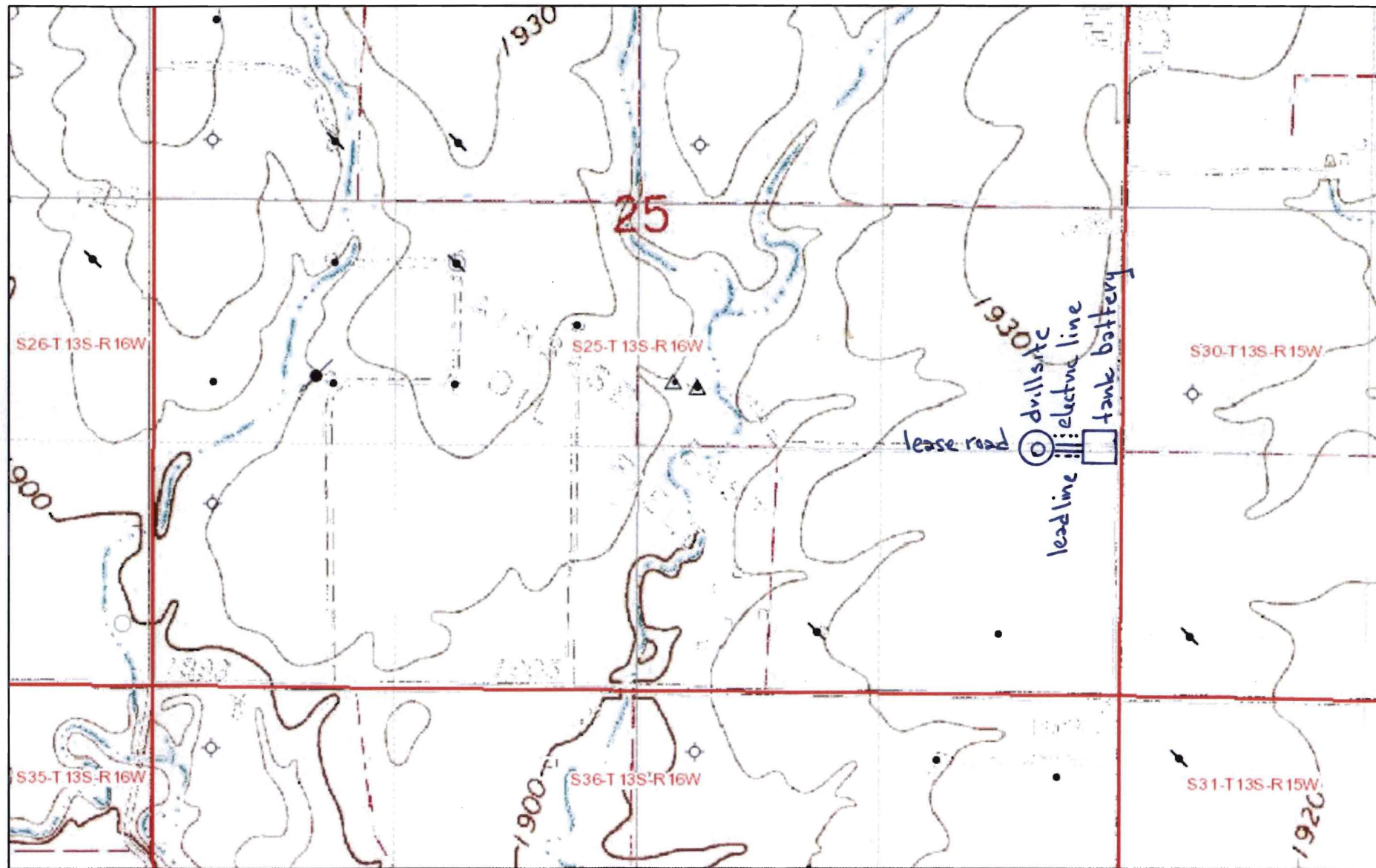
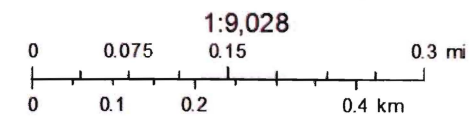


# PRELIMINARY PLAT; DaMar Resources, Inc. - #1 Gary Brungardt Unit



November 26, 2013



Sources: Esri, DeLorme, NAVTEQ, TomTom, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL

Kansas Geological Survey  
<http://maps.kgs.ku.edu/igas>

AMENDMENT OF OIL AND GAS LEASE

This Amendment made and entered into this 1st day of August, 2013, by and between Darrell J. Dortmund and Kayla Dortmund, husband and wife, ("Dortland") Gorham, KS 67640, Diane Mongeau, a/k/a Diane M. Mongeau, n/k/a Diane Gross and Paul Gross, wife and husband, ("Mongeau") Gorham, KS 67640, Steven J. Pfeifer and Carol A. Pfeifer, husband and wife ("Pfeifer"), Victoria, KS 67671, DaMar Resources, Inc., ("DaMar"), a Kansas corporation, Hays, KS 67601, and Rama Operating Company, Inc., ("Rama"), a Kansas corporation, Stafford, KS 67578.

WHEREAS, Dortmund is the owner of all minerals and/or royalty in and under the following described real estate situated in Ellis County, Kansas, to-wit:

South Half of the Southeast Quarter Less and Except the West Twenty-five (25) Acres (S/2 SE/4 less W 25 ac.) of Section Twenty-five (25), Township Thirteen (13) South, Range Sixteen (16) West of the 6<sup>th</sup> p.m., Ellis County, Kansas ✓

WHEREAS, Mongeau is the owner of all minerals and/or royalty in and under the following described real estate situated in Ellis County, Kansas, to-wit:

West Twenty-five (25) Acres of the South Half of the Southeast Quarter (W. 25 ac. S/2 SE/4) of Section Twenty-five (25), Township Thirteen (13) South, Range Sixteen (16) West of the 6<sup>th</sup> p.m., Ellis County, Kansas ✓

WHEREAS, Pfeifer is the owner of all minerals and/or royalty in and under the following described real estate situated in Ellis County, Kansas, to-wit:

East Half of the East Half of the Southwest Quarter (E/2 E/2 SW/4) of Section Twenty-five (25), Township Thirteen (13) South, Range Sixteen (16) West of the 6<sup>th</sup> p.m., Ellis County, Kansas ✓

WHEREAS, DaMar is an owner and operator of that certain Oil and Gas Lease ("Berens Lease"), described as follows:

Lessors: Leo M. Brungardt et al.  
Lessee: James F. Ralstin and H. Deane Jirrels  
Date: June 5, 1959  
Recorded: Book 185, Page 305  
Description: Insofar and only insofar as said lease covers the S/2 SE/4 of Section 25-13S-16W, Ellis County, Kansas ✓

Photo PS  
Direct [Signature]  
In Direct [Signature]  
Numerical RH  
Checked ✓

STATE OF KANSAS }  
ELLIS COUNTY }  
This instrument was filed for record  
3:00 o'clock P M recorded in

SEP 11 2013

835 of Records page 94  
Rebecca Herge  
Fees 40.00 Register of Deeds



Call: Damar

Amendment of Oil and Gas Lease  
 Berens Lease  
 Page 2

WHEREAS, Rama is an owner and operator of that certain Oil and Gas Lease ("Brungardt B Lease"), described as follows:

Lessors:	Leo M. Brungardt et al.
Lessee:	James F. Ralstin and H. Deane Jirrels
Date:	June 5, 1959
Recorded:	Book 185, Page 305
Description:	Insofar and only insofar as said lease covers the E/2 E/2 SW/4 of Section 25-13S-16W, Ellis County, Kansas ✓

WHEREAS, the Berens Lease and Brungardt B Lease do not contain a provision allowing for the pooling and/or unitization of the lands covered by such shared base lease.

THEREFORE, Dortmund, Mongeau, Pfeifer, DaMar and Rama, for the exchange of good and valuable consideration and to promote the efficient development of oil and gas under the above described base Oil and Gas Lease, agree as follows:

1. That the Lease shall be amended to add and insert the following provision ("Pooling Provision"):

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.

2. For the convenience of the parties any number of counterparts of this Amendment may be



# OIL AND GAS LEASE

AGREEMENT, Made and entered into this 27<sup>th</sup> day of June, 2013, by and between

**Christopher L. Brungardt, Executor of the Estate of  
Gerald L. Brungardt, a/k/a Gary L. Brungardt, deceased,**

parties of the first part, hereinafter called Lessor (whether one or more) and **Brungardt Oil and Leasing, Inc.**, party of the second part, hereinafter called Lessee.

WITNESSETH, That the said Lessor for and in consideration of One Dollar (\$1.00) and other valuable consideration, cash in hand paid, receipt of which is hereby acknowledged, and of the covenants and agreements hereinafter contained on the part of Lessee to be paid, kept and performed, has granted, demised, leased and let and by these presents does grant, demise, lease and let unto said Lessee, for the sole and only purpose of mining and operating for oil and gas, and laying pipelines, and building tanks, power stations and structures thereon to produce, save and take care of said products, all that certain tract of land, "together with any reversionary rights therein," situated in the **County of Ellis, State of Kansas**, described as follows, to-wit:

**The North Half of the Southeast Quarter (N/2 SE/4)**

**of Section 25, in Township 13 South, Range 16 West of the 6th P.M., and containing 80 acres more or less.**

It is agreed that this lease shall remain in full force for a term of one (1) year from the date hereof and as long thereafter as oil or gas, or either of them, is produced from said land or land with which said land is pooled by the Lessee, or the premises are being developed or operated.

In consideration of the premises the said Lessee covenants and agrees:

1. To deliver to the credit of Lessor, free of cost, in the pipeline to which he may connect his wells, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2. The lessee shall pay to Lessor for gas produced from any oil well and used by the Lessee for the manufacture of gasoline or any other product as royalty 1/8 of the market value of such gas at the mouth of the well; if said gas is sold by the Lessee, then as royalty 1/8 of the proceeds of the sale thereof at the mouth of the well. The Lessee shall pay Lessor as royalty 1/8 of the proceeds from the sale of gas as such at the mouth of the well where gas only is found and where such gas is not sold or used, Lessee shall pay or tender annually at the end of each yearly period during which such gas is not sold or used as royalty, One Dollar (\$1) per net mineral acre retained hereunder, and while said royalty is so paid or tendered this lease shall be held as a producing lease under the above term paragraph hereof; the Lessor to have gas free of charge from any gas well on the leased premises for stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of such gas to be at the Lessor's sole risk and expense.

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.

3. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided shall be paid the Lessor only in the proportion which his interest bears to the whole and undivided fee. However, such rental shall be increased at the next succeeding rental anniversary after any reversion occurs to cover the interest so acquired.

4. Lessee shall have the right to use, free of cost, gas and oil produced on said land for its operation thereon.

5. When requested by Lessor, Lessee shall bury his pipelines below plow depth.

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

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

8. 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.

9. 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 the like effect as if such well had been completed within the term of years herein first mentioned.

10. If the estate of either party hereto is transferred, and the privilege of transferring in whole or in part is expressly allowed, or if the rights hereunder of either party hereto are vested by descent or devise, the covenants hereof shall extend to and be binding on the heirs, devisees, executors, administrators, successors, or assigns, but no change in the ownership of said land or of any right hereunder shall be binding on the Lessee until after Lessee has been furnished with the original or a certified copy thereof of any transfer by Lessor or with a certified copy of the will of Lessor together with a transcript of the probate thereof or, in the event Lessor dies intestate and his estate is being administered, with a transcript of the administration proceedings or, in the event of the death of Lessor and no administration being had on the estate, with an instrument satisfactory to Lessee executed by Lessor's heirs authorizing payment or deposit or tender for deposit to their credit as hereinbefore provided, at least thirty days before said rentals and royalties are payable or due, and it is hereby agreed in the event this lease shall be assigned as to a part or as to parts of the above described lands and the assignee or assignees of such part or parts shall fail or make default in the payment of the proportionate part of the rents due from him or them, such default shall not operate to defeat or affect this lease in so far as it covers a part or parts of said lands upon which the said Lessee or any assignee thereof shall make due payments of said rentals. 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. If the leased premises are now or hereafter owned in severalty or in separate tracts, the premises, nevertheless, may be developed and operated as an entirety, and the royalties shall be paid to each separate owner in the proportion that the acreage owned by him bears to the entire leased area. There shall be no obligation on the part of the Lessee to offset wells on separate tracts into which the land covered by this lease may hereafter be divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks for the oil produced from such separate tracts.

11. 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 may reimburse itself from any rental or royalties accruing hereunder.

12. The terms, covenants, and conditions hereof shall run with said land and herewith and shall be binding upon the parties hereto, their heirs, administrators, devisees, executors, successors and assigns; however, 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 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.

13. 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.

14. In the event that Lessee drills a well on the lease premises which results in a dry hole, Lessee shall pay to Lessor actual site damages sustained to the lease premises by reason of the drilling of said dry hole which Lessor and Lessee agree shall not be less than \$500 per dry hole drilled.

Proff. CA  
Exec. [Signature]  
in Chg. [Signature]  
Numerical [Signature]  
Checked [Signature]

EW.  
Thompson · Arthur · Davidson