

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 11443 INVOICE NO.

331626bar

PLAT NO. Cell: (620) 272-1499 burt@pro-stakellc.kscoxmail.com

 Palomino Petroleum, Inc.
 KDH-Kandt #1

 OPERATOR
 LEASE NAME

 Ness County, KS
 33
 16s
 26w
 1072' FSL - 1556' FEL

 COUNTY
 Sec.
 Twp.
 Rng.
 LOCATION SPOT

SCALE: 1" =1000'

DATE STAKED: Jan. 6th, 2014

MEASURED BY: Ben R.

DRAWN BY: Luke R.

AUTHORIZED BY: Klee W. and Rick S.

This drawing does not constitute a monumented survey or a land survey plat.

This drawing is for construction purposes only.

GR. ELEVATION: 2635.6°

Directions: From the SW side of Utica, KS at the intersection of Hwy 4 and Jackson Ave/D Rd – Now go 1 mile West on Hwy 4 – Now go 1 mile South on C Rd to the NE corner of Section 33-16s-26w – Now go 0.5 miles South on C Rd to an ingress stake West into – Now go 0.4 mile West on lease rd to ingress stake South into – Now go 932' South through wheat stubble into staked location. **Final ingress must be verified with land owner or Operator.**

2637 250 Rd (trail) 2639 2640 landowner contact info: Karen Hausman 719-282-1045 = home 3 phase powerline tenant contact info: Dennis Atwell 785-259-5893 = cell 785-621-4748 = hom tank battery 2698 tank battery ingress stak West into 2545 prod. well 2631.8' = gr. elev & is 931.7' North of staked loc. KDH-Kandt #1 ingress stake South into 1072' FSL - 1556' FEL crude oil pipeline 800-708-5071 2635.6' = gr. elev. at staked loc. Lat. = N38° 36' 47.596' Long. = W100° 11' 55.876" field entry NAD 27 KS-S wheat stubble X=1514683 Y=713212 E-W crop change is 161.7' South of staked loc. I staked location with 7' wood (painted orange & blue) and t-post Location falls in wheat stubble While standing at staked location looking 150' in all directions loc. has 1' bumps field entry wheat crude oil pipeline 800-708-5071 crude oil pipeline 800-708-5071 field entry 2627 240 Rd (gravel) 332X T 16 S 0 2640 T 17 S 21

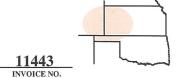


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KDH-Kandt #1

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burt@pro-stakellc.kscoxmail.com Palomino Petroleum, Inc.

LEASE NAME 33 16s **26w**

1072' FSL - 1556' FEL Ness County, KS LOCATION SPOT COUNTY Twp. Rng. Sec.

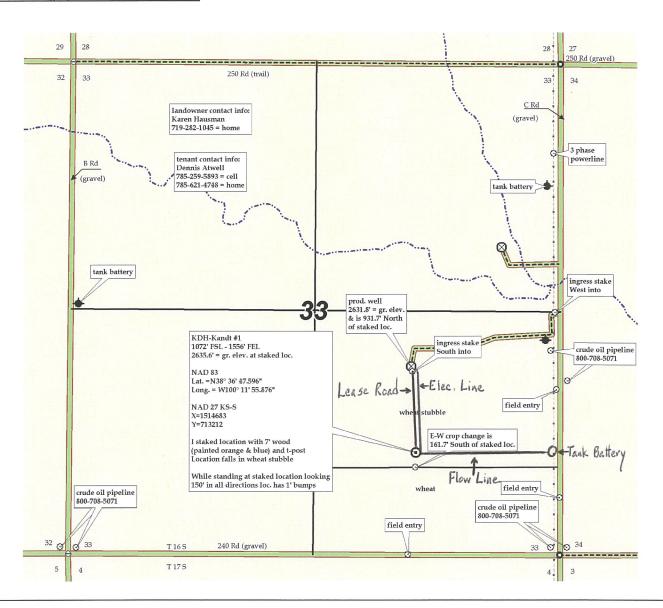
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63U (Re	ev. 1993)	OIL AND	AS LEASE	09-115	Wichita, KS 67201-0793 316-264-9344-264-5165 fax www.kbp.com - kbp@kbp.com
ACDDDMDNIM K	12tł	1	February	- -	2008
AGREEMENT, Made		day of .H. Enterprises			
and detween		4.			AM, o.,
+					The section of the se
whose mailing address is	4531 Timberwolf		ado Springs, Co		ssor (whether one or more),
and	Palomino Petro	leum Inc.			
		•			_, hereinafter caller Lessee:
of investigating, exploring by constituent products, injecting and things thereon to produce,	he royalties herein provided and geophysical and other means, gas, water, other fluids, and air save, take care of, treat, manufa om, and housing and otherwise	prospecting drilling, mining into subsurface strata, laying ceture, process, store and tancaring for its employees, the many caring for its employees.	see herein contained, hereby and operating for and produ pipe lines, storing oil, buildin spor, said oil, liquid hydrocart following described land, tog state of		unto lessee for the purpose gases, and their respective e lines, and other structures istituent products and other
		Section 33:	S/2SE/4		
				80	
In Sectionaccretions thereto.	Township		, and containing		acres, more or less, and all
			m of TILEE (5) years produced from said land or la	from this date (called "primary te and with which said land is pooled	rm"), and as long thereafter
1st. To deliver to the	e premises the said lessee covens credit of lessor, free of cost, in		may connect wells on said la	nd, the equal one-eighth (%) part o	f all oil produced and saved
from the leased premises. 2nd. To pay lessor for	or gas of whatsoever nature or l	tind produced and sold, or u	sed off the premises, or used	in the manufacture of any product	ts therefrom, one-eighth (%),
	re of products therefrom, said p per year per net mineral acre :			eived by lessee from such sales), fo ducing gas only is not sold or use de it will be considered that gas is	
This lease may be may	nintained during the primary to	he right to drill such well to	completion with reasonable	s. If the lessee shall commence to diligence and dispatch, and if oil	or gas, or eitner of them, oe
found in paying quantities, th If said lessor owns a	is lease shall continue and be in less interest in the above desci	force with like effect as it s bed land than the entire a	ich well had been completed nd undivided fee simple estat	within the term of years first ment te therein, then the royalties herei	ioneu.
	portion which lessor's interest b right to use, free of cost, gas, oil			ereon, except water from the wells	of lessor.
	sor, lessee shall bury lessee's pi d nearer than 200 feet to the ho		nises without written consent	of lessor.	
Lessee shall pay for d	amages caused by lessee's opera	itions to growing crops on sa	id land.	g the right to draw and remove cas	sing.
If the estate of either executors, administrators, suc lessee has been furnished wit	party hereto is assigned, and	the privilege of assigning nge in the ownership of th ent or a true copy thereof. In	in whole or in part is expres e land or assignment of rent n case lessee assigns this leas	sly allowed, the covenants hereof als or royalties shall be binding e, in whole or in part, lessee shall	shall extend to their heirs, on the lessee until after the
Lessee may at any ti- surrender this lease as to such	me execute and deliver to lesso portion or portions and be relie	r or place of record a releas- eved of all obligations as to t	e or releases covering any po he acreage surrendered.	rtion or portions of the above desc	
4.11			Ctutu I nuna Eugantina Ordar	s, Rules or Regulations, and this le or if such failure is the result of, a	ease shall not be terminated, ny such Law, Order, Rule or
Regulation. Lessor hereby warran	ts and agrees to defend the title	to the lands herein described	i, and agrees that the lessee s	hall have the right at any time to re e subrogated to the rights of the h er and homestead in the premises	edeem for lessor, by payment
as said right of dower and ho	nestead may in any way affect	the purposes for which this	ease is made, as recited herei	or any portion thereof with other	r land, lease or leases in the
immediate vicinity thereof, v conservation of oil, gas or of or units not exceeding 40 act record in the conveyance rec pooled into a tract or unit sh found on the pooled acreage, royalties elsewhere berein at	when in lessee's judgment it is her minerals in and under and es each in the event of an oil wo ords of the county in which the all be treated, for all purposes	necessary or advisable to that may be produced from rell, or into a unit or units n are land herein leased is situ except the payment of royal on is had from this lease, who producttion from a unit se	do so in order to properly disable premises, such pooling of exceeding 640 acres each tated an instrument identify lies on production from the prether the well or wells he look pooled only such portion of the process of the contract of th	to be of tracts contiguous to one a in the event of a gas well. Lessee ing and describing the pooled ac- locked unit, as if it were included i ated on the premises covered by the f the royalty stipulated herein as	nother and to be into a unit shall execute in writing and reage. The entire acreage so in this lease. If production is his lease or not. In lieu of the
	G GES				
ر. م					
i u	CHAL				
rai limaninaa maa	fiort de malantiment ausantife	hin instrument ou of the 3	and year first shove written		
IN WITNESS WHER Witnesses:	BOF, the undersigned execute t	nis instrument as of the day	And year list above written	Dono Thims	man)
	9 (1) / .		Kare	n Diane Hausman,	President
			TF 70	II Data TI	0

State of Kansas - Ness County

Book: 315 Page: 365
Receipt *: 3923
Pages Recorded: 2
Cashier Initials: MH

63U (Rev. 1993)

OIL AND GAS LEASE



VIL AND GA	Www.kbp.com · kbp@kbp.com
AGREEMENT, Made and entered into the day of	ebruary 2008
and between Paul O. Kandt and Neoma A. Kandt, T	rustees of the Kandt Family Living Trust
2101 South Yellow Wood No 25	Mesa, Az. 85209
Palomino Petroleum Inc.	bereinafter called Lessor (whether one or more),
Faionimo Fectoreum inc.	
	, hereinafter caller Lessee:
Lessor, in consideration of One and More ere acknowledged and of the royalties herein provided and of the agreements of the lessee nvestigating, exploring by geophysical and other means, prospecting drilling, mining and stituent products, injecting gas, water, other fluids, and air into subsurface strata, laying pip things thereon to produce, save, take care of, treat, manufacture, process, store and transpor ducts manufactured therefrom, and housing and otherwise caring for its employees, the foll	l operating for and producing oil, liquid hydrocarbons, all gases, and their respective to lines, storing oil, building tanks, power stations, telephone lines, and other structures t said oil, liquid hydrocarbons, gases and their respective constituent products and other lowing described land, together with any reversionary rights and after-acquired interest.
ein situated in County of <u>Ness</u> State	e of Kansas described as follows to-wit:
Township 16 South,	Range 26 West
Section 33: N/2SE/	
55502511 54 5 21, 452,	
	80
ations though	and containing acres, more or less, and all
Subject to the provisions herein contained, this leage shall remain in force for a term of liquid hydrocarbons, gas or other respective constituent products, or any of them, is pro	of Three (3) years from this date (called "primary term"), and as long thereafter duced 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 ma the leased premises.	y connect wells on said land, the equal one-eighth (%) part of all oil produced and saved
	off the premises, or used in the manufacture of any products therefrom, one-eighth (%),
he market price at the well, tout, as to gas sold by lessee, in no event more than one-sign mises, or in the manufacture of products therefrom, said payments to be made monthly. Voyalty One Dollar (\$1.00) per year per net mineral acre retained hereunder, and if such ming of the preceding paragraph.	Where gas from a well producing gas only is not sold or used, lessee any pay of tender
This bear may be maintained during the primary term harner without further page	nent or drilling operations. If the lessee shall commence to drill a well within the term
his lease or any extension thereof, the leasee shall have the right to drill such well to cor ad in paying quantities, this lease shall continue and be in force with like effect as if such	noletion with reasonable diligence and dispatch, and it oil or gas, or either or them, be
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
said lessor only in the proportion which lessor's interest bears to the whole and undivided Lessee shall have the right to use, free of cost, gas, oil and water produced on said lar	
When requested by lessor, lessee shall bury lessee's pipe lines below plow depth.	14 101 100000 0 0 0 0 0 0 0 0 0 0 0 0 0
No well shall be drilled nearer than 200 feet to the house or barn now on said premise	
Lessee shall pay for damnges caused by lessee's operations to growing crops on said later than the right at any time to remove all machinery and fixtures placed or	
If the salety of sixty wants house is against and the missilers of aggirping in the	whole or in part is expressly allowed the covenants hereof shall extend to their heirs,
entors, administrators, successors or assigns, but no change in the ownership of the is se has been furnished with a written transfer or assignment or a true copy thereof. In ca	ind or assignment of rentals or royalties shall be officing on the lesses that the use lesses assigns this lesse, in whole or in part, lesses shall be relieved of all obligations
respect to the assigned portion or portions arising subsequent to the date of assignment.	r releases covering any portion or portions of the above described premises and thereby
ender this lease as to such portion or portions and be relieved of all obligations as to the a	nerenge surrendered.
All express or implied covenants of this lease shall be subject to all Federal and Sta shale or in part, nor lessee held liable in damages, for failure to comply therewith, if con	tte Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, apliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or
ulation.	the state of the s
mortgages, taxes or other liens on the above described lands, in the event of default of ned lessors, for themselves and their heirs, successors and assigns, hereby surrender an	payment by lesson, and be sandyment to the premises described herein, in so far defended as recited herein.
Lessee, at its option, is hereby given the right and power to pool or combine the act	reage covered by this lease or any portion thereof with other land, record to promote the
nervation of oil, gas or other inflictant in an infect and the land the properties of the units not seeding 40 acress each in the event of an oil well, or into a unit or units not ord in the conveyance records of the county in which the land herein leased is situated, beld into a tract or unit shall be treated, for all purposes except the payment of royalties and on the pooled acreage, it shall be treated as if production is had from this lease, whether the production is the production of the production in the production is the production of the production of the production is the production of the	exceeding 640 acres each in the event of a gas well. Lessee shall execute in writing into a instrument identifying and describing the pooled acreage. The entire acreage so on production from the pooled unit, as if it were included in this lease. If production is her the well or wells be located on the premises covered by this lease or not. In lieu of the colled only anyth portion of the royalty stipulated herein as the amount of his acreage
valties elsewhere herein specified, lessor shall receive on production from a line so p teed in the unit or his royalty interest therein on an acreage basis bears to the total acreag	to an house in the hermanic and in the same
	n Stern.
OF MANICAC 3	2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2
STATE OF KANSAS SS & SUCCE Hards	
FILED FOR RECORD THIS 3 DAY OF THE	
2008 AT 1:25 O'CLOCK PM RECORDED IN	
BOOK 314 PAGE LONG TOWN	
REGISTER OF DEEDS	
FEE 32 TECH FUND 422	
a copi con antification construction	The state of the s
	440
IN WIPNESS WHEREOF, the undersigned execute this instrument as of the day a	nd year first above written.
IN WIPNESS WHEREOF, the undersigned execute this most sheet a	MALLER JAMAR
Kaul O. Kond TRUSTEE	I MANA M. LICAMONT CAR 2 200 M
Paul O. Kandt, Trustee	Neoma A. Kandt, Trustee
	Kandt Family Living Trust
Kandt Family Living Trust	