## DECLARATION OF UNITIZATION

STATE OF KANSAS COUNTY OF GRAY	}	
	}	
	}	

This Declaration of Unitization, made and entered into the 21st day of October, 2013, by

Sunflower Energy, LLC, hereinafter referred to as "Lessee", and John C. Youle, hereinafter referred to as "Youle":

## KNOW ALL MEN BY THESE PRESENTS: That

WHEREAS, Lessee is the owner and holder of the following described Oil and Gas Leases, hereinafter referred to as the "Subject Leases", recorded in and covering lands situated in Gray County, Kansas:

Lease date: November 13, 2009
Lessor: RPM Farms, Inc.
Lessee: Thomas Energy, Inc.
Recorded: Book 77, Page 407

Description: Township 27 South, Range 29 West

Section 19: All

Lease date: February 21, 2011

Lessor: Ross and Sherry Koehn Trust, U/A dated 1-27-10

Lessee: Sunflower Energy, LLC Recorded: Book 79, Page 363

Description: Township 27 South, Range 30 West

Section 24: E/2, less and except the following

described tract of land:

Beginning at the southwest corner of the SE/4, thence North 660 feet, thence East 330 feet, thence South 660 feet, thence West 330 feet to

the point of origin

WHEREAS Youle is the owner and holder of an overriding royalty interest in the Subject Leases;

WHEREAS, Paragraph 14 of the above-described oil and gas lease from RPM Farms, Inc. provides as follows:

"Lessee, at its option, is hereby given the right and power to pool or combine into one or more units the land covered by this lease, or any portion thereof, with other land covered by another lease, or leases when, in lessee's judgment, it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of such minerals in and under said land, such pooling to be in a unit or units not exceeding 80 acres each in the event of an oil well, or into a unit or units not exceeding 640 acres each in the event of a gas and/or condensate or distillate well, plus a tolerance of ten percent (10%) to conform to Governmental Survey quarter sections. Lessee shall execute in writing and file for record in the county in which the land is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a unit or units shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on any part of the pooled acreage it shall be treated as if production is had

from this lease whether any well is located on the land covered by this lease or not. Any well drilled on any such unit shall be and constitute a well hereunder. In lieu of the royalties elsewhere herein specified lessor shall receive on production from the unit so pooled only such portion of the royalty stipulated herein as the amount of his net royalty interest therein on an acreage basis bears to the total mineral acreage so pooled in the particular unit involved.";

WHEREAS, Paragraph 14 of the above-described oil and gas lease from Ross and Sherry Koehn Trust, U/A dated 1-27-10 provides as follows:

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

WHEREAS, Lessee and Youle have determined in their judgment that it is necessary, advisable and advantageous to pool, unitize and consolidate the oil rights in and under a portion of the acreage and lands covered by the Subject Leases to promote conservation of oil, gas and other minerals in and under and that may be produced from said premises, to properly develop and operate the land and interests being pooled as one oil operating unit, upon the terms and conditions hereinafter provided, and as provided in the Subject Leases;

WHEREAS, the Subject Leases, and the portions thereof to be pooled, unitized, combined and consolidated, are in the immediate vicinity of each other and are contiguous to one another as to form a compact unit, and the unit being formed hereunder does not exceed 40 acres for oil;

WHEREAS, at the present time there is no governmental regulation or order prescribing a spacing pattern for the development of a field wherein the pooled lands or a portion thereof, are located;

WHEREAS, the pooling hereunder shall be effective the 21st day of October, 2013; and

WHEREAS, Lessee and Youle do now desire to declare their purpose to pool, unitize, combine and consolidate the oil rights only, to the extent set out herein, in and to certain lands covered by the Subject Leases into a single oil unit, as hereinafter described.

NOW THEREFORE, in consideration of the premises, the execution of this Declaration and the mutual covenants herein to be performed, and other good and

valuable consideration, Lessee and Youle, pursuant to the above and foregoing recitals and the terms and conditions of the Subject Leases, do hereby execute this Declaration of Unitization and do hereby create and form an oil unit of said leases and land, including Lessors' royalty interest, as to oil rights only, insofar and only insofar as said leases and land included within the pool and oil unit described as follows, to wit:

Township 27 South, Range 29 West

Section 19: Ten (10) acres in the form of a square in the southwest corner of Lot 2 and ten (10) acres in the form of a square in the northwest corner of Lot 3

Township 27 South, Range 30 West Section 24: SE/4SE/4NE/4 and NE/4NE/4SE/4

Gray County, Kansas

containing 40 acres, more or less,

to the same extent as if said oil leasehold estates had originally been included in one Oil and Gas Lease, which pooled, unitized and consolidated area shall include within the same all lands covered by the Subject Leases insofar and only insofar as the same are included within the above described oil unit.

THIS Declaration and the terms and conditions hereof shall extend to and be binding upon all persons having any right, title or interests of any kind or character in and to the Subject Leases, including Lessors' rights thereunder, their respective heirs, successors and assigns.

IN WITNESS WHEREOF, Lessee and Youle have hereunto caused this Declaration of Unitization to be executed as of the day and year first above written.

SUNFLOWER ENERGY, LLC

ву:\_\_

William P. Moore, Managing Partner

John C. Youle

STATE OF KANSAS

SS.

ACKNOWLEDGMENT FOR INDIVIDUAL

COUNTY OF JOHNSON }

This instrument was acknowledged to me on this <u>22</u> day of October, 2013, by

William P. Moore, as managing partner of Sunflower Energy, LLC, a Kansas limited liability company. My commission expires: 10-11-15 NOTARY PUBLIC - State of Kens Notary Public DAWN GAY HANSEN My Appt. Expires 10-11-15 STATE OF COLORADO ACKNOWLEDGMENT FOR INDIVIDUAL COUNTY OF 1 This instrument was acknowledged to me on this \_\_\_\_\_ day of October, 2013, by John C. Youle. OVER OF COLOR AND THE STATE OF COLOR AND THE My commission expires:

Notary Public