

Pro-Stake LLC

Oil Field & Construction Site Staking

P.O. Box 2324
Garden City, Kansas 67846
Office/Fax: (620) 276-6159
Cell: (620) 272-1499
burt@pro-stakellc.kscoxmail.com



002503bar
PLAT NO.

11659
INVOICE NO.

Palomino Petroleum, Inc.

OPERATOR

#1 De La Rosa-Whitson

LEASE NAME

Butler County, KS

COUNTY

31 25s 3e
Sec. Twp. Rng.

1208' FSL - 1930' FEL

LOCATION SPOT

SCALE: 1" = 1000'
DATE STAKED: Mar. 31st, 2014
MEASURED BY: Ben R.
DRAWN BY: Luke R.
AUTHORIZED BY: Klee W. & Kirk R.

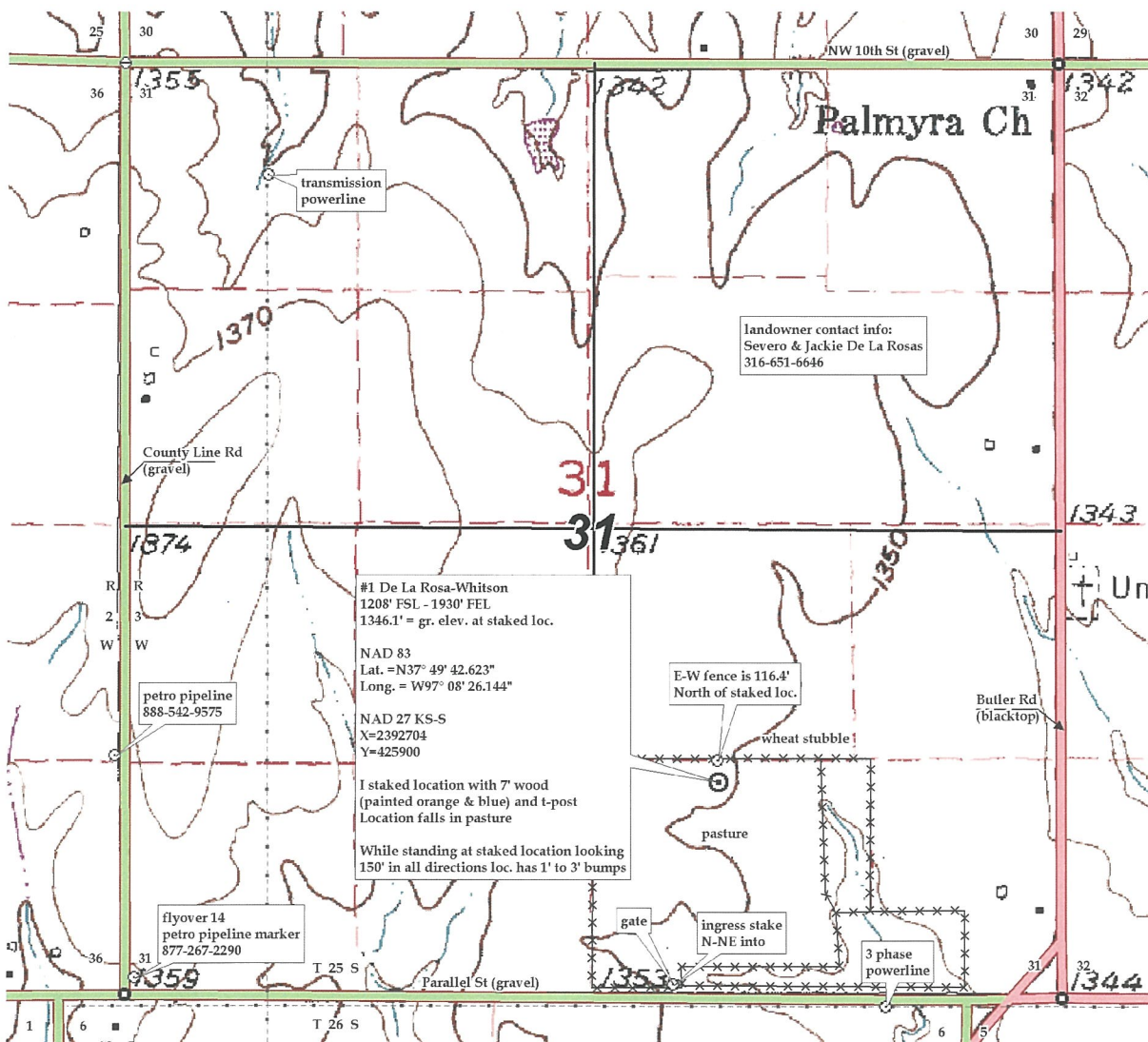


GR. ELEVATION: **1346.1'**

Directions: From the North side of Benton Ks at the intersection of Hwy 254 & Main St South – Now go 1.5 mile West on Hwy 254 – Now go 2 miles North on Butler Rd which is approx. 540' West of the SE corner of section 31-25s-3e – Now go 0.3 mile West on Parallel St to ingress stake N-NE into – Now go approx. 1260' N-NE through pasture, into staked location.

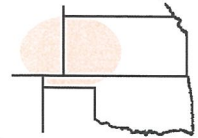
Final ingress must be verified with land owner or Operator.

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





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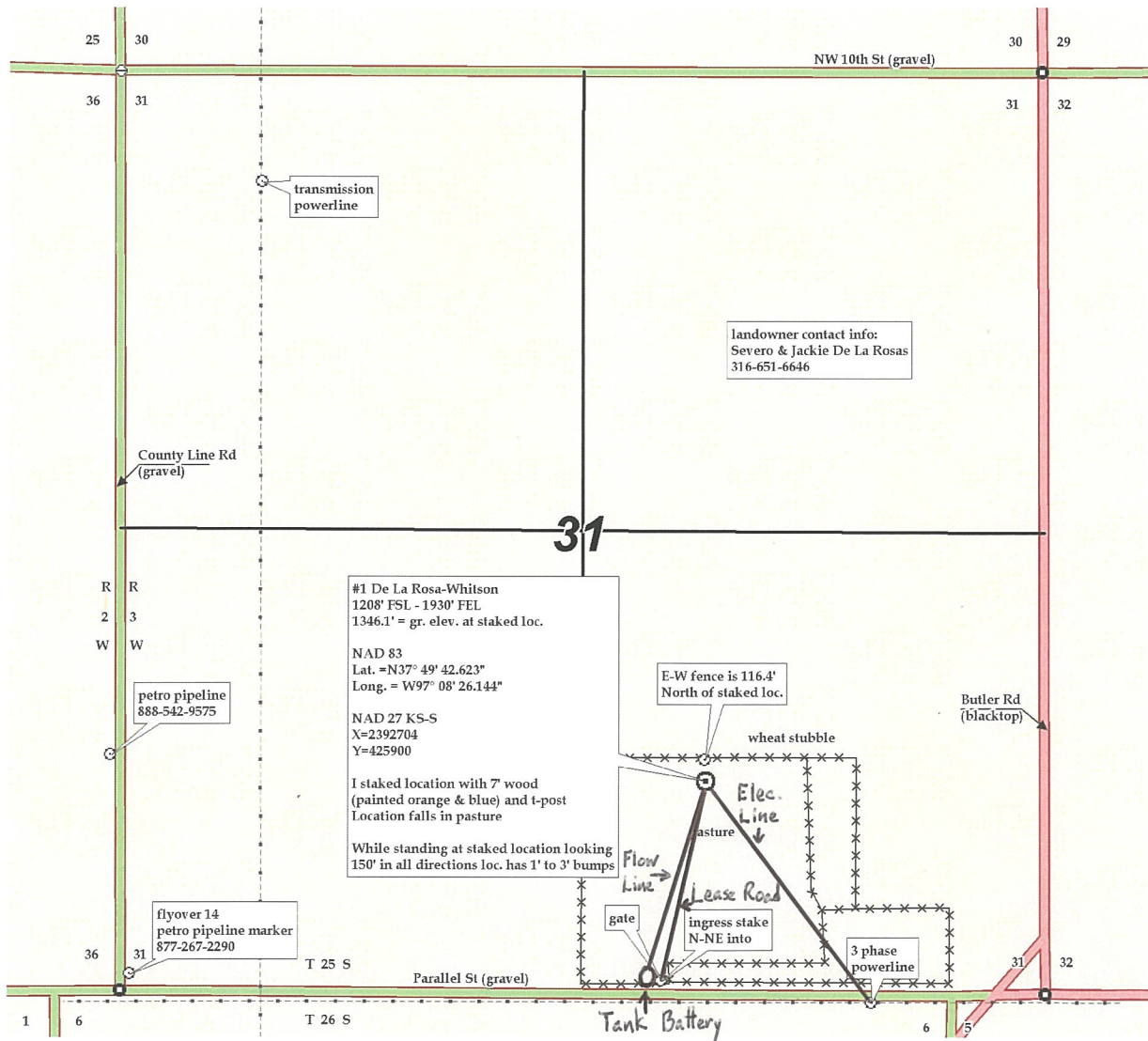


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 This drawing is for construction purposes only.*



RTN ENV: Palomino Petroleum Inc
4924 SE 84th St
Newton, KS 67114-8827



BUTLER COUNTY, KS
REGISTER OF DEEDS
Marcia McCoy

Book: 2013 Page: 20249

Receipt #: 86560
Pages Recorded: 2

Total Fees: \$12.00

Date Recorded: 4/22/2013 12:43:08 PM

FORM 88 — (PRODUCER'S SPECIAL) (PAID-UP)

63U (Rev. 1993)

OIL AND GAS LEASE

Reorder No.
09-115



Kansas Blue Print
700 S. Broadway PO Box 793
Wichita, KS 67201-0793
316-264-9344 264-5185 fax
www.kbp.com kbp@kbp.com

AGREEMENT, Made and entered into the 12th day of April 2013
by and between Severo De La Rosa and Jacqueline De La Rosa, his wife

whose mailing address is 16098 NW Parallel Rd Benton, KS 67017 hereinafter called Lessor (whether one or more),
and Palomino Petroleum, Inc.

hereinafter called Lessee:

Lessor, in consideration of One and More Dollars (\$ One (\$1.00)) in hand paid, receipt of which is hereby acknowledged and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring by geophysical and other means, prospecting drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases, and their respective constituent products, injecting gas, water, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, power stations, telephone lines, and other structures and things thereon to produce, save, take care of, treat, manufacture, process, store and transport said oil, liquid hydrocarbons, gases and their respective constituent products and other products manufactured therefrom, and housing and otherwise caring for its employees, the following described land, together with any reversionary rights and after-acquired interest, therein situated in County of Butler State of Kansas described as follows to-wit:

Township 25 South, Range 3 East

Section 31, 3/2 SE 1/4 less a 4.20 acre tract described as follows. Beginning at a point on the East line of the Southeast Quarter of Section 31, Township 25 South, Range 3 East, said point being 427' North of the Southeast Corner of said Section 31, (the East line of said Quarter has an assumed bearing of South 00 degrees West), thence North 86 degrees seventeen' 40" West, a distance of 626'; thence North parallel with the East line of said Section 31, a distance of 417.59', thence South 86 degrees 17' 40" East, a distance of 626' to a point on the East line of said Section 31; thence South 00 degrees West, a distance of 417.59' to the point of beginning, EXCEPT a tract beginning at a point 427' North of the Southeast Corner of the Southeast Quarter of Section 31, Township 25 South, Range 3 East; thence West 237'; thence North 367.59'. Thence East 237'. Thence South 367.59' to the point of beginning.

In Section Township Range and containing 75.80 acra, more or less, and all accretions thereto.

Subject to the provisions herein contained, this lease shall remain in force for a term of 3 (three) years from this date (called "primary term"), and as long thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, or any of them, is produced from said land or land with which said land is pooled.

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

1st. To deliver to the credit of lessor, free of cost, in the pipe line to which lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay lessor for gas of whatever nature or kind produced and sold, or used off the premises, or used in the manufacture of any products therefrom, one-eighth (1/8), at the market price at the well, (but, as to gas sold by lessee, in no event more than one-eighth (1/8) of the proceeds received by lessee from such sales), for the gas sold, used off the premises, or in the manufacture of products therefrom, said payments to be made monthly. Where gas from a well producing gas only is not sold or used, lessee may pay or tender as royalty One Dollar (\$1.00) per year per net mineral acre retained hereunder, and if such payment or tender is made it will be considered that gas is being produced within the meaning of the preceding paragraph.

This lease may be maintained during the primary term hereof without further payment or drilling operations. If the lessee shall commence to drill a well within the term of this lease or any extension thereof, the lessee shall have the right to drill such well to completion with reasonable diligence and dispatch, and if oil or gas, or either of them, be found in paying quantities, this lease shall continue and be in force with like effect as if such well had been completed within the term of years first mentioned.

If said lessor owns a lease interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein provided for shall be paid the said lessor only in the proportion which lessor's interest bears to the whole and undivided fee.

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

When requested by lessor, lessee shall bury lessee's pipe lines below plow depth.

No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of lessor.

Lessee shall pay for damages caused by lessee's operations to growing crops on said land.

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

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

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

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

Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the lessee shall have the right at any time to redeem for lessor, by payment any mortgages, taxes or other liens on the above described lands, in the event of default of payment by lessor, and be subrogated to the rights of the holder thereof, and the undersigned lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, in so far as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, when in lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises, such pooling to be of tracts contiguous to one another and to be into a unit or units not exceeding 40 acres each in the event of an oil well, or into a unit or units not exceeding 640 acres each in the event of a gas well. Lessee shall execute in writing and record in the conveyance records of the county in which the land herein leased is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit shall be treated, for all purposes except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on the pooled acreage, it shall be treated as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere herein specified, lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.

Lessee is not permitted to drill on acreage contained in this lease without permission of Lessor.

No Salt Water Disposal well shall be established on acreage contained in this lease without Lessor's permission

Lessor must provide prior approval to any ingress and egress routes established on acreage contained in this lease.

Lessee is responsible for crop damages (including alfalfa crop) that may result due to Lessee's drilling operations on acreage contained in this lease.

Lessee is responsible for restoring acreage contained in this lease to its original contour and condition as much as is practical.

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

Severo de la ROSA
Severo De La Rosa

Jacqueline De La Rosa
d/K/a Jacqueline DeLa Rosa

REC
COMP
NUM

RTN: Palomino Petroleum Inc.
ENV: 4924 SE 84th St
Newton, KS 67114

BUTLER COUNTY, KS
REGISTER OF DEEDS
Marcia McCoy

Book: 2014 Page: 2241

Receipt #: 94000

Total Fees: \$8.00

Pages Recorded: 1

Date Recorded: 3/26/2014 11:17:09 AM



CONSENT TO DRILLING AND LEASE ROAD

WHEREAS, the undersigned are all of the Lessors regarding that oil and gas lease dated April 12, 2013, recorded in Book 2013 at Page 20249, Butler County, Kansas, covering the following lands:

Township 25 South, Range 3 East

Section 31: S/2 SE/4 less a 4.20 acre tract described as follows: Beginning at a point on the East line of the Southeast Quarter of Section 31, Township 25 South, Range 3 East, said point being 427' North of the Southeast Corner of said Section 31; (the East line of said Quarter has an assumed bearing of South 00 degrees West); thence North 86 degrees seventeen' 40" West, a distance of 626'; thence North parallel with the East line of said Section 31, a distance of 417.59'; thence South 86 degrees 17' 40" East, a distance of 626' to a point on the East line of said Section 31; thence South 00 degrees West, a distance of 417.59' to the point of beginning; EXCEPT a tract beginning at a point 427' North of the Southeast Corner of the Southeast Quarter of Section 31, Township 25 South, Range 3 East; thence West 237', thence North 367.59', Thence East 237', Thence South 367.59' to the point of beginning.

AND, WHEREAS, said lease requires that the Lessee thereof secure written permission from the Lessors of said lease prior to drilling a well and/or establishing lease roads on the land described by said lease,

AND, WHEREAS, the undersigned Lessors desire to grant such permission to Palomino Petroleum, Inc.

NOW, THEREFORE, the undersigned do grant permission to Palomino Petroleum, Inc., to drill or cause to be drilled a well for production of oil and/or gas upon the above-described lands at approximately the following location:

1,250' FSL and 1,975' FEL Sec. 31-T25S-R3E, Butler County, KS

and do further hereby grant permission for placing lease road as necessary and incidental to such well on said land at the following location:

Approximately 1,975' FEL on NW Parallel Road and then directly north approximately 1,250' FSL to drill site.

Executed this 21st day of March, 2014.

Severo De La Rosa

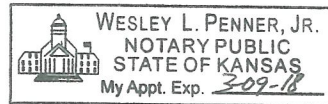
Severo De La Rosa

Jacqueline De La Rosa

Jacqueline De La Rosa

a/k/a Jacqueline De La Rosa

STATE OF KANSAS
COUNTY OF BUTLER

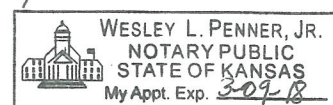


BEFORE ME, the undersigned, a Notary Public, within and for said County and State, on this 21st day of March, 2014, appeared Severo De La Rosa and Jacqueline De La Rosa a/k/a Jacqueline De La Rosa, to me personally known to be the identical persons who executed the within and foregoing instrument and 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.

Wesley L. Penner, Jr.
Notary Public -
Wesley L. Penner, JR.

My Commission Expires: 3-09-18



REL
COMP
NUM

OIL AND GAS LEASE

Reorder No. 09-115



P.O. Box 793 Wichita, KS 67201-0793 1-888-4KSBBLUE 1-316-264-9344 Wichita 1-316-264-5165 fax www.kbp.com +kbp@kbp.com

AGREEMENT, Made and entered into the 23rd day of February, 2010 by and between Marvin J. Whitson and his wife, Connie J. Whitson 3816 Haven Dr. Derby, KS 67037

RTN: and J. Fred Hambright, Inc., 125 N. Market, #1415, Wichita, KS 67202 hereinafter called Lessor (whether one or more), hereinafter called Lessee:

Lessor, in consideration of ten and more Dollars (\$10.00+) in hand paid, receipt of which is here acknowledged and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring by geophysical and other means, prospecting, drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases, and their respective constituent products, injecting gas, water, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, power stations, telephone lines, and other structures and things thereon to produce, save, take care of, treat, manufacture, process, store and transport said oil, liquid hydrocarbons, gases and their respective constituent products and other products manufactured therefrom, and housing and otherwise caring for its employees, the following described land, together with any reversionary rights and after-acquired interest, therein situated in County of Butler State of Kansas described as follows to-wit:

Township 25 South, Range 3 East:

Section 31: N 1/2 SE 1/4

and containing -80- acres, more or less, and all accretions thereto.

Subject to the provisions herein contained, this lease shall remain in force for a term of three (3) years from this date (called "primary term"). and as long thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, or any of them, is produced from said land or land with which said land is pooled.

In consideration of the premises the said lessee covenants and agrees: 1st. To deliver to the credit of lessor, free of cost, in the pipe line to which lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay lessor for gas of whatsoever nature or kind produced and sold, or used off the premises, or used in the manufacture of any products therefrom, one-eighth (1/8) of the proceeds received by lessee from such sales, for the gas sold, used off the premises, or in the manufacture of products therefrom, said payments to be made monthly. Where gas from a well producing gas only is not sold or used, lessee may pay or tender as royalty One Dollar (\$1.00) per year per net mineral acre retained hereunder, and if such payment or tender is made it will be considered that gas is being produced within the meaning of the preceding paragraph.

This lease may be maintained during the primary term hereof without further payment or drilling operations. If the lessee shall commence to drill a well within the term of this lease or any extension thereof, the lessee shall have the right to drill such well to completion with reasonable diligence and dispatch, and if oil or gas, or either of them, be found in paying quantities, this lease shall continue and be in force with like effect as if such well had been completed within the term of years first mentioned.

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein provided for shall be paid said lessor only in the proportion which lessor's interest bears to the whole and undivided fee.

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

When requested by lessor, lessee shall bury lessee's pipe lines below plow depth.

No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of lessor.

Lessee shall pay for damages caused by lessee's operations to growing crops on said land.

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

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

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

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

Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the lessee shall have the right at any time to redeem for lessor, by payment any mortgages, taxes or other liens on the above described lands, in the event of default of payment by lessor, and be subrogated to the rights of the holder thereof, and the undersigned lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, in so far as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, when in lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of oil, gas or other minerals in and under that may be produced from said premises, such pooling to be of tracts contiguous to one another and to be into a unit or units not exceeding 40 acres each in the event of an oil well, or into a unit or units not exceeding 640 acres each in the event of a gas well. Lessee shall execute in writing and record in the conveyance records of the county in which the land herein leased is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit shall be treated, for all purposes except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on the pooled acreage, it shall be treated as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere herein specified, lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.

SEE RIDER* ATTACHED HERETO AND MADE A PART HEREOF.



BUTLER COUNTY, KS - MARCIA MCCOY- REGISTER OF DEEDS Book: 2011 Page: 4139 Receipt #: 62285 Total Fees: \$16.00 Pages Recorded: 3 Date Recorded: 4/7/2010 11:00:12 AM

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

Marvin J. Whitson

Connie J. Whitson

REC COMP NUM