



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

KANSAS CORPORATION COMMISSION 1201678
 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

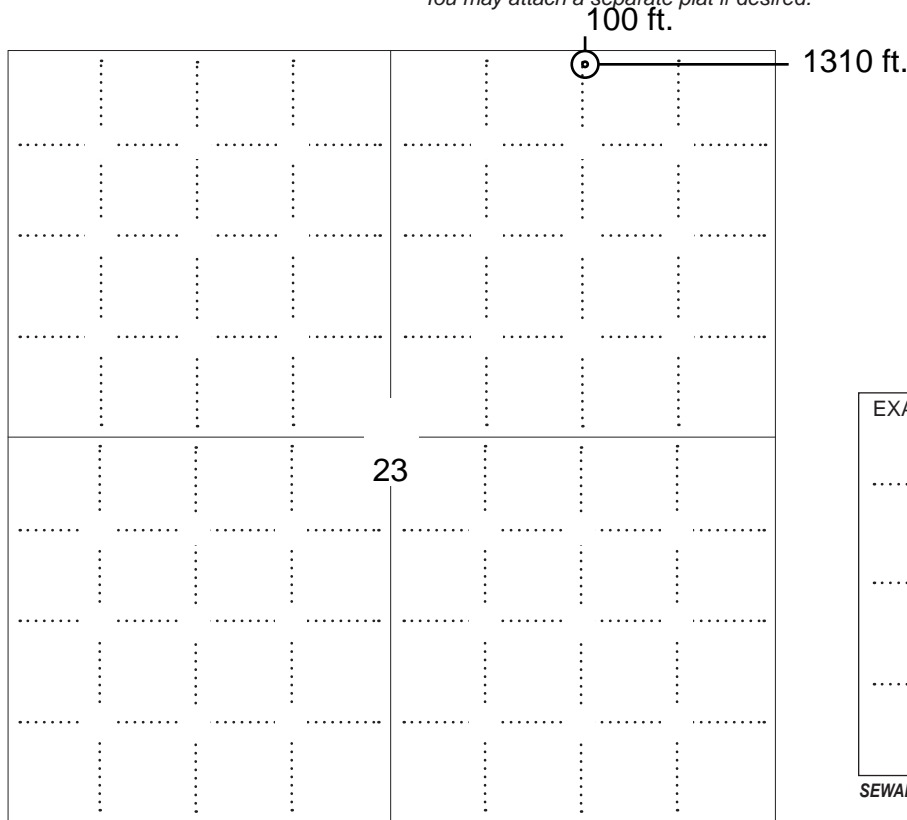
Is Section: Regular or Irregular

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

Section corner used: NE NW SE SW

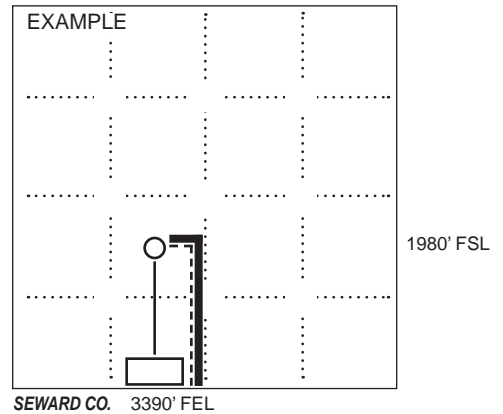
PLAT

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			
		<input type="checkbox"/> Liner <input type="checkbox"/> Steel Pit <input type="checkbox"/> RFAC <input type="checkbox"/> RFAS	
Date Received: _____		Permit Number: _____	
		Permit Date: _____ Lease Inspection: <input type="checkbox"/> Yes <input type="checkbox"/> 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

I

Book 27,
PAGE 16

ALLEN LEASE

OIL AND GAS LEASE

FORM 88—(PRODUCERS) 1-48 B+
KANSAS COUNTY SUPPLIER, PARSONS, KANSAS 87200

FROM _____
TO _____
Date _____, 19____ Section _____ Twp. _____
Rge. _____ No. of Acres _____ Term _____
County _____

STATE OF Kansas }
County of Woodson } ss:
This instrument was filed for record on the 2 day
of November 19 54 at 2:35 o'clock P.M., and
duly recorded in Book _____ Page _____ of the records
of this office. Ruth Peterson
By _____ Register of Deeds.
When recorded, return to _____

AGREEMENT, Made and entered into this 1st day of November 19 54 by and between
W. C. Allen and Euphie C. Allen, his wife

Party of the first part, hereinafter called lessor (whether one or more) and E. O. Lynn and J. C. Bell
Part _____ of the second part, hereinafter called lessee.

WITNESSETH, That the said lessor, for and in consideration of One and no/100 DOLLARS,
cash in hand paid, receipt of which is hereby acknowledged, and of the covenants and agreements hereinafter contained on the part of lessee to be paid, kept and per-
formed, has granted, demised, leased and let by these presents does grant, demise, lease and let unto said lessee, for the sole and only purpose of mining and operating
for oil and gas, and laying pipe lines, and building tanks, power stations and structures thereon to produce, save and take care of said products, all that certain tract
of land together with any reversionary rights therein, situated in the County of Woodson
State of KANSAS, described as follows, to wit: The South Half of Southeast Quarter (S $\frac{1}{2}$ SE $\frac{1}{4}$) of Section 14 less a tract commencing at the Northwest corner of Southeast Quarter of Section 14; running thence South 23 rods; thence East 40 $\frac{1}{2}$ rods; thence North 23 rods;
thence West to place of beginning; Also North 15 acres of NE $\frac{1}{4}$ of NE $\frac{1}{4}$ of Section 23 and 2 $\frac{1}{2}$
acres in NE Corner of NW $\frac{1}{4}$ of NE $\frac{1}{4}$ lying North of Sandy creek in said Section 23,
~~OR MORE~~ all in Township 26S Range 11E and containing 90 acres more or less.

It is agreed that this lease shall remain in full force for a term of five years from this date, and as long thereafter as oil or gas, or either
of them, is produced from said land by the lessee, or the premises are being developed or operated.

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 his wells, the equal one-eighth ($\frac{1}{8}$) part of all oil produced
and saved from the leased premises.

2nd. The lessee shall pay to lessor for gas produced from any oil well and used by the lessee for the manufacture of gasoline or any other product as royalty $\frac{1}{8}$
of the market value of such gas at the mouth of the well; if said gas is sold by the lessee, then as royalty $\frac{1}{8}$ of the proceeds of the sale thereof at the mouth of
the well. The lessee shall pay lessor as royalty $\frac{1}{8}$ of the proceeds from the sale of gas as such at the mouth of the well where gas only is found and where such gas is not
sold or used, lessee shall pay or tender annually at the end of each yearly period during which such gas is not sold or used as royalty, an amount equal to the delay rental
provided in the next succeeding paragraph hereof, and while said royalty is so paid or tendered this lease shall be held as a producing lease under the above term
paragraph hereof; the lessor to have gas free of charge from any gas well on the leased premises for stoves and inside lights in the principal dwelling house on said land by
making his own connections with the well, the use of such gas to be at the lessor's sole risk and expense.

If operations for the drilling of a well be not commenced on said land on or before 1st NOV 19 55, this lease shall terminate as to both
parties, unless the lessee on or before that date shall pay or tender to the lessor, or to the lessor's credit in the State Exchange
Bank at Yates Center, Kansas or its successors, which shall continue as the depository regardless of changes in the ownership of
said land, the sum of NINETY AND NO/100 DOLLARS,

which shall operate as a rental and cover the privilege of deferring the commencement of a well for twelve months from said date. In like manner and upon like
payments or tenders the commencement of a well may be further deferred for like periods or the same number of months successively. All such payments or tenders of
rental may be made by check or draft of lessee or any assignee thereof, mailed or delivered on or before the rental paying date either direct to lessor or assigns or to
said depository bank. And it is understood and agreed that the consideration first recited herein, the down payment, covers not only the privileges granted to the date
when said first rental is payable as aforesaid, but also the lessee's option of extending that period as aforesaid, and any and all other rights conferred. 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, and thereafter the rentals payable hereunder shall be reduced
in proportion that the acreage covered hereon is reduced by said release or releases.

Should the first well drilled on the above described land be a dry hole, then, and in that event, if a second well is not commenced on said land within twelve
months from expiration of the last rental period for which rental has been paid, this lease shall terminate as to both parties, unless the lessee on or before the expira-
tion of said twelve months shall resume the payment of rentals in the same amount and in the same manner as hereinbefore provided. And it is agreed that upon the
resumption of the payment of rentals, as above provided, that the last preceding paragraph hereof, governing the payment of rentals and the effect thereof, shall continue
in force just as though there had been no interruption in the rental payments.

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided
shall be paid the lessor only in the proportion which his interest bears to the whole and undivided fee. However, such rental shall be increased at the next succeeding
rental anniversary after any reversion occurs to cover the interest so acquired.

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

When requested by lessor, lessee shall bury his 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 the lessor.

Lessee shall pay for damages caused by its 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 lessee shall commence operations 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 the
like effect as if such well had been completed within the term of years herein first mentioned.

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; and it is hereby agreed in the event this lease shall be assigned
as to a part or as to parts of the above described lands and the assignee or assignees of such part or parts shall fail or make default in the payment of the proportionate
part of the rents due from him or them on an acreage basis, such default shall not operate to defeat or affect this lease in so far as it covers a part or parts of said lands
upon which the said lessee or any assignee thereof shall make due payments of said rentals. If the leased premises are now or hereafter owned in severalty or in separate
tracts, the premises, nevertheless, may be developed and operated as an entirety, and the royalties shall be paid to each separate owner in the proportion that the
acreage owned by him bears to the entire leased area. There shall be no obligation on the part of the lessee to offset wells on separate tracts into which the land
covered by this lease is now or may hereafter be divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks for the oil produced from such
separate tracts.

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.

Whereof witness our hands as of the day and year first above written.
Witness to the mark:

W. C. Allen (SEAL)
Euphie C. Allen (SEAL)

(SEAL)

STATE OF Kansas }
COUNTY OF Woodson } ss. ACKNOWLEDGMENT FOR INDIVIDUAL (Kans. Okla. and Colo.)

Before me, the undersigned, a Notary Public, within and for said County and State, on this 1st day of November 19 54
personally appeared W. C. Allen and Euphie C. Allen, his wife

to me personally known to be the identical persons who executed the within and foregoing instrument and acknowledged to me that they executed the same as
their free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.
My commission expires June 4, 1958 (SEAL) W. K. Stockebrand
Notary Public

STATE OF _____ }
COUNTY OF _____ } ss. ACKNOWLEDGMENT FOR INDIVIDUAL (Kans. Okla. and Colo.)

Before me, the undersigned, a Notary Public, within and for said County and State, on this _____ day of _____, 19____,
personally appeared _____ and _____

to me personally known to be the identical person who executed the within and foregoing instrument and acknowledged to me that _____ executed the same as
_____ free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.
My commission expires _____
Notary Public

STATE OF _____ }
COUNTY OF _____ } ss. ACKNOWLEDGMENT FOR CORPORATION

Be it remembered on this _____ day of _____, 19____, before me, the undersigned, a Notary Public, duly commissioned, in
and for the county and state aforesaid, came _____, a corporation of the State of _____, president of _____

personally known to me to be such officer, and to be the same person who executed as such officer the foregoing instrument of writing in behalf of said corporation,
and he duly acknowledged the execution of the same for himself and for said corporation for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day and year last above written.
My Commission expires _____
Notary Public

NOTE: When signature by mark in Kansas, said mark to be witnessed by at least one person and also acknowledged.
For acknowledgment by mark, use regular Kansas acknowledgment.

STATE OF KANSAS } SS.
WOODSON COUNTY }

QUIT CLAIM MINERAL DEED

Quit claim deed made this 17th day of August, 2005.

11282 BENNIE M. BREWER, a single person,

does by this instrument remise, release, and quit claim to

1795 GARY L. BREWER, her son, and PHYLLIS J. BREWER, her daughter, as joint tenants and not as tenants in common, with full rights of survivorship, the whole estate to vest in the survivor in the event of the death of either,

All of the rights, title, and interest owned, claimed or held by Grantor in and to the mineral rights and interest, in and to all of the following described real estate in the County of Woodson and the State of Kansas, to-wit:

N/2 SW/4; and also a tract beginning at the Southwest corner of the N/2 of the SW/4, thence South 45 rods to center of creek, thence Northeast along center of said creek to the East line of said SW/4, thence North 1 1/2 rods to the Southeast corner of the N/2 of the SW/4, thence West 160 rods to place of beginning, All in Section 13, Township 26, Range 14, Woodson County, Kansas;

410953

The S/2 of the SE/4 of Section 14, less the following described tract: commencing at the Northwest corner of the SW/4 of the SE/4 of said Section 14; running thence South 23 rods; thence East 40 1/2 rods; thence North 23 rods; thence West to place of beginning; also the North 15 acres of the NE/4 of the NE/4 of Section 23, and 2 1/2 acres in the Northeast corner of the NW/4 of the NE/4 lying North of Sandy Creek in said Section 23, all in Township 26 South, Range 14 East of the 6th P.M., Woodson County, Kansas

together with the exclusive right of ingress and egress at all times for the purpose of mining, drilling, and exploring such lands for oil and gas and other minerals and producing, storing, treating, handling, marketing, and removing them.
for the sum of: Gift

Bennie M. Brewer
BENNIE M. BREWER

STATE OF KANSAS, COUNTY OF Coffey, ss:

Before me, the undersigned, a Notary Public, within and for said county and state, on this 17th day of August, 2005 personally appeared BENNIE M. BREWER, a single person, to me personally known to be the identical person who executed the within and foregoing instrument and acknowledged to me that she 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 official seal the day and year last above written.

Martha M. Newkirk
Notary Public

My appointment expires:



RECEIVED APR 05 2010

EXHIBIT A
WOODSON COUNTY, KANSAS

BIG SANDY GROUP



ALLEN LEASE

Lease dated 11/01/1954, from W. C. Allen and Euphie C. Allen, his wife, lessors, to E. O. Lynn and J. C. Bell, lessees, recorded 11/02/1954 in Book 27, Page 16, insofar as said lease covers the following land situated in Woodson County, Kansas:

South Half of the Southeast Quarter (S/2 SE/4) of Section Fourteen (14), Township Twenty-six (26) South, Range Fourteen (14) East of the 6th P.M., less the following described tract: Commencing at the Northwest corner of the Southwest Quarter of the Southeast Quarter (SW/4 SE/4) of said Section 14, running thence South 23 rods, thence East 40.5 rods, thence North 23 rods, thence West to place of beginning; also the North 15 acres of the Northeast Quarter of the Northeast Quarter (NE/4 NE/4) of Section Twenty-three (23), Township Twenty-six (26) South, Range Fourteen (14) East of the 6th P.M.; and 2.5 acres in the Northeast corner of the Northwest Quarter of the Northeast Quarter (NW/4 NE/4) lying North of Sandy Creek in said Section 23.

DUNCAN LEASE

Lease dated 07/27/1992, from Merry M. Garland & Dwight R. Garland, husband and wife, lessors, to Colt Energy, Inc., lessee, recorded in Book M-73, Page 88, insofar as said lease covers the following land in Woodson County, Kansas:

Southeast Quarter (SE/4) of Section Twenty-three (23), Township Twenty-six (26) South, Range Fourteen (14) East of the 6th P.M.

LAUBER LEASE

(1) Lease dated 04/26/1923, from C. H. Lauber & Dora Lauber, husband and wife, lessors, to J. F. Schiltz, F. M. Watt, Wm. Teaschner & Andrew Miller, lessees, recorded 04/30/1923 at Book V, Page 12, insofar as said lease covers the following land in Woodson County, Kansas:

144 acres in the Northeast Quarter (NE/4) of Section Twenty-three (23), Township Twenty-six (26) South, Range Fourteen (14) East of the 6th P.M., except a strip of land along the South side 160 rods long and 40 rods wide containing 40 acres.

(2) Lease dated 05/26/1932, from C. H. Lauber & Dora Lauber, husband and wife, lessors, to The Woodson Pipe Line & Producing Company, lessee, recorded 05/28/1932 at Book 4, Page 430, insofar as said lease covers the following land in Woodson County, Kansas:

South Half of the South Half of the Northeast Quarter (S/2 S/2 NE/4); East Half of the North Half of the Southwest Quarter (E/2 N/2 SW/4); East 10 acres of the Northwest Quarter of the Southwest Quarter (NW/4 SW/4); except the following tract: beginning at a point 38 rods West of SE corner of NE/4 of said SW/4, thence West 62 rods, thence North 20 rods, thence East 40 rods, thence Southeasterly on a line to beginning; all in Section Twenty-three (23), Township Twenty-six (26) South, Range Fourteen (14) East of the 6th P.M.

(3) Lease dated 08/05/1955, from Myrtle A. Winters (f/k/a Myrtle A. Lauber) and Geo. Winters, husband and wife, *et al.*, lessors, to The Woodson Pipe Line & Producing Company, lessee, recorded 09/02/1955 at Book 28, Page 407, insofar as said lease covers the following land in Woodson County, Kansas:

Northeast Quarter of the Southwest Quarter (NE/4 SW/4); the East 10 acres of the Northwest Quarter of the Southwest Quarter (NW/4 SW/4); except the following tract: beginning 38 rods West of the SE corner of said NE/4 SW/4, thence West 62 rods, thence North 20 rods, thence East 40 rods, thence Southeasterly to beginning; all in Section Twenty-three (23), Township Twenty six (26) South, Range Fourteen (14) East of the 6th P.M.

LOUK LEASE

(1) Lease dated 04/09/1925, from C. W. Louk & Hattie Louk, husband and wife, lessors, to Sam Watt, lessee, recorded 07/22/1925 at Book Z, Page 53, insofar as said lease covers the following land in Woodson County, Kansas:

East Half of the Northwest Quarter (E/2 NW/4) of Section Twenty-three (23), Township Twenty-six (26) South, Range Fourteen (14) East of the 6th P.M., except the South 10 acres.

(2) Lease dated 04/08/1955, from Sidonie Schafer, a widow, *et al.*, lessors, to The Woodson Pipe Line & Producing Company, lessee, recorded 09/19/1955 at Book 30, Page 35, insofar as said lease covers the following land in Woodson County, Kansas:

South 10 acres of the East Half of the Northwest Quarter (E/2 NW/4) of Section Twenty-three (23); and the Southeast Quarter of the Northeast Quarter (SE/4 NE/4) of Section Twenty-two (22); all in Township Twenty-six (26) South, Range Fourteen (14) East of the 6th P.M.;

(3) Lease dated 08/26/1955, from Melvina G. Schafer, as guardian of Geraldine Louise Schafer, a minor, lessor, to The Woodson Pipe Line & Producing Company, lessee, recorded 09/19/1955 at Book 28, Page 416, insofar as said lease covers the following land in Woodson County, Kansas:

South 10 acres of the East Half of the Northwest Quarter (E/2 NW/4) of Section Twenty-three (23); and the Southeast Quarter of the Northeast Quarter (SE/4 NE/4) of Section Twenty-two (22); all in Township Twenty-six (26) South, Range Fourteen (14) East of the 6th P.M.;

SCHAFFER LEASE

Lease dated 08/05/1932, from G. F. Schafer & Sidonie Schafer, husband and wife, and Arthur Fiedler & Augusta Fiedler, husband and wife, lessors, to Woodson Pipe Line and Producing Company, recorded 08/12/1932 at Book 4, Page 454, insofar as said lease covers the following land in Woodson County, Kansas:

West Half of the Northwest Quarter (W/2 NW/4) of Section Twenty-three (23), Township Twenty-six (26) South, Range Fourteen (14) East of the 6th P.M.

PENDLAY LEASE

Lease dated 11/06/1944, from Libbie Rehmer Pendlay, a single person, lessor, to Ruth B. Lane, lessee, recorded 12/09/1944 at Book 18, Page 6, insofar as said lease covers the following land in Woodson County, Kansas:

North Half of the Southeast Quarter (N/2 SE/4) of Section Twenty-two (22); all in Township Twenty-six (26) South, Range Fourteen (14) East of the 6th P.M.

SCOTT LEASE

(1) Lease dated 12/16/1944, from The Victory Life Insurance Company, a corporation, lessor, to James L. Adamson, lessee, recorded 12/29/1944 at Book 18, Page 10, insofar as said lease covers the following land in Woodson County, Kansas:

Northwest Quarter of the Southwest Quarter (NW/4 SW/4) of Section Twenty-two(22); all in Township Twenty-six (26) South, Range Fourteen (14) East of the 6thP.M., and Southeast Quarter of the Southwest Quarter (SE/4 SW/4); West Half of the Northwest Quarter of the Southwest Quarter (W/2 NW/4 SW/4); West Half of the East Half of the Northwest Quarter of the Southwest Quarter (W/2 E/2 NW/4 SW/4); Southeast Quarter of the Southeast Quarter of the Northwest Quarter of the Southwest Quarter (SE/4 SE/4 NW/4 SW/4); Southwest Quarter of the Southwest Quarter of the Northeast Quarter of the Southwest Quarter (SW/4 SW/4 NE/4 SW/4); North Half of the Northeast Quarter of the Southwest Quarter of the Southwest Quarter (N/2 NE/4 SW/4 SW/4); East 12 rods off the North Half of the Northwest Quarter of the Southwest Quarter of the Southwest Quarter (N/2 NW/4 SW/4 SW/4); and commencing 38 rods West of the SE corner of the Northeast Quarter of the Southwest Quarter (NE/4 SW/4) and running thence West 22 rods, thence N 20 rods, thence in a straight line to beginning; the South Half of the Southwest Quarter of the Southwest Quarter (S/2 SW/4 SW/4) and the South Half of the North Half of the Southwest Quarter of the Southwest Quarter (S/2 N/2 SW/4 SW/4) except 12 rods off the West side of said tracts; LESS a 10-acre square tract around an existing oil well under oil and gas lease dated 12/16/40, recorded at Book M-15, page 426; all in Section Twenty-three (23), Township Twenty-six (26) South, Range Fourteen (14) East of the 6th P.M.,

(2) Lease dated 12/16/1940, from The Victory Life Insurance Company, lessor, to The Woodson Pipe Line & Producing Company, lessee, recorded 07/21/1941 at Book 15, Page 426, insofar as said lease covers the following land in Woodson County, Kansas:

10 acre tract with 1 producing well in Section Twenty-three (23), Township Twenty-six (26) South, Range Fourteen (14) East of the 6th P.M.

AFFIDAVIT OF PRODUCTION

The undersigned, of lawful age, being first duly sworn, upon oath states that:

- 1. Affiant is an owner or duly authorized agent of the owner of the oil and gas leases described in **EXHIBIT A** attached hereto.
- 2. Each such lease is for a definite or primary term and as long thereafter as oil or gas is produced from said land.
- 3. Oil and/or gas was found upon and has been produced from the land described in each such lease under and in accordance with the terms and conditions of each such oil and gas lease.
- 4. The contingencies necessary to maintain and extend each such oil and gas lease beyond the definite or primary term therein expressed have been satisfied, and notice is given of the continuing validity of each such lease upon the lands therein described.

Dated this 19th day of June, 2006.

Colt Energy, Inc.

by: Nicholas K Powell

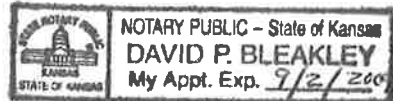
Nicholas K. Powell, President of
Colt Energy, Inc.

STATE OF Kansas, COUNTY OF Johnson, ss:

This instrument was subscribed, sworn to and acknowledged before me on June 19, 2006
by Nicholas K. Powell, President of Colt Energy, Inc., a Kansas Corporation.

David P. Bleakley

Notary Public – David P. Bleakley
App't. Expires: 9/2/2009



No. 9707683 Book S87 Page(s): 334 - 337

WOODSON COUNTY, KS, SS

RECORDED

Jun 20, 2006 11:45 AM Fees \$20.00

Mardelle S. Pringle, Register of Deeds

✓✓

OIL DIVISION ORDER AND AGREEMENT

TO: COFFEYVILLE RESOURCES REFINING & MARKETING, LLC
Attn: Owner Relations Dept.
10 E. Cambridge Circle, Suite 250
Kansas City, KS 66103

Lease No. 40953
Lease Name: BSU-Allen
Effective Date: August 1, 2001

COPY

Date: April 22, 2010

Revised Legal

Each of the undersigned (herein referred to individually and collectively as "Owner") hereby guarantees, represents and warrants to Coffeyville Resources Refining & Marketing, LLC (CRRM), its successors and assigns, that each Owner is the legal owner of the Owner's respective interest, in the proportions hereinafter stated, in all Oil (as defined herein) produced and saved from the BSU-Allen lease, located in the County of Woodson, State of Kansas, described as follows (the "Lands"):

Section 14: S/2 SE/4 less a tract in Section 14; N 15 acres of the NE/4 NE/4, 2.5 acres NW/4 NE/4 lying N of Sandy Creek in Section 23; all in Township 26 South, Range 14 East

Effective at 8:00 A.M. August 1, 2001 and until further written notice, CRRM is hereby authorized to receive all such produced Oil, for CRRM's own purchase or for resale, to receive payment therefore, to make payment of and/or give credit for all proceeds derived therefrom as follows:

Table with 3 columns: Owner No., Credit To, Decimal Interest. Row 1: 13921, Colt Energy Inc P O Box 388 Iola, KS 66749-0388, WI 0.87500000

Colt Energy Inc agrees to make payment to those holding legal title to the working interest, and any valid representative on assigned oil proceeds for the crude oil covered by this Division Order, and agrees to indemnify and hold harmless Coffeyville Resources Refining & Marketing, LLC for any loss, or damage it might suffer, including reasonable attorney fees, from having made payment to Colt Energy Inc

All provisions appearing on the reverse side hereof are incorporated herein by reference and are an essential part of this Division Order and Agreement (the "Agreement") with the same effect as if printed above the Owner's signatures. If Owner and CRRM are or become parties to a crude oil purchase or sale agreement ("Contract") concerning the Lands, the Contract will control any conflicts between the "Agreement" and the Contract. Notwithstanding anything to the contrary, all matters related to the division and ownership of oil shall be governed by the "Agreement."

The Owners expressly waive any claim against CRRM for any and all amounts owed to the Owners from any third party for Oil produced from the Lands prior to the effective date hereof.

Signatures of Witnesses

Owner Signature(s) Below

Taxpayer ID Number or Social Security Number for 1099 Reporting

Handwritten signatures of witnesses: Stephanie Puffer

Handwritten signature: Nicholas K Powell
Colt Energy Inc

Redacted Taxpayer ID Number

Print Authorizing Name & Title: Nicholas K Powell President

Daytime Telephone: (913) 236-0016

Address if different than above

Email

Federal Law requires you to furnish your Social Security or Taxpayer Identification Number. Failure to comply will result in 28% tax withholding and will not be refundable by Payor. M

Sign and return this original

The following provisions are also part of this Agreement. All provisions contained herein shall be binding upon the Owners and CRRM and their successors, legal representatives, transferees and assigns.

FIRST: The word "Oil" shall mean all crude oil, condensate and other marketable liquid hydrocarbons produced and saved from the above described real property. Oil shall become CRRM's property as soon as the same is received into CRRM's custody or that of any carrier designated by CRRM. CRRM is not obligated to: (a) receive Oil in definite quantities, (b) receive Oil for fixed periods, or (c) provide storage.

SECOND: The Oil shall be delivered f.o.b. to any carrier designated by CRRM which gathers and receives crude oil, condensate or other liquid hydrocarbons, and CRRM shall pay for such Oil to the Owners according to the division of interests herein specified at the price agreed upon and confirmed in writing between CRRM and the lease operator.

THIRD: Quantities of Oil purchased by CRRM shall be determined by the method of measurement and computation employed by CRRM or its agent designated to receive such Oil including without limitation, the gauging of storage tanks using regularly compiled tank tables, the use of certified truck gauges, and the use of meters or any other reasonably accurate method of measurement and computation. CRRM shall correct the volume and gravity to a temperature of 60° Fahrenheit and shall deduct from such corrected volume the full percentages of basic sediment, water and other impurities as shown by tests conducted by CRRM or its designee. CRRM may refuse to receive any Oil that it does not consider merchantable.

FOURTH: All payments shall be delivered or mailed to the respective Owner at the addresses above stated. CRRM shall make payments hereunder monthly by CRRM's check for Oil received during the preceding calendar month; provided that if the monthly payment due an Owner is less than the greater of fifty dollars (\$50.00) or the amount under applicable state law which a purchaser is not required to immediately disburse, CRRM may defer such payment, without interest, until the amount payable to said Owner equals or exceeds said amount. In such event, payment shall be made at the next regular settlement date. CRRM is hereby authorized to withhold from the proceeds of hydrocarbons the Owner's proportionate share of any tax levied and assessed by any governmental authority on the Oil received and purchased hereunder and to pay the same. If Owner is overpaid any amount by CRRM, Owner shall promptly return such overpayment to CRRM. If Owner does not return any such overpayment within ten (10) days after mailing of written notice to Owner's last known address by CRRM and CRRM thereafter commences a legal proceeding to recover any such overpayment, as part of any judgment in CRRM's favor, CRRM shall also be awarded all costs and expenses incurred by CRRM, including reasonable attorneys fees, in attempting to recoup any such overpayment as may be permitted under applicable law. CRRM shall have the right, in its sole discretion, to set off from amounts owed to any Owner from the sale of Oil or from the sale of crude oil, condensate or other liquid hydrocarbons produced from other properties against any amounts which may be owed to CRRM by the respective Owner under the provisions hereof or any other transaction with CRRM.

FIFTH: The Owners shall furnish, at no cost to CRRM, evidence of title satisfactory to CRRM. Any Owner receiving proceeds of Oil on behalf or for the account of any other person or entity shall promptly make full and proper settlement to each such person or entity. Until satisfactory evidence of title is furnished or in the event of any adverse claim to the Oil, lien or dispute at any time concerning title or ownership to the Oil, the proceeds thereof, and/or the Lands, CRRM shall have the right at any time and from time to time to withhold payment for Oil accruing to the interest or interests affected thereby until such adverse claim, lien or dispute shall have been fully settled, without liability for damage or interest to the Owners in any such case, if permitted by applicable state law. If suit is filed or an adverse claim is made affecting title or ownership to the Oil, the proceeds thereof, and/or the Lands, each Owner shall promptly provide to CRRM (at the above address) written notice thereof, together with a certified copy of any complaint or petition filed along with all other pleadings related thereto. Each Owner shall defend, indemnify and hold CRRM and its affiliates, directors, officers, employees, agents and representatives (collectively, the "CRRM Indemnitees"), harmless from and against any and all claims, liabilities, demands, actions, causes of action, costs, damages, and expenses (including, without limitation, costs of investigation, defense and court and reasonable attorneys' fees) arising from or in any way relating, directly or indirectly, to any proceedings, actions or adverse claims concerning title to or ownership of the Oil, the proceeds thereof, taxes thereon, and/or the Lands. Such indemnification shall apply notwithstanding CRRM's negligence or other act and notwithstanding such act may occur in the future, it being the intent of the parties hereto that such indemnification shall apply to all such acts.

SIXTH: CRRM shall not be responsible for any change of ownership in the absence of actual notice and satisfactory proof thereof. Each Owner shall notify CRRM in writing of any change in their ownership. Any transfer, assignment, or conveyance of any of an Owner's interest, however accomplished, shall be made subject to this Agreement and effective at 8:00 A.M. on the first day of the calendar month following the receipt of notice by CRRM. If any such written notice is not received by CRRM, the respective Owner shall defend, indemnify and hold the CRRM Indemnitees harmless from and against any over or underpayment, or wrong payment of any such sum or sums and all other damages in connection therewith. CRRM shall have the right, in its sole discretion, to set off from amounts owed to any Owner from the sale of Oil or from the sale of crude oil, condensate or other liquid hydrocarbons produced from other properties against any amounts which may be owed to CRRM by the respective Owner under the provisions hereof or any other transaction with CRRM, if permitted by applicable state law.

SEVENTH: If an Owner is a working interest owner and/or operator, it hereby guarantees, represents and warrants to CRRM that all Oil tendered hereunder has been or will be produced and delivered in compliance with all applicable federal, state and local laws, orders, rules and regulations. In addition, if a working interest owner and/or operator: (a) is being disbursed 100% of the proceeds from the Oil, it hereby assumes liability and shall be responsible for payment of any and all proceeds from the sale of Oil to all rightful owners, including, without limitation, working interest, royalty and overriding royalty interest owners and other payments due or to become due on the Oil and, if such disbursed proceeds are inclusive of taxes, all taxes applicable to the production, purchase, sale, storage, or transportation of Oil, including, without limitation, severance taxes, to the proper governmental authorities and (b) has requested CRRM to disburse the proceeds of production, CRRM will disburse proceeds as the operator directs.

EIGHTH: This Agreement shall bind each Owner as soon as signed by them, whether or not signed by any other Owner. All provisions herein contained shall apply to each Owner separately and not jointly. This Agreement may be executed in counterparts, all of which together shall constitute one Agreement. This Agreement may be terminated effective no less than thirty (30) days after delivery of written notice. The Owners consent to CRRM or any company owning pipelines connected to wells or tanks located on the Lands or lands pooled therewith, to disconnect and remove such pipelines upon termination hereof.

NINTH: This Agreement inures to the sole and exclusive benefit of CRRM and Owner, their respective successors, legal representatives, transferees and assigns, and confers no benefit on any third party.

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 28, 2014

Dennis Kershner
Colt Energy Inc
PO BOX 388
IOLA, KS 66749-0388

Re: Drilling Pit Application
ALLEN 3
NE/4 Sec.23-26S-14E
Woodson County, Kansas

Dear Dennis Kershner:

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 practical after drilling operations have ceased.

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 (620) 432-2300 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 (620) 432-2300.