



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

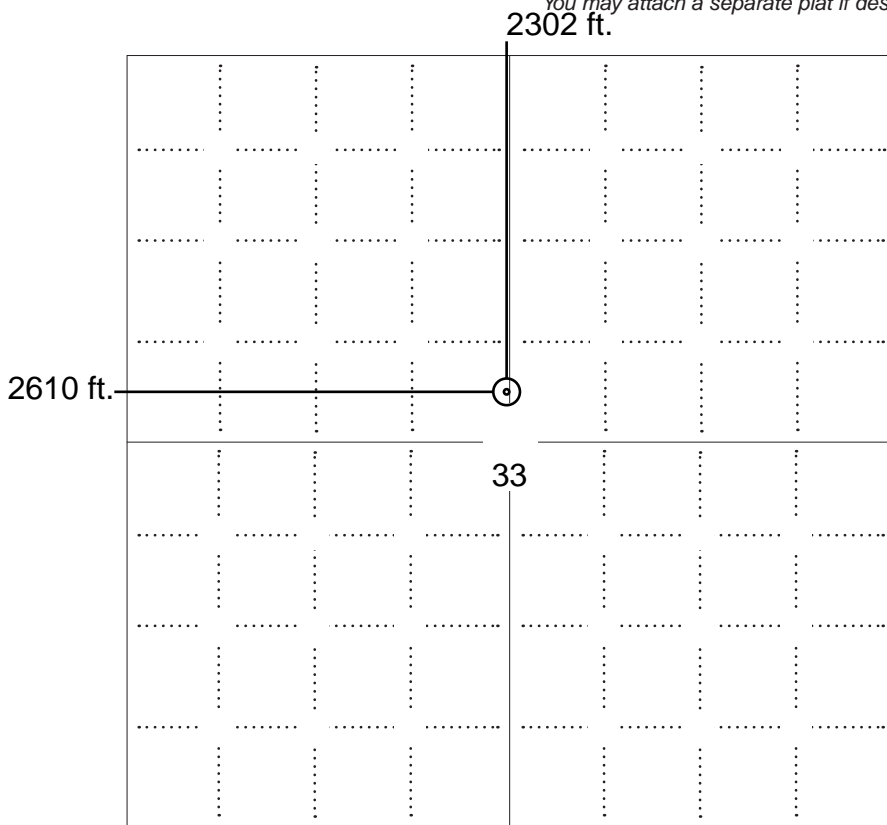
**If Section is Irregular, locate well from nearest corner boundary.**

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	
<b>Emergency, Settling and Burn Pits ONLY:</b> 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		<b>Drilling, Workover and Haul-Off Pits ONLY:</b> 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



### 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.*

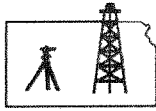
*If this form is being submitted with a Form C-1 (Intent) or CB-1 (Cathodic Protection Borehole Intent), you must supply the surface owners and the KCC with a plat showing the predicted locations of lease roads, tank batteries, pipelines, and electrical lines. The locations shown on the plat are preliminary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

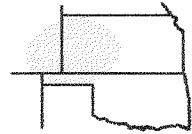
- I certify that, pursuant to the Kansas Surface Owner Notice Act (House Bill 2032), I have provided the following to the surface owner(s) of the land upon which the subject well is or will be located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form CP-1 that I am filing in connection with this 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 must provide the name and address of the surface owner by filling out the top section of this form and 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



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



**321233L**  
 PLAT NO.

**11436**  
 INVOICE NO.

**Murfin Drilling Company Inc.**

**ALC LLC #1-33**

OPERATOR

LEASE NAME

**Logan County, KS**

**2302' FNL - 2610' FWL**

COUNTY

LOCATION SPOT

**33 12s 33w**  
 Sec. Twp. Rng.

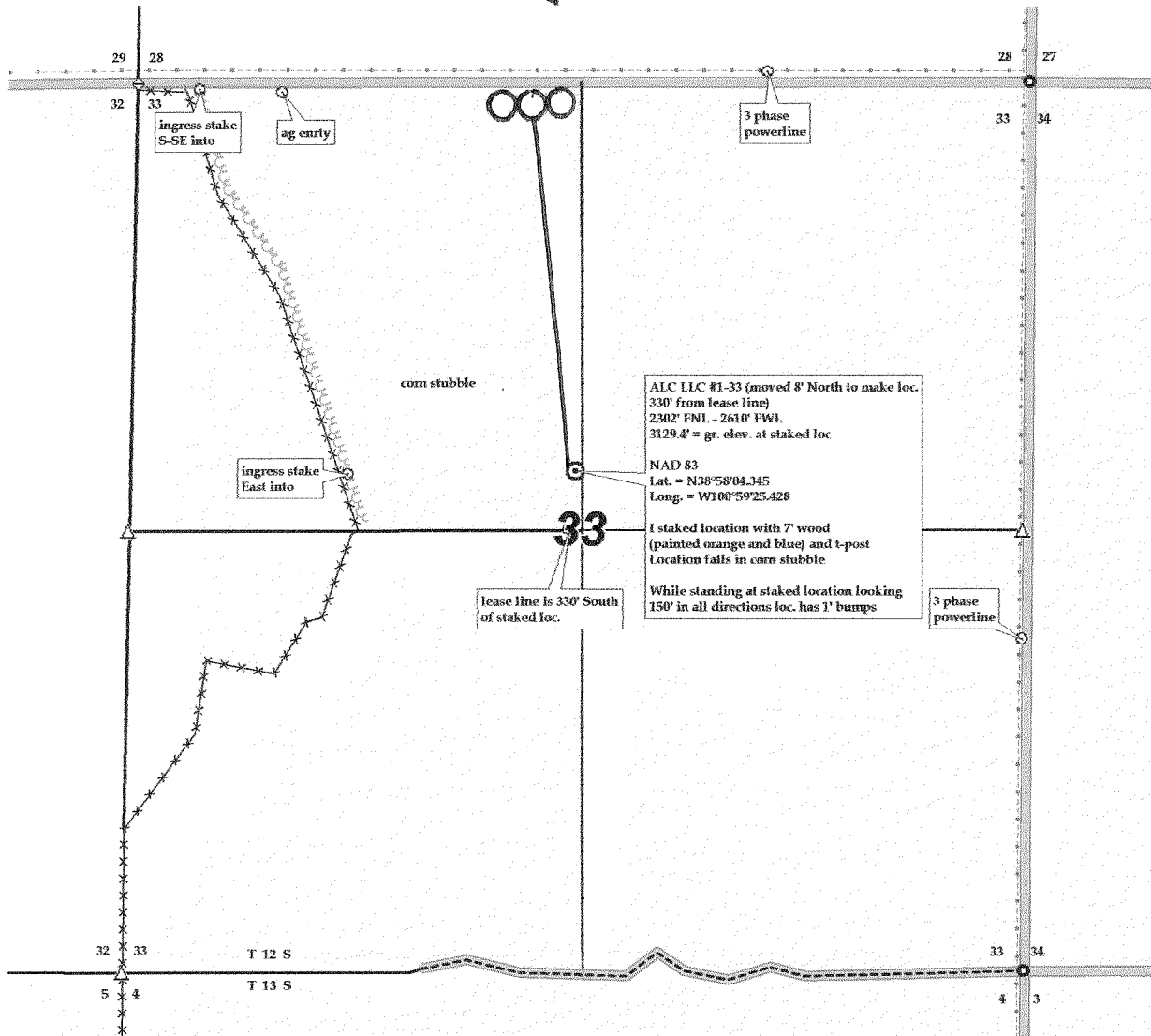
SCALE: **1" = 1000'**  
 DATE: **Dec. 30<sup>th</sup>, 2013**  
 MEASURED BY: **Luke R.**  
 DRAWN BY: **Drew H.**  
 AUTHORIZED BY: **Shauna G.**



GR. ELEVATION: **3129.4'**

**Directions:** From the South side of Oakley Ks at the intersection of Hwy 83 & Hwy 40 – Now go 11 miles South on Hwy 83 – Now go 7 miles West on Seneca Rd to the SE corner of section 33-12s-33w – Now go 1 mile North on 370 Rd – Now go 0.9 mile West to ingress stake S-SE into – Now go approx. 2460' through corn stubble to ingress stake East into – Now go approx. 1330' East through corn stubble into staked location. Final ingress must be verified by land owner or Operator.

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





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



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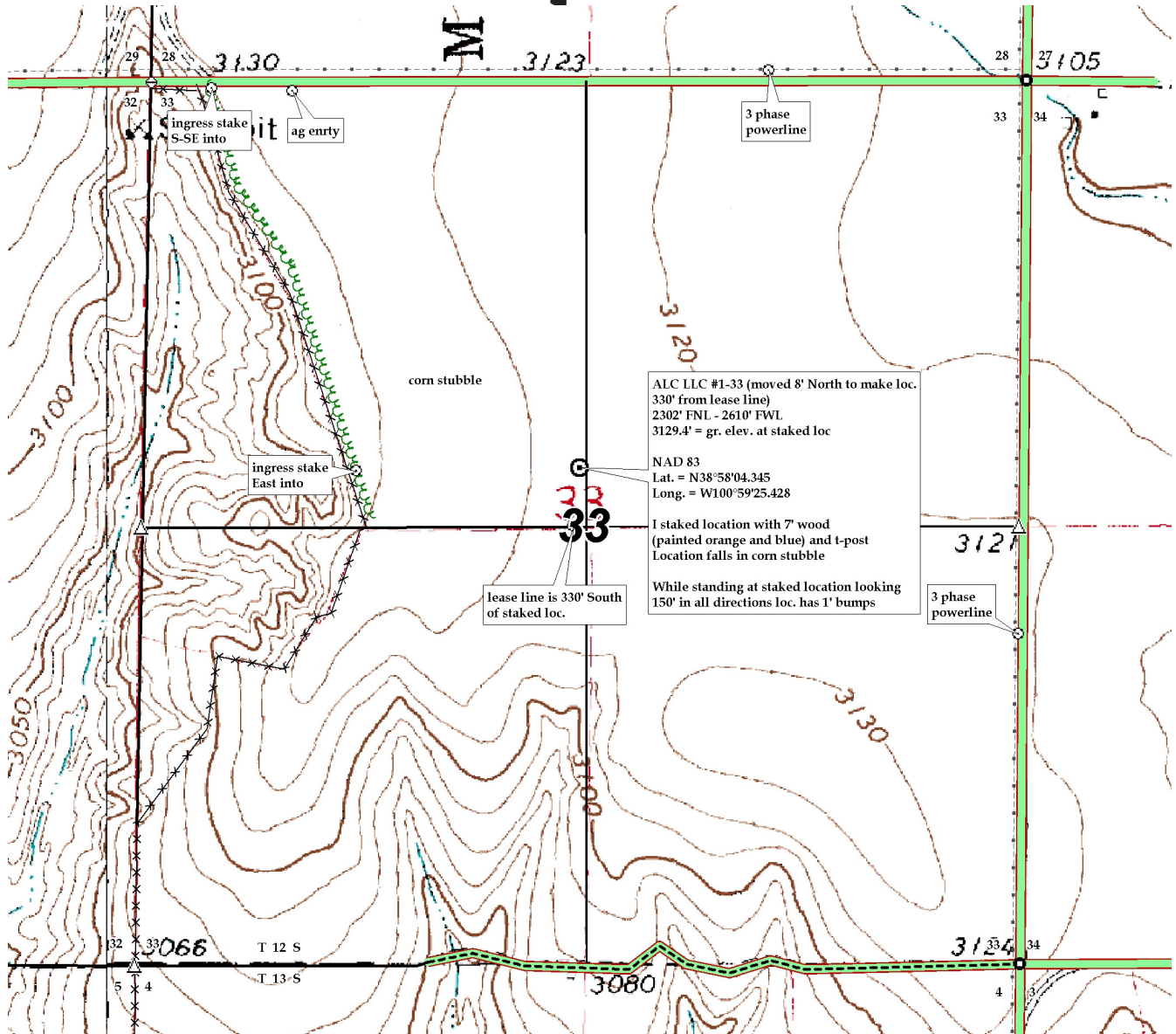
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**Final ingress must be verified by land owner or Operator.**

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



**AFFIDAVIT OF EXTENSION OF LEASES**

STATE OF KANSAS)

COUNTY OF LOGAN)

Michael A. Pisciotte, being first duly sworn deposes and says:

My name is Michael A. Pisciotte, of Murfin Drilling Company, Inc. and of lawful age and reside in Butler County, Kansas.

WHEREAS, the oil and gas leases described in Exhibit "A" attached hereto and made a part hereof in each and every instance contains an option to extend the primary term of each referenced lease for an additional two (2) year period by paying or tendering to each Lessor(s) the sum of as described by each lease.

Affiant knows of his own knowledge that the above sums have been paid or tendered to Lessor(s) and that the primary term of each lease has been extended as aforesaid and said leases remain valid and in force.

Affiant further saith not.

EXECUTED this 23<sup>rd</sup> day of July, 2012.



State of Kansas, Logan County  
This instrument was filed for  
Record on July 30, 2012 01:33:00 PM  
Recorded in Book 162 Page 84-85  
Fee: \$12.00 201201446



Michael A. Pisciotte  
Murfin Drilling Company, Inc.

Joyce L. Bosserman, Register of Deeds

MICROFILMED  
INDEXED

**ACKNOWLEDGMENT**

STATE OF KANSAS

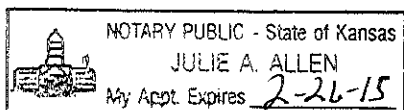
COUNTY OF SEDGWICK

Before me, the undersigned, a Notary Public, within and for said County and State on this 23<sup>rd</sup> day of July, 2012, personally appeared Michael A. Pisciotte, of Murfin Drilling Company, Inc., to be personally known to be the identical person who executed the within and foregoing instrument and acknowledged to me that he executed the same as a free and voluntary act and deed for the uses and purposes therein set forth, and at the same time the affiant was by me duly sworn to the foregoing Affidavit.

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

My commission expires: 2-26-15

Notary Public  
Julie A. Allen



# Exhibit A

Lease  
3685002

Lessor  
TOM W. AHRENS AND ROSA M. AHRENS,  
HUSBAND AND WIFE; AND AHRENS LAND  
COMPANY, LLC

Lessee  
FUNK PETROLEUM, LLC

Lease Date  
08/12/2009

State  
KS

County  
Logan

Book  
149

Page  
318

Legal Description  
TOWNSHIP 12 SOUTH-RANGE 33 WEST  
SECTION 33: N/2 LESS & EXCEPT THE  
W/2NW/4NW/4

62 085



MICROFILM  
NUMERICAL



State of Kansas

Logan County

Filed For Record Jan-29 20 10 AD

at 10:35 o'clock A. M. Book 151 Page 169-170

James Basseman  
#1200 Register of Deeds

151 169

## ASSIGNMENT OF OIL AND GAS LEASES

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, **FUNK PETROLEUM, LLC**, whose address is 2110 N 1184 Rd, Eudora, KS 66025, hereinafter called Assignor, for and in consideration of Ten Dollars (\$10.00), the receipt whereof is hereby acknowledged, does hereby sell, assign, transfer and set over unto **Murfin Drilling Co, Inc.**, (hereafter called Assignee) all interest in and to the following oil and gas leases, to-wit:

- 3685-001A Lessor: Bob J. and Edith L. Clark, trustees of the Bob J. Clark Revocable Trust, dtd. 03-21-1994  
Lessee: Funk Petroleum, LLC  
Dated: June 5, 2009  
Recorded: Book 148, Page 689  
Description: T12S-R33W, Section 28: E/2 (320 acres more or less)  
Logan County Kansas
- 3685-001B Lessor: Bob J. and Edith L. Clark, trustees of the Edith L. Clark Revocable Trust, dtd. 03-21-1994  
Lessee: Funk Petroleum, LLC  
Dated: June 5, 2009  
Recorded: Book 148, Page 686  
Description: T12S-R33W, Section 28: E/2 (320 acres more or less)  
Logan County Kansas
- 3685-002 Lessor: Tom W. and Rosa M. Ahrens, husband and wife; and Ahrens Land Co. L.L.C.  
Lessee: Funk Petroleum, LLC  
Dated: August 12, 2009  
Recorded: Book 149, Page 318, Memorandum of Oil and Gas Lease  
Description: T12S-R33W, Section 33: N/2, less and except the West Half of the Northwest Quarter of the Northwest Quarter (W/2 NW/4 NW/4) (310 acres more or less)  
Logan County Kansas
- 3685-003 Lessor: Rosann M. and Robert Blagg, wife and husband  
Lessee: Funk Petroleum, LLC  
Dated: June 19, 2009  
Recorded: Book 148, Page 679  
Description: T12S-R33W, Section 33: SE/4 (160 acres more or less)  
Logan County Kansas
- 3685-004A Lessor: Richard H. and Roxana W. Strutt, husband and wife  
Lessee: Funk Petroleum, LLC  
Dated: October 22, 2009  
Recorded: Book 150, Page 288  
Description: T12S-R33W, Section 33: SW/4 (160 acres more or less)  
Logan County Kansas
- 3685-004B Lessor: Larry D. and Gayla D. Berggren, husband and wife  
Lessee: Funk Petroleum, LLC  
Dated: October 22, 2009  
Recorded: Book 150, Page 290  
Description: T12S-R33W, Section 33: SW/4 (160 acres more or less)  
Logan County Kansas
- 3685-005 Lessor: Norma Jean Beagley, trustee of the Norma Jean Beagley Revocable Trust, No. 1, dtd. 11-20-2006  
Lessee: Funk Petroleum, LLC  
Dated: September 11, 2006  
Recorded: Book 148, Page 787  
Description: T12S-R33W, Section 34: SW/4 (160 acres more or less)  
Logan County Kansas

Logansport # 3685

3685-006      Lessor:        Dale A. and Samantha A. Smith, husband and wife  
 Lessee:        Funk Petroleum, LLC  
 Dated:         June 5, 2009  
 Recorded:     Book 148, Page 922  
 Description:   T13S-R33W, Section 4: NE/4 (160 acres more or less)  
                   Logan County Kansas

together with the rights incident thereto and the personal property thereon, appurtenant thereto, or used or obtained in connection therewith.

And for the same consideration the Assignor covenants with the Assignee, its heirs, successors or assigns that the Assignor is the lawful owner of and has good title to the interest above assigned in and to said leases, estate, rights and property, free and clear from all liens, encumbrances or adverse claims.

This assignment is to be effective January 1, 2010.

EXECUTED this 18<sup>th</sup> day of January, 2010

ASSIGNOR

FUNK PETROLEUM, LLC

By: Thomas J. Funk  
 Thomas J. Funk, Manager

STATE OF Kansas                    )  
   )  
 COUNTY OF Sedgwick                )

This instrument was acknowledged before me on this the 18<sup>th</sup> day of January, 2010 by Thomas J. Funk, as Manager of Funk Petroleum, LLC, a Missouri Limited Liability Company, on behalf of said company.

My commission expires 10/6/10

Lindsay L. Weber  
 Notary Public



MICROFILMED  
INDEXED -



State of Kansas

ss

Logan County

Filed For Record Aug-31 2009 AD

at 10:25 o'clock A. M. Book 149 Page 318

Jared Boller  
#800 Register of Deeds

**MEMORANDUM OF  
OIL AND GAS LEASE**

STATE OF KANSAS, COUNTY OF LOGAN, SS:

This Agreement made and entered into this 12th day of August, 2009 by and between Tom W. Ahrens and Rosa M. Ahrens, husband and wife, and Ahrens Land Company, LLC, hereinafter referred to as "Lessor", and Funk Petroleum, L.L.C., whose address is 2110 N. 1184 Rd., Eudora, KS 66025, hereinafter referred to as "Lessee".

**WITNESSETH:**

Lessor and Lessee have this day entered into an Oil and Gas Lease ("Lease") covering the following described lands located in Logan County, Kansas (the "Lands"), to-wit:

**Township 12 South, Range 33 West**  
**Section 33: N/2, less and except the West Half of the Northwest Quarter of the Northwest Quarter (W/2 NW/4 NW/4)**

The Lease has a primary term of three (3) years from the effective date of said Lease, and shall continue as long thereafter as oil or gas is produced from the Leased Premises or land pooled therewith, or said Lease is otherwise maintained, all as more particularly set out in said Lease of even date herewith to which reference is hereby made for all purposes including further description of the terms, provisions and conditions of said Lease.

The purpose of the Memorandum of Oil and Gas Lease is to evidence the existence of said Lease and this Memorandum of Oil and Gas Lease is executed and recorded solely for the purpose of affording notice of the existence of said Lease and shall not amend, alter or otherwise affect the terms, provisions and conditions of said Lease. This Memorandum of Oil and Gas Lease is recorded in lieu of filing said Lease for record in the official records of Logan County, Kansas, and to give notice to all third parties dealing with Lessor and Lessee or with the lands described herein. The Lease and this Memorandum of Oil and Gas Lease shall be binding upon Lessor and Lessee and their respective heirs, successors, representatives and assigns.

IN WITNESS WHEREOF, this instrument is executed on the date first above written

LESSOR:

Tom W. Ahrens  
Tom W. Ahrens

AHRENS LAND COMPANY, LLC.

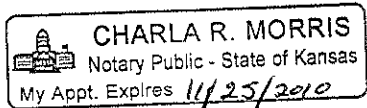
Rosa M. Ahrens  
Rosa M. Ahrens

BY: James D. Ahrens  
James D. Ahrens, Manager

STATE OF KANSAS, COUNTY OF LOGAN, SS:

BE IT REMEMBER, That on this 12th day of August 2009 before me the undersigned, a Notary Public in and for the County and State aforesaid, came Tom W. Ahrens and Rosa M. Ahrens, husband and wife, 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 on the same.

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



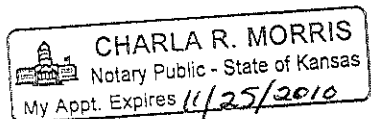
Charla R. Morris  
Notary Public -

My Commission Expires:

STATE OF KANSAS, COUNTY OF LOGAN, SS:

BE IT REMEMBER, That on this 12th day of August before me the undersigned, a Notary Public in and for the County and State aforesaid, came James D. Ahrens, Manager of Ahrens Land Company, LLC, who is personally known to me to be the same person who executed the within instrument of writing and such person duly acknowledged the execution on the same.

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



Charla R. Morris  
Notary Public -

My Commission Expires:



63U (Rev. 1993)

OIL AND GAS LEASE

LS#257

23916

AGREEMENT, Made and entered into the 12th day of August, 2009

by and between Tom W. Ahrens and Rosa M. Ahrens, husband and wife; and Ahrens Land Company, LLC

whose mailing address is 807 Amber, Oakley, KS 67748 hereinafter called Lessor (whether one or more), and Funk Petroelum, LLC 2110 N 1184th Road, Eudora, KS 66025 hereinafter called Lessee;

Lessor, in consideration of ten and more Dollars (\$ 10.00+) in hand paid, receipt of which is here acknowledged and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring by geophysical and other means, prospecting drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases, and their respective constituent products, injecting gas, water, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, power stations, telephone lines, and other structures and things thereon to produce, save, take care of, treat, manufacture, process, store and transport said oil, liquid hydrocarbons, gases and their respective constituent products and other products manufactured therefrom, and housing and otherwise caring for its employees, the following described land, together with any reversionary rights and after-acquired interest, therein situated in County of Logan State of Kansas described as follows to-wit:

North Half (N/2), less and except the West Half of the Northwest Quarter of the Northwest Quarter (W/2 NW/4 NW/4)

In Section 33 Township 12 South Range 33 West and containing 310 acres, more or less, and all accretions thereto.

Subject to the provisions herein contained, this lease shall remain in force for a term of three (3) years from this date (called "primary term"), and as long thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, or any of them, is produced from said land or land with which said land is pooled.

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

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

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

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

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein provided for shall be paid the said lessor only in the proportion which lessor's interest bears to the whole and undivided fee.

Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for lessee's operation thereon, except water from the wells of lessor.

When requested by lessor, lessee shall bury lessee's pipe lines below plow depth.

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

Lessee shall pay for damages caused by lessee's operations to ~~the~~ ~~land~~ on said land.

Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment of rentals or royalties shall be binding on the lessee until after the lessee has been furnished with a written transfer or assignment or a true copy thereof. In case lessee assigns this lease, in whole or in part, lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment.

Lessee may at any time execute and deliver to lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, in whole or in part, nor lessee held liable in damages, for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.

Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the lessee shall have the right at any time to redeem for lessor, by payment any mortgages, taxes or other liens on the above described lands, in the event of default of payment by lessor, and be subrogated to the rights of the holder thereof, and the undersigned lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, in so far as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, when in lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises, such pooling to be of tracts contiguous to one another and to be into a unit or units not exceeding 40 acres each in the event of an oil well, or into a unit or units not exceeding 640 acres each in the event of a gas well. Lessee shall execute in writing and record in the conveyance records of the county in which the land herein leased is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit shall be treated, for all purposes except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on the pooled acreage, it shall be treated as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere herein specified, lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.

\*\* All instances of one-eighth (1/8) shall be replaced to read sixteen percent of eight-eighths (16% of 8/8ths)

SEE ADDENDUM ATTACHED HERETO AND MADE A PART HEREOF.

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

Witnesses:

Tom W. Ahrens

Tom W. Ahrens

Rosa M. Ahrens

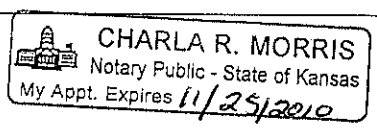
Rosa M. Ahrens

AHRENS LAND COMPANY, LLC

BY: James D. Ahrens James D. Ahrens, Manager

STATE OF KANSAS  
 COUNTY OF LOGAN ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)  
 The foregoing instrument was acknowledged before me this 12th day of August, 2009  
 by Tom W. Ahrens and Rosa M. Ahrens, husband and wife.

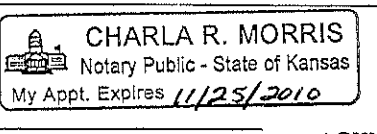
My commission expires \_\_\_\_\_



Charla R. Morris  
 Charla R. Morris Notary Public

STATE OF KANSAS  
 COUNTY OF LOGAN ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)  
 The foregoing instrument was acknowledged before me this 12th day of August, 2009  
 by James D. Ahrens, Manager of Ahrens Land Company, LLC.

My commission expires \_\_\_\_\_



Charla R. Morris  
 Charla R. Morris Notary Public

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

My commission expires \_\_\_\_\_

Notary Public

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

My commission expires \_\_\_\_\_

Notary Public

No. \_\_\_\_\_

**OIL AND GAS LEASE**

FROM \_\_\_\_\_

TO \_\_\_\_\_

Date \_\_\_\_\_

Section \_\_\_\_\_ Twp. \_\_\_\_\_ Rge. \_\_\_\_\_

No. of Acres \_\_\_\_\_ Term \_\_\_\_\_

County \_\_\_\_\_

STATE OF \_\_\_\_\_

County \_\_\_\_\_

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

By \_\_\_\_\_ Register of Deeds.

When recorded, return to \_\_\_\_\_

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

Notary Public

ADDENDUM  
TO OIL AND GAS LEASE DATED AUGUST 12, 2009  
BETWEEN TOM W. AHRENS AND ROSA M. AHRENS, HUSBAND AND WIFE, AND  
AHRENS LAND COMPANY, LLC, AS LESSOR,  
AND FUNK PETROLEUM, L.L.C., AS LESSEE

This Addendum is part of that certain Oil and Gas Lease identified above by date and parties covering the North Half (N/2) less and except the West Half of the Northwest Quarter of the Northwest Quarter (W/2 NW/4 NW/4) of Section Thirty-three (33), Township Twelve (12) South, Range Thirty-three (33) West of the 6th P.M., Logan County, Kansas, to the same extent as if the provisions hereof had originally been written in said lease. In the event of conflict between the lease provisions and the provisions provided in this Addendum, the provisions of this Addendum shall be binding.

1. No right is granted to the Lessee to erect on any part of the leased premises any plant or facility for gasoline extraction or for the processing of gas or petroliferous substances, except the normal and necessary heater treater and separator customarily used. Lessee specifically agrees to build any meter houses, separators, heater treaters and storage tanks used for the purpose of producing and saving any oil and gas upon the above described premises adjacent to any county, state or federal road or highway adjoining the above described premises. All storage tanks and tank battery installations shall be installed in any of the four (4) corners of the leased premises to avoid interference with any irrigation circular sprinkler system. Provided further, no such installation shall be made closer than 1400 feet to the center of the leased premises.

2. Lessor reserves all rights to grant, lease, mine and/or produce any minerals from said lands except interests in gas and oil and their constituent products herein leased to Lessee.

3. Lessor shall have the right to purchase gas from Lessee at the wellhead price from any gas well located on the leased premises, or on any land unitized or pooled therewith, for farming, irrigation and other agricultural purposes; provided, however, that the amount of gas used by Lessor for such purposes in any given year shall not exceed the amount attributable to Lessor's royalty interest for that year. Such right to purchase gas shall also be subject to the following terms and conditions:

- (a) Any gas so purchased by Lessor shall be taken at or near the mouth of the well at a point to be designated by Lessee. All equipment necessary for the taking of gas and the measuring of the same shall be furnished by Lessor at his expense.
- (b) The method of taking of gas and the point of connection for taking must be such as to not interfere with the operation of the well and must be submitted to Lessee, or his assigns, and accepted by him before gas is taken.
- (c) Lessee shall bill Lessor monthly, quarterly, semi-annually or annually, at Lessee's option, for gas so taken by Lessor.
- (d) Lessee, or his assigns, shall not be liable to Lessor, Lessor's agent or employees, or any other person with reference to the gas taken, the use thereof, the equipment used, the manner of its use, or anything incident thereto or resulting therefrom. Lessee, or his assigns, shall not be under any obligation to produce gas from any well unless practical or economical to do so.
- (e) Lessee, or his assigns, shall at all times have dry land access to and from and around any equipment used by Lessor for taking gas and metering same.

4. Lessee shall bury pipelines and utility lines to a depth of not less than sixty inches (60") below the surface. Lessee shall pay Lessor for reasonable damages to all property, real, personal or mixed, caused by Lessee's operations on said land, including but not specifically limited to land, growing crops, grass, buildings, livestock, surface, fences and other improvements and personal property. All slush pits shall be filled and leveled within sixty (60) days after well completion or abandonment unless a longer time therefore is granted by Lessor, at his option. No debris of Lessor's operation shall be buried in any slush pits.

Lessee further agrees to pay to Lessor, a reasonable amount, but not less than \$2500 for each drill site location on cultivated lands of the leased premises and not less than \$1250.00 for each drill site location on grass lands of the leased premises. All damages to be paid to Tom W. Ahrens and Rosa M. Ahrens.

All damages under this Paragraph 4 shall be due and payable on or before three (3) months after such damages occur.

5. Lessor reserves the right to designate all routes of ingress and egress. Prior to the construction of any roads, pipelines, tank batter installations or installation of other equipment on the leased premises, Lessee shall consult and agree with the surface owner and tenant as to the location and direction of same. There shall be no oil road surfaces or hard surfacing of any access road without written consent of Lessor.

6. It is the intention of the parties hereto to cause as little interference with farming operations on said land as possible.

7. The use of water provided for under this lease is limited to use for drilling operations on the leased premises only. Lessee shall specifically not have any right to use fresh water from the above described premises for the purpose of water flooding or injection in any water flooding program in which the leased premises may for any reason be pooled or unitized.

8. The installation of any salt water disposal equipment by Lessee in the operation of the lease shall be subject to the written approval of Lessor. Lessee shall not be permitted to use any well drilled on the leased premises as a salt water disposal well without the written consent of Lessor and without compensating Lessor for the use thereof. Provided, however, the terms of this paragraph do not apply to the disposal of salt water produced from wells located on the leased premises.

9. Subject to Lessee's obligations under Paragraph 4 above, in the event there is no production in paying quantities found by any operations undertaken by Lessee during the primary term of the lease and there is an abandonment of said lease, the Lessee shall fill all pits, ponds, remove all structures and reasonably restore the premises to the condition existing at the time the lease is executed. Within six (6) months after the expiration of the lease by its terms, Lessee shall have the obligation to restore, as nearly as practicable as possible, the leased premises to the same condition as received, natural wear and tear and damages by the elements excepted.

10. Lessee agrees that at no time during the life of this lease shall the royalty paid to Lessor for a yearly period commencing with first production from the well, including the value of gas used as provided in Paragraph 3 above, computed at the price being paid to Lessor for such gas, be less than \$5.00 per acre. Such deficiency, if any, shall be paid to Lessor by Lessee within thirty (30) days after notice and written demand thereof is made by Lessor.

11. Notwithstanding any of the other provisions herein, not less than all of the lands covered by this lease shall be included in any one unit for the production of gas.

12. All zones below the deepest depth penetrated in any producing well located on the leased premises not producing at a point five (5) years after the expiration of the primary term of this lease shall be released by Lessee or his assigns.

13. Lessee agrees to maintain any well site, storage tank locations, or any other area used in its lease operations reasonably free of weeds, without the use of salt or chemical substances in such weed control.

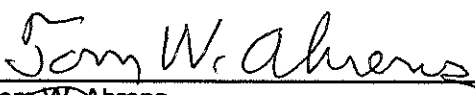

14. This lease shall not be assigned, in whole or in part, without the written consent of Lessor which consent shall not be unreasonably withheld.

15. Whenever necessary in this lease and addendum and where the context requires, the singular term and the related pronoun shall include the plural, the masculine and the feminine.

*ugh clause*  
X 16. If at the end of the primary term, this Lease is not otherwise continued in force under the provision hereof, this Lease shall expire, unless Lessee on or before the end of the primary term shall pay or tender to Lessor, the sum of \$10.00 multiplied by the number of net mineral acres owned by Lessor in the land above described and then subject to this lease, and subject to the other provisions of this lease, the primary term shall extend for an additional two (2) years from the end of the primary term hereof.

This Oil and Gas Lease and Addendum, and all their terms, conditions and stipulations, shall extend to and be binding on all the heirs, administrators, executors, trustees, successors and assigns of Lessor and Lessee.

IN WITNESS WHEREOF, the Lessor has caused this instrument to be signed on its behalf on the day and year first above written.

  
Tom W. Ahrens  
  
Rosa M. Ahrens

  
James D. Ahrens, Manager,  
Ahrens Land Company, LLC