: \$24.00

1

Date Recorded: 9/23/2009 3:40:00 PM

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

When requested by the lessor, lessee shall bury his pipelines below plow depth.

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

Lessee shall pay for all damages caused by its operations to growing crops on said land.

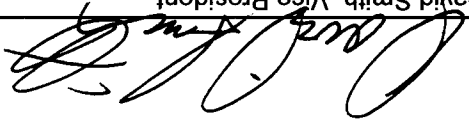
Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

If the estate of either party here to 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. However, no change or division in ownership of the land or royalties shall enlarge the obligations or diminish the rights of lessee. No change in the ownership of the land 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.

All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules and 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 such failure is the result of any such Law, Order, Rule or Regulation. This lease shall be effective as to each lessor on execution hereof as to his or her interest and shall be binding on those signing; notwithstanding some of the lessors above named may not join in the execution hereof. The word "lessor" as used in this lease means the party or parties who execute this lease as lessor, although not named above.

Lessee may at any time and from time to time surrender this lease as to any part or parts of the leased premises by delivering or mailing a release thereof to lessor, or by placing a release of record in the proper County. Lessor hereby warrants and agrees to defend the title to the land 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. Notwithstanding any provisions of this Oil and Gas Lease to the contrary, it is understood that this Oil and Gas Lease shall be subject to the terms and provisions on Exhibit "A", attached to and made a part hereof.

IN TESTIMONY WHEREOF, we sign this the 11 day of September, 2009.

  
David Smith, Vice President

Farmers National Company, Agent for Commerce  
Trust Company, a division of Commerce Bank, N.A.,  
(successor in interest to Farmers State Bank and  
Trust Company), as Trustee of the Freda Wilhelm  
Charitable Trust created under the Agreement  
dated January 9, 1992

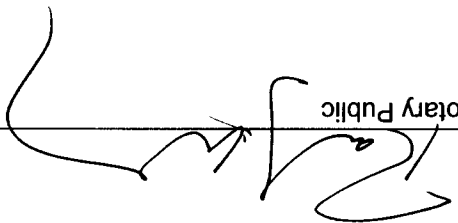
**ACKNOWLEDGMENT**

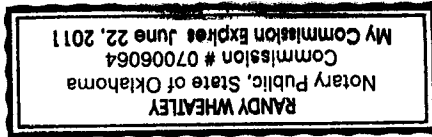
STATE OF OKLAHOMA

)  
§  
)  
COUNTY OF TULSA

On this 11 day of September, 2009 before me, Randy Wheatley, Notary Public in and for said County and State, personally appeared David Smith, VP, Farmers National Company, Agent whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in his authorized capacity and that by his signature on the instrument in person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

  
Notary Public



(SEAL)



## EXHIBIT "A"

This Exhibit "A" attached to and made a part hereof this Oil & Gas Lease dated **September 6, 2008**, between **Farmers National Company, Agent for Commerce Trust Company, a division of Commerce Bank, N.A., (successor in interest to Farmers State Bank and Trust Company)**, as **Trustee of the Freda Wilhelm Charitable Trust created under the Agreement dated January 9, 1992**, hereinafter called Lessor (whether one or more) and **American Warrior, Inc.**, hereinafter called Lessee, covering:

**SW/4**

**of Section 16, Township 19 South, Range 21 West, containing 160 acres, more or less.**

**Notwithstanding any provisions of the STANDARD LEASE FORM, which is the first two pages of this lease, any of which may conflict with the following provisions, it is understood and agreed that the following provisions, conditions and limitations shall be controlling and shall modify and amend the first two pages of this lease to the extent necessary to make them effective.**

1. It is expressly agreed and provided that this lease cannot and shall not be maintained after the expiration of the primary term solely by the payment of shut-in gas royalties for a longer period than two (2) consecutive years provided, however, this right to maintain this lease after the expiration of the primary term for said two (2) year period shall be a recurring right and may be exercised from time to time whenever the Lessee deems it necessary or expedient to shut-in such a well. Following any such two (2) year shut-in period, production shall resume and continue for a minimum period of six (6) months before said right to maintain lease shall recur.
2. The pooled acreage shall be all abutting and contiguous to the minerals herein listed.
3. Upon termination of lease, Lessee is to remove all fixtures, equipment including underground pipelines, concrete abutments, anchors, waste (junk), and restore the surface to its original contour and state as nearly as possible to that which existed prior to drilling operations.
4. Lessee agrees to maintain that area used for well location and tank battery in a neat, orderly manner and eradicate all noxious weeds around and along roads, tank battery and well sites.
5. Shut-in payments shall be \$5.00 per acre.
6. Lessee shall pay monthly to Lessor as royalty on gas, including casinghead gas, liquid hydrocarbons and other gaseous substances, produced at the wellhead or produced from said land and sold or used off the premises, or used for the manufacture of gasoline or other products, the agreed to royalty amount of the gross proceeds at the wellhead of such gas sold or used. In no event shall royalty be based on an amount less than the gross proceeds of the sale thereof.
7. All royalty payments due under this lease shall be made by Lessee on or before the last day of the month following the month in which payment is received from the purchaser. All delinquent royalty payments shall bear interest at the rate of twelve percent (12%) per annum until paid.
8. Lessors reserve all rights to grant, lease, mine and/or produce any minerals from said lands except interests in gas and oil and their constituent products herein leased to lessee. Lessors specifically reserve the ownership of all radioactive substances, including those which may be produced with or derived and/or extracted from any gas or liquid produced by the Lessee under the terms of this lease.
9. All surface equipment, including but not limited to roads, pipeline and tank batteries, but excluding wellhead and pumping equipment, shall be located by Lessee at such place or places mutually acceptable to both Lessor and Lessee. In designating such locations, Lessor shall act in good faith, having due regard to the most direct route for roads and pipelines and the present or future surface use which may be reasonably anticipated. Surface equipment, excluding wellhead and pumping equipment, will be relocated by Lessee upon Lessor's request, but at Lessor's expense. If Lessor fails to designate the location of roads, pipelines and other surface equipment, the same will be located by Lessee, but in such manner as to cause the least interference with Lessor's farming and intended development of the surface of the leased premises for commercial or residential use.
10. Lessee agrees that it will comply with all regulations and statutes of all governmental entities having jurisdiction over compliance with environmental legislation. Lessee further agrees to accept the leased premises in its "AS IS" condition. It is acknowledged that Lessee has been advised to inspect the property to determine that it is suitable for the purposes intended and to ascertain that no environmental hazards or toxins are now present.
11. Lessee, his successors and assigns, hereby agree that, for the purpose of calculating royalty payments hereunder on all production from the leased premises, such calculations shall be made at the point of sale and shall be free of any and all delivery costs and shall not be burdened by any costs of production, including but not limited to, transportation expenses or any expenses associated with or attributable to treatment, gathering, trucking, processing or pipeline construction and maintenance. The value of the oil shall be based on the highest posted price, plus premium if any, paid for oil of like gravity in the area from which the oil is produced.
12. Lessee shall **IDEMNIFY AND HOLD LESSORS HARMLESS** from any claims, damages, actions or causes of action from any environmental damage or contamination caused or contributed to by Lessee subsequent to the commencement of this lease.

13. In the event oil or gas production is encountered and the marketing agreement consummated with a reputable purchaser, Lessee hereby agrees, upon written request to furnish pertinent details of the terms of the purchase contract.

14. Lessee agrees to make a diligent effort to obtain the highest price available in this immediate area for oil and/or gas.

15. This lease contemplates the full prospecting and development for oil and gas of the land hereby leased, including the obligation to offset producing wells on the leased premises, commensurate with practices of the oil and gas industry. Lessee agrees to drill as many offset wells as may be necessary to prevent any undue drainage of oil and gas from the land included herein, which drainage may be caused by the drilling of wells producing oil and gas in paying quantities on adjacent lands. Failing to do so, Lessee agrees to release this lease as to those offset lands upon written demand.

16. It is contemplated and agreed by both Lessor and Lessee that this lease shall, at all times and in all respects, be subject to valid orders, rules and regulations of any duly constituted authority having jurisdiction of the subject matter hereof.

17. In the event a portion or portions of the leased premises is pooled or unitized with other land so as to form a pooled unit or units, operations on, completion of a well upon, or production from such unit or units will not maintain this lease in force as to that portion of the leased premises not included in such unit or units. The lease may be maintained in force as to any portion of the leased premises covered hereby and not included in such unit or units in any manner provided for herein; provided, however, if at the end of the primary term or after the expiration of the primary term, Lessee is then engaged in drilling or reworking operations on the leased premises or on acreage pooled therewith, or if Lessee has completed a well as a producer or a dry hole anywhere on the leased premises or lands pooled therewith within ninety (90) days prior to the expiration of the primary term, this lease shall remain in full force and effect as to all non-unitized acreage so long as Lessee commences drilling operations on the leased premises or on acreage pooled therewith within ninety (90) days of the completion of such well as a producer or a dry hole and conducts continuous operations thereon with no cessation of longer than ninety (90) days between the completion of drilling or reworking operations on a well and the commencement of such operations for the next succeeding well.

18. Should a well be drilled and subsequently be a producing well, then and in that event Lessee agrees at the end of the primary term to release all zones 100 feet below the total depth drilled on the above described land or lands unitized therewith. Lessee shall be obligated, subject to other terms of this paragraph to file of record in the courthouse a release of this lease, thereby releasing all zones of formations 100 feet below the total depth drilled. Said release shall be filed within sixty (60) days following the expiration of the primary term of the lease. If such release is not filed within said sixty (60) day period, then Lessee shall be subject to damages and for attorney fees incurred by Lessor in obtaining such release.

19. Lessee agrees to promptly provide Lessor with a copy of the recorded lease document.

20. The installation of any salt-water disposal equipment by Lessee in the operation of the lease shall be subject to the approval of Lessor. Lessee shall not be permitted to use any well drilled on the leased premises as a salt-water disposal well without the written consent of the Lessor and without compensating Lessor for the use thereof. Provisions herein do not apply to the disposal of salt water produced from wells located on lands covered by this lease or land unitized therewith.

21. Lessee represents that they are not an officer, director, or employee of the bank or agent, their subsidiaries, or any of their affiliated entities, nor does Lessee anticipate assigning this lease to any of these parties.

22. This lease is given and granted without warranty, express or implied, in law or in equity.

23. All utility lines shall be buried to a depth of no less than 48 inches or a depth as required by electric company supplying the service, upon written request by Lessor.

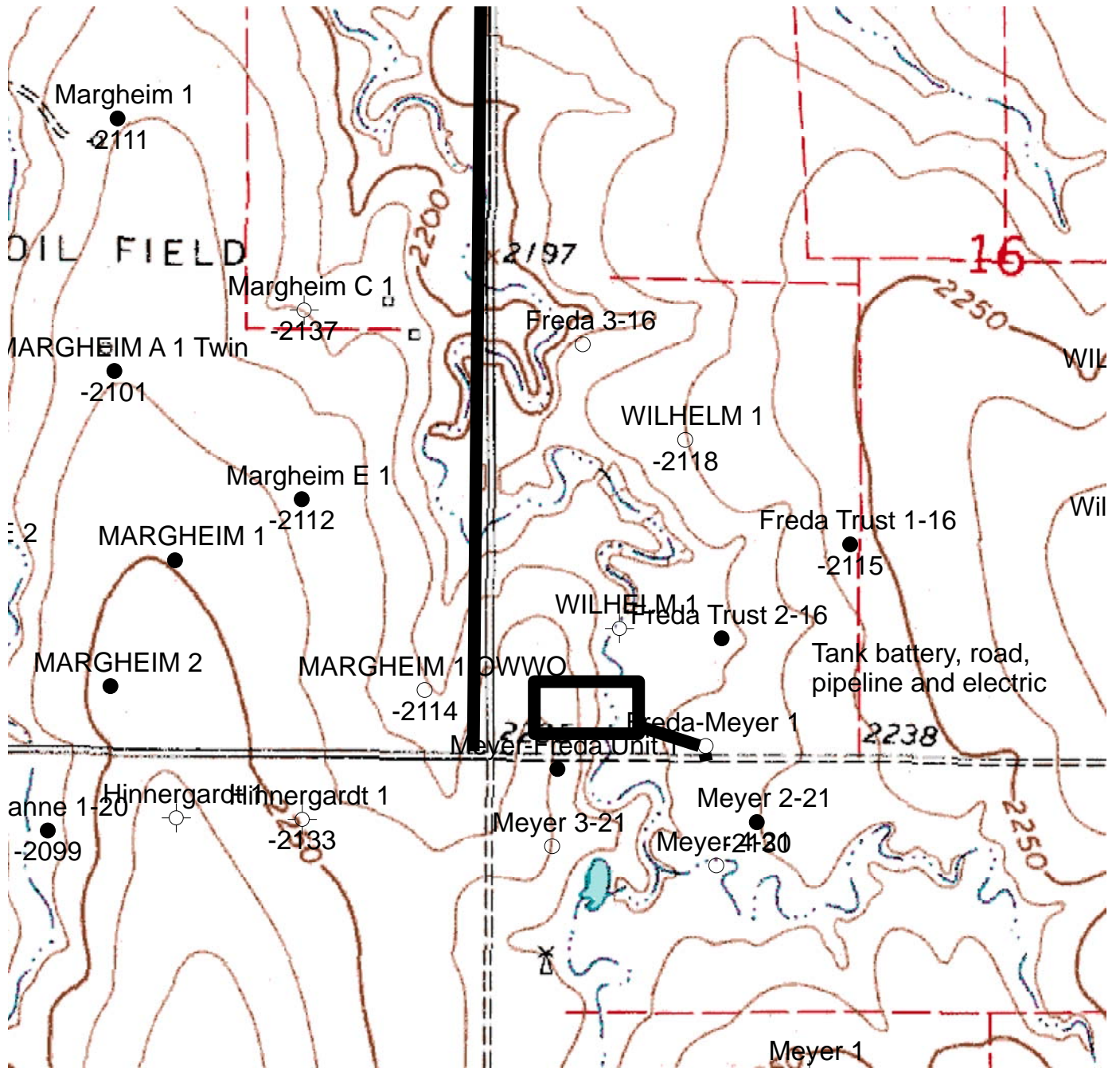
24. Lessor, if and only if he is also a surface owner of the leased premises, shall have the right to take in kind his royalty share of any gas produced from a gas well for farming and agricultural purposes only. Lessor shall not have the right to take or use more gas than his royalty share of the gas produced during any accounting period used by Lessee. Any gas so taken shall be taken at or near the mouth of the well at a point designated by Lessee. All equipment necessary for the taking of gas and measuring of the same shall be furnished by Lessor at his own risk and expense. Such equipment shall be installed by or under the supervision of Lessee and the method of taking gas and the point of connection of taking must be such as to not interfere with the operation of the well and must be submitted to Lessee before the gas is taken. For gas taken by Lessor in an amount less than the full royalty fraction provided for gas in this lease, Lessee shall have the right to make a corresponding reduction in gas royalty payments due Lessor, said payments to be made in accordance with the terms of this lease. Lessee, nor its assigns, shall never be liable to Lessor, Lessor's agents or employees or any other as regards to the gas taken, the use thereof, the equipment used, the manner of its use, the use to which put or anything incident thereto or resulting therefrom. Lessee, nor its assigns, shall never be under any obligation to produce gas from any well unless practical or economical to do so and Lessee or its assigns shall have at all times dry land access to and from and around any equipment used in Lessor's irrigation operations. Such equipment shall at all times be situated and operated as not to unreasonably interfere with operations by Lessee in the production of oil or gas on the land.

25. Lessee shall notify Lessor of any assignment of Lessee's rights hereunder, stating the name and current mailing address of the Assignee, and shall furnish a copy of such assignment within 60 days of its recording in the county records.

26. Lessee is unconditionally obligated to Lessor to make the payment of royalties hereunder, irrespective of the failure or bankruptcy of any third party oil and gas purchaser and without the necessity of Lessor executing a division order or transfer order. Further, Lessee shall bear full responsibility for payment of all royalties hereunder, irrespective of any split-stream marketing of production.
27. Lessee agrees that before any gas produced from the leased premises is used or sold off the leased premises, it will run, free of cost to Lessor, through a conventional separator or other comparable equipment, so that all liquid hydrocarbons recoverable from gas by such means will be recovered on the leased premises. Distillate and condensate produced from gas strata shall be extracted by ordinary mechanical means on the leased premises. Such distillate and condensate shall be accounted for by the barrel as oil.
28. It is agreed and understood by Lessor and Lessee, and it's assigns, that should any and all wells be drilled upon said lands, all money paid for surface and crop damages of any type caused by any operations thereon, shall be paid to the current tenant.
29. Lessee represents that the Premises are not currently producing oil, gas, casinghead gas or other gaseous substances; and that no portion of said Premises is currently held by an active oil and gas lease or is in a producing unit. Also, Lessee represents that production revenue from the Premises is not being held in suspense for the benefit of the Lessor or its predecessors in title.

\*\*\*\*\*

End of Exhibit



## Summary of Changes

Lease Name and Number: Freda-Meyer Unit 1

API/Permit #: 15-135-25601-00-00

Doc ID: 1144466

Correction Number: 1

Approved By: Rick Hestermann 05/30/2013

Field Name	Previous Value	New Value
Feet to Nearest Water Well Within One-Mile of Pit	1333	1380
KCC Only - Approved By	Rick Hestermann 05/20/2013	Rick Hestermann 05/30/2013
KCC Only - Approved Date	05/20/2013	05/30/2013
KCC Only - Date Received	05/20/2013	05/30/2013
KCC Only - Production Comment		Oil & Gas leases w/ pooling clauses attached.
KCC Only - Regular Section Quarter Calls	E2 SE SW SW	SE SE SW SW
Lease Name	Freda	Freda-Meyer Unit
LocationInfoLink	<a href="https://solar.kgs.ku.edu/kcc/detail/locationInformation.cfm?section=16&amp;t330">https://solar.kgs.ku.edu/kcc/detail/locationInformation.cfm?section=16&amp;t330</a>	<a href="https://solar.kgs.ku.edu/kcc/detail/locationInformation.cfm?section=16&amp;t118">https://solar.kgs.ku.edu/kcc/detail/locationInformation.cfm?section=16&amp;t118</a>
Nearest Lease Or Unit Boundary		
Number of Feet East or West From Section Line	1280	1130

Summary of changes for correction 1 continued

Field Name	Previous Value	New Value
Number of Feet East or West From Section Line	1280	1130
Number of Feet North or South From Section Line	330	118
Number of Feet North or South From Section Line	330	118
Quarter Call 4 - Smallest	E2	SE
Quarter Call 4 - Smallest	E2	SE
Save Link	../../../../kcc/detail/operatorEditDetail.cfm?docID=1140510	../../../../kcc/detail/operatorEditDetail.cfm?docID=1144466
Well Number	4-16	1

## Summary of Attachments

Lease Name and Number: Freda-Meyer Unit 1

API: 15-135-25601-00-00

Doc ID: 1144466

Correction Number: 1

Approved By: Rick Hestermann 05/30/2013

Attachment Name