



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

KANSAS CORPORATION COMMISSION 1197763
 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

For KCC Use ONLY

API # 15 - _____

Conductor pipe required _____ feet

Minimum surface pipe required _____ feet per ALT. I II

Approved by: _____

This authorization expires: _____
(This authorization void if drilling not started within 12 months of approval date.)

Spud date: _____ Agent: _____

Remember to:

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

Well will not be drilled or Permit Expired Date: _____
 Signature of Operator or Agent: _____

E
 W

For KCC Use ONLY

API # 15 - _____

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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

Operator: _____

Lease: _____

Well Number: _____

Field: _____

Number of Acres attributable to well: _____

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

Location of Well: County: _____

_____ feet from N / S Line of Section

_____ feet from E / W Line of Section

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

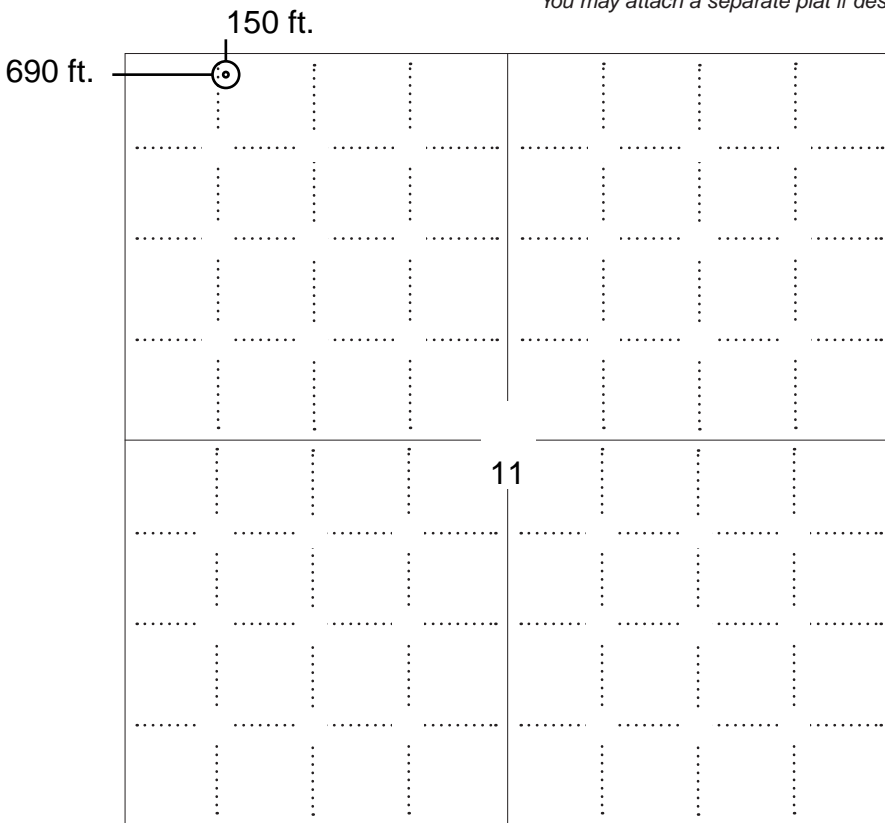
Is Section: Regular or Irregular

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

Section corner used: NE NW SE SW

PLAT

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



LEGEND

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



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

In plotting the proposed location of the well, you must show:

1. The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, 4 sections, etc.
2. The distance of the proposed drilling location from the south / north and east / west outside section lines.
3. The distance to the nearest lease or unit boundary line (in footage).
4. If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (C0-7 for oil wells; CG-8 for gas wells).
5. The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.

APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name:		License Number:	
Operator Address:			
Contact Person:		Phone Number:	
Lease Name & Well No.:		Pit Location (QQQQ): _____-_____-_____-_____	
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input type="checkbox"/> Drilling Pit <input type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit <i>(If WP Supply API No. or Year Drilled)</i>		Pit is: <input type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: _____ (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input type="checkbox"/> No		Chloride concentration: _____ mg/l <i>(For Emergency Pits and Settling Pits only)</i>	
Is the bottom below ground level? <input type="checkbox"/> Yes <input type="checkbox"/> No		Artificial Liner? <input type="checkbox"/> Yes <input type="checkbox"/> No	
How is the pit lined if a plastic liner is not used?			
Pit dimensions (all but working pits): _____ Length (feet) _____ Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: _____ (feet) <input type="checkbox"/> No Pit			
If the pit is lined give a brief description of the liner material, thickness and installation procedure.		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring.	
Distance to nearest water well within one-mile of pit: _____ feet Depth of water well _____ feet		Depth to shallowest fresh water _____ feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input type="checkbox"/> KDWR	
Emergency, Settling and Burn Pits ONLY: Producing Formation: _____ Number of producing wells on lease: _____ Barrels of fluid produced daily: _____ Does the slope from the tank battery allow all spilled fluids to flow into the pit? <input type="checkbox"/> Yes <input type="checkbox"/> No		Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: _____ Number of working pits to be utilized: _____ Abandonment procedure: _____ _____ Drill pits must be closed within 365 days of spud date.	
Submitted Electronically			

KCC OFFICE USE ONLY

Liner Steel Pit RFAC RFAS

Date Received: _____ Permit Number: _____ Permit Date: _____ Lease Inspection: Yes No



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

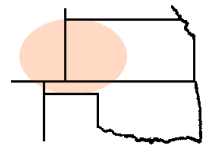


Pro-Stake LLC

Oil Field & Construction Site Staking

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

burt@pro-stakelc.kscoxmail.com



001122
PLAT NO.

11601
INVOICE NO.

McElvain Energy

OPERATOR

Kraemer 11-4H

LEASE NAME

Trego County, Ks

COUNTY

11 11s 22w
Sec. Twp. Rng.

Location = 150'FNL-690'FWL= 2185.1' gr. elev.
BottomHole = 330'FSL-660'FWL

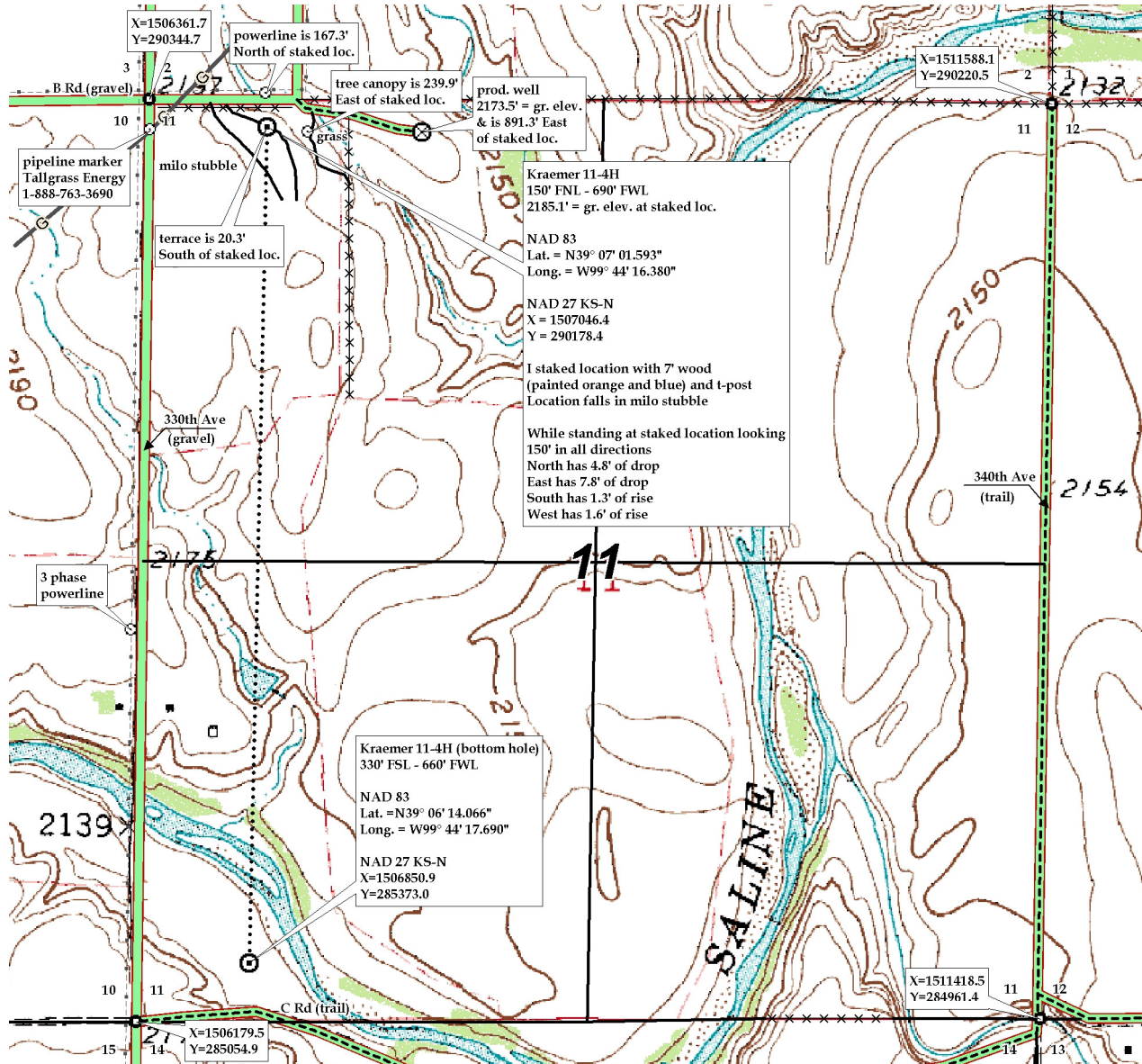
SCALE: **1" = 1000'**
DATE STAKED: **Feb. 25th, 2014**
MEASURED BY: **Burt W.**
DRAWN BY: **Luke R.**
AUTHORIZED BY: **Jeff R. & Cole T.**

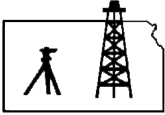


Directions: From the SW side of Ogallah Ks. at the intersection of I-70 & 147/Ogallah Rd/330th Ave – Now go 9.2 mile North on Ogallah Rd/330th Ave to the NW corner of section 11-11s-22w – Now go 0.1 mile East on B Rd – Now go 150' South through milo stubble, into staked location.

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.





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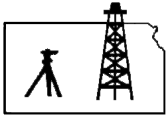


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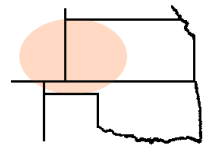


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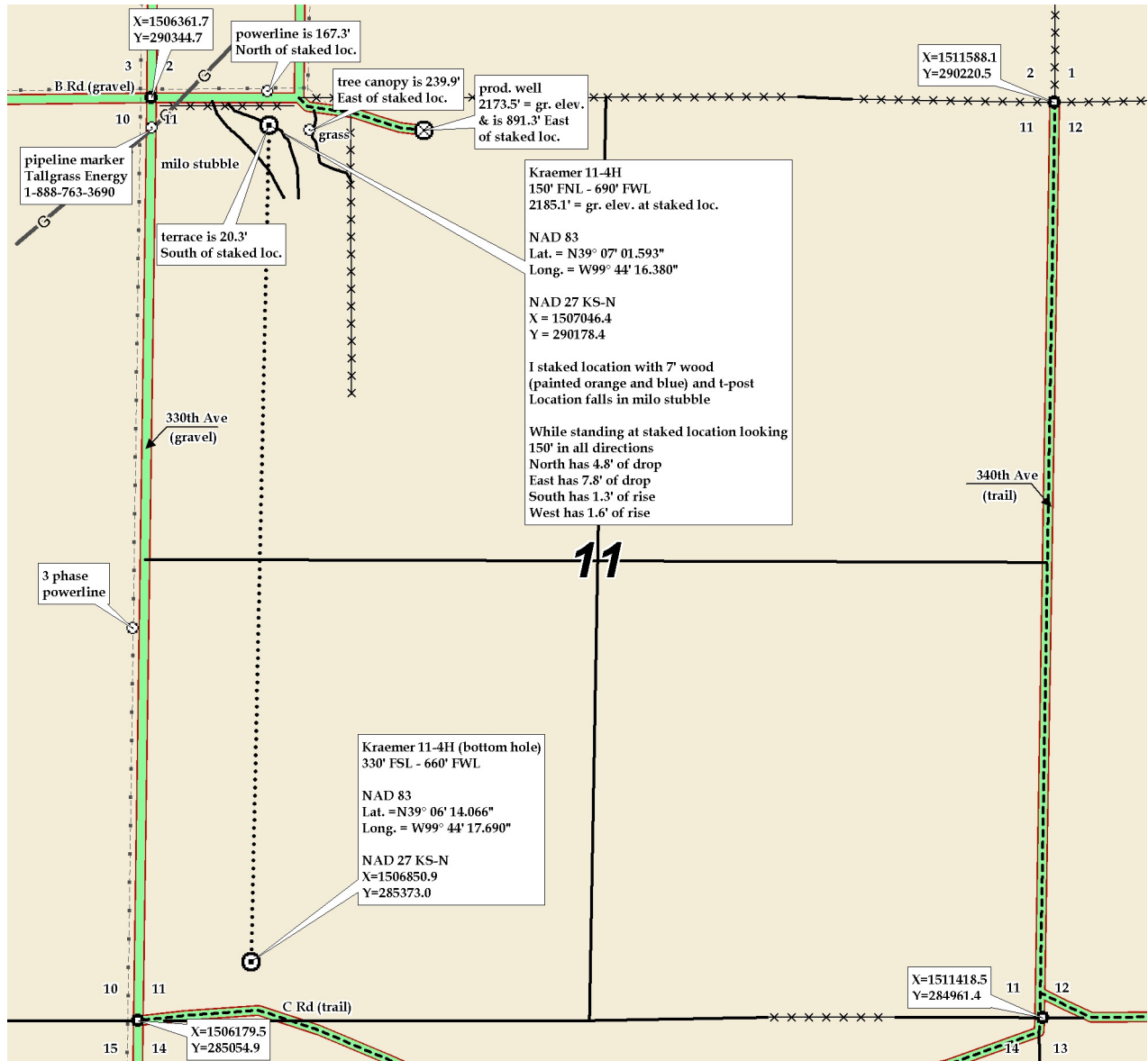


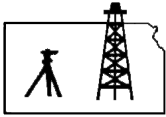
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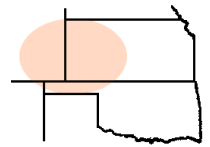


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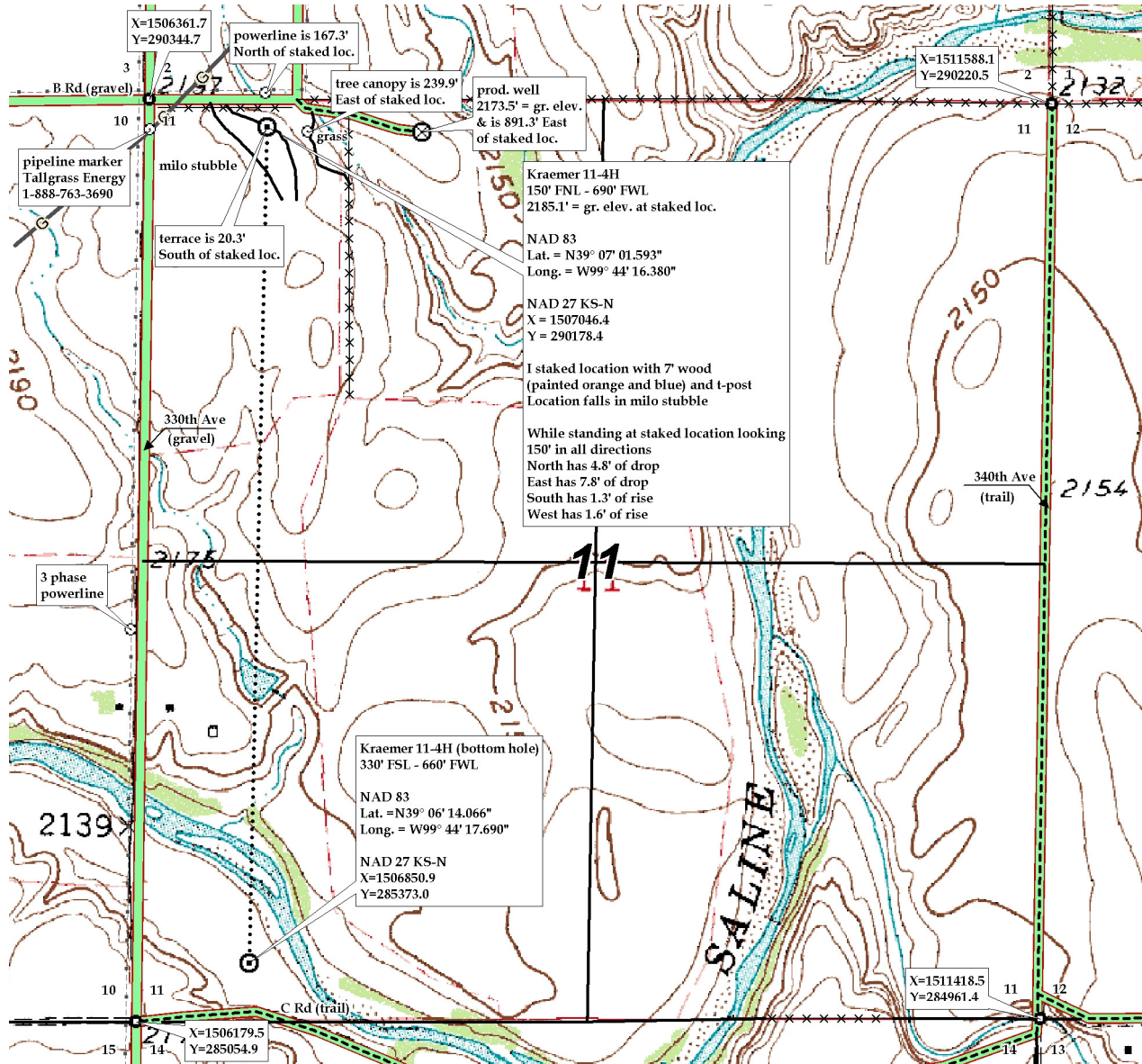
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RATIFICATION OF OIL AND GAS LEASE

KNOW ALL MEN BY THESE PRESENTS:

THAT, WHEREAS, Heretofore under date of the 20th day of January, 2011, but effective as of the 3rd day of April, 2011, a certain oil and gas lease was made, executed, and delivered by Helen June Kraemer, also known as Helen Gordon Kraemer, a single person, whose post office address is 3305 Willow Street, Hays, KS 67601, as Lessor, to Springfield Oil Company, as Lessee, covering the following described lands in TREGO County, State of KANSAS, to-wit:

TOWNSHIP 11 SOUTH, RANGE 22 WEST, 6TH P.M.
Section 11: All;
Section 14: NW/4;

containing 800.00 acres, more or less

said lease being recorded in DOCUMENT of the records in the office of the Register of Deeds in and for said County, reference to said lease to the record thereof being hereby made for all purposes.

NOW, THEREFORE, In consideration of the sum of One Dollar (\$1.00) and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, we, the undersigned, and each for himself and herself, as the case may be, do hereby ratify, adopt and confirm the hereinabove-described oil and gas lease in all of its terms and provisions and do hereby lease, demise and let said land and premises unto the said lessee hereinabove-named, his assigns and successors in interest, as fully and completely as if we had originally been named as lessor in said lease and had executed, acknowledged and delivered the same; provided, however that this instrument shall cover and bind all interest of the undersigned which may have been acquired subsequent to the date of the aforesaid oil and gas lease and is intended further to cover and bind any interest which the undersigned may hereafter acquire by way of reversion or otherwise.

It being provided further that the undersigned acknowledges that all rentals payable under said lease have been fully paid in accordance with the terms and provisions of said oil and gas lease.

We hereby agree and declare that said oil and gas lease in all of its terms and provisions is binding on us and each of us and is a valid and subsisting oil and gas lease and that this instrument shall be binding upon the respective heirs, executors, administrators, successors or assigns of the undersigned.

EXECUTED This 20 day of Jan., 2011.

by: Richard Gordon Kraemer
Richard Gordon Kraemer
1007 W. 36th Street
Hays, KS 67601
785-628-1877

ACKNOWLEDGMENT-INDIVIDUAL

STATE OF KS
COUNTY OF Ellis

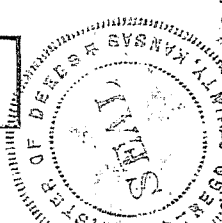
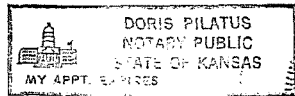
Oklahoma, Kansas, New Mexico, Wyoming, Montana, Colorado, Utah, Nebraska, North Dakota, South Dakota
ACKNOWLEDGMENT-INDIVIDUAL

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 20 day of January, 2011, personally appeared Richard Gordon Kraemer, to me known to be the identical person described in and who executed the within and foregoing instrument of writing and acknowledged to me that he duly executed the same as his free and voluntary act and deed for the uses and purposes therein set forth.

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

My Commission Expires 5-25-13

Doris Pilatus
Notary Public



STATE OF KANSAS
COUNTY OF TREGO SS
THIS INSTRUMENT WAS FILED
FOR RECORD THIS 3rd DAY OF
March, 2011 AT 2:00 PM
AND RECORDED IN BOOK 168 OF
RECORDS AT PAGE 260 FEE \$ 8.00

Evea M. Rumpel, REGISTER OF DEEDS

After recording return to:
Springfield Oil Company
17619 Brook Drive
Hot Springs, SD 57747

@@
3/23/11

RATIFICATION OF OIL AND GAS LEASE

KNOW ALL MEN BY THESE PRESENTS:

THAT, WHEREAS, Heretofore under date of the 20th day of January, 2011, but effective as of the 3rd day of April, 2011, a certain oil and gas lease was made, executed, and delivered by Helen June Kraemer, also known as Helen Gordon Kraemer, a single person, whose post office address is 3305 Willow Street, Hays, KS 67601, as Lessor, to Springfield Oil Company, as Lessee, covering the following described lands in TREGO County, State of KANSAS, to-wit:

TOWNSHIP 11 SOUTH, RANGE 22 WEST, 6TH P.M.
Section 11: All;
Section 14: NW/4;

containing 800.00 acres, more or less
168-257,261,264,267

said lease being recorded in DOCUMENT 168-270 of the records in the office of the Register of Deeds in and for said County, reference to said lease to the record thereof being hereby made for all purposes.

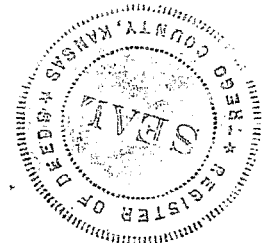
NOW, THEREFORE, In consideration of the sum of One Dollar (\$1.00) and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, we, the undersigned, and each for himself and herself, as the case may be, do hereby ratify, adopt and confirm the hereinabove-described oil and gas lease in all of its terms and provisions and do hereby lease, demise and let said land and premises unto the said lessee hereinabove-named, his assigns and successors in interest, as fully and completely as if we had originally been named as lessor in said lease and had executed, acknowledged and delivered the same; provided, however that this instrument shall cover and bind all interest of the undersigned which may have been acquired subsequent to the date of the aforesaid oil and gas lease and is intended further to cover and bind any interest which the undersigned may hereafter acquire by way of reversion or otherwise.

It being provided further that the undersigned acknowledges that all rentals payable under said lease have been fully paid in accordance with the terms and provisions of said oil and gas lease.

We hereby agree and declare that said oil and gas lease in all of its terms and provisions is binding on us and each of us and is a valid and subsisting oil and gas lease and that this instrument shall be binding upon the respective heirs, executors, administrators, successors or assigns of the undersigned.

EXECUTED This 20 day of Jan, 2011.

by: Allen Andrew Kraemer
Allen Andrew Kraemer
1209 Felton Drive
Hays, KS 67601
785-625-5816



ACKNOWLEDGMENT-INDIVIDUAL

STATE OF KS
COUNTY OF Ellis

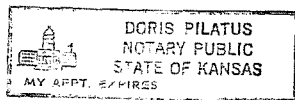
Oklahoma, Kansas, New Mexico, Wyoming, Montana, Colorado, Utah, Nebraska, North Dakota, South Dakota
ACKNOWLEDGMENT-INDIVIDUAL

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 20 day of January, 2011, personally appeared Allen Andrew Kraemer, to me known to be the identical person described in and who executed the within and foregoing instrument of writing and acknowledged to me that he duly executed the same as his free and voluntary act and deed for the uses and purposes therein set forth.

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

My Commission Expires 5-25-13

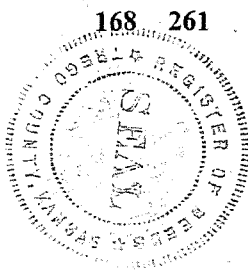
Doris Pilatus
Notary Public



STATE OF KANSAS
COUNTY OF TREGO SS
THIS INSTRUMENT WAS FILED
FOR RECORD THIS 3rd DAY OF
August, 2011 AT 1:35 PM
AND RECORDED IN BOOK 172 OF
RECORDS AT PAGE 569 FEE \$ 8.00

Evea M. Rumpel
Evea M. Rumpel, REGISTER OF DEEDS

@@
319432



STATE OF KANSAS
 COUNTY OF REGO SS
 THIS INSTRUMENT WAS FILED
 FOR RECORD THIS 3rd DAY OF
 March, 2011 AT 2:00 PM
 AND RECORDED IN BOOK 168 OF
 RECORDS AT PAGE 261 FEE \$ 16.00
Evea M Rumpel
 Evea M. Rumpel, REGISTER OF DEEDS

PRODUCERS 88-PAID UP

OIL AND GAS LEASE

AGREEMENT. Made and entered into the 20th day of January, 2011, but effective as of the 3rd day of April, 2011, by and between Helen June Kraemer, also known as Helen Gordon Kraemer, a single person, whose post office address is 3305 Willow Street, Hays, KS 67601, hereinafter called Lessor (whether one or more) and Springfield Oil Company, whose post office address is 27619 Brook Drive, Hot Springs, SD 57747, hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of TEN AND MORE DOLLARS cash in hand paid, the receipt of which is hereby acknowledged, and the covenants and agreements hereinafter contained, has granted, demised, leased and let, and by these presents does grant, demise, lease and let exclusively unto the said Lessee, the land hereinafter described, with the exclusive right for the purpose of drilling, mining, exploring by geophysical and other methods, and operating for and producing therefrom oil and all gas of whatsoever nature or kind, specifically including helium, carbon dioxide, and coalbed methane and any and all substances produced in association therewith from coal-bearing formations, dewatering of coalbed methane with ingress and egress for rights of way and easements for roads, laying pipe lines, water wells, disposal wells, injection wells, pits, electric and telephone lines and erection of structures and other facilities thereon to produce, save and take care of said products, all that certain tract of land situated in the County of rego, State of Kansas, described as follows, to-wit:

SEE EXHIBIT "A" FOR DESCRIPTION OF LANDS AND ADDITIONAL PROVISIONS

together with any reversionary rights therein, and together with all riparian rights and strips or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing 160.00 acres, more or less ("Leased Premises").

1. It is agreed that this lease shall remain in force for a term of Three (3) years from April 3, 2011 and as long thereafter as oil or gas of whatsoever nature or kind is produced from said Leased Premises or on acreage pooled, communitized or unitized therewith, or drilling operations are continued as hereinafter provided. If at the expiration of the primary term of this lease, oil or gas is not being produced on the Leased Premises or on acreage pooled, communitized or unitized therewith but Lessee is then engaged in drilling, re-working, re-completing, or dewatering operations thereon, then this lease shall continue in force so long as operations are being continuously prosecuted on the Leased Premises or on acreage pooled, communitized or unitized therewith, and operations shall be considered to be continuously prosecuted if not more than one hundred and twenty (120) days shall elapse between the completion or abandonment of one well and the beginning of operations for the drilling of a subsequent well. If after discovery of oil or gas on the Leased Premises or on acreage pooled, communitized or unitized therewith, the production or dewatering thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling, re-working or dewatering operations within one hundred and twenty (120) days from date of cessation of production, dewatering or from the date of completion of a dry hole. If oil or gas shall be discovered and produced as a result of such operations or dewatering operations are continued on the Leased Premises or on acreage pooled, communitized or unitized therewith.

In the event a well or wells is drilled and completed on the Leased Premises, or on the lands pooled, communitized or unitized therewith, for the purpose of developing coalbed gas, the words "operations" and "capable of producing gas" shall mean, in addition to those matters covered in the preceding paragraph: (1) operations of said wells to remove water or other substances from the coalbed, or to dispose of such water or other substances, even though such operations do not result in the production of hydrocarbons in paying quantities, or (2) shutting-in or otherwise discontinuing production from said wells to allow for surface or underground mining affecting the drillsite or wellbore.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of the Leased Premises and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the Leased 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 the Leased Premises, the equal one-eighth (1/8) part of all oil produced and saved from the Leased Premises.

2nd To pay Lessor on gas and casinghead gas produced from the Leased Premises (1) when sold by Lessee, one-eighth (1/8) of the net proceeds realized by Lessee from such sale or (2) when used by Lessee off the Leased Premises or in the manufacture of gasoline or other products, the market value, at the wellhead, of one-eighth (1/8) of such gas and casinghead gas, Lessor's interest, in either case, to bear one-eighth (1/8) of all post-production costs (i.e., all costs incurred once the product is brought to the wellhead from the subsurface) including but not limited to the cost of compressing, dehydrating and otherwise treating such gas or casinghead gas to render it marketable or usable and one-eighth (1/8) of the cost of gathering and transporting such gas and casinghead gas from the wellhead to the point of sale or use.

3rd In calculating royalties on production hereunder, Lessee may deduct Lessor's proportionate part of any ad valorem, production and excise taxes.

4. If after the primary term one or more wells on the Lease Premises or lands pooled, communitized or unitized therewith are capable of producing oil or gas or other substances covered hereby, but such well or wells are either shut in or production therefrom is not being sold by Lessee, including dewatering of coalbed gas, such well or wells shall nevertheless be deemed to be producing for the purpose of maintaining this lease. If for a period of ninety (90) consecutive days such well or wells are shut in or production therefrom is not sold by Lessee, including dewatering of coalbed gas, the Lessee shall pay an aggregate shut-in royalty of one dollar per acre then covered by this lease, such payment to be made to Lessor on or before the anniversary date of this lease next ensuing after the expiration of the said ninety (90) day period and thereafter on or before each anniversary date of this lease while the well or wells are shut in or production therefrom is not being sold by Lessee; provided that if this lease is in its primary term or otherwise being maintained by operations, or if production is being sold by Lessee from another well on the Leased Premises or lands pooled, communitized or unitized therewith, no shut-in royalty shall be due until end of the next following anniversary date of this lease that cessation of such operations or production occurs, as the case may be. Lessee's failure to properly pay shut-in royalty shall render Lessee liable for the amount due, but shall not operate to terminate this lease.

5. If said Lessor owns a less interest in the Leased Premises than the entire and undivided fee simple estate therein, then the royalties (including any shut-in royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on the Leased Premises for Lessee's operation thereon.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line below plow depth.

8. No well shall be drilled nearer than 200 feet to the house or barn now on the Leased Premises without written consent of Lessor.

9. Lessee shall only pay for damages caused by Lessee's operations to growing crops on the Leased Premises.

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

11. The rights of Lessor and Lessee hereunder may be assigned in whole or part, by area and/or depth or zone and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in ownership of Lessor's interest (by assignment or otherwise) shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until sixty (60) days after Lessee has been furnished with notice, consisting of certified copies of all recorded instruments or documents and other information necessary to establish a complete chain of record title from Lessor to the satisfaction of Lessee, and then only with respect to payments thereafter made. No other kind of notice, whether actual or constructive, shall be binding on Lessee. No present or future division of Lessor's ownership as to different portions or parcels of the Leased Premises shall operate to enlarge the obligations or diminish the rights of Lessee, and all Lessee's operations may be conducted without regard to any such division. In the event of death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons either jointly, or separately in proportion to the interest which each owns. If Lessee transfers or assigns its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferee to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the Lease Premises, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

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12. Lessee, at its option is hereby given the right and power at any time and from time to time as a recurring right, either before or after production, as to all or any part of the Leased Premises and as to any one or more of the formations hereunder, to pool, communitize or unitize the leasehold estate and the mineral estate covered by this lease with other land, lease or leases in the immediate vicinity for the production of oil and gas, or separately for the production of either, when in Lessee's judgment it is necessary or advisable to do so, and irrespective of whether authority similar to this exists with respect to such other land, lease or leases. Likewise, units previously formed to include formations not producing oil or gas, may be reformed to exclude such non-producing formations. The forming or reforming of any unit, pooled area or communitized area shall be accomplished by Lessee executing and filing of record a declaration of such unitization, pooling or communitization or reformation, which declaration shall describe the unit, pooled area or communitized area. Any unit, pooled area or communitized area may include land upon which a well has theretofore been completed or upon which operations for drilling have theretofore been commenced. Production, drilling, dewatering or reworking operations or a well shut-in for want of a market anywhere on a unit, pooled area or communitized area which includes all or a part of this lease shall be treated as if it were production, drilling, dewatering or reworking operations or a well shut-in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit, pooled area or communitized area, royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit, pooled area or communitized area production that the total number of surface acres covered by this lease and included in the unit, pooled area or communitized area bears to the total number of surface acres in such unit, pooled area or communitized area or as prescribed in such unit, pooling or communitization agreement. In addition to the foregoing, Lessee shall have the right to unitize, communitize, pool, or combine all or any part of the Leased Premises as to one or more of the formations thereunder with other lands in the same general area by entering into a cooperative or unit plan of development or operation approved by any governmental authority and, from time to time, with like approval, to modify, change or terminate any such plan or agreement and, in such event, the terms, conditions and provisions of this lease shall be deemed modified to conform to the terms, conditions, and provisions of such approved cooperative or unit plan of development or operation and, particularly, all drilling and development requirements of this lease, express or implied, shall be satisfied by compliance with the drilling and development requirements of such plan or agreement, and this lease shall not terminate or expire during the life of such plan or agreement. In the event that the Leased Premises or any part thereof shall hereafter be operated under any such cooperative or unit plan of development or operation whereby the production therefrom is allocated to different portions of the land covered by said plan, then the production allocated to any particular tract of land shall, for the purpose of computing the royalties to be paid hereunder to Lessor, be regarded as having been produced from the particular tract of land to which it is allocated and not to any other tract of land; and the royalty payments to be made hereunder to Lessor shall be based upon production only as so allocated. Lessor shall formally express Lessor's consent to any pooled area, communitized area, cooperative or unit plan of development or operation adopted by Lessee and approved by any governmental agency by executing the same upon request of Lessee.

13. Anything in this lease to the contrary notwithstanding, Lessee's obligations under this lease shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction, including restrictions on the drilling and production of wells, and regulation of the price or transportation of oil, gas or other substance covered hereby. When drilling, reworking, production or other operations or obligations under this lease are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services material, water, electricity, fuel, access or easements, or by an act of God, strike, lockout, or other industrial disturbance, act of the public enemy, war, blockade, public riot, lightning, fire, storm, flood or other act of nature, explosion, governmental action, governmental delay, restraint or inaction, or by inability to obtain a satisfactory market for production, or failure of purchasers or carriers to take or transport such production, or by any other cause, whether of the kind specifically enumerated above or otherwise, which is not reasonably within control of Lessee, this lease shall not terminate because of such prevention or delay, and, at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any provision or implied covenants of this lease when drilling, production, or other operations are so prevented or delayed.

14. No litigation shall be initiated by Lessor for damages, forfeiture or cancellation with respect to any breach or default by lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default within such time period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or cancelled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and lessee fails to do so.

15. Lessor hereby warrants and agrees to defend the title to the Leased Premises, 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 Leased Premises, in the event of default of payment by Lessor and be subrogated to the rights of the holder thereof, and the undersigned Lessor's, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the Leased Premises described herein, insofar as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein. If Lessee redeems any such lien, Lessee may recover any amount expended out of Lessor royalties or shut-in royalties.

16. Should any one or more of the parties hereinabove named as Lessor fail to execute this lease, it shall nevertheless be binding upon all such parties who do execute it as Lessor. The word "Lessor," as used in this lease, shall mean any one or more or all of the parties who execute this lease as Lessor. All the provisions of this lease shall be binding on the heirs, successors and assigns of Lessor and Lessee.

17. In the event this lease is not continued beyond the primary term by the provisions herein contained, Lessor hereby agrees that Lessee, at its sole option, can renew any portion of this lease for an additional primary term of three years from the 3rd day of April, 2014, and as long thereafter as oil and gas or either of them is produced from said land by Lessee, said renewal to be under the same terms and conditions as contained in this lease. Lessee may exercise this option to renew by tendering to Lessor 150% of the monetary consideration that was tendered to Lessor at the signing of this lease if paid on or before the 3rd day of April, 2014.

IN WITNESS WHEREOF, this instrument is executed as of the date first above written.

X Helen June Kraemer
Helen June Kraemer, also known as
Helen Gordon Kraemer

X _____

ACKNOWLEDGMENT—INDIVIDUAL

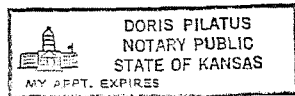
STATE OF KANSAS)
COUNTY OF ELLIS)S
Oklahoma, Kansas, New Mexico, Wyoming, Montana, Colorado, Utah,
Nebraska, North Dakota, South Dakota
ACKNOWLEDGMENT—INDIVIDUAL

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 20 day of January, 2011, personally appeared **Helen June Kraemer, also known as Helen Gordon Kraemer, a single person**, to me known to be the identical person described in and who executed the within and foregoing instrument of writing and acknowledged to me that she duly executed the same as her free and voluntary act and deed for the uses and purposes therein set forth.

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

My Commission Expires 5-25-13

Doris Pilatus
Notary Public



When recorded, return to: Springfield Oil Company
27619 Brook Drive
Hot Springs, SD 57747

EXHIBIT "A"

Attached hereto and made a part of that certain Oil and Gas Lease dated January 20, 2011, but effective as of the 3rd day of April, 2011, by and between Helen June Kraemer, also known as Helen Gordon Kraemer, a single person, whose post office address is 3305 Willow Street, Hays, KS 67601, hereinafter called Lessor, and Springfield Oil Company, whose post office address is 27619 Brook Drive, Hot Springs, South Dakota 57747, hereinafter called Lessee, covering the following described lands, to-wit:

Description of Lands

TOWNSHIP 11 SOUTH, RANGE 22 WEST, 6TH P.M.
Section 11: NW/4;

containing 160.00 acres, more or less
Trego County, Kansas

Additional Provisions

- A. In the event the term of this lease is extended beyond the primary term by production pursuant to the terms of the lease, said term shall be extended only as to those lands located within the same governmental section of a producing well or located within the same governmental section as lands included in or pooled with a producing unit, provided, however, lessee may continue this lease in force and effect as to all lands covered hereby so long as drilling operations are commenced within 120 days from the end of the primary term on any undrilled governmental sections and thereafter are being conducted continuously upon the leased premises or on lands pooled therewith. For the purposes hereof "continuously" shall mean there shall be no more than 120 days between the completion or abandonment of one well and the commencement of another.
- B. Without prior written permission from Lessor, Lessee shall not have the right under this Agreement to use fresh water from Grantor's land for drilling operations, pressure maintenancce, water flood, or secondary recovery operations.

In the event of any inconsistencies between the provisions of this EXHIBIT "A" and the provisions of the Lease, the provisions of this EXHIBIT "A" shall control.

Signed for Identification by Lessor:

X Helen June Kraemer
Helen June Kraemer, also known as
Helen Gordon Kraemer

X _____



County Road B

PROPOSED
Kraemer 11 #4H
SFL: 150' FNL & 690' FWL

Kraemer 11 #3H
SFL: 195' FNL & 1,581' FWL
Completed: 09/27/13

Kraemer #1
663' FNL & 710' FWL
Plugged 11/06/07
4-1/2" @3,919'

Kraemer #1
1,650' FSL & 990' FWL
Plugged 11/06/07
4-1/2" @3,841'

County Road 330





Sec. 11, T11S-R22W

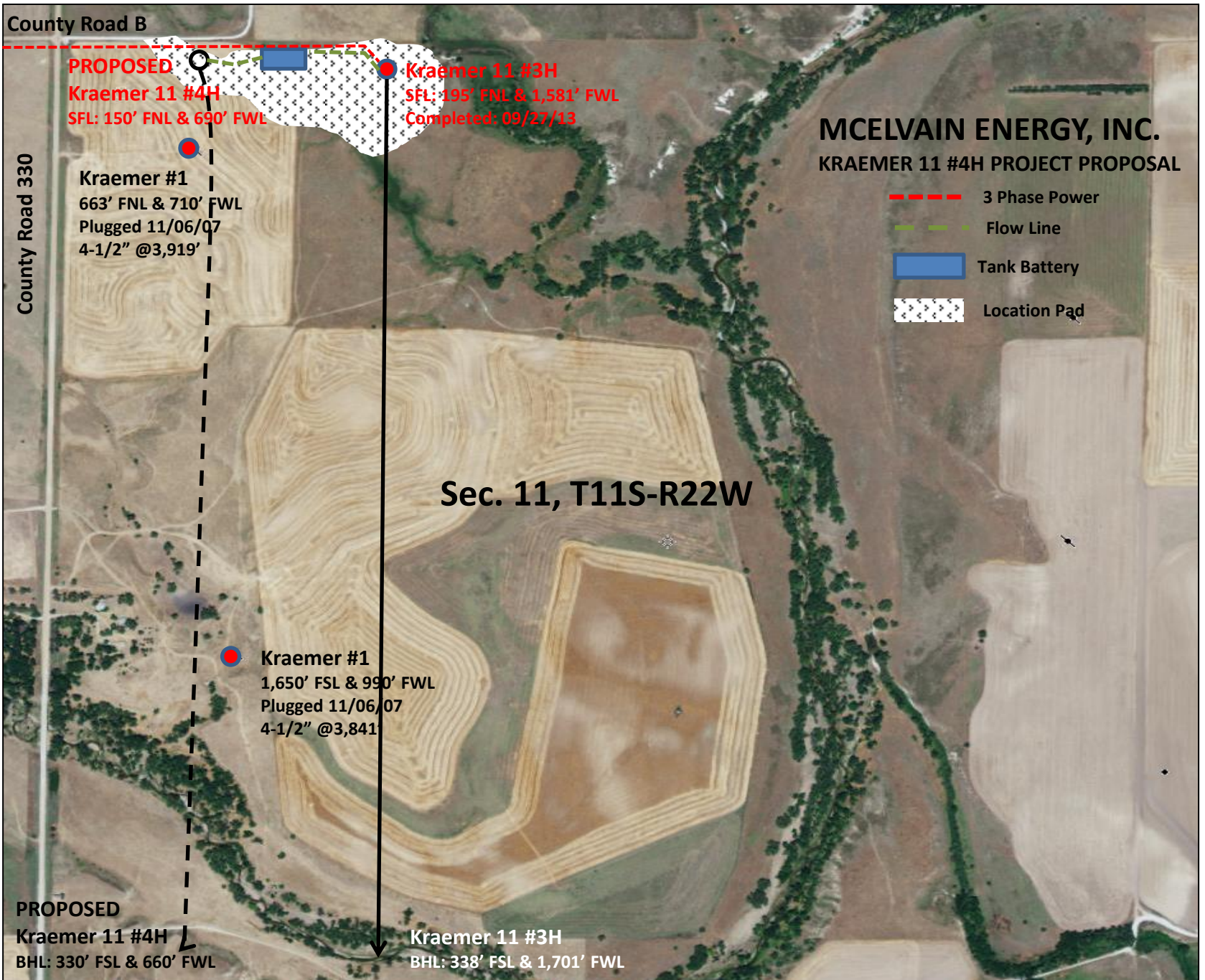
PROPOSED
Kraemer 11 #4H
BHL: 330' FSL & 660' FWL

Kraemer 11 #3H
BHL: 338' FSL & 1,701' FWL

MCELVAIN ENERGY, INC.

KRAEMER 11 #4H PROJECT PROPOSAL

-  3 Phase Power
-  Flow Line
-  Tank Battery
-  Location Pad



Conservation Division
Finney State Office Building
130 S. Market, Rm. 2078
Wichita, KS 67202-3802



Phone: 316-337-6200
Fax: 316-337-6211
<http://kcc.ks.gov/>

Shari Feist Albrecht, Chair
Jay Scott Emler, Commissioner
Pat Apple, Commissioner

Sam Brownback, Governor

April 17, 2014

Jim McKinney
McElvain Energy, Inc.
1050 17TH ST STE 2500
DENVER, CO 80265-2080

Re: Drilling Pit Application
Kreamer 11 #4H
NW/4 Sec.11-11S-22W
Trego County, Kansas

Dear Jim McKinney:

District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed **without slots**, the bottom shall be flat and reasonably level and the free fluids must be removed. The fluids are to be removed from the reserve pit as soon as the Hutchinson Salt section has been drilled through and displacement of the fluids into the reserve pit has occurred. The fluids should be removed again within 72 hours after drilling operations have ceased. KEEP PITS away from draw/drainage.

If production casing is set all completion fluids shall be removed from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve pit.

The fluids should be taken to an authorized disposal well. Please call the District Office at (785) 625-0550 when the fluids have been removed. Please file form CDP-5 (August 2008), Exploration and Production Waste Transfer, through KOLAR within 30 days of fluid removal.

A copy of this letter should be posted in the doghouse along with the approved Intent to Drill. If you have any questions or concerns please feel free to contact the District Office at (785) 625-0550.