



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

KANSAS CORPORATION COMMISSION 1193980  
 OIL & GAS CONSERVATION DIVISION

Form C-1  
 March 2010

Form must be Typed  
 Form must be Signed  
 All blanks must be Filled

**NOTICE OF INTENT TO DRILL**

*Must be approved by KCC five (5) days prior to commencing well*

*Form KSONA-1, Certification of Compliance with the Kansas Surface Owner Notification Act, MUST be submitted with this form.*

Expected Spud Date: \_\_\_\_\_  
month day year

OPERATOR: License# \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Address 1: \_\_\_\_\_  
 Address 2: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ + \_\_\_\_\_  
 Contact Person: \_\_\_\_\_  
 Phone: \_\_\_\_\_

CONTRACTOR: License# \_\_\_\_\_  
 Name: \_\_\_\_\_

Well Drilled For:	Well Class:	Type Equipment:
<input type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input type="checkbox"/> Infield
<input type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input type="checkbox"/> Pool Ext.
	<input type="checkbox"/> Disposal	<input type="checkbox"/> Wildcat
<input type="checkbox"/> Seismic ; _____ # of Holes	<input type="checkbox"/> Other	<input type="checkbox"/> Mud Rotary
<input type="checkbox"/> Other: _____		<input type="checkbox"/> Air Rotary
		<input type="checkbox"/> Cable
<input type="checkbox"/> If OWWO: old well information as follows:		

Operator: \_\_\_\_\_  
 Well Name: \_\_\_\_\_  
 Original Completion Date: \_\_\_\_\_ Original Total Depth: \_\_\_\_\_

Directional, Deviated or Horizontal wellbore?  Yes  No  
 If Yes, true vertical depth: \_\_\_\_\_  
 Bottom Hole Location: \_\_\_\_\_  
 KCC DKT #: \_\_\_\_\_

Spot Description: \_\_\_\_\_  
 \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ Sec. \_\_\_\_\_ Twp. \_\_\_\_\_ S. R. \_\_\_\_\_  E  W  
(Q/Q/Q/Q) \_\_\_\_\_ feet from  N /  S Line of Section  
 \_\_\_\_\_ feet from  E /  W Line of Section

Is SECTION:  Regular  Irregular?  
 (Note: Locate well on the Section Plat on reverse side)

County: \_\_\_\_\_  
 Lease Name: \_\_\_\_\_ Well #: \_\_\_\_\_

Field Name: \_\_\_\_\_  
 Is this a Prorated / Spaced Field?  Yes  No

Target Formation(s): \_\_\_\_\_  
 Nearest Lease or unit boundary line (in footage): \_\_\_\_\_

Ground Surface Elevation: \_\_\_\_\_ feet MSL  
 Water well within one-quarter mile:  Yes  No

Public water supply well within one mile:  Yes  No

Depth to bottom of fresh water: \_\_\_\_\_  
 Depth to bottom of usable water: \_\_\_\_\_

Surface Pipe by Alternate:  I  II  
 Length of Surface Pipe Planned to be set: \_\_\_\_\_

Length of Conductor Pipe (if any): \_\_\_\_\_  
 Projected Total Depth: \_\_\_\_\_

Formation at Total Depth: \_\_\_\_\_  
 Water Source for Drilling Operations:  
 Well  Farm Pond  Other: \_\_\_\_\_

DWR Permit #: \_\_\_\_\_  
 (Note: Apply for Permit with DWR )

Will Cores be taken?  Yes  No  
 If Yes, proposed zone: \_\_\_\_\_

**AFFIDAVIT**

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 et. seq.

It is agreed that the following minimum requirements will be met:

1. Notify the appropriate district office **prior** to spudding of well;
2. A copy of the approved notice of intent to drill **shall be** posted on each drilling rig;
3. The minimum amount of surface pipe as specified below **shall be set** by circulating cement to the top; in all cases surface pipe **shall be set** through all unconsolidated materials plus a minimum of 20 feet into the underlying formation.
4. If the well is dry hole, an agreement between the operator and the district office on plug length and placement is necessary **prior to plugging**;
5. The appropriate district office will be notified before well is either plugged or production casing is cemented in;
6. If an ALTERNATE II COMPLETION, production pipe shall be cemented from below any usable water to surface within **120 DAYS** of spud date. Or pursuant to Appendix "B" - Eastern Kansas surface casing order #133,891-C, which applies to the KCC District 3 area, alternate II cementing must be completed within 30 days of the spud date or the well shall be plugged. **In all cases, NOTIFY district office** prior to any cementing.

**Submitted Electronically**

<p><b>For KCC Use ONLY</b></p> <p>API # 15 - _____</p> <p>Conductor pipe required _____ feet</p> <p>Minimum surface pipe required _____ feet per ALT. <input type="checkbox"/> I <input type="checkbox"/> II</p> <p>Approved by: _____</p> <p><b>This authorization expires:</b> _____  <small>(This authorization void if drilling not started within 12 months of approval date.)</small></p> <p>Spud date: _____ Agent: _____</p>
--

**Remember to:**

- File Certification of Compliance with the Kansas Surface Owner Notification Act (KSONA-1) with Intent to Drill;
- File Drill Pit Application (form CDP-1) with Intent to Drill;
- File Completion Form ACO-1 within 120 days of spud date;
- File acreage attribution plat according to field proration orders;
- Notify appropriate district office 48 hours prior to workover or re-entry;
- Submit plugging report (CP-4) after plugging is completed (within 60 days);
- Obtain written approval before disposing or injecting salt water.
- If well will not be drilled or permit has expired (See: authorized expiration date) please check the box below and return to the address below.

**Well will not be drilled or Permit Expired** Date: \_\_\_\_\_  
 Signature of Operator or Agent: \_\_\_\_\_

Mail to: KCC - Conservation Division,  
 130 S. Market - Room 2078, Wichita, Kansas 67202

E  
 W

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

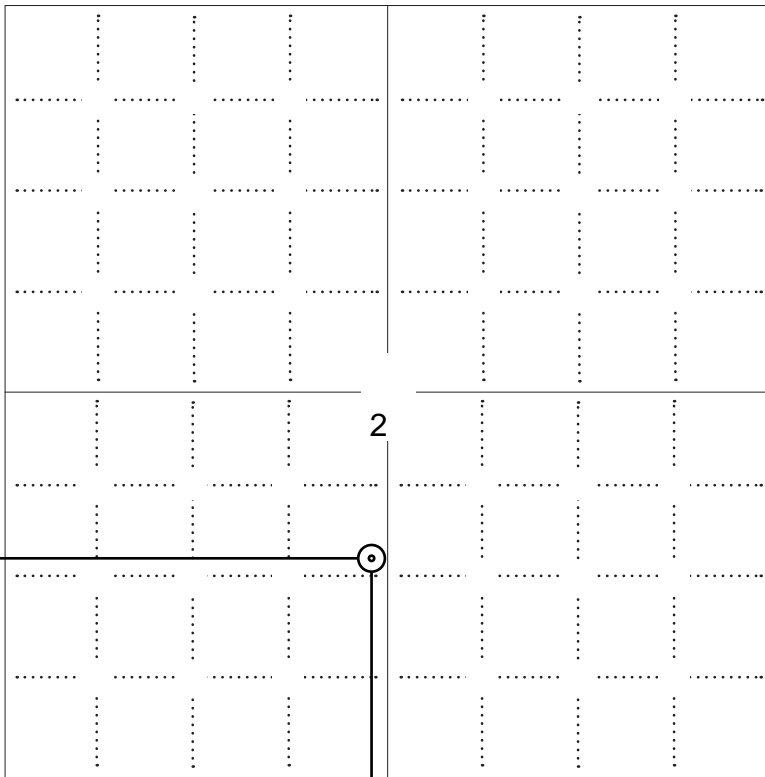
Is Section:  Regular or  Irregular

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

Section corner used:  NE  NW  SE  SW

**PLAT**

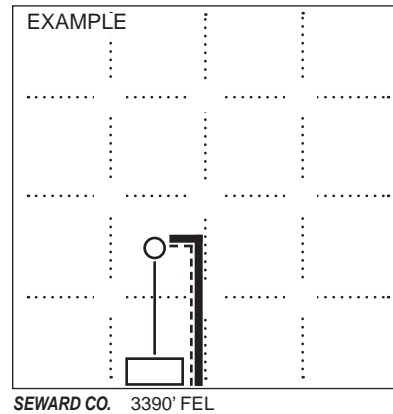
Show location of the well. Show footage to the nearest lease or unit boundary line. Show the predicted locations of lease roads, tank batteries, pipelines and electrical lines, as required by the Kansas Surface Owner Notice Act (House Bill 2032). You may attach a separate plat if desired.



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

**LEGEND**

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



1500 ft.

**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.*

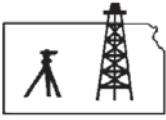
*If this form is being submitted with a Form C-1 (Intent) or CB-1 (Cathodic Protection Borehole Intent), you must supply the surface owners and the KCC with a plat showing the predicted locations of lease roads, tank batteries, pipelines, and electrical lines. The locations shown on the plat are preliminary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

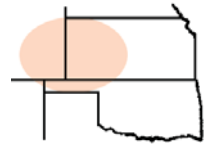


# Pro-Stake LLC

Oil Field & Construction Site Staking

P.O. Box 2324  
Garden City, Kansas 67846  
Office/Fax: (620) 276-6159  
Cell: (620) 272-1499

burt@pro-stakellc.kscoxmail.com



**002239**  
PLAT NO.

**11556**  
INVOICE NO.

## Murfin Drilling Company, Inc.

OPERATOR

## Hamilton County, KS

COUNTY

## Collingwood-Gillam Unit #1-2

LEASE NAME

## 1500' FSL - 2520' FWL

LOCATION SPOT

**2**      **22s**      **39w**  
Sec.      Twp.      Rng.

SCALE: 1" = 1000'

DATE STAKED: Feb. 26<sup>th</sup>, 2014

MEASURED BY: Luke R.

DRAWN BY: Norby S.

AUTHORIZED BY: Shauna G.

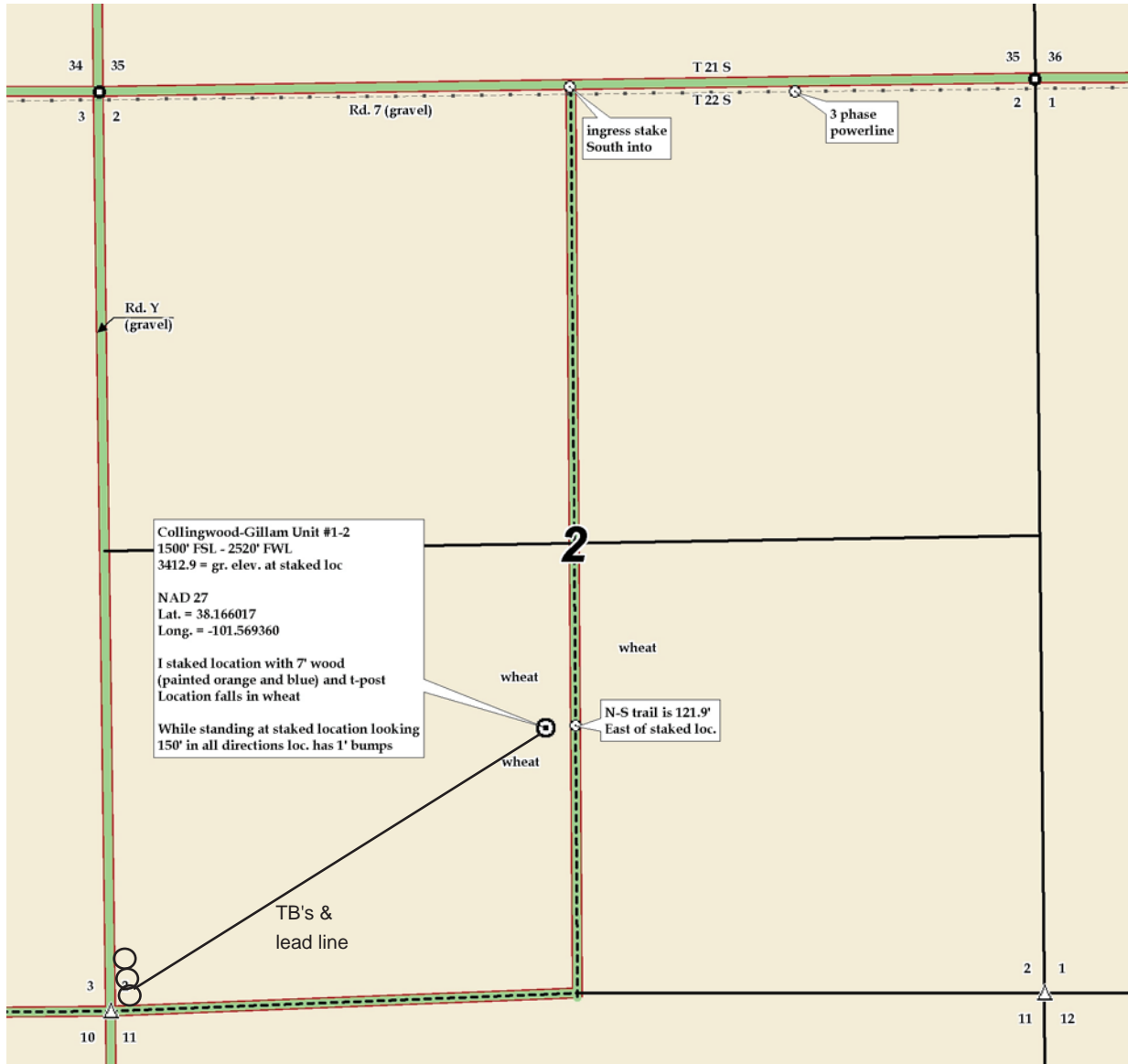


GR. ELEVATION: **3412.9'**

**Directions:** From the approx. 0.8 mile North of Kendall, Ks at the intersection of Hwy 50 and County Rd. A – Now go 16 miles North on County Rd. A – Now go 1 mile West on Rd. 7 to the NE corner of section 2-22s-39w – Now go 0.5 mile West on Rd. 7 to ingress stake South into – Now go 0.7 mile South on trail – Now go 122' West through wheat, into staked location.

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

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





OIL AND GAS LEASE

24784

AGREEMENT, Made and entered into the 20th day of December 2012

by and between Edna E. Collingwood Trust dated December 27, 1971

whose mailing address is PO Box 1184, Hutchinson, KS 67504-1184 hereinafter called Lessor (whether one or more), and Murfin Drilling Company, Inc., 250 N. Water, STE 300, Wichita, KS 67202 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 Hamilton State of Kansas described as follows to-wit:

Township 22 South, Range 39 West Section 2: SE/4

In Section XXXX Township XXXX Range XXXX and containing 160 acra, more or less, and all accretions thereto.

Subject to the provisions herein contained, this lease shall remain in force for a term of two(2) years from this date (called "primary term"), and as long thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, or any of them, is produced from said land or land with which said land is pooled.

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

- 1st. To deliver to the credit of lessor, free of cost, in the pipe line to which lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.
2nd. To pay lessor for gas of whatsoever nature or kind produced and sold, or used off the premises, or used in the manufacture of any products therefrom, one-eighth (1/8), at the market price at the well, (but, as to gas sold by lessee, in no event more than one-eighth (1/8) of the proceeds received by lessee from such sales), for the gas sold, used off the premises, or in the manufacture of products therefrom, said payments to be made monthly. Where gas from a well producing gas only is not sold or used, lessee may pay or tender as royalty One Dollar (\$1.00) per 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 growing crops on said land.

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

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

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

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

Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the lessee shall have the right at any time to redeem for lessor, by payment any mortgages, taxes or other liens on the above described lands, in the event of default of payment by lessor, and be subrogated to the rights of the holder thereof, and the undersigned 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.

\*\*\*See Addendum attached hereto and made a part hereof.

If at the end of the primary term, this Lease is not otherwise continued in force under the provisions 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 \$25.00 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 be extended for an additional term of two(2) years from the end of the primary term hereof.

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

Witnesses:

William L. Engler, Trustee

Edward M. Banning, Trustee

#3535-045

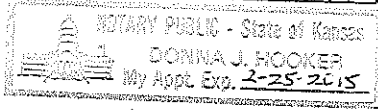
STATE OF KANSAS  
COUNTY OF RENO

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)

The foregoing instrument was acknowledged before me this 7<sup>th</sup> day of JANUARY, 2013  
by William L. Engler, Trustee of the Edna E. Collingwood Trust and dated December 27, 1971.

My commission expires February 25, 2015

Donna J. Hooker  
Notary Public



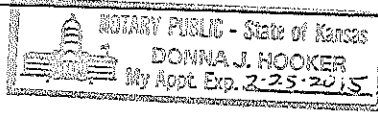
STATE OF KANSAS  
COUNTY OF RENO

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)

The foregoing instrument was acknowledged before me this 7<sup>th</sup> day of JANUARY, 2013  
by Edward M. Banning, Trustee of the Edna E. Collingwood Trust dated December 27, 1971.

My commission expires February 25, 2015

Donna J. Hooker  
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	No. of Acres	Twp.	Rge.	Term	County	STATE OF	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 KANSAS  
HAMILTON COUNTY § 701  
This instrument was filed for record  
on the 24<sup>TH</sup> day of SEPTEMBER  
A.D. 2012 at 2:25 clock P M.  
and duly recorded in book 52  
Page 90 fee \$ 24.00  
Vicky Valentine  
Register of Deeds



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

Copy ✓  
Numerical ✓  
Computer ✓  
Indirect \_\_\_\_\_  
Direct \_\_\_\_\_

ADDENDUM to an Oil & Gas lease dated December 20, 2012, between the Edna E. Collingwood Trust under agreement dated 12-27-71, hereinafter collectively referred to as Lessor, and Murfin Drilling Company, Inc., as Lessee

This addendum is a part of that certain oil and gas lease identified above by date and parties covering the Southeast Quarter of Section 2, Township 22S, Range 39W, Hamilton 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. It is agreed by the Lessor and Lessee of this lease, where the words "one-eighth (1/8)" or any other interest appears, it shall read "three-sixteenths (3/16ths)" in each case.
2. Lessee shall not deduct from any royalty payments due to Lessor any costs, including, but not limited to, compression, dehydration and gathering, or such other costs to produce gas and/or oil in a marketable condition whether such costs are incurred on or off the leased premises.
3. Lessor reserves the right to grant, lease, mine and/or produce mineral from said lands, except interests in gas and oil and their constituent products.
4. 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.
5. Lessor shall have the right to purchase from Lessee gas at the wellhead price from any gas well located on the leased premises, or on any land unitized or pooled therewith, for his or his tenant's use in farming operations, including fuel for pumping water wells for irrigation both on and off the land covered by this lease and grain drying, subject to the following:
  - (a) Lessor shall have the right to purchase from any gas well up to Lessor's proportionate share of 3/16 of the gas produced from such gas well at a price not to exceed the same price per MCF received by Lessor as royalty;
  - (b) Any gas purchased by Lessor shall be purchased at a point to be designated by Lessee at or near the mouth of the well;
  - (c) The Lessor shall install, operate and maintain at or near said designated point all connections, regulator and meters necessary to control and measure such gas at the sole cost and liability of Lessor;
  - (d) All such meters and appurtenant equipment installed by Lessor shall remain the property of Lessor. Lessor, at his own risk and expense and at locations that will not interfere with Lessee's lease operations, shall install, operate and maintain the line necessary to service the engine operating the pump equipment.
  - (e) The equipment and facilities used in the purchase measurement and transportation of such gas and utilization and operation thereof shall at all times be in compliance with all reasonable current requirements of the Lessee. Lessor will at all times hold Lessee harmless from all claims and liabilities arising from the taking, transportation and use of such gas.
  - (f) Nothing herein contained shall operate by implication or enlarge or increase the obligations which Lessee would have in the absence of this section as to the operation of said well or impair any right it would otherwise have to determine the quantity of gas it shall produce at any particular time; and the purchase, transportation and use of such gas shall be without interference or danger to Lessee's property or its rights and operations under the lease.
  - (g) Should a breach of Lessor's obligation occur under this paragraph 5, Lessee shall notify Lessor in writing of such breach and Lessor shall remedy same within thirty (30) days, or Lessor's privilege hereunder to purchase such gas shall be revoked.
  - (h) Lessor agrees that it will NOT use gas for domestic purposes or to heat and/or light any other building or structures whether on or off the lands.

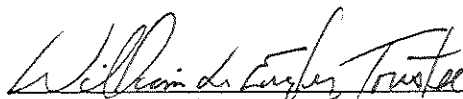


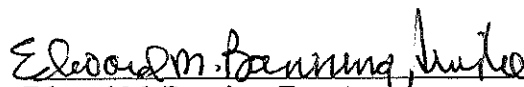
6. Lessee shall pay for damages caused by its operations on said land. All pipelines and powerlines which shall be constructed under this lease shall be located in such a manner that they will be laid and placed parallel with the flow of irrigation water as it is related unto the field except that such lines may be constructed as right angles to the flow of the water at the very boundary line or edge of the field. All power lines shall be buried below thirty-six (36) inches in depth. All damages payable under this Paragraph 6 shall be due and payable on or before three (3) months after such damages are remediated. Lessor reserves the right to designate all routes of ingress and egress which shall be done on a reasonable and good faith basis. Prior to the construction of any roads, pipelines, tank battery installations, or installation of other equipment on the leased premises, Lessee and the surface owner and/or tenant shall mutually agree as to the location and direction of same. There shall be no oil road surfacing of any access roads without the written consent of Lessor.
7. It is the intention of the parties hereto to cause as little interference with farming operations on said land as possible, including but not limited to the operation of pivotal irrigation sprinkler systems, or any other irrigation method. Any equipment required for production of oil or gas will be placed on the land as such a level or with the height of such equipment at such a level which will permit circular irrigation sprinkler systems to operate on said land. However, while the Lessee agrees that it will not interfere with the passage of the sprinkler system, it is further understood and agreed that the Lessee at its option and expense may place the equipment in pits or other depressions below the normal surface or may erect ramps from dirt or other materials necessary to assist in elevating and carrying the sprinkler system over and above the wellhead or other required equipment located on the premises. The drilling and re-working equipment are excepted during such operations. Any mud or other pits will be excavated in such a manner and location that the wheels of the center pivot sprinkler will pass over the undisturbed earth.
8. The use of water provided for under this lease is limited to use for drilling operations only, unless otherwise specifically agreed to by Lessor in writing. Lessee shall specifically not have the right to use fresh water from the above described premises for the purpose of water flooding or injection in any water flooding program that the above described acreage may for any reason be pooled or unitized.
9. 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 lands covered by this lease or on lands unitized and consolidated with lands covered by this lease. However, if such a well is used as a salt water disposal well by Lessee, such salt water must be disposed in accordance with the regulations set forth by the State Corporation Commission of Kansas dealing with disposal of salt or mineralized water by a Lessee of an oil and gas well.
10. In the event there is no production in paying quantities found by any operations undertaken by Lessee 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. After the expiration of the lease, or within six (6) months thereafter, Lessee shall have the obligation to restore, as nearly as is practicable as possible, the leased premises to the same conditions as received, natural wear and tear and damages by the elements excepted.
11. It is expressly agreed, notwithstanding anything to the contrary herein, should this lease be in force and effect for three (3) years after the expiration of the primary term, this lease shall thereupon terminate as to the oil and gas rights 100 feet below the deepest producing formation. Upon receipt of written request, Lessee shall be obligated to file of record in the county courthouse in which the leased premises are located a release within sixty (60) days following written receipt of demand thereof with said demand being made after the three (3) year period herein referred to above. If such release is not filed within said sixty (60) day period, then Lessee shall be liable for damages and attorney's fees, if any, incurred by Lessor in obtaining such release.
12. If so requested, Lessee shall fence all such pits and areas containing equipment, chemicals or other substances which may be harmful to livestock of Lessor and/or Lessor's surface tenant.
13. Lessee hereby agrees to pay for all damages occasioned by its operation hereunder, including crop damages caused by pipelines installed on or removed from the premises. Lessee shall pay Lessor a reasonable amount, which includes crop damages, but not less than \$2,5 00.00 for each drill-site locations on the leased premises. Upon completion of Lessee's operations on each well, Lessee agrees to restore the premises to as nearly as practical the same condition they were in prior to the commencement of operations hereunder. All trash and debris shall be removed before the surface of the premises is restored.

14. Lessor, at his sole risk, shall have ingress and access to all gas meters and gauges owned or controlled by the Lessee at all times for the sole purpose of checking proper and accurate operations.
15. The Lessee acknowledges that all or part of the leased premises may be enrolled in the Conversation Reserve Program (CRP) of the Commodity Credit Corporation (CCC), United States Department of Agriculture. In such event the Lessee shall be responsible for obtaining prior written approval from the local Farm Services Agency (FSA) office before entering the premises for the purpose of drilling a well. As long as any land is enrolled in the CRP, the Lessee shall, at Lessee's expense, reseed and establish native grass cover on the well site and the adjoining land used in the drilling operations, and take all necessary precautions to prevent soil erosion resulting from drilling operations. Such work shall be performed in a good and workmanlike manner and in such manner as may be required by the FSA under the terms of the CRP Contract. If drilling a well causes Lessor to lose any benefits of the CRP Contract, including repayment of past CRP payments, or loss of future CRP payments, Lessee shall reimburse Lessor for such losses. Lessee shall hold Lessor harmless from penalties or liquidated damages assessed by the CRP as a result of Lessee's operations. The Lessee shall either pay the FSA or repay the Lessor for any refund of damages to the FSA, and the Lessee will re-establish any disturbed cover as required by the FSA on the affected acres after the Lessee completes operations to the extent necessary to enable the Lessor to sign up the land in a subsequent sign up. The determination by the FSA shall be binding on all parties as to amounts to be paid or repaid and the restoration of the affected acres.
16. In connection with the operation and development of the above described leased premises, Lessee will use its best effort to follow the general practices customary within the industry to protect all fresh water strata and the surface from pollution by salt water and other refuse.
17. Any abstracting charges on the described lands for drilling operations by Lessee under the terms of this lease shall be paid by Lessee.
18. This lease and Addendum, and all its terms, conditions and stipulations shall extend to and be binding on all of the heirs, administrators, executors, trustees, successors and assigns of Lessor and Lessee.
19. This lease is Paid-up and may be maintained during the primary term without further payments or drilling operations.
20. In the event of drilling operations, Lessee, or its assigns, agrees to restore the surface of the land to its original contour and condition as nearly as is reasonably practicable and pay for damages caused by their operations. All top soil shall be piled separately and returned to the surface when the pits are filled. Lessee or assigns shall consult with Lessor or Lessor's agent as to routes of ingress and egress and location of equipment on the Leased Premises.

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

EDNA E. COLLINGWOOD TRUST

  
 William L. Engler, Trustee

  
 Edward M. Banning, Trustee

63U (Rev. 1993)

OIL AND GAS LEASE

Reorder No. 09-115



Kansas Blue Print 700 S. Broadway PO Box 793 Wichita, KS 67201-0793 316-264-0344 264-5165 fax www.kbp.com kbp@kbp.com

AGREEMENT, Made and entered into the 25th day of October 2007

by and between Gaylon G. Gillam and W. Ardyth Gillam Trustees of the Gaylon G. Gillam Living Trust dated July 7, 1999 and W. Ardyth Gillam Living Trust dated July 7, 1999.

whose mailing address is 2701 Fleming, Garden City, KS 67846 hereinafter called Lessor (whether one or more), and MURFIN DRILLING COMPANY, INC. Telephone 1-800-621-3018 250 N. Water, Suite 300, Wichita, KS 67202 hereinafter called Lessee:

Lessor, in consideration of One or More Dollars (\$ 1.00 or More ) 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 Hamilton State of Kansas described as follows to-wit:

Township 22-South, Range 39-West Sec. 2: SW/4

In Section Township Range 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 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 growing crops on said land.

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

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

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

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

Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the lessee shall have the right at any time to redeem for lessor, by payment any mortgages, taxes or other liens on the above described lands, in the event of default of payment by lessor, and be subrogated to the rights of the holder thereof, and the undersigned 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.

SEE OPTION RIDER ATTACHED HERETO AND MADE A PART HEREOF:

Lessee or its assigns will restore surface to its original condition as nearly as is practicable upon completion of their operations.

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

Witnesses: W. Ardyth Gillam Trustee

Gaylon G. Gillam Trustee

# 3535-012

STATE OF Kansas  
COUNTY OF Finney ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)  
The foregoing instrument was acknowledged before me this 27th day of October, 2007  
by Gaylon G. Gillam and W. Ardyth Gillam Trustees of the Gaylon G. Gillam Living Trust  
dated July 7, 1999 and W. Ardyth Gillam Living Trust dated July 7, 1999.  
My commission expires 7-7-09



*Debbie Berry*  
Notary Public  
Debbie Berry

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

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 \_\_\_\_\_  
When recorded, return to \_\_\_\_\_  
Register of Deeds.

STATE OF KANSAS }  
HAMILTON COUNTY } 3765  
This instrument was filed for record  
on the 27<sup>th</sup> day of NOVEMBER  
A.D. 2007 at 3:04 clock P M  
and duly recorded in book 51  
Page 28 fee \$ 16.00  
Dicki Valentine  
Register of Deeds



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

Copy PH  
Numerical PH  
Computer PH  
Indirect \_\_\_\_\_  
Direct \_\_\_\_\_

**OPTION RIDER**

If at the end of the primary term, this lease is not otherwise continued in force under the provisions 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 be extended for an additional term of Three(3) years from the end of the primary term hereof.

W. Ardyth Gillam Trustee  
W. Ardyth Gillam, Trustee

Gaylor G. Gillam Trustee  
Gaylor G. Gillam, Trustee

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