



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

KANSAS CORPORATION COMMISSION 1171346
 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

Spot Description: _____

OPERATOR: License# _____

_____ - _____ - _____ Sec. _____ Twp. _____ S. R. _____ E W
(Q/Q/Q/Q) _____ feet from N / S Line of Section

Name: _____

_____ feet from 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? Yes No

Name: _____

Target Formation(s): _____

Well Drilled For: Well Class: Type Equipment:

- | | | | |
|------------------------------|-----------------------------------|------------------------------------|-------------------------------------|
| <input type="checkbox"/> Oil | <input type="checkbox"/> Enh Rec | <input type="checkbox"/> Infield | <input type="checkbox"/> Mud Rotary |
| <input type="checkbox"/> Gas | <input type="checkbox"/> Storage | <input type="checkbox"/> Pool Ext. | <input type="checkbox"/> Air Rotary |
| | <input type="checkbox"/> Disposal | <input type="checkbox"/> Wildcat | <input type="checkbox"/> Cable |

Seismic ; _____ # of Holes Other

Other: _____

If OWWO: old well information as follows:

Operator: _____

Well Name: _____

Original Completion Date: _____ Original Total Depth: _____

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

1171346

For KCC Use ONLY

API # 15 - _____

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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

Operator: _____

Lease: _____

Well Number: _____

Field: _____

Number of Acres attributable to well: _____

QTR/QTR/QTR/QTR of acreage: _____ - _____ - _____ - _____

Location of Well: County: _____

_____ feet from N / S Line of Section

_____ feet from E / W Line of Section

Sec. _____ Twp. _____ S. R. _____ E W

Is Section: Regular or Irregular

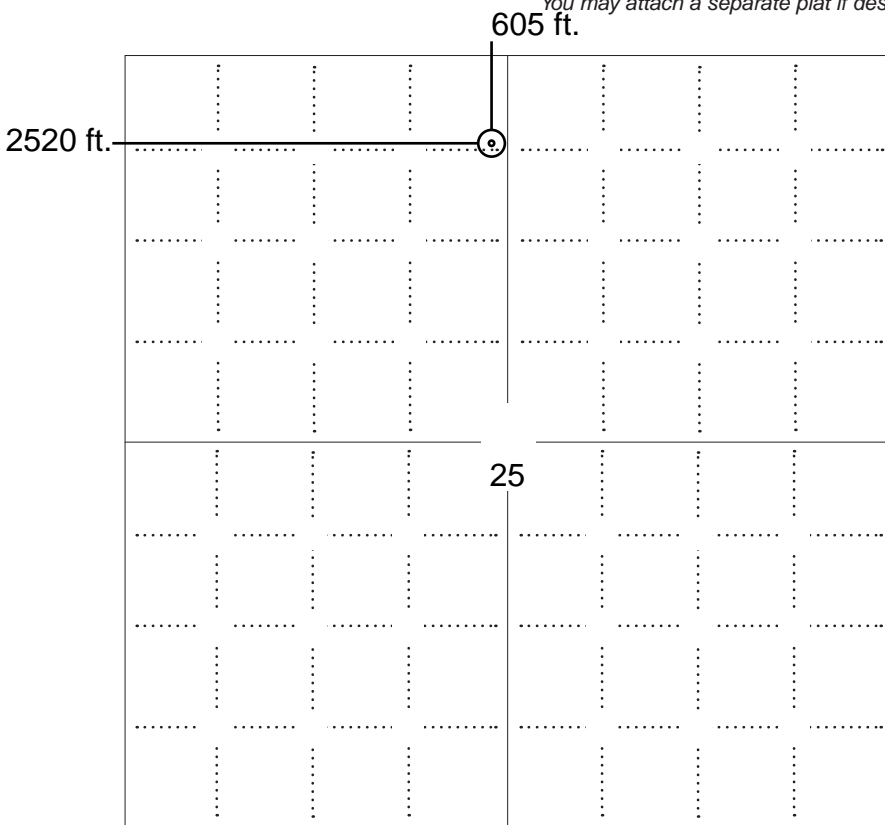
If Section is Irregular, locate well from nearest corner boundary.

Section corner used: NE NW SE SW

PLAT

Show location of the well. Show footage to the nearest lease or unit boundary line. Show the predicted locations of lease roads, tank batteries, pipelines and electrical lines, as required by the Kansas Surface Owner Notice Act (House Bill 2032).

You may attach a separate plat if desired.



LEGEND

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



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

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

Liner Steel Pit RFAC RFAS

Date Received: _____ Permit Number: _____ Permit Date: _____ Lease Inspection: Yes 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

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: Downing Nelson Oil Company Inc.
 Lease: Gottschalk-Gerstner Unit
 Well Number: 1-25
 Field: Wildcat

Number of Acres attributable to well: 40
 QTR/QTR/QTR/QTR of acreage: SE - NE - NE - NW

Location of Well: County: Ellis
605 feet from N / S Line of Section
2,520 feet from E / W Line of Section
 Sec. 25 Twp. 14 S. R. 19 E W

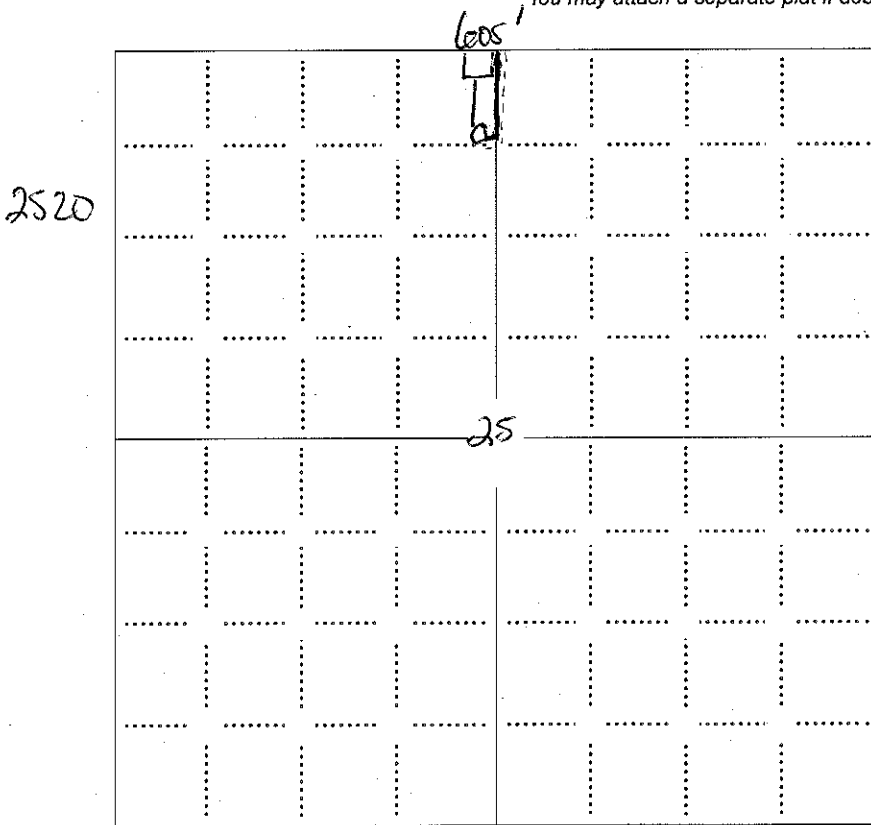
Is Section: Regular or Irregular

If Section is Irregular, locate well from nearest corner boundary.

Section corner used: NE NW SE SW

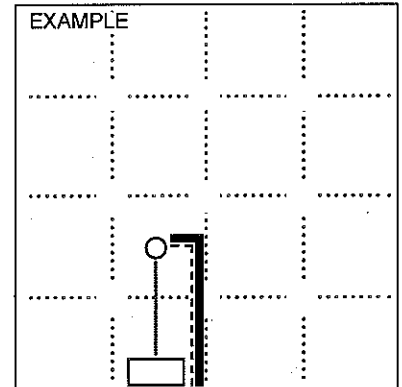
PLAT

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.



LEGEND

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



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

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: (CO-7 for oil wells; CG-8 for gas wells).
5. The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.

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 793 Wichita, KS 67201-0793 316-264-0344 264-5155 fax www.kbp.com - kbp@kbp.com

AGREEMENT, Made and entered into the 1st day of September 2013 by and between Lloyd J. Gottschalk and Lisa Gottschalk, husband and wife,

whose mailing address is Downing-Nelson Oil Co., Inc. hereinafter called Lessor (whether one or more), and

hereinafter called Lessee: Lessor, in consideration of One & other valuable consideration Dollars (\$ 1.00) 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 Ellis State of Kansas described as follows to-wit:

Northeast Quarter (NE/4) ✓

Printed Direct in Direct Numerical Checked

In Section 25 Township 14 S Range 19 W and containing 160 acres, more or less, and all accretions thereto.

Subject to the provisions herein contained, this lease shall remain in force for a term of 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 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 lessor, 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 840 acres each in the event of a gas well. Lessee shall execute in writing and record in the conveyance records of the county in which the land herein leased is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit shall be treated, for all purposes except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on the pooled acreage, it shall be treated as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere herein specified, lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.

If 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 obligation on the part of the lessee to offset wells on separate tracts into which the land covered by this lease may now or hereafter be divided by sale, devisee, descent or otherwise, or to furnish separate measuring or receiving tanks.

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

Witness: Lloyd J. Gottschalk

Lisa Gottschalk

LOYD J. GOTTSCHALK

LISA GOTTSCHALK

STATE OF Kansas ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)
 COUNTY OF Ellis
 The foregoing instrument was acknowledged before me this 1 day of September - 2013
 by Lloyd J. Gottschalk and Lisa Gottschalk
husband and wife.
 My commission expires _____
Leon Gottschalk
 Notary Public



STATE OF _____ ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)
 COUNTY OF _____
 The foregoing instrument was acknowledged before me this _____ day of _____
 by _____ and _____
 My commission expires _____
 Notary Public

STATE OF _____ ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)
 COUNTY OF _____
 The foregoing instrument was acknowledged before me this _____ day of _____
 by _____ and _____
 My commission expires _____
 Notary Public

STATE OF _____ ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)
 COUNTY OF _____
 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 Kansas
 County Ellis
 This instrument was filed for record on the 06
 day of September 2013.
 at 10:15 o'clock A. M., and duly recorded
 in Book 834 Page 636 of
 the records of this office.
 By Rebecca Hagg Registrar of Deeds.
 My Commission Expires 8-12-08
 When recorded, return to
Gregory E. Saindon, P.A.
 P.O. BOX 108
 824 WASHINGTON STREET
 ELLIS, KANSAS 67637
 PHONE (785) 726-3129



STATE OF _____ ACKNOWLEDGMENT FOR CORPORATION (KsOkCoNe)
 COUNTY OF _____
 The foregoing instrument was acknowledged before me this _____ day of _____
 by _____
 of _____ a _____
 corporation, on behalf of the corporation.
 My commission expires _____
 Notary Public

THIS AGREEMENT, Entered into this the 20th day of January 2010 betw

Timothy J. Gerstner and Judy Gerstner, his wife

and Downing-Nelson Oil Company, Inc. hereinafter called lessor and hereinafter called lessee, does witne

1. That lessor, for and in consideration of the sum of One (\$1.00) & O.V.C. Dollars in hand paid and of the cov
ants 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 exclusively unto the lessee the hereinafter described land, together with any reversionary rights therein, and with the right to utilize this lease or any part the
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 a
other exploratory work, including core drilling and the drilling, mining, and operating for, producing and saving all of the oil (including but not limited to distill
and condensate) and gas (including but not limited to casinghead gas and helium and all other gases and all constituents of all gases), and for constructing roa
laying pipe lines, building tanks, storing oil, building povers, stations, telephone and electric transmission lines and other structures thereon necessary or conveni
for the economical operation of said land alone or conjointly with neighboring lands, to produce, save, take care of, and manufacture all of such substances, said in
of land being situated in the County of Ellis State of Kansas and described as follow

North Half of the Northwest Quarter (N/2NW/4)

in Section 25 Township 14 South Range 19 West and containing 80 acres, more or less.

2. This lease shall remain in force for a term of five (5) years from date (herein called "primary term"), and as long thereafter as oil, gas, or any of the substances covered by this lease is or can be produced.

3. The lessee shall deliver as royalty, free of cost, to lessor at the wells, or to the credit of lessor into the pipe line to which lessee may connect its well the equal one-eighth (1/8) part of all oil (including but not limited to distillate and condensate) produced and saved from the leased premises, or at the lessee's option may pay to the lessor for such one-eighth (1/8) royalty the market price at the wells in the field or area for oil of like grade and gravity prevailing on the day su oil is run into the pipe line or into storage tanks.

4. The lessee shall pay to lessor for gas of whatsoever nature or kind (with all of its constituents) produced and used by the lessee for the manufacture of gasoline or any other product, as royalty, one-eighth (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 one-eighth (1/8) of the proceeds of the sale thereof at the mouth of the well; said payments to be made monthly. During any period (whether before or after expiration of the primary term hereof) when gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or operation on said leased premises sufficient to keep this lease in force, lessee shall pay or tender a royalty of One Dollar (\$1.00) per year per net royalty acre retained hereunder, such payment or tender to be made, on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date said well is shut in and thereafter on the anniversary date of this lease during the period such well is shut in to the royalty owners or to the royalty owner's credit in the rental depository bank hereinafter designated. When such payment or tender is made it will be considered that gas is being produced within the meaning of this lease. Out of any surplus not needed for operations hereunder, the lessee may make, free of charge, gas from and gas well on the leased premises for access at made HEREIN in the principal building HEREIN 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 expens

5. If at any time operations of mining operations are not commenced on the leased premises on or before three (3) years from this date, this lease shall then terminate as to both parties unless lessee on or before the expiration of said period shall pay or tender to lessor, or to the credit of lessor in

Bank at _____ or any successor bank the sum of Two Hundred Dollars (\$ 200.00), hereinafter called "rental", which shall extend for twelve month the time within which drilling operations or mining operations may be commenced. Thereafter, annually, in like manner and upon like payments or tenders commencement of drilling operations or mining operations may be further deferred for periods of twelve months each during the primary term. Payment or tender of rental may be made by check or draft of lessee, delivered or mailed to the authorized depository bank or lessor (at address last known to lessee) on or before said date for payment, and the payment or tender will be deemed made when the check or draft is so delivered or mailed. If said named or successor bank (or any other bank hereinafter provided) have been designated as depository, should fail or liquidate or for any reason refuse or fail to accept rental, lessee shall not be held in default for failure to make such payment or tender (rental) until thirty days after lessor shall deliver to lessee a proper recordable instrument naming another bank to receive such payments or tenders. The above named or successor bank or any other bank which may be designated as depository shall be lessor's agent. Drilling operations or mining operations shall be deemed to be commenced when the first material is placed on the leased premises or when the first work, other than surveying or staking the location, is done thereon which is necessary for such operations.

6. If at any time prior to the discovery of oil or gas on this land and during the primary term of this lease, the lessee shall drill a dry hole or dry holes on this land, this lease shall not terminate if the lessee commences further drilling operations or commences or resumes the payment of rentals in the manner and in the amount hereinabove provided by the rental paying date, if any, next ensuing after thirty (30) days following the completion of the dry hole, or if there be no such rental paying date, commences such further operations before the expiration of the primary term.

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

8. The lessee shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of the lessor. When required by lessor, the lessee shall bury its pipe lines below plow depth and shall pay for damage caused by its operations to growing crops 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 lessor. Lessee shall have the right at any time during, or after the expiration of, this lease to remove all machinery, fixtures, houses, buildings and other structures placed on said premises, including its right to draw and remove all casing, but lessee shall be under no obligation to do so, nor shall lessee be under any obligation to restore the surface to its original condition, where any alterations or changes were due to operations reasonably necessary under this lease.

9. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to their heirs, devisees, executors, administrators, successors and assigns. However, no change or division of ownership of the lands, rents or royalties shall enlarge the obligations or diminish the right of the lessee. No change of ownership in the lands, rentals, royalties or any sum due under this lease shall be binding on the lessee until it has been furnished with either the original recorded instrument of conveyance or a duly certified copy thereof or a duly certified copy of the will of any deceased owner and of the probat thereof, or certified copy of the proceedings showing appointment of an administrator for 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 to the full interest claimed, and all advance payments of rentals made hereunder before receipt of said documents shall be binding on any and all direct or indirect assignees, grantees, devisees, administrators, executors, or heirs of lessor. In the event this lease shall be assigned as to a part or as to parts of the above described land and the holder or holders of the lease as to any such part or parts shall make default in the payment of the proportionate part of the rent due from him or them, such default shall not operate to defeat or affect this lease insofar as it covers a part or parts of said land upon which the lessee or any assignee hereof shall make due payment of said rentals.

10. If the leased premises are now or shall hereafter be owned in severally or in separate tracts, the premises may nevertheless 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 obligation on the part of the lessee to offset wells on separate tracts into which the land covered by this lease may now or hereafter be divided by sale, devise, descent or otherwise, or to furnish separate receiving or measuring tanks or devices.

11. 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 if whole or in part any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands and, in event it exercises such option, it shall be subrogated to the rights of the holder or holders thereof and may reimburse itself by applying to the discharge of any such mortgage, tax or other lien, any royalty or rentals accruing hereunder.

12. Notwithstanding anything in this lease contained to the contrary, it is expressly agreed that if lessee shall commence to drill a well or commence re-working operations on an existing well at any time while this lease is in force, this lease shall remain in force and its terms shall continue so long as such operations are prosecuted and, if production results therefrom, then as long as production continues.

13. Lessee may at any time and from time to 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 and any rentals thereafter paid shall be reduced in the proportion that the acreage covered hereby is reduced by such release, but as to the portion of the acreage not released the terms and provisions of this lease shall continue and remain in full force and effect for all purposes.

14. 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 invalidated 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 hereof from drilling a well hereunder by the order of any constituted authority having jurisdiction thereover, or if lessee should be unable during said period to drill a well hereunder due to equipment necessary in the drilling thereof not being available on account of any cause, the primary term of this lease shall continue until six months after said order is suspended and/or said equipment is available, but the lessee shall pay delay rentals herein provided during such extended time.

15. Lessee is hereby granted the right at any time and from time to time, either before or after production is obtained, to form or reform a unit or units covering the leased premises or any portion or portions thereof, as to all strata or any stratum or strata, with any other lands as to all strata or any stratum or strata, for the production primarily of oil or primarily of gas with or without distillate. However, no unit for the production primarily of oil shall embrace more than 40 acres (plus such tolerance as may be appropriate by reason of oversize legal subdivisions); provided that if any governmental regulation shall prescribe a spacing pattern for the development of the field or allocate a producing allowable based on acreage per well, then any such unit may embrace as much additional acreage as may be so prescribed or as may be used in such allocation of allowable. Lessee shall file written designations in the county in which the leased premises are located in order to reform or to dissolve a unit or units. Operations upon and production from the unit shall be treated as if such operations were upon and production were from the leased premises whether or not the well or wells are located thereon. The entire acreage within a unit shall be treated for all purposes as if it were covered by and included in this lease except that the royalty on production from the unit shall be as below provided, and except that in calculating the amount of any rentals or shut in gas royalties, only that part of the acreage originally leased and then actually embraced by this lease shall be counted. In respect to production from the unit, lessee shall pay lessor, in lieu of other royalties thereon, only such proportion of the royalties stipulated 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 in the unit.

16. Should any one or more of the parties above named as lessor fail to execute this lease, it shall nevertheless be binding upon all such parties who do execute it as lessor. The word "lessor" as used in this lease means the party or parties who execute this lease as lessor, although not named above. See addendum attached hereon and hereof, made a part hereof in witness whereof, we sign the day and year first above written.

Timothy J. Gerstner Judy Gerstner

STATE OF Kansas ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)
COUNTY OF Johnson
The foregoing instrument was acknowledged before me this 30th day of January 2010
by Timothy Gustin and Judy Gustin

My commission expires 11-27-12

Shanda Goodwin
Notary Public
SHANDA GOODWIN
Notary Public - State of Kansas
My Appt. Expires 11-27-12

STATE OF _____ ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)
COUNTY OF _____
The foregoing instrument was acknowledged before me this _____ day of _____
by _____ and _____

My commission expires _____
Notary Public

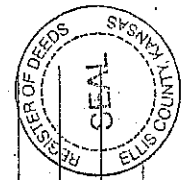
STATE OF _____ ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)
COUNTY OF _____
The foregoing instrument was acknowledged before me this _____ day of _____
by _____ and _____

My commission expires _____
Notary Public

STATE OF _____ ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)
COUNTY OF _____
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 Kansas
County Ellis
This instrument was filed for record on the 09
day of February 2010.
at 12:00 o'clock PM, and duly recorded
in Book 736 Page 714 of
the records of this office.
By Rebecca Davis
1816.00
Register of Deeds.
When recorded, return to
Doubling-Nelson Oil Co., Inc.



PK
RECORDED
INDEXED
FEB 23 2010

STATE OF _____ ACKNOWLEDGMENT FOR CORPORATION (KsOkCoNe)
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

THIS AGREEMENT, Entered into this the 20th day of January 2010 betw

Jude J. Gerstner and C. Janet Gerstner, his wife

and Downing- Nelson Oil Company, Inc. hereinafter called lessee, does witness

1. That lessor, for and in consideration of the sum of One (\$1.00) & O.V.C. Dollars in hand paid and of the cove
ants 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 as
let exclusively unto the lessee the hereinafter described land, together with any reversionary rights therein, and with the right to utilize 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 or
other exploratory work, including core drilling and the drilling, mining, and operating for, producing and saving all oil (including but not limited to distilla
and condensate) and gas (including but not limited to casinghead gas and helium and all other gases and all constituents of all gases), and for constructing road
laying pipe lines, building tanks, storing oil, building powers, stations, telephone and electric transmission lines and other structures thereon necessary or convenie
for the economical operation of said land alone or conjointly with neighboring lands, to produce, save, take care of, and manufacture all of such substances, said tra
of land being situated in the County of Ellis State of Kansas and described as follows

North Half of the Northwest Quarter (N/2NW/4)

In Section 25 Township 14 South Range 19 West, and containing 80 acres, more or less.

2. This lease shall remain in force for a term of five (5) years from date (herein called "primary term"), and as long thereafter as oil, gas, o
any of the substances covered by this lease is or can be produced.

3. The lessee shall deliver as royalty, free of cost, to lessor at the wells, or to the credit of lessor into the pipe line to which lessee may connect its wells
the equal one-eighth (1/8) part of all oil (including but not limited to distillate and condensate) produced and saved from the leased premises, or at the lessee's option
may pay to the lessor for such one-eighth (1/8) royalty the market price at the wells in the field or area 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 lessor for gas of whatsoever nature or kind (with all of its constituents) produced and used by the lessee for the manufacture of
gasoline or any other product, as royalty, one-eighth (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
one-eighth (1/8) of the proceeds of the sale thereof at the mouth of the well; said payments to be made monthly. During any period (whether before or after ex-
piration of the primary term hereof) when gas is not being sold or used and the well or wells are shut in and there is no current production of oil or operations
on said leased premises sufficient to keep this lease in force, lessee shall pay or tender a royalty of One Dollar (\$1.00) per year per net royalty acre retained here-
under, such payment or tender to be made, on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such
well is shut in and thereafter on the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut in
the rental depository bank hereinafter designated. When such payment or tender is made it will be considered that gas is being produced within the meaning of the
entire lease. If any surplus not needed for operations hereunder, the lessor may have, free of charge, gas 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.

5. If drilling operations or mining operations are not commenced on the leased premises on or before three years from this date, this lease shall then terminate
as to both parties unless lessee on or before the expiration of said period shall pay or tender to lessor, or to the credit of lessor in

Bank at Two Hundred Dollars (\$ 200.00) or any successor bank, the sum of

the time within which drilling operations or mining operations may be commenced. Thereafter, annually, in like manner and upon like payments or tenders the com-
mencement of drilling operations or mining operations may be further deferred. Periods of twelve months each during the primary term. Payment or tender of
rental may be made by check or draft of lessee, delivered or mailed to the authorized depository bank or lessor (at address last known to lessee) on or before such
date for payment, or the payment or tender will be deemed made when the check or draft is so delivered or mailed. If said named or successor bank (or any
other bank which may, as hereinafter provided, have been designated as depository) should fail or liquidate or for any reason refuse or fail to accept rental, lessee
shall not be held in default for failure to make such payment or tender until thirty days after lessor shall deliver to lessee a proper recordable instrument
naming another bank to receive such payments or tenders. The above named or successor bank or any other bank which may be designated as depository shall be
lessor's agent. Drilling operations or mining operations shall be deemed to be commenced when the first material is placed on the leased premises or when the first
work, other than surveying or staking the location, is done thereon which is necessary for such operations.

6. If at any time prior to the discovery of oil or gas on this land and during the primary term of this lease, the lessee shall drill a dry hole or dry holes on
this land, this lease shall not terminate if the lessee commences further drilling operations or commences or resumes the payment of rentals in the manner and in the
amount hereinabove provided by the rental paying date, if any, next ensuing after thirty (30) days following the completion of the dry hole, or if there be no such
rental paying date, commence such further operations before the expiration of the primary term.

7. In case 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 for shall be paid the said lessor only in the proportion which his interest bears to the whole and undivided fee. However, such rental shall be in-
creased at the next succeeding rental anniversary after any reversion occurs to cover the interest so acquired.

8. The lessee shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of the
land. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of the lessor. Lessee shall have the right at
any time during, or after the expiration of, this lease to remove all machinery, fixtures, houses, buildings and other structures placed on said premises, including the
right to draw and remove all casing, but lessee shall be under no obligation to do so, nor shall lessee be under any obligation to restore the surface to its original
condition, where any alterations or changes were due to operations reasonably necessary under this lease.

9. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to their heirs, devisees, executors, admini-
strators, successors and assigns. However, no change or division in ownership of the lands, rentals, or royalties shall enlarge the obligations or diminish the rights
of the lessee. No change of ownership in the lands, rentals, royalties or of any part thereof shall be binding on the lessee until it has been furnished with
either the original recorded instrument of conveyance or a duly certified copy thereof or a duly 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 for 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 to the full interest
devisees, administrators, executors, or heirs of lessor. In the event this lease shall be assigned as in a part or as to parts of the above described land and the hold-
ers or holders of the lease as to any such part or parts shall make default in the payment of the proportionate part of the rent due from him or them, such default
shall not operate to defeat or affect this lease insofar as it covers a part or parts of said land upon which the lessee or any assignee hereof shall make due payment
of said rentals.

10. If the leased premises are now or shall hereafter be owned in severally or in separate tracts, the premises may nevertheless 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 obligation on the part of the lessee to offset wells on separate tracts into which the land covered by this
lease may now or hereafter be divided by sale, devise, descent or otherwise, or to furnish separate receiving or measuring tanks or devices.

11. 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 option, 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 royalty or rentals accruing hereunder.

12. Notwithstanding anything in this lease contained to the contrary, it is expressly agreed that if lessee shall commence to drill a well or commence re-
working operations on an existing well at any time while this lease is in force, this lease shall remain in force and its terms shall continue so long as such opera-
tions are prosecuted and, if production results therefrom, then as long as production continues.

13. Lessee may at any time and from time to 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 pay-
ments and liabilities thereafter accruing under the terms of said lease as to the portion canceled shall cease and determine and any rentals thereafter paid shall be
reduced in the proportion that the acreage covered hereby to be reduced by each such release, but as to the portion of the acreage not released the terms and provisions
of this lease shall continue and remain in full force and effect for all purposes.

14. 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) having jurisdiction thereover, or if lessee should be unable during said period to drill a well hereunder by the order of any constituted au-
thority available on account of any cause, the primary term of this lease shall continue until six months after said order is suspended and/or said equipment is avail-
able, but the lessee shall pay delay rentals herein provided during such extended time.

15. Lessee is hereby granted the right at any time and from time to time, either before or after production is obtained, to form or reform a unit or units
covering the leased premises or any portion or portions thereof, as to all strata or any stratum or strata, with any other lands as to all strata or any stratum or
more than 80 acres (plus such tolerance as may be appropriate by reason of oversize legal subdivisions), or for the production primarily of gas with or without distillate
than 40 acres (plus such tolerance as may be appropriate by reason of oversize legal subdivisions); provided that if any governmental regulation shall prescribe
a spacing pattern for the development of the field or allocate a producing allowable based on acreage per well, then any such unit may embrace as much additional
acreage as may be so prescribed or as may be used in such allocation of allowable. Lessee shall file written designations in the county in which the leased premises
are located in order to form, to reform or to dissolve a unit or units. Operations upon and production from the unit shall be treated as if such operations were upon
such production were from the leased premises whether or not the well or wells are located thereon. The entire acreage within a unit shall be treated for all pur-
poses as if it were covered by and included in this lease except that the royalty on production from the unit shall be as below provided, and except that in calcu-
lating the amount of any rentals or shut in gas royalties, only that part of the acreage originally leased and the actually embraced by this lease shall be counted.
In respect to production from the unit, lessee shall pay lessor, in lieu of other royalties thereon, only such proportion of the royalties stipulated 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 in the unit.

16. Should any one or more of the parties above named as lessor fail to execute this lease, it shall nevertheless be binding upon all such parties who do exe-
cute it as lessor. The word "lessor" as used in this lease means the party or parties who execute this lease as lessor, although not named above.
See Addendum attached hereto and made a part hereof

Jude J. Gerstner
Jude J. Gerstner
C. Janet Gerstner
C. Janet Gerstner

ADDENDUM

This Addendum is made and entered into this 20th day of January 2010, with regard to that certain Oil and Gas Lease dated the date hereto and executed herewith which Oil and Gas Lease cover the following described real property in Ellis County, Kansas, to-wit:

The North Half of the Northwest Quarter N/2 NW/4 of Section Twenty-Five (25), Township Fourteen (14) South, Range Nineteen (19) We

In addition to the terms of such Oil and Gas Lease, the parties agree as follows:

1. This Lease is for a term of five (5) years with the first three (3) years being paid-up at the time of granting the Lease. The Lessee may, at it's option, extend the term of this lease for an additional two (2) years by payment of the delay rental called for in paragraph 5 of the Lease. If the Lessor does not specify a depository for the payment of the delay rentals the Lessee may tender to Lessor such delay rental payments at Lessor's last known address or such other address as Lessor may designate to Lessee, in writing. Payment of such delay rental payment shall be deemed to be made by Lessee to Lessor on the date that such payment is deposited in the United States Mail by certified mail from the Lessee to the Lessor.
2. Lessor hereby grants to the Lessee, its successors or assigns, the exclusive right to perform three dimensional seismic exploration on the leased premises for the consideration paid by the Lessee to the Lessor for the granting of this Oil and Gas Lease. Lessee shall pay to Lessor or to Lessor's agricultural tenant, whenever it is appropriate, an additional \$5.00 per acre as liquidated damages for 3-D seismic exploration activities on the property.
3. Lessee acknowledges and agrees that upon abandonment of this Oil and Gas Lease, the Lessee will plug all wells drilled thereon by Lessee according to KCC regulations.
4. The Parties agree that minimum damages in the amount of \$500.00 for pasture ground and \$1,000.00 for tilled ground will be paid for each well drilled on the above described property.

FURTHER PROVIDED that it is understood that the damages indicated represent liquidated damages for the activities contemplated on the property which damages are reasonable under the circumstances. It is not intended that this amount of liquidated damages will include unreasonable or unnecessary damages that might be caused to the property as a result of the Lessees activities thereon.

Except for and to the extent of the provisions contained in this Addendum, the Oil and Gas Lease referred to hereinabove shall be in full force and effect and its terms shall control the operations of the Lessee on the leased property.

By: Jude J. Gerstner
Jude J. Gerstner

By: C. Janet Gerstner
C. Janet Gerstner

STATE OF Kansas
COUNTY OF Johnson, ss:

BE IT REMEMBERED that on this 29 day of January, 2010, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came Jude J. and C. Janet Gerstner, who are personally known to me to be the same persons who executed the within instrument of writing and such persons duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal, on the day and year last above written.

REBECCA A. WEAVER
Notary Public - State of Kansas
My Appt. Expires 2-6-10

Rebecca A. Weaver
Notary Public

My Appointment Expires: 2-6-10

December 11, 2013

Ron Nelson
Downing-Nelson Oil Co Inc
PO BOX 1019
111 West 10th Street
HAYS, KS 67601

Re: Drilling Pit Application
Gottschalk-Gerstner Unit 1-25
NW/4 Sec.25-14S-19W
Ellis County, Kansas

Dear Ron Nelson:

District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed **without slots**, 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 72 hours after drilling operations have ceased. KEEP PITS away from draw/drainage.

If production casing is set all completion fluids shall be removed from the working pits daily. NO 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 (785) 625-0550 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 (785) 625-0550.