

ADDITIONAL LANDOWNERS:

BRENT & MARSELLA HEARN
100 CHESTNUT ST
STAFFORD, KS 67578

MERLYN & DIANA HEARN
74 NE 90TH AVE
STAFFORD, KS 67578

LAURA SUZANNE HILDEBRAND TRUST
110 CENTENNIAL
ST. JOHN, KS 67576

**H & D EXPLORATION, LLC
FRITZEMEIER LEASE
SE.1/4, SECTION 3, T25S, R12W
STAFFORD COUNTY, KANSAS**

Notes:

1. Set (2) wood stakes at location site.
2. All flagging Red & Yellow.
3. Overhead power available at N. & S. lines, Sec.3.
4. Kansas One Call System Inc. should be notified before excavation (1-800-344-7233).
5. CAUTION: Various pipelines in Sec.3.
6. Section 3 is irregular.
7. Found old well per magnetic response.
8. Contact landowner for best access and as to location of wood stakes in wheat.

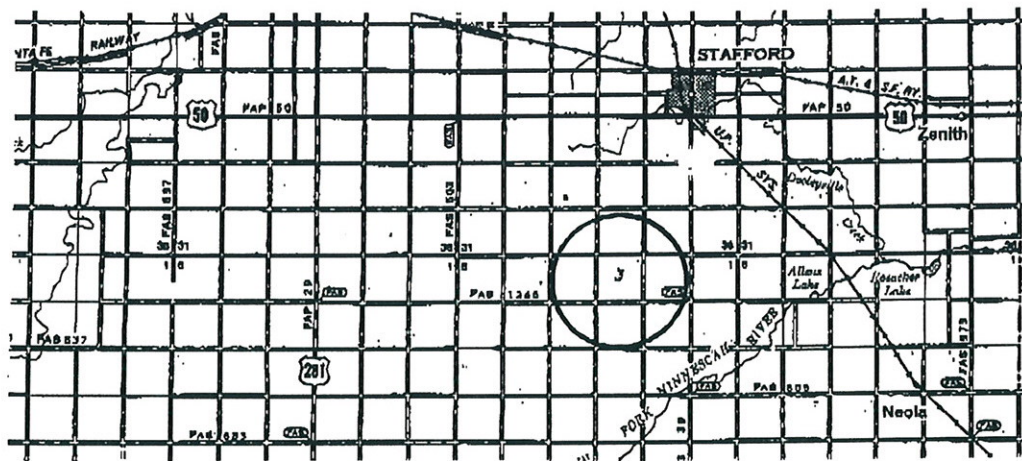
Old Well Location
Fritzemeier "B" #1 O.W.W.O.
2324'FSL 2325'FEL

Ground Elevation = 1866

Y = 450247 X = 1963669

State Plane-NAD 27-Kansas South
(Mapping Grade GPS Used)

FLAGGED
FIELD
ENTRANCE



*Ingress and egress to location as shown on this plat is per usage only and may not be legally opened for public use. Contact landowner, tenant and county road department for access.

SCALE 1" = 1000'

Controlling data is based upon the best maps and photographs available to us and upon a regular section of land containing 640 acres.
Appropriate section lines were determined using the national standard of care of oilfield surveyors practicing in the State of Kansas. The section corners, which establish the precise section lines, were not necessarily located, and the exact location of the wellsite location in the section is not guaranteed. Therefore, the operator securing this service and accepting this plat and all other parties relying thereon agree to hold Central Kansas Oilfield Services, Inc., its officers and employees harmless from all losses, costs and expenses and said entities released from any liability from incidental or consequential damages.
Elevations derived from National Geodetic Vertical Datum.

0018 January 15, 2014

CENTRAL KANSAS OILFIELD SERVICES, INC. (620)792-1977

Feb 1

63U (Rev. 1993)

Recorder No.
09-115
Kansas Blue Print
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 316-214-4444 FAX 316-214-4445
 www.kbcp.com
OIL AND GAS LEASE

AGREEMENT, Made and entered into the 7th day of February 2011

by and between **Charles Fritzemeier**where mailing address is **400 N. Park, Stafford KS 67578**and **Reif Drilling LLC****PO Box 298 Hoisington, KS 67544**

hereinafter called Lessor (whether one or more).

hereinafter called Lessee

Lessor, in consideration of **One** 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 all 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 accessory rights and after acquired interest, therein situated in County of **Stafford** State of **Kansas** described as follows to wit:

SE 4 3-25-12In Section **3**, Township **25**, Range **12**, and containing **160** acres, more or less, and all hereinafter 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 so 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 Lessor covenants and agrees:

1st. To deliver to the credit of lessee, 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 lessee 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 acre 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 lessee 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 lessee 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 lessee.

When requested by lessee, 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 lessee.

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 interests 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 lessee or place of record a release or releases covering any portion or portions of the above described premises and thereby sever this lease as to such portion or portions and be relieved of all obligations as to the acreage so released.

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 warrant 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 of units not exceeding 40 acres each in the event of an oil well, or into a unit or units not exceeding 80 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 otherwise 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 as an acreage basis bears to the total acreage so pooled in the particular unit involved.

Note: At the end of said lease, Reif Drilling LLC has the option to extend this lease for one year at \$5.00 per acre.

Lu Ann Krister
 Register of Deeds,
 Stafford County, KS

Book: 221 Page: 751
 Receipt #: 10659
 Pages Recorded: 2
 Date Recorded: 2/8/2011 18:33:40 AM

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

 Witness:
Charles Fritzemeier

OIL AND GAS LEASE

THIS AGREEMENT, Entered into this the 25th day of January, 2011, by and between:
Brent G Hearn & Marsella G Hearn, Husband & Wife; Merlyn E Hearn & Diana Hearn Husband & Wife

hereinafter called lessor (whether one or more), and H & D ENERGY, LLC, 1492 NW 10 Ave. Hoisington, KS 67544, hereinafter called lessee, as follows:

1. That lessor, for and in consideration of Ten (\$10,000) and more Dollars, in hand paid, and of the covenants and agreements hereinafter contained to be performed by the lessee, has this day granted, leased and let and by these presents does hereby grant, lease and let exclusively unto the lessee the hereinafter described land, with any reversionary rights therein, for the purpose of carrying on geological, geophysical and other exploratory work thereon, including seismic operations and the drilling, mining, and operating for, producing and saving all of the oil, gas, gas condensate, gas distillate, casing head gasoline and their respective constituent vapors, and all other gases, found thereon, the exclusive right of injecting water, brine, and other fluids and substances into the subsurface strata, and for constructing roads, laying pipe lines, building tanks, storing oil, building power stations, electrical lines and other structures thereon necessary or convenient 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, and the injection of water, brine, and other substances into the subsurface strata, said tract of land being situated in the County of Stafford, State of Kansas, described as follows:

North West Quarter of 3-25-12 - NW/4 of 3-25-12

Books: 221 Page: 630
 Receipt #: 10825 Total Fees: \$12.86
 Pages Recorded: 2
 Date Recorded: 1/28/2011 0:13:51 AM

containing 160 acres, more or less.

Lu Ann Brister
 Register of Deeds
 Stafford County, KS

2. This lease shall remain in force for a term of 2 year(s) from the above date (called "primary term") and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of the products covered by this lease is produced from said land or land with which said land is pooled.

3. The lessee shall deliver to lessor as royalty, free of cost, on the lease, or into the pipe line to which lessee may connect its wells the equal 1/8th part of all oil produced and saved from the leased premises.

4. The lessee shall pay to the lessor, as a royalty, 1/8th of the proceeds received by the lessee from the sale of gas, gas condensate, gas distillate, casinghead gas, gas used for the manufacture of gasoline or any other product, and all other gases, including their constituent parts, produced from the land herein leased. If such gas is not sold by the lessee, lessee shall pay or tender annually at or before the end of each yearly period during which such gas is not sold, as a shut-in royalty, whether one or more wells, an amount equal to \$1.00 per acre multiplied by the number of acres covered by this lease. While said shut in royalty is so paid or tendered, it will be considered under all provisions of this lease that gas is being produced in paying quantities. The first yearly period during which such gas is not sold shall begin on the date the first well is completed for production of gas or the date the well is shut-in.

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

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

7. The lessee shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from existing wells of the lessor. Lessee shall bury its pipe lines below plow depth and shall pay for damage caused by its operations on said land. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of the 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.

8. If the estate of either party hereto is assigned (and the privilege of assigning in whole or in part is expressly allowed), the covenants hereof shall extend to the heirs, devisees, executors, administrators, successors and assigns, but no change or division in ownership of the land, rentals, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of lessee, and no change of ownership in the land or in the rentals or 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 certified copy of the will of any deceased owner and of the probate thereof, or a 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 of the full interest claimed, and all advance payments of rentals made hereunder before receipt of said documents shall be binding on any direct or indirect assignee, grantee, devisee, or administrator, executor, or heir of lessor.

9. If the leased premises are now or shall hereafter be owned in severalty or in separate tracts, the premises may nonetheless be developed and operated as one lease, and all royalties and rentals 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 measuring or receiving tanks.

10. If at the expiration of the primary term oil or gas is not being produced on said land, but lessee is then engaged in drilling or reworking operations thereon, the lease shall remain in force so long as operations are prosecuted either on the same well or any other well thereafter commenced, with no cessation of more than one hundred twenty (120) consecutive days, and if they result in the production of oil or gas, this lease shall remain in effect so long thereafter as there is production of oil or gas under any provision of this lease.

11. Lessee may at any time surrender or cancel this lease in whole or in part by delivering or mailing such release to the lessor, or by placing same of record in the proper county. In case said lease is surrendered and canceled as to only a portion of the acreage covered thereby, then all payments and liabilities thereafter accruing under the terms of said lease as to the portion canceled shall cease and determine and any rentals thereafter paid may be apportioned on an acreage basis, 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.

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

13. It is the intention of the parties hereto to cause as little interference with farming operations on said land as possible. If the said land is irrigated land, any equipment required for production of oil or gas will be placed on the land with the height of such equipment at a level which will permit circular sprinkler systems to operate on said land without interference and without the use of earthen or metal ramps. Lessee agrees to not place leasehold equipment in the path of the irrigation wheels. All tank batteries shall be located in a corner of the land outside the path of the irrigation system. Lessee agrees to utilize low profile pumping units on all wells on the land which will not interfere with the overhead passage of the irrigation system. Lessee shall conduct all drilling operations of wells during months when no growing crops are on the land which need to be irrigated. Lessor recognizes that reworking equipment may be required on the well during irrigation periods, however, the lessee, or the tenant, shall be consulted prior to the work being done.

14. Lessee, at its option, is hereby given the right and power to pool or combine into one or more units the land covered by this lease, or any portion thereof, with other land covered by another lease, or leases when, in lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of such minerals in and under said land, such pooling to be in a unit or units of ten (10) acres each in the event of an oil well, or into a unit or units not exceeding 320 acres each in the event of a gas and/or condensate or distillate well, plus a tolerance of ten percent (10%) to conform to Governmental Survey quarter sections. Lessee shall execute in writing and file for record in the county in which the land is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a unit or units shall be treated for all purposes, except the payments of royalties on production from the pooled unit, as if it were included in this lease. If production is found on any part of the pooled acreage it shall be treated as if production is had from this lease whether any well is located on the land covered by this lease or not. Any well drilled on any such unit shall be and constitute a well hereunder. In lieu of the royalties elsewhere herein specified lessor shall receive on production from the unit so pooled only such portion of the royalty stipulated herein as the amount of his net royalty interest therein on an acreage basis bears to the total mineral acreage so pooled in the particular unit involved.

15. Lessee, its successors and assigns, shall have the sole and exclusive option, but not the obligation, ending upon the expiration date of the primary term of this lease, to elect to extend the term of said lease for a term of One (1) year by tendering to Lessor hereunder the sum of \$5.00 per net mineral acre owned by Lessor. Lessee shall file an Affidavit of Extension in the office of the Register of Deeds, upon its election to exercise the foregoing option.

16. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors and assigns of said lessor and lessee.

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

Brent G Hearn - SS #
Merlyn E Hearn
 Merlyn E Hearn - SS #

Marsella G Hearn - SS #
Diana M Hearn
 Diana M Hearn - SS #

OIL AND GAS LEASE

THIS AGREEMENT, Entered into this the 25 day of January, 2011, by and between:
Brent G Hearn & Margella G Hearn Husband & Wife; Merlyn E Hearn & Diana M Hearn Husband & Wife

hereinafter called lessor (whether one or more), and H & D ENERGY, LLC, 1492 NW 10 Ave. Hoisington, KS 67544, hereinafter called lessee, as follows:

1. That lessor, for and in consideration of Ten (\$10.00) and more Dollars, in hand paid, and of the covenants and agreements hereinafter contained to be performed by the lessee, has this day granted, leased and let and by these presents does hereby grant, lease and let exclusively unto the lessee the hereinafter described land, with any reversionary rights therein, for the purpose of carrying on geological, geophysical and other exploratory work thereon, including seismic operations and the drilling, mining, and operating for, producing and saving all of the oil, gas, gas condensate, gas distillate, casing head gasoline and their respective constituent vapors, and all other gases, found thereon, the exclusive right of injecting water, brine, and other fluids and substances into the subsurface strata, and for constructing roads, laying pipe lines, building tanks, storing oil, building power stations, electrical lines and other structures thereon necessary or convenient 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, and the injection of water, brine, and other substances into the subsurface strata, said tract of land being situated in the County of Stafford, State of Kansas, described as follows:

South West Quarter of 3-25-12 - SW/4 of 3-25-12

Book: 221 Page: 632

Receipt #: 18825 Total Fees: \$12.00

Pages Recorded: 2 Date Recorded: 1/28/2011 8:13:52 AM

containing 160 acres, more or less.

Lu Ann Brister
 Register of Deeds
 Stafford County, KS

2. This lease shall remain in force for a term of 2 year(s) from the above date (called "primary term") and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of the products covered by this lease is produced from said land or land with which said land is pooled.

3. The lessee shall deliver to lessor as royalty, free of cost, on the lease, or into the pipe line to which lessee may connect its wells the equal 1/8th part of all oil produced and saved from the leased premises.

4. The lessee shall pay to the lessor, as a royalty, 1/8th of the proceeds received by the lessor from the sale of gas, gas condensate, gas distillate, casinghead gas, gas used for the manufacture of gasoline or any other product, and all other gases, including their constituent parts, produced from the land herein leased. If such gas is not sold by the lessee, lessee shall pay or tender annually at or before the end of each yearly period during which such gas is not sold, as a shut-in royalty, whether one or more wells, an amount equal to \$1.00 per acre multiplied by the number of acres covered by this lease. While said shut in royalty is so paid or tendered, it will be considered under all provisions of this lease that gas is being produced in paying quantities. The first yearly period during which such gas is not sold shall begin on the date the first well is completed for production of gas or the date the well is shut in.

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

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

7. The lessee shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from existing wells of the lessor. Lessee shall bury its pipe lines below plow depth and shall pay for damage caused by its operations on said land. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of the 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.

8. If the estate of either party hereto is assigned (and the privilege of assigning in whole or in part is expressly allowed), the covenants hereof shall extend to the heirs, devisees, executors, administrators, successors and assigns, but no change or division in ownership of the land, rentals, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of lessee, and no change of ownership in the land or in the rentals or 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 certified copy of the will of any deceased owner and of the probate thereof, or a 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 of the full interest claimed, and all advance payments of rentals made hereunder before receipt of said documents shall be binding on any direct or indirect assignee, grantee, devisee, or administrator, executor, or heir of lessor.

9. If the leased premises are now or shall hereafter be owned in severally or in separate tracts, the premises may nonetheless be developed and operated as one lease, and all royalties and rentals 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 measuring or receiving tanks.

10. If at the expiration of the primary term oil or gas is not being produced on said land, but lessee is then engaged in drilling or reworking operations thereon, the lease shall remain in force so long as operations are prosecuted either on the same well or any other well thereafter commenced, with no cessation of more than one hundred twenty (120) consecutive days, and if they result in the production of oil or gas, this lease shall remain in effect so long thereafter as there is production of oil or gas under any provision of this lease.

11. Lessee may at any time surrender or cancel this lease in whole or in part by delivering or mailing such release to the lessor, or by placing same of record in the proper county. In case said lease is surrendered and canceled as to only a portion of the acreage covered thereby, then all payments and liabilities thereafter accruing under the terms of said lease as to the portion canceled shall cease and determine and any rentals thereafter paid may be apportioned on an acreage basis, 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.

12. 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 (for 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, the primary term of this lease shall continue until six months after said order is suspended.

13. It is the intention of the parties hereto to cause as little interference with farming operations on said land as possible. If the said land is irrigated land, any equipment required for production of oil or gas will be placed on the land with the height of such equipment at a level which will permit circular sprinkler systems to operate on said land without interference and without the use of earthen or metal ramps. Lessee agrees to not place leasehold equipment in the path of the irrigation wheels. All tank batteries shall be located in a corner of the land outside the path of the irrigation system. Lessee agrees to utilize low profile pumping units on all wells on the land which will not interfere with the overhead passage of the irrigation system. Lessee shall conduct all drilling operations of wells during months when no growing crops are on the land which need to be irrigated. Lessor recognizes that reworking equipment may be required on the well during irrigation periods, however, the lessee, or the tenant, shall be consulted prior to the work being done.

14. Lessee, at its option, is hereby given the right and power to pool or combine into one or more units the land covered by this lease, or any portion thereof, with other land covered by another lease, or leases when, in lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of such minerals in and under said land, such pooling to be in a unit or units of ten (10) acres each in the event of an oil well, or into a unit or units not exceeding 320 acres each in the event of a gas and/or condensate or distillate well, plus a tolerance of ten percent (10%) to conform to Governmental Survey quarter sections. Lessee shall execute in writing and file for record in the county in which the land is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a unit or units shall be treated for all purposes, except the payments of royalties on production from the pooled unit, as if it were included in this lease. If production is found on any part of the pooled acreage it shall be treated as if production is had from this lease whether any well is located on the land covered by this lease or not. Any well drilled on any such unit shall be and constitute a well hereunder. In lieu of the royalties elsewhere herein specified lessor shall receive on production from the unit so pooled only such portion of the royalty stipulated herein as the amount of his net royalty interest therein on an acreage basis bears to the total mineral acreage so pooled in the particular unit involved.

5. Lessee, its successors and assigns, shall have the sole and exclusive option, but not the obligation, ending upon the expiration date of the primary term of this lease, to elect to extend the term of said lease for a term of One (1) year by tendering to Lessor hereunder the sum of \$5.00 per net mineral acre owned by Lessor. Lessee shall file an Affidavit of Extension in the office of the Register of Deeds, upon its election to exercise the foregoing option.

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

Brent G Hearn
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Margella G Hearn
 Margella G Hearn - SS #
Diana M Hearn
 Diana M Hearn - SS #

63U (Rev. 1993)

Recorder No.
09-115Kansas Blue Print
100% Blue-ink Print
K-100-100-100-100-100
K-100-100-100-100-100
K-100-100-100-100-100
K-100-100-100-100-100

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 7th day of February, 2011
by and between Laura Suzanne Hildebrand Trust

whose mailing address is 110 Centennial St. John, KS 67576, hereinafter called Lessor (whether one or more),
Reif Drilling LLC
PO Box 298 Holsington, KS 67544, hereinafter called Lessee

Lessee, in consideration of One Dollar (\$1.00) can have full, lawful and sole right to use and occupy the premises hereinafter described, hereby grant, lease and let 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, including gas, water, ether fluids, and all other substances, steam, laying pipe lines, 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 having and enjoying said premises for its employees, the following described land, together with any reversionary rights and after acquired interest, therein situated in County of Stafford State of Kansas, described as follows to wit:

NE4 3-25-12

In Section 3, Township 25, Range 12, 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 Lessee for gas of whatever nature or kind produced and sold, or used off the premises, or used in the manufacture of any products therefrom, one eighth (1/8) of the market price at the well, then, 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, and 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 acre per year not 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 lease interest in the above described land from 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 farm house 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 of 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 existing 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 under signed Lessee, 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 80 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.

NOTE: At the end of said lease, Reif Drilling LLC has the option to extend this lease for one year at \$5.00 per acre.

In And Teste:
Register of Deeds
Stafford County, KS
Book: 228 Page: 1
Record #: 10449 Date Recd: 12-3
Date Recorded: 2
Date Re-recorded: 341 06/11 12:00 PM

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

Laura Suzanne Hildebrand Trust
By Ronald S. Hildebrand, Trustee
Dwight S. Hildebrand, Trustee