For KCC Use:

Eff	e	ct	iv	е	Date:

District	#	

SGA?	Yes	No
SGAS	res	

Form

KANSAS CORPORATION COMMISSION **OIL & GAS CONSERVATION DIVISION**

March 2010 Form must be Typed Form must be Signed All blanks must be Filled

Form C-1

1162108

NOTICE OF INTENT TO DRILL

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

KSONA-1,	Certification of	^r Compliance with	the Kansas	Surface Ow	ner Notification	Act, MUS1	be submitted	with this form
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Expected Spud Date:	Spot Description:
month day year	
OPERATOR: License#	
Name:	feet from L E / W Line of Section
Address 1:	Is SECTION: Regular Irregular?
Address 2:	(Note: Locate well on the Section Plat on reverse side)
City: State: Zip: +	County:
Contact Person:	Lease Name: Well #:
Phone:	Field Name:
CONTRACTOR: License#	Is this a Prorated / Spaced Field?
Name:	Target Formation(s):
Well Drilled For: Well Class: Type Equipment: Oil Enh Rec Infield Mud Rotary Gas Storage Pool Ext. Air Rotary Disposal Wildcat Cable Seismic ; # of Holes Other Other:	Nearest Lease or unit boundary line (in footage): Ground Surface Elevation: 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 Length of Surface Pipe Planned to be set: Length of Conductor Pipe (if any): Projected Total Depth: Formation at Total Depth:
•···g······· • •····p······· - •····	Water Source for Drilling Operations:
Directional, Deviated or Horizontal wellbore?	Well Farm Pond Other:
If Yes, true vertical depth:	DWR Permit #:
Bottom Hole Location:	(Note: Apply for Permit with DWR)
KCC DKT #:	Will Cores be taken?
	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.
Approved by:	
This authorization expires:	
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:

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Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202



For KCC Use ONLY

API # 15 - ____

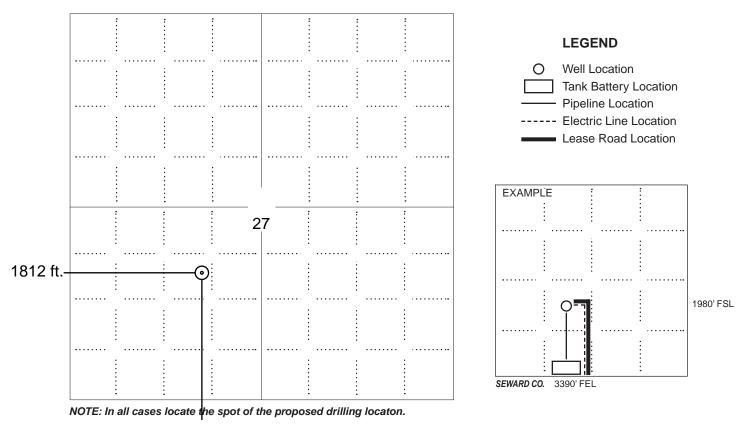
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

In all cases, please fully complete this side of the form. Include items 1 through 5 at the bottom of this page.

Operator:	Location of Well: County:
Lease:	feet from N / S Line of Section
Well Number:	feet from E / W Line of Section
Field:	Sec Twp S. R E 🗌 W
Number of Acres attributable to well:	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.



1737 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.

Side Two

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

1162108

Form CDP-1 May 2010 Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name:			License Number:
Operator Address:			
Contact Person:			Phone Number:
Lease Name & Well No.:			Pit Location (QQQQ):
Type of Pit:	Pit is:	Existing	 SecTwp R
Settling Pit Drilling Pit	If Existing, date co		Feet from North / South Line of Section
Workover Pit Haul-Off Pit (If WP Supply API No. or Year Drilled)	Pit capacity:	(bbls)	Feet from East / West Line of Section
Is the pit located in a Sensitive Ground Water A	rea? Yes	No	Chloride concentration: mg/l (For Emergency Pits and Settling Pits only)
Is the bottom below ground level?	Artificial Liner?	No	How is the pit lined if a plastic liner is not used?
Pit dimensions (all but working pits):	Length (fe	et)	Width (feet)N/A: Steel Pits
Depth fro	om ground level to dee	epest point:	(feet) No Pit
Distance to nearest water well within one-mile of mater well		Depth to shallor Source of inforr	west fresh water feet. nation: well owner electric log KDWR
Emergency, Settling and Burn Pits ONLY:		Drilling, Worko	ver and Haul-Off Pits ONLY:
Producing Formation:		Type of materia	l utilized in drilling/workover:
Number of producing wells on lease:		Number of work	xing pits to be utilized:
Barrels of fluid produced daily:		Abandonment p	procedure:
Does the slope from the tank battery allow all s flow into the pit? Yes No	pilled fluids to	Drill pits must b	e closed within 365 days of spud date.
Submitted Electronically		· · · ·	
	КСС	OFFICE USE OI	NLY
Date Received: Permit Num	ber:	Permi	t Date: Lease Inspection: Yes No

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

	• =	THE All k	Form KSONA-1 July 2010 Form Must Be Typed Form must be Signed planks must be Filled
This form must be submitted with all Forms C-1 (Notice o T-1 (Request for Change of Operator Transfer of Injection Any such form submitted without an acco Select the corresponding form being filed: C-1 (Intent) CB-1 (or Surface Pit Permit); and CF ompanying Form KSONA-1 wi	P-1 (Well Plugging Appli Il be returned.	ication).
OPERATOR: License #	Well Location: Sec County: Lease Name: If filing a Form T-1 for multiple the lease below:	Wel	l #:
Surface Owner Information: Name: Address 1: Address 2: City:	When filing a Form T-1 involvi sheet listing all of the informa owner information can be fou county, and in the real estate	ation to the left for each su nd in the records of the reg	rface owner. Surface gister of deeds for the

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.

Submitted Electronically

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https://kolar.kgs.ku.edu/kcc/detail/locationInformation.cfm?section=27&township=27&range=7&rangeDirection=West&feetEa... Page 1 of 1

Spot Information Latitude 37.665594 Longitude -98.074785 Sec-27 Twp-27 S Rng-7 W Section Quarter Calls NE SW NE SW County Kingman KCC District 2 Yes(DIST) SGA Hutch Salt Yes 1585 ft Elevation

Water Well Information

WWC5 Records: Five Closest Wells & All Public Water Supplies Within a Mile

Dist * Dist **	Dist ***	Туре	Status	Depth	Water Lvl	Owner	WWC5
2185 ft	2179ft	Domestic	CONSTRUCTED	30 ft	9 ft	Graber, R.A.	PDF
2185 ft	2179ft	Domestic	CONSTRUCTED	110 ft	10 ft	Fields and Sons	PDF
2185 ft	2179ft	Domestic	CONSTRUCTED	80 ft	6 ft	Henning, Otto	PDF
2476 ft	2472ft	Domestic	CONSTRUCTED	40 ft	16 ft	Talbot, Danny	PDF
2888 ft	2885ft	Domestic	CONSTRUCTED	32 ft	15 ft	Gonzales, Pampi	PDF

This distance is calculated using geographic tools and a PLSS data layer.
 This distance is calculated using the pythagorean theorem and assuming that the section is exactly 5280 feet square. Also, if the water well is within a mile of the well spot, but is in a neighboring section, then this distance is not calculated.
 This distance is calculated using UTM coordinates.

KGS Map Viewer - Oil and Gas Wells and Fields Section 27-27S-7W (Opens in separate window)

Available Fields Quarter Calls W2 Thiessen



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FORM 89 (PRODUCER'S SPECIAL) (PAID-UP)	Chilling		and the second second
63U (Rev. 1993)		Rearder No. 09-115	rint Tris
	OIL AND GAS LEASE	116.204.6544-204.6160 116.204.6544-204.6160 weeking com: Mig@Mag	fatan Konsing
AGREEMENT, Made and entered into the 30th	January	2008	
by and between Giles J. Thissen an	nd Pat Thissen, His Wi	fe	
whose mailing address is 2742 East HWY 5 and MTM PETROLEUM, INC. PO B		hereinafter called Lessor (whether one or mo	ore),
	ox oz oprvey, no ovi	• L	
Lassor, is consideration of <u>ten</u> or more is here acknowledged and of the royalies herein provided and of invanigating, exploring by geophysical and other means, pro- constituent produces, injecting gas, water, other fluids, and at inte and thing thereon to produce, any take case of, treat, manufacu- produces manufactured thermitore, as the using and otherwise car berein situated in County of <u>KingMan</u> South Half (S/2) of the S South Half (S/2) of the N Quarter (SW/4)	The agreements of the issues herein contained, here specing offling, minding and operating for and pr o autourface strats, laying pipe lines, moning oil, bu or autourface strats, laying pipe lines, moning oil, bu rise, process, usone and tankport as id oil, layud hydro ding for its employees, the following described land, suce of Kansas out hwest Ouarter (SW/	blan (s. 10.00)) in hand paid, receipt of wh eby granes, leases and lets exclusively unto leases for the purp- oducing oil, liquid hydrocarbons, all gases, and their respec- tions, and their respective consciuence produces and oil together with any reversionary rights and after-sequired tareen described as follows to-re- described as follows to-re- descr	ich ose ive
Quarter (Sw/4)	× .		
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a Section Township		ing scree, more or less, and	
Subject to the provisions herein contained, this lease shall a oll, bouid hydrocarbons, gas as other respective constituent pro In consideration of the premises the said leases covenants		irs from this date (called "primary term"), and as long thereaft r land with which asid land is pooled.	ter
In commerance of the premises the said lease covenants let. To deliver to the credit of leason, free of cost, in the room the leased premises.	and agrees: pipe line to which lessee may connect wells on said	land, the equal one-righth (4) part of all oil produced and save	ed.
und in paying quantities, this lease shall continue and be in force If said leasor wave a less interret in the above described e said leasor only in the proportion which leasor's interret bears Leases shall have the right to use, free of cost, gas, oil and When requested by leasor, leases shall bury lease's pips lin No well shall be drille oncare than 200 feet to the house o	and to use work work to completion with reasonable with like flects as if such well had been complete land than the entire and undivided for simple out to the whole and analysided for. I water produced on scal land for issue's operation one below plow depth.	a winnin the perio of years jirst mentioned. ate therein, then the royaldies herein provided for shall be pay thereon, except water from the wells of lesser.	be
see hes been furnished with a written branke or assignment on the respect to the antigned portion or portions arising asbeequent Leave may all any time execute and deliver to besor or p rrender this lance as to such portion or portions and be relieved on All express or implied covenants of this lease shall be sub- whethe or ins part, nor besee held liable in damages, for failure t gulation. Leaver hereby warrants and agrees to defend the title to the y mortigage, tance or other livers on the above described lands, read leaven, for thermaelyna and their heir, tarcessers and and said right of dower and homestead may in any way affect the pu	It to proving crops on said land. Linery and fintures placed on said premises, includin privilege of assigning in whole or in part is expri- in the ownership of the isnd or assignment of re- r a true copy thereof. In case lesses assigns this les- to the date of assignment. Islace of record a release or releasen covering any p all obligations as to the acreage surreadesed. Jet to all Pederal and State Laws, Executive Order or comply therewith, if compliance is prevented by, e lands herein described, and agrees that the lesses in the event of default of payment by beaution, and t igns, hereby surrender and release all right of do many be produced from and premises, such thas lease wary or advised is stated an instrument identify there on the service is a minimum tidentify the perment of rownities on production from the y had from this less, whether the will are well he lead on the over of issues, whether the well we well he lead the form the lesse, whether the well here well here is hered.	ing the right in draw and remove caring. really allowed, the covernaries hereof shall extend to their heir rate or royatives shall be binding on the beame until after th so, in whole or in part, lesses shall be relieved of all obligation ortion or portions of the above described premises and thereby re, Rules or Regulations, and this lesse shall not be torminated of if such failure is the result of, any such Law, Order, Rule o hall have the right at any time to redeem for issaer, by paymen is subtracted to the rights of the holder thereof, and the ander ere and homestend in the premises described herein, in so fa- in. a or any portion thereof with other land, lesse or beases in the tweet and homestend in the premises described herein, in so fa- in. a or any portion thereof with other land, lesses or beases in the tweet on departed said lesses shall essents in writing and in the event of a gaz well. Lesses shall essent in writing and soled anni, so if it wave included in this lesse. If production is subord on the premises covered by this lesses or not how in less of the subord on the premises covered by this lesses or not how in less of the subord on the premises covered by this lesses or not not be in or the subod on the premises covered by this lesses or not not be in or the ord for the ord of the ord for the ord of the ord for the ord for the ord for the ord of the ord for the ord for the ord for the ord for the ord of the ord of the ord of the ord of the subord of the ord of the subord of the ord of the of the ord o	ар аа а а а а а а а а а а а а а а а а а
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The foregoing instrument was acknowledged before me th	nis day of
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corporation, on behalf of the corporation.	

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My commission expires _____

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CORRECTION OF LEASE DESCRIPTION

Lease No.

KANSAS

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Know All Men by These Presents: That,

WHEREAS, MTM Petroleum, Inc.
WHEREAS, MIN PETFOLEUM, Inc. is the present owner and holder of that certain oil, gas and mineral lease dated January 30, 2008, recorded in Volume O/G 0-24, Page 158, of the Register of Deeds KINGMAN Records
Pat Thissen, his wife County, KANSAS , executed by Giles J. Thissen and

as Lessor in favor of _____MTM Petroleum, Inc.

WHEREAS, the description contained in said lesse was believed by Lessor and Lessee to cover, and was intended by Lessor and Lessee to cover all land and interest in land owned by Lessor as hereinafter deteribed; and,

NOW, THEREFORE, for and in consideration of the sum of One Dollar (\$1.00) to us in hand paid, the receipt of which is hereby fully acknowledged and confessed, and the further consideration of the obligations and agreements in such lease contained,

Giles J. Thissen and Pat Thissen, his wife

Lessors, for the purposes above set forth, hereby acknowledge and agree that such lease covers and was intended to cover the following described land, to wit; TOWNSHIP 27 SOUTH, RANGE 7 WEST:

Section 27: The S/2 SW/4 and the S/2 N/2 SW/4 Except the East 538' thereof Lying North of the North line of U.S. 54 right of way.



STATE OF KANSAS, KINGMAN COUNTY, AS: THIS INSTRUMENT WAS FILED FOR RECORD ON THE _______ DAY OF AUG A.D., 2008 AT 10,00 OCLOCK A.M. AND DULY RECORDED IN QG BOOK Q-25 PAGE 184 FEE\$ 8.00 Ausan M Stubber **RECORDER OF DEEDS** ara a en

DEPUTY

Said isase also covers and includes any gore or narrow strip of land owned or claimed by lessors adjacent or contiguous to the land particularly described above, whether the same be in said surveys or in adjacent surveys, although not included within the boundaries of the land particularly described above.

And the description contained in such lease is hereby amended and corrected as shown above in order to show the true agreement of the parties. And Lessors do hereby ratify, adopt and confirm said lease and extend the same to cover the land as herein correctly described, the same as though such description had been originally written therein, and do grant, lease and let exclusively unto______

MTM Petroleum, Inc. its successors and assigns, such immediately above described land for the purposes and upon the terms, conditions, provisions and agreements in such lease contained and to which reference is here made therefore, it not being intended hereby, however, to supersede or novate in any way such lease as to the land leased therein and intended to be leased therein, and such lease is expressly affirmed, ratified and declared to be effective and binding for all purposes as of the date of its execution.

WITNESS our hands,	this 6+2	day of	August	, A. D.	2008	

WITNESSES:	

Siles & Themin
Giles J. Thissen
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V tat hissen
Pat Thissen
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VBy Marvin A. Miller
Agent LESSEE

KANSAS STATE OF ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe) KINGMAN COUNTY OF The foregoing instrument was acknowledged before me this _6th August 1 2008 day o Marvin A. Miller Giles J. Thissen and Pat Thissen, his wife bu Till My commission expires _6-14-2011 Notary Public

> NICHOLAS D. MILLER Notary Public, State of Kanses My Appointment Expires

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AUREEMENT, Made and entered into the day of	wh as Patricia Thissen h	<u>200</u> 8
by and between GITES 5. THISSEN AND FAL THISSEN AISO KIN		
whose mailing address is 2742 East Highway 54 Kingman,	Kansas 67068 bereinafter called Lees	
whose mailing address is Hast Highway 54 Kinghan, and Debra D. Fitzgerald	Kallsas 07000 hereinafter called Leen	or (whether one or more),
		bereinafter caller Lessee:
Lessor, in consideration of <u>Ten & More</u>	for and producing oil, liquid hydrocathons, all ga from and producing tanks, power stations, telephone it quid hydrocathons, gases and their respective const tribed land, together with any reversionary rights ar KANSAS determined by the state of the s	see, and their respective intent products and other id after-acquired interest, caribed as follows to wit: acress more or ss. less. E/4 lying North less. rree, more or less, and all c), and as long thereafter i oil produced and saved herefrom, one-eighth (%), he gas sold, used off the case may pay or tender ing produced within the i a well within the term as, or either of them, be id. ovided for shall be paid casor.
The spect 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 ov surrender this lesses as to such portion or portions and be relieved of all obligations as to the screage surre	ering any portion or portions of the above describe ndered.	d premises and thereby
All express or implied covenants of this lease shall be subject to all Federal and State Laws, Exc in whole or in part, nor leases held liable in damages, for failure to comply therewith, if compliance is pr Regulation.	cutive Orders, Rules or Regulations, and this lease	shall not be terminated, uch Law, Order, Rule or
Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees tha any mortgages, taxes or other liens on the above described lands, in the event of default of payment by 1 signed lessors, for thereaselves and their heirs, successors and assigns, hereby surrender and release all as said right of dower and homestead may in any way affect the purposes for which this lease is made, as Lesses, at its option, is hereby given the right and power to pool or combine the acreage covered immediate vicinity thereof, when in lesses's judgment it is necessary or advisable to do so in order to conservation of oil, gas or other minerals in and under and that may be produced from aid premises, at or units not according 40 acrees each in the event of an oil well, or into a units not exceeding 640 record in the conveyance records of the county in which the land hermi lessed is situated an instrum pooled into a tract or unit shall be treated, for all purposes except the payment of royalties elsewhere herein specified, lessor shall receive on production from this lesse, whether the well or opaled into a inspecified, lessor shall receive on production to the oal acreage to pooled into a placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage to pooled only are placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage to pooled in the	essor, and be subrogated to the rights of the holder right of dower and homestead in the premises des recited herein. by this lease or any portion thereof with other lan- o properly develop and operate said lease premise sch pooling to be of tracts contiguous to one anoth acres acht in the event of a gas well. Leases that lett identifying and describing the pooled acreage n from the pooled unit, as if it were included in this wells be located on the premises covered by this let h protin or the arvin stinulated herein as the	thereof, and the under- cribed herein, in so far d,'lease or leases in the s so as to promote the er and to be into a unit asseute in writing and The entire accessor so a lease. If production is ase or not. In lieu of the
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IN WITNESS WHEREOF, the undersigned execute this instrument as of the day and year first abo Witnesser Tal Pat Thissen Gile	ules f. Thisen	

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THIS AGREEMENT, entered into this	20th day of January	, 2011, by	and between
THIS AGREEMENT, entered into this	Lotti	loint Revocable Trust, dated 9-24-	07
James A Thissen and Harlean Thissen, T	Trustees of The James and Harlean Thissen		

2425 SW Westport Dr

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Topeka, Kansas 66614-1913 American Energies Corporation, 155 N. Market, Suite 710, Wichita, Kansas 67202, hereinafter called lessee, does witness called lessor and

1. That lessor, for and in consideration of the sum of Ten and More Dollars (\$10.00) in hand paid and of the covenants and agreements hereinafter contained to be performed by the lessee, has this day granted, leased, and let and by these presents does hereby grant, lease, and let exclusively unto the lessee the described land, with any reversionary rights therein, and with the right to unitize this lease or any part thereof with other oil and gas leases as to all or any part of the lands covered thereby as hereinafter provided, for the purpose of carrying on geological, geophysical and other exploratory work thereon, including and saving all of the oil, gas, gas condensate, gas distillate, casinghead gasoline and their respective constituent vapors, and all other gases, found thereon, the exclusive right of nijecting water, brine, and other fluids and substances into the subsurface strata, and for constructing roads, laying pipe lines, building tanks, storing oil, building prover statos, electrical lines and other structures thereon necessary or convenient for the economical operation of said land alone or contignity with <u>respiratory tande</u> the substances, and the injection of water, brine, and other substances into the substances of the produce, save, take care of, and manufacture all of such substances, and the injection of water, brine, and other substances into the substances

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Township 27 South, Range 7 West:	42 5 140 11
Section 27: A 44 acre tract in the S/2 of Sec	21-21S-/W more fully described on Exhibit

containing 44 acres more or less

This lease shall remain in force for a term <u>ending January 24, 2014</u> (called "primary term") and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of the products covered by this lease is or can be produced.

The lessee shall deliver to lessor as royalty, free of cost, on the lease, or into the pipe line to which lessee may connect its wells the equal one-eighth (1/8th) part of all oil produced and saved from the leased premises, or at the lessee's option may pay to the lessor for such one-eighth (1/8th) royally the market price at the wellhead for oil of like grade and gravity prevailing on the day such oil is run into the pipe line or into storage tanks.

4. The lessee shall pay to the lessor, as a royalty, one-eighth (1/8ⁿ) of the proceeds received by the lessee from the sale of gas, gas condensate, gas distillate, casinghead gas, gas used for the manufacture of gasoline or any other product, and all other gases, including their constituent parts, produced from the land herein leased. If such gas is not sold by the lessee, lessee may pay or tender annually at or before the end of each yearly period during which such gas is not sold by the lessee, lessee may pay or tender annually at or before the end of each yearly period during which such gas is not sold by the lessee, lessee may pay or tender annually at or before the end of each yearly period during which such gas is not sold as a shull, in royalty is so paid or tendered, it will be considered under all provisions of this lesse that gas is being produced in paying quantities. The first yearly period during which such gas is not sold shall be for the the tendered to the formation of the sold by the lessee. begin on the date the first well is completed for production of gas

5. This lease is a paid-up lease and may be maintained during primary term without further payments or drilling operations

6. In the event said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein then the royalties herein provided for shall be paid to said lessor only in the proportion which his interest bears to the whole and undivided fee; however, in the event the title to any interest in said land should revert to lessor, or his heirs, or his or their grantee, this lease shall cover such reversion.

7. The lessee shall have the right to use, free of cost, gas and oil found on said land for its operations. The lessee shall bury its pipe lines below plow depth and shall pay for damage caused by its operations on said land. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of the lesser. Lessee shall have the right at any time during, or after the expiration of the lease to remove all machinery, fixtures, houses, buildings and other structures placed on said premises, including the right to draw and remove all casing.

8. If the estate of either party hereto is assigned (and the privilege of assigning in whole or in part is expressly allowed), the covenants hereof shall extend to the heirs, devisees, executors, administrators, successors, and assigns, but no change or division in ownership of the land, or royalties, however accomplished, shall be brinding on the lessee until it has been furnished with either the original recorded instrument of conveyance or a duly certified copy thereof, or a certified copy of the will of any deceased owner and of the probate thereof, or certified copy of the proceedings showing appointment of an administrator of the estate of any deceased owner, whichever is appropriate together with all original recorded instruments of conveyance or duly certified copies thereof necessary in showing a complete chain of title back to lessor of the full therest claimed, and all payments made hereunder before receipt of said documents shall be binding on any direct or indirect assignee, grantee, devisee, or administrator, executor, or heir of lessor.

9. If the leased premises are now or shall hereafter be owned in severalty or in separate tracts, the premises may nonetheless be developed and operated as one lease, and all royalties accruing hereunder shall be divided among and paid to such separate owners in the proportion that the acreage owned by each separate owner bears to the entire leased acreage. There shall be no obligations on the part of the lesse wells on separate tracts into which the land covered by the lease may now or hereafter be divided by sale, devisee, descent or otherwise, or to furnish separate measuring or receiving tarks.

10. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the lessee, at its option, may pay and discharge in whole or in part any taxes, mortgages or other liens existing, levied, or assessed on or against the above described lands and, in the event it exercises such options it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying to the discharge of any such mortgage tax or other lien, any much a terminal because of any such mortgage tax or other lien, any royalty accruing hereunder

11. If after the expiration of the primary term, production of oil or gas should cease from any cause, this lease shall not terminate if lessee commences additional drilling or reworking operations within one hundred-twenty (120) days thereafter, or if after the expiration of the primary term, oil or gas is not being produced on said land, but lessee is then engaged in drilling or reworking operations thereon, then in either event, this lease shall remain in force so long as operations are prosecuted either on the same well or any other well thereafter commenced with no cession of more than one hundred-twenty (20) consecutive days, and if they result in production of oil or gas, this lease shall remain in effect so long thereafter as there is production of oil or gas under any provision of this lease.

12. Lessee may at any time surrender or cancel this lease in whole or in part by delivering or mailing such release to the lessor, or by placing same of record in the proper county. In case said lease is surrendered and canceled as to only a portion of the acreage covered thereby, then all payments and liabilities thereafter accruing under the terms of said lease as to the portion canceled shall cease and determine, but as to the portion of the acreage not released the terms and involve the terms of said lease as to the portion canceled shall cease and determine, but as to the portion of the acreage not released the terms and involve terms. provisions of this lease shall continue and remain in full force and effect for all purposes

13. All provisions hereof, express or implied, shall be subject to all federal and state laws and the orders, rules, or regulations (and interpretations thereof) of all governmental agencies administering the same, and this lease shall not be in any way terminated wholly or partially nor shall the lessee be liable in damages for failure to comply with any of the express or implied provisions hereof if such failure accords with any such laws, orders, rules or regulations (or interpretations thereof). If lessee should be prevented during the last six months of the primary term for flip or well hereunder by the order of any constituted authority having jurisdiction thereover, the primary term of this lease shall continue until six months after said order is suspended.

14. Lessee, at its option, is hereby given the 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 160 acres each in the event of an oil well, or into a unit or units not exceeding 160 acres each in the event of a noil well, or into a unit or units not exceeding 160 acres each in the event of a gas and/or condensate or distillate well, plus a tolerance of len 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 payments of royalties son 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 interest therein on an acreage basis bears to the total mineral acreage so pooled in the total mineral acreage so pooled in the total mineral acreage so pooled in the total mineral acreage on any evolution 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 herein as the amount of his net royalty interest therein on

This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors of said Lessor and Lessee 15

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

The James and Harlean Thissen Joint Revocable Trust, dated 9-24-07

Harlean A. Minsen, Trustee

James A. Thissen James A Thissen, Trustee Book: DG30 Page: 80

ACKNOWLEDGMENT FOR INDIVIDUAL (Kans., Okla., and Colo,) STATE OF Kansas SS. COUNTY OF Shawnee The foregoing instrument was acknowledged before me this 27² day of <u>January</u>, 2011 by James A Thissen and Harlean Thissen Trustees of The James and Harlean Thissen Joint Revocable Trust, dated 9-24-07. My appointment expires 2-14-2014 · • , \mathcal{A} . • Notary Sharon B. Efird Public Sharon B. Efird NOTARY PUBLIC-STATE OF KANSAS MY APPT EXP: 2-16-2014 ÷. STATE OF KANSAS, KINGMAN COUNTY AS: THIS INSTRUMENT WAS FILED FOR RECORD ON AND DULY RECORDED IN Book: OG30 Page: BO Pages Recorded; 3 Recording Fee: #16.00; SUSAN M HUBBELL, RECORDER OF DEEDS: down m Shiller Date Recorded: 2/2/2011 8:15:00 AM A OF DEF Seal -----and the second sec 12. 1. 11 Book: OG30 Page: 80

80 quarter Section line; thence continuing Southwesterly direction along U.S. 54 Right-of-Way line the center Section corner thence in a Southerly direction along the quarter Section line a distance Section 27: A tract of land in the S/2 Section 27-27S-7W described as follows: Commencing at page: Northerly direction 2,056'; thence Right in an Easterly direction 538' to the place of beginning. degrees 50 minutes in a Southerly direction 1,344.3' to U.S. 54 Right-of-Way; thence Right 55 468'; thence Right 16 degrees 49 minutes in a Southwesterly direction 200'; thence Right in a degrees 27 minutes in a Southwesterly direction along U.S. 54 Right-of-Way line 677.3' to of 331' for a place of beginning; thence left in an Easterly direction 576.4'; thence Right 89 0290 Book: Exhibit A Township 27 South - Range 7 West:



Conservation Division Finney State Office Building 130 S. Market, Rm. 2078 Wichita, KS 67202-3802



Phone: 316-337-6200 Fax: 316-337-6211 http://kcc.ks.gov/

Mark Sievers, Chairman Thomas E. Wright, Commissioner Shari Feist Albrecht, Commissioner Sam Brownback, Governor

October 24, 2013

Karen Houseberg Trek AEC, LLC 155 N MARKET STE 710 WICHITA, KS 67202-1821

Re: Drilling Pit Application Thissen Unit 1-27 SW/4 Sec.27-27S-07W Kingman County, Kansas

Dear Karen Houseberg:

District staff has inspected the above referenced location and has determined that an unsealed condition will present a pollution threat to water resources.

District staff has recommended that the reserve pit be lined with bentonite or native clay, constructed <u>without slots</u>, the bottom shall be flat and reasonably level and the free fluids must be removed. The fluids are to be removed from the reserve pit as soon as the Hutchinson Salt section has been drilled through and displacement of the fluids into the reserve pit has occurred. The fluids should be removed again within 1 week after drilling operations have ceased.

If production casing is set all completion fluids shall be removed from the working pits daily. <u>NO</u> completion fluids or non-exempt wastes shall be placed in the reserve pit.

The fluids should be taken to an authorized disposal well. Please call the District Office at (316) 630-4000 when the fluids have been removed. Please file form CDP-5 (August 2008), Exploration and Production Waste Transfer, through KOLAR within 30 days of fluid removal.

A copy of this letter should be posted in the doghouse along with the approved Intent to Drill. If you have any questions or concerns please feel free to contact the District Office at (316) 630-4000.