



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

KANSAS CORPORATION COMMISSION 1157570
 OIL & GAS CONSERVATION DIVISION

Form C-1
 March 2010

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

NOTICE OF INTENT TO DRILL

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

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

Expected Spud Date: _____
month day year

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

CONTRACTOR: License# _____
 Name: _____

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

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 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

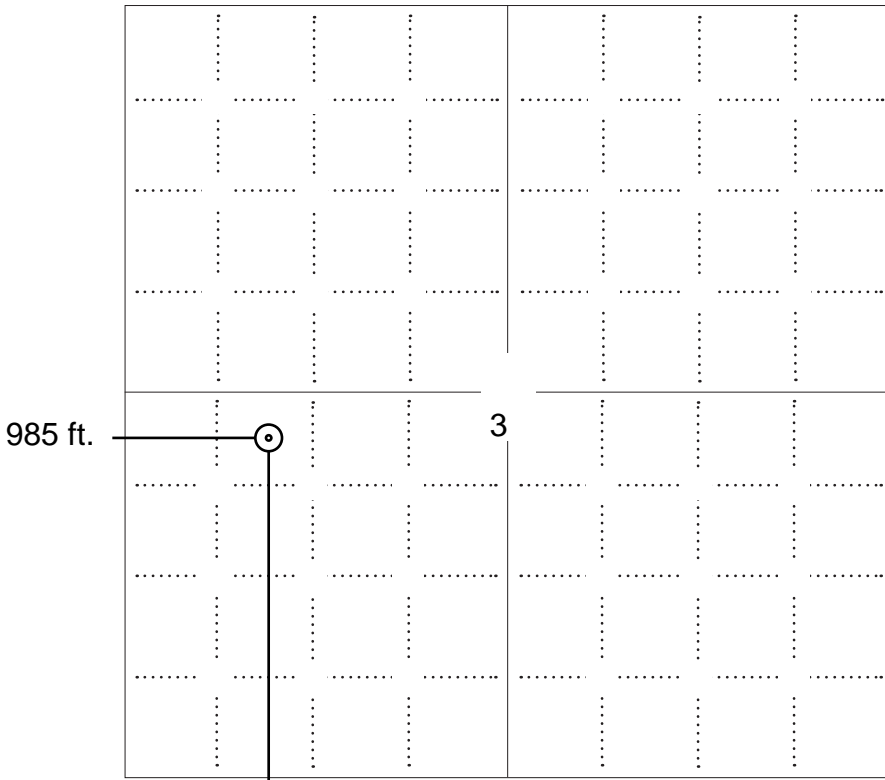
Is Section: Regular or Irregular

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 location.

LEGEND

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



2322 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 | | | |
| <input type="checkbox"/> Liner <input type="checkbox"/> Steel Pit <input type="checkbox"/> RFAC <input type="checkbox"/> RFAS | | | |
| Date Received: _____ Permit Number: _____ Permit Date: _____ Lease Inspection: <input type="checkbox"/> Yes <input type="checkbox"/> No | | | |



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

CERTIFICATION OF COMPLIANCE WITH THE KANSAS SURFACE OWNER NOTIFICATION ACT

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

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

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

Well Location:
____ - ____ - ____ - ____ Sec. ____ Twp. ____ S. R. ____ East West
County: _____
Lease Name: _____ Well #: _____

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

Surface Owner Information:

Name: _____
Address 1: _____
Address 2: _____
City: _____ State: _____ Zip: _____ + _____

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

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

Select one of the following:

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

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

I Submitted Electronically

NW/4 of 3-17-34

FORM 88 - (PRODUCER'S SPECIAL) (PAID-UP)

63U (Rev. 1993)

OIL AND GAS LEASE

Recorder No. 09-115

Kansas Blue Print 700 S. Broadway, P.O. Box 70 Wichita, KS 67201-0700 316-265-2344-2344-5105 fax www.kbp.com • kbp@kbp.com

AGREEMENT, Made and entered into the 1st day of December, 2011

by and between Terrance J. Rose and Susan Rose, his wife 8950 N. Cherokee Road Scott City, Kansas 67871

whose mailing address is J. Fred Hambright, Inc. -125 N. Market # 1415-Wichita, Kansas 67202 hereinafter called Lessor (whether one or more) and hereinafter called Lessee

Lessor, in consideration of Ten and More 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 structure 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 Scott State of Kansas described as follows to-wit:

Township 17 South, Range 34 West Tract 1 Section 3; NW/4 Tract 3 Section 4; NE/4 Tract 2 Section 3; SW/4 Tract 4 Section 4; SE/4 Tract 5 Section 4; SW/4 less a tract described as follows: Beginning at the NW Corner of SW/4, Thence East a distance of 545 feet, Thence South a distance of 1440 feet Thence West a distance of 545 feet, Thence North a distance of 1440 feet to PCB In Section --- Township --- Range --- and containing 782 acres, more or less, and accretions thereto.

Subject to the provisions herein contained, this lease shall remain in force for a term of TWO (2) years from this date (called "primary term"), and as long thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, or any of them, is produced from said land or land with which said land is pooled.

In consideration of the premises the said lessee covenants and agrees: 1st. To deliver to the credit of lessor, free of cost, in the pipe line to which lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay lessor for gas of whatsoever nature or kind produced and sold, or used off the premises, or used in the manufacture of any products therefrom, one-eighth (1/8) at the market price at the well, (but, as to gas sold by lessee, in no event more than one-eighth (1/8) of the proceeds received by lessee from such sales), for the gas sold, used off the premises, or in the manufacture of products therefrom, said payments to be made monthly. Where gas from a well producing gas only is not sold or used, lessee may pay or tender as royalty One Dollar (\$1.00) per year per net mineral acre retained hereunder, and if such payment or tender is made it will be considered that gas is being produced within the meaning of the preceding paragraph.

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

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein provided for shall be paid 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. 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 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 of 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 under as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, when in lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises, such pooling to be of tracts contiguous to one another and to be into a unit or units not exceeding 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 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.

See Rider attached hereto and made a part hereof;

STATE OF KANSAS, SCOTT COUNTY, SS This instrument was filed for record on the 11 day of January, A.D. 2012 10 o'clock A.M., and duly recorded in book 249 page 45 Debbin Murphy Register of Deeds \$ 20.00



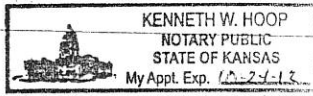
IN WITNESS WHEREOF, the undersigned execute this instrument as of the day and year first above written. Witnesses: Susan Rose (Susan Rose) Terrance J. Rose (Terrance J. Rose)

STATE OF Kansas
COUNTY OF Scott

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)

The foregoing instrument was acknowledged before me this 27th day of December, 2011, by Terrance J. Rose and Susan Rose, his wife and _____

My commission expires _____



Kenneth W. Hoop
Notary Public
Kenneth W. Hoop

STATE OF _____
COUNTY OF _____

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)

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

My commission expires _____

Notary Public

STATE OF _____
COUNTY OF _____

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)

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

My commission expires _____

Notary Public

STATE OF _____
COUNTY OF _____

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)

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

My commission expires _____

Notary Public

No. _____

OIL AND GAS LEASE

FROM

TO

Date

Section _____ Twp. _____ Rge. _____

No. of Acres _____ Term _____

County

STATE OF _____

County _____

This instrument was filed for record on the _____

day of _____

at _____ o'clock _____ M., and duly recorded

in Book _____ Page _____ of

the records of this office.

By _____ Register of Deeds,

When recorded, return to _____

STATE OF _____
COUNTY OF _____

ACKNOWLEDGMENT FOR CORPORATION (KsOkCoNe)

The foregoing instrument was acknowledged before me this _____ day of _____, _____ by _____ of _____ a _____ corporation, on behalf of the corporation.

My commission expires _____

Notary Public

RIDER

In the event of any conflict between the provisions of the foregoing printed Oil and Gas Lease and the provisions of this Addendum, the Addendum shall control.

1. The term "1/8" in paragraphs 1 and 2 of the Lease is hereby revised to read "3/16."
2. Notwithstanding anything herein to the contrary, lessee shall be liable for and pay all damages caused by operations of lessee or lessee's contractors including, but not limited to, damages to growing crops, pastures, fallow lands, grass, timber, fences, livestock, equipment and improvements. Prior to commencing any operations on the leased lands including any geophysical or seismic work, all damages shall be determined and paid by Lessee or the manner of calculating damages shall be agreed upon by the parties.
3. Lessee shall consult with lessor and lessor's consent shall be obtained as to the location of all equipment and the routes of ingress and egress on the leased premises, provided that such consent shall not be unreasonably withheld.
4. The lessee acknowledges that all or part of the leased premises may be enrolled in the Conversation Reserve Program (CRP) of the Commodity Credit Corporation (CCC), United States Department of Agriculture. In such event the lessee shall be responsible for obtaining prior written approval from the local Farm Services Agency (FSA) office before entering the premises for the purpose of drilling a well. As long as any land is enrolled in the CRP, the lessee shall, at lessee's expense, reseed and establish native grass cover on the well site and the adjoining land used in the drilling operations, and take all necessary precautions to prevent soil erosion resulting from drilling operations. Such work shall be performed in a good and workmanlike manner and in such manner as may be required by the FSA under the terms of the CRP Contract. If drilling a well causes lessor to lose any benefits of the CRP Contract, including repayment of past CRP payments, or loss of future CRP payments, lessee shall reimburse lessor for such losses. Lessee shall hold lessor harmless from penalties or liquidated damages assessed by the CRP as a result of lessee's operations. The lessee shall either pay the FSA or repay the lessor for any refund of damages to the FSA, and the lessee will re-establish any disturbed cover as required by the FSA on the affected acres after the lessee completes operations to the extent necessary to enable the lessor to sign up the land in a subsequent sign up. The determination by the FSA shall be binding on all parties as to amounts to be paid or repaid and the restoration of the affected acres.
5. In the event of drilling operations, lessee shall restore the surface of the land to its original contour and condition as nearly as is reasonably practicable. All top soil shall be piled separately and returned to the surface when the pits are filled.

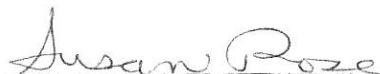
6. If the leased premises are irrigated by the use of a self-propelled overhead sprinkler system, presently in operation or installed hereafter, the lessee, prior to conducting operations thereon, shall consult with the lessor in regard to said drilling operations which shall be conducted so as to least disturb or interfere with lessor's irrigation system or the surface contours of the leased premises.

7. The installation of any salt water disposal equipment by Lessee in the operation of the lease shall be subject to the written 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 Lessor and without compensating Lessor for the use thereof. Provided, however, the terms of this paragraph do not apply to the disposal of salt water produced from wells located on lands covered by this lease or on lands unitized and consolidated with lands covered by this lease. However, if such a well is used as a salt water disposal well by Lessee, such salt water must be disposed in accordance with the regulations set forth by the State Corporation Commission of Kansas dealing with disposal of salt or mineralized water by a Lessee of an oil and gas well.

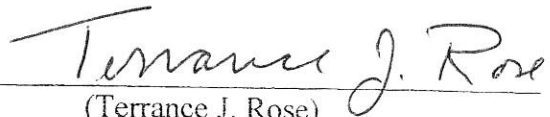
8. Notwithstanding any provisions of this lease, each of the separately described and designated tracts to this lease shall be treated for all purposes as a separate and distinct lease. All the provisions contained in this lease form shall be applicable to each separate tract and construed as if a separate lease agreement had been made and executed covering each separate tract.

THIS LEASE AND RIDER, and all of its terms, conditions and covenants shall extend to and be binding upon the parties, their heirs, successors, administrators, executors, trustees, legal and personal representatives and assigns.

IN WITNESS WHEREOF, lessor has hereunto set their hand the day and year hereinabove stated, for identification purposes.



(Susan Rose)



(Terrance J. Rose)

SW/4 of 3-17-34
1

FORM 88 - (PRODUCER'S SPECIAL) (PAID-UP)

63U (Rev. 1993)

OIL AND GAS LEASE

Reorder No. 09-115



Kansas Blue Print
700 S. Broadway PO Box 703
Wichita, KS 67201-0703
316-264-8344-264-5165 fax
www.kbp.com - kbp@kbp.com

AGREEMENT, Made and entered into the 1st day of December, 2011,
by and between Terrance J. Rose and Susan Rose, his wife
8950 N. Cherokee Road
Scott City, Kansas 67871

whose mailing address is _____ hereinafter called Lessor (whether one or more),
and J. Fred Hambright, Inc.-125 N. Market # 1415-Wichita, Kansas 67202

_____ hereinafter called Lessee:
Lessor, in consideration of Ten and More 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 Scott State of Kansas described as follows to-wit:

Township 17 South, Range 34 West
Tract 1 Section 3: NW/4 Tract 3 Section 4: NE/4
Tract 2 Section 3: SW/4 Tract 4 Section 4: SE/4
Tract 5 Section 4: SW/4 less a tract described as follows: Beginning at the NW Corner of SW/4, Thence East a distance of 545 feet, Thence South a distance of 1440 feet Thence West a distance of 545 feet, Thence North a distance of 1440 feet to PCB

In Section _____ Township _____ Range _____ and containing 782 acres, more or less, and all accretions thereto.

Subject to the provisions herein contained, this lease shall remain in force for a term of Two (2) years from this date (called "primary term"), and as long thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, or any of them, is produced from said land or land with which said land is pooled.

In consideration of the premises the said lessee covenants and agrees:
1st. To deliver to the credit of lessor, free of cost, in the pipe line to which lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay lessor for gas of whatsoever nature or kind produced and sold, or used off the premises, or used in the manufacture of any products therefrom, one-eighth (1/8) at the market price at the well, (but, as to gas sold by lessee, in no event more than one-eighth (1/8) of the proceeds received by lessee from such sales), for the gas sold, used off the premises, or in the manufacture of products therefrom, said payments to be made monthly. Where gas from a well producing gas only is not sold or used, lessee may pay or tender as royalty One Dollar (\$1.00) per year per net mineral acre retained hereunder, and if such payment or tender is made it will be considered that gas is being produced within the meaning of the preceding paragraph.

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

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein provided for shall be paid 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.

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 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.

Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, when in lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises, such pooling to be of tracts contiguous to one another and to be into a unit or units not exceeding 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.

See Rider attached hereto and made a part hereof:

STATE OF KANSAS, SCOTT COUNTY, SS

This instrument was filed for record on the 11 day of January, A.D. 2012
10 o'clock A.M., and duly recorded in book 249 page 45

Debbie Murphy
\$ 20.00 Register of Deeds



COMPUTER
NUMERICAL

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

Witnesses:
Susan Rose
(Susan Rose)

Terrance J. Rose
(Terrance J. Rose)

STATE OF Kansas
COUNTY OF Scott
The foregoing instrument was acknowledged before me this 27th day of December 2011

by Terrance J. Rose and Susan Rose, his wife
and _____

My commission expires _____
KENNETH W. HOOP
NOTARY PUBLIC
STATE OF KANSAS
My Appl. Exp. 12-27-12

Kenneth W. Hoop
Notary Public

STATE OF _____
COUNTY OF _____
The foregoing instrument was acknowledged before me this _____ day of _____ and _____

My commission expires _____
Notary Public

STATE OF _____
COUNTY OF _____
The foregoing instrument was acknowledged before me this _____ day of _____ and _____

My commission expires _____
Notary Public

STATE OF _____
COUNTY OF _____
The foregoing instrument was acknowledged before me this _____ day of _____ and _____

My commission expires _____
Notary Public

STATE OF _____
COUNTY OF _____
The foregoing instrument was acknowledged before me this _____ day of _____ and _____

My commission expires _____
Notary Public

OIL AND GAS LEASE

FROM

TO

Date _____
Section _____ Twp. _____ Rge. _____
No. of Acres _____ Term _____
County _____

STATE OF _____
County _____

This instrument was filed for record on the _____ day of _____ at _____ o'clock _____ M., and duly recorded in Book _____ Page _____ of the records of this office.

By _____
Register of Deeds.
When recorded, return to _____

STATE OF _____
COUNTY OF _____
The foregoing instrument was acknowledged before me this _____ day of _____

by _____
of _____
corporation, on behalf of the corporation.
My commission expires _____
Notary Public

RIDER

In the event of any conflict between the provisions of the foregoing printed Oil and Gas Lease and the provisions of this Addendum, the Addendum shall control.

1. The term "1/8" in paragraphs 1 and 2 of the Lease is hereby revised to read "3/16."
2. Notwithstanding anything herein to the contrary, lessee shall be liable for and pay all damages caused by operations of lessee or lessee's contractors including, but not limited to, damages to growing crops, pastures, fallow lands, grass, timber, fences, livestock, equipment and improvements. Prior to commencing any operations on the leased lands including any geophysical or seismic work, all damages shall be determined and paid by Lessee or the manner of calculating damages shall be agreed upon by the parties.
3. Lessee shall consult with lessor and lessor's consent shall be obtained as to the location of all equipment and the routes of ingress and egress on the leased premises, provided that such consent shall not be unreasonably withheld.
4. The lessee acknowledges that all or part of the leased premises may be enrolled in the Conversation Reserve Program (CRP) of the Commodity Credit Corporation (CCC), United States Department of Agriculture. In such event the lessee shall be responsible for obtaining prior written approval from the local Farm Services Agency (FSA) office before entering the premises for the purpose of drilling a well. As long as any land is enrolled in the CRP, the lessee shall, at lessee's expense, reseed and establish native grass cover on the well site and the adjoining land used in the drilling operations, and take all necessary precautions to prevent soil erosion resulting from drilling operations. Such work shall be performed in a good and workmanlike manner and in such manner as may be required by the FSA under the terms of the CRP Contract. If drilling a well causes lessor to lose any benefits of the CRP Contract, including repayment of past CRP payments, or loss of future CRP payments, lessee shall reimburse lessor for such losses. Lessee shall hold lessor harmless from penalties or liquidated damages assessed by the CRP as a result of lessee's operations. The lessee shall either pay the FSA or repay the lessor for any refund of damages to the FSA, and the lessee will re-establish any disturbed cover as required by the FSA on the affected acres after the lessee completes operations to the extent necessary to enable the lessor to sign up the land in a subsequent sign up. The determination by the FSA shall be binding on all parties as to amounts to be paid or repaid and the restoration of the affected acres.
5. In the event of drilling operations, lessee shall restore the surface of the land to its original contour and condition as nearly as is reasonably practicable. All top soil shall be piled separately and returned to the surface when the pits are filled.

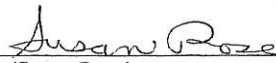
6. If the leased premises are irrigated by the use of a self-propelled overhead sprinkler system, presently in operation or installed hereafter, the lessee, prior to conducting operations thereon, shall consult with the lessor in regard to said drilling operations which shall be conducted so as to least disturb or interfere with lessor's irrigation system or the surface contours of the leased premises.

7. The installation of any salt water disposal equipment by Lessee in the operation of the lease shall be subject to the written 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 Lessor and without compensating Lessor for the use thereof. Provided, however, the terms of this paragraph do not apply to the disposal of salt water produced from wells located on lands covered by this lease or on lands unitized and consolidated with lands covered by this lease. However, if such a well is used as a salt water disposal well by Lessee, such salt water must be disposed in accordance with the regulations set forth by the State Corporation Commission of Kansas dealing with disposal of salt or mineralized water by a Lessee of an oil and gas well.

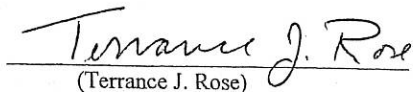
8. Notwithstanding any provisions of this lease, each of the separately described and designated tracts to this lease shall be treated for all purposes as a separate and distinct lease. All the provisions contained in this lease form shall be applicable to each separate tract and construed as if a separate lease agreement had been made and executed covering each separate tract.

THIS LEASE AND RIDER, and all of its terms, conditions and covenants shall extend to and be binding upon the parties, their heirs, successors, administrators, executors, trustees, legal and personal representatives and assigns.

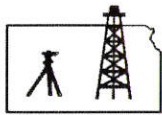
IN WITNESS WHEREOF, lessor has hereunto set their hand the day and year hereinabove stated, for identification purposes.



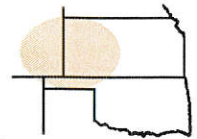
(Susan Rose)



(Terrance J. Rose)



Pro-Stake LLC
 Oil Field & Construction Site Staking
 P.O. Box 2324
 Garden City, Kansas 67846
 Office/Fax: (620) 276-6159
 Cell: (620) 272-1499
 burt@pro-stakellc.ksoxmail.com



001734
 PLAT NO.

11134
 INVOICE NO.

Landmark Resources, Inc.

Rose #1-3 (restake)

OPERATOR

LEASE NAME

Scott County, KS

3 17s 34w
 Sec. Twp. Rng.

2322' FSL - 985' FWL

COUNTY

LOCATION SPOT

GR. ELEVATION: **3124.6'**

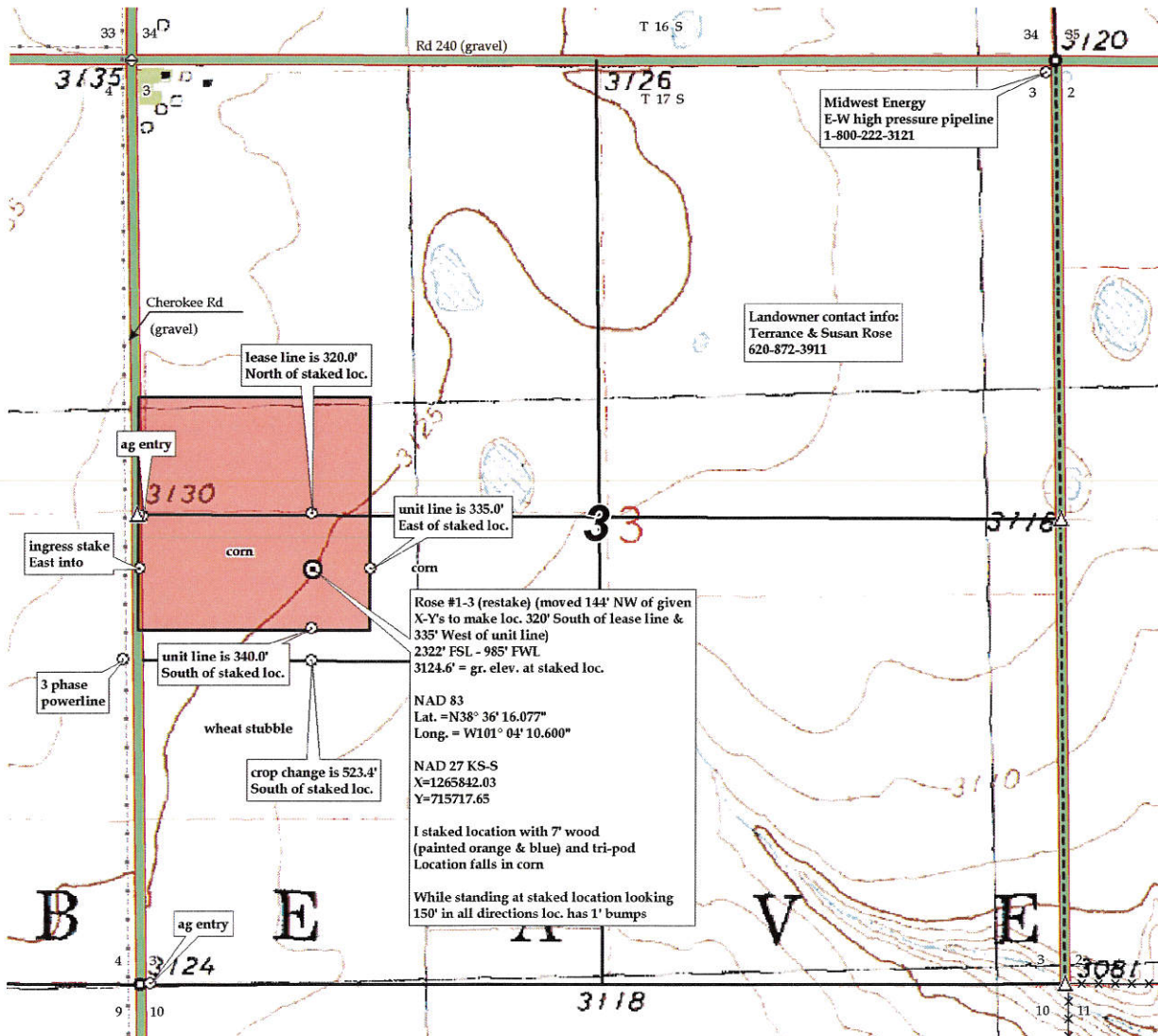
SCALE: **1" = 1000'**
 DATE: **Sept. 6th, 2013**
 MEASURED BY: **Drew H.**
 DRAWN BY: **Luke R.**
 AUTHORIZED BY: **Becky P.**

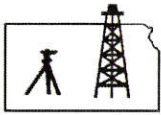


Directions: From the center of Pence Ks at the intersection of Rd 270 & Cherokee Rd – Now go 3 miles South on Cherokee Rd to the NW corner of section 3-17s-34w – Now go 0.6 mile South on Cherokee Rd to ingress stake East into – Now go 985' East through corn into main staked location.

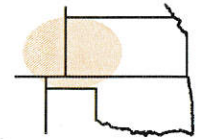
Final ingress must be verified with land owner or Operator.

*This drawing does not constitute a monumented survey or a land survey plat.
 This drawing is for construction purposes only.*





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LOCATION SPOT

GR. ELEVATION: **3124.6'**

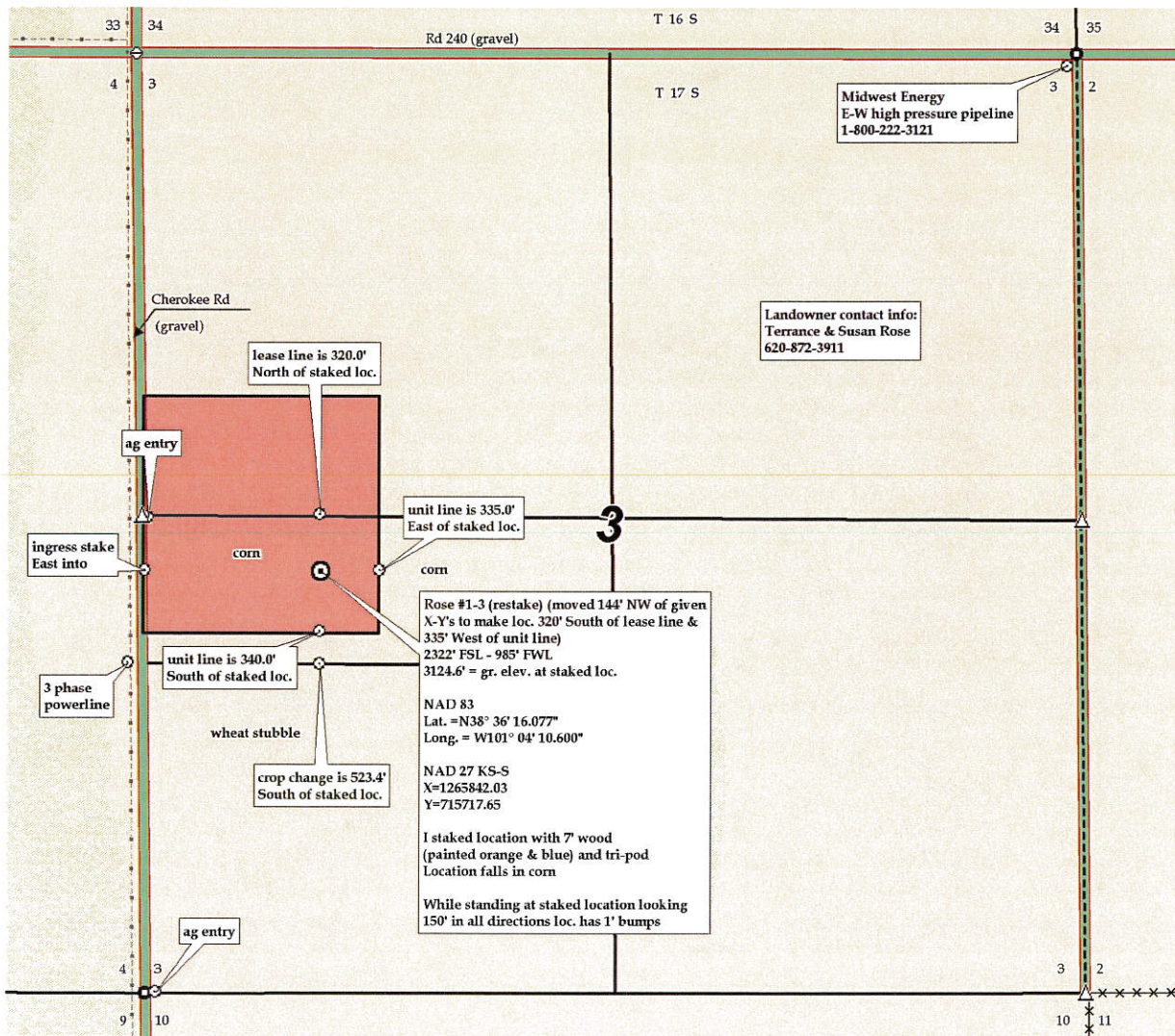
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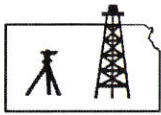


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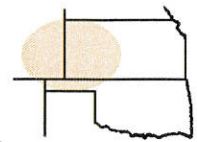
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 COUNTY

3 17s 34w
 Sec. Twp. Rng.

2322' FSL - 985' FWL
 LOCATION SPOT

SCALE: 1" = 1000'
 DATE: Sept. 6th, 2013
 MEASURED BY: Drew H.
 DRAWN BY: Luke R.
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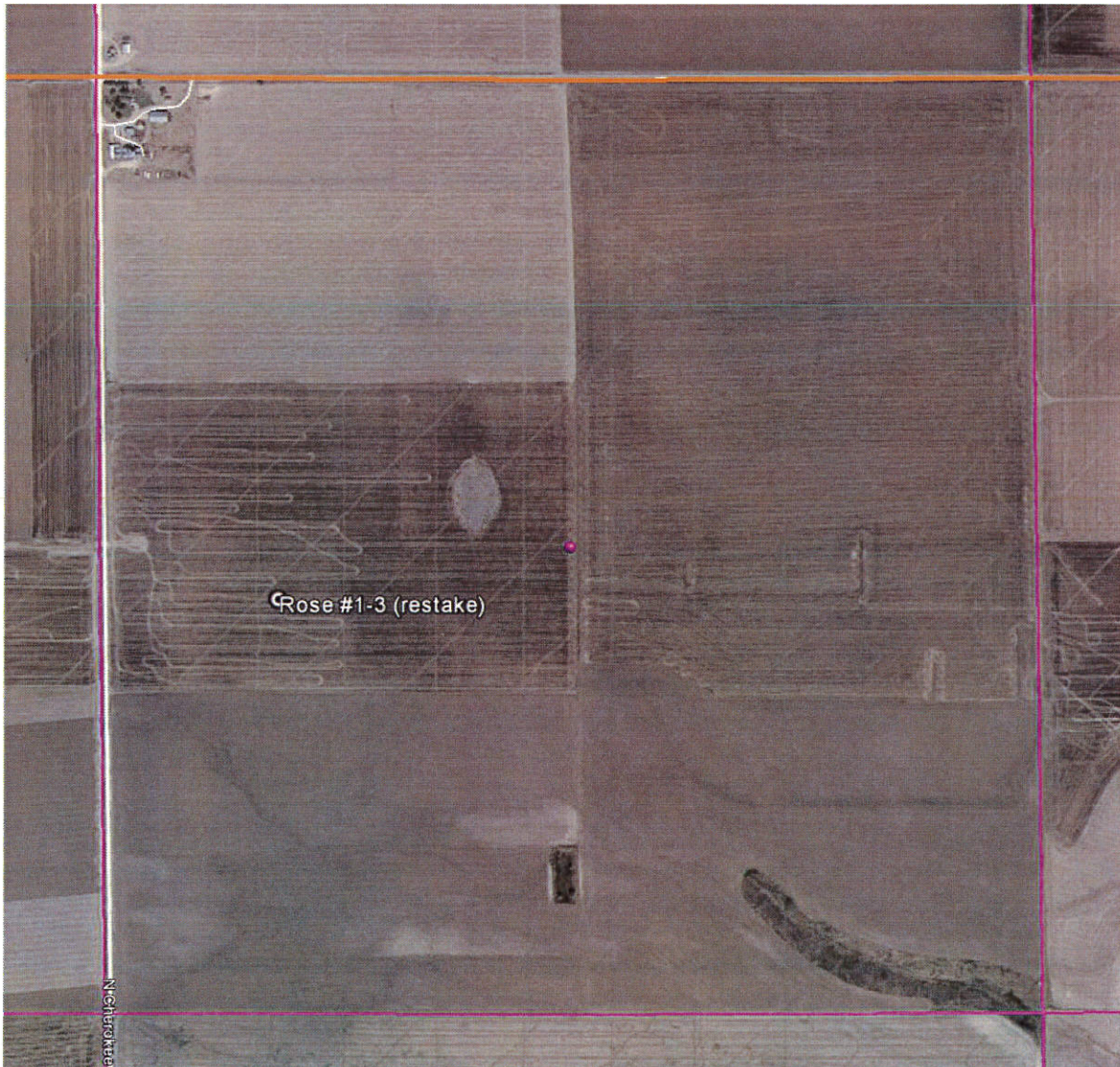


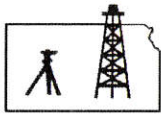
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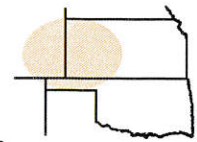
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SCALE: N/A
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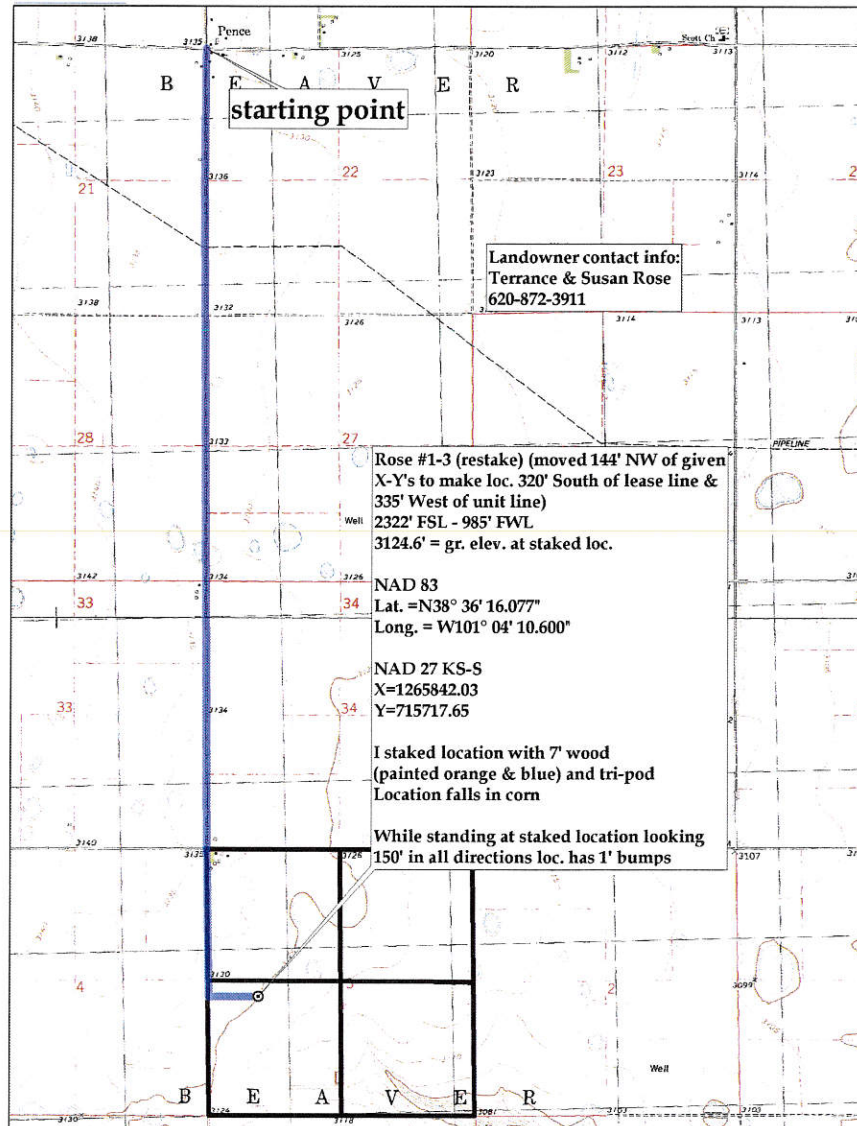
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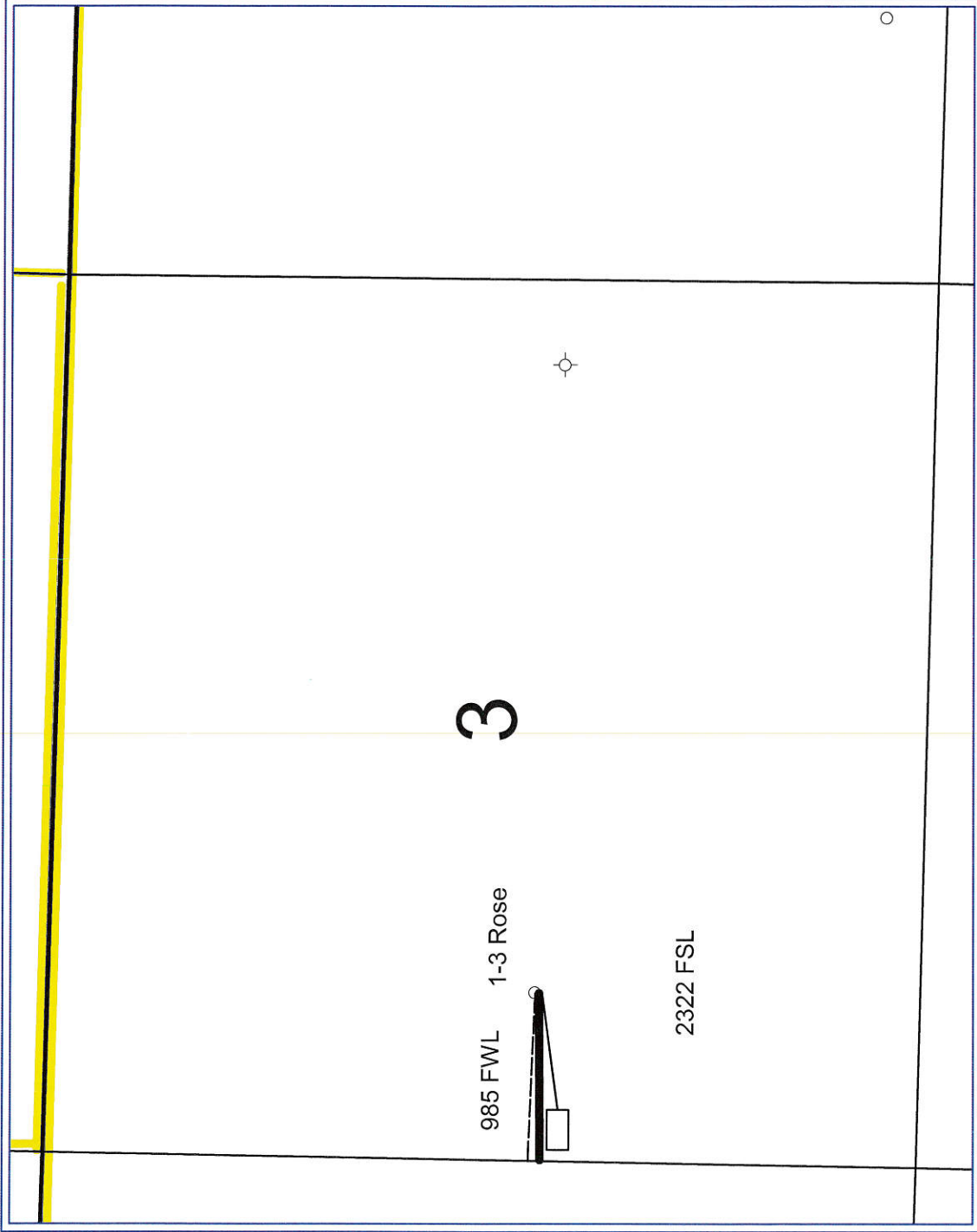


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Landmark Resources, Inc.

1-3 Rose

Scott Co., Kansas

WELL SYMBOLS

○ Location Only

⊕ Dry Hole

September 9, 2013