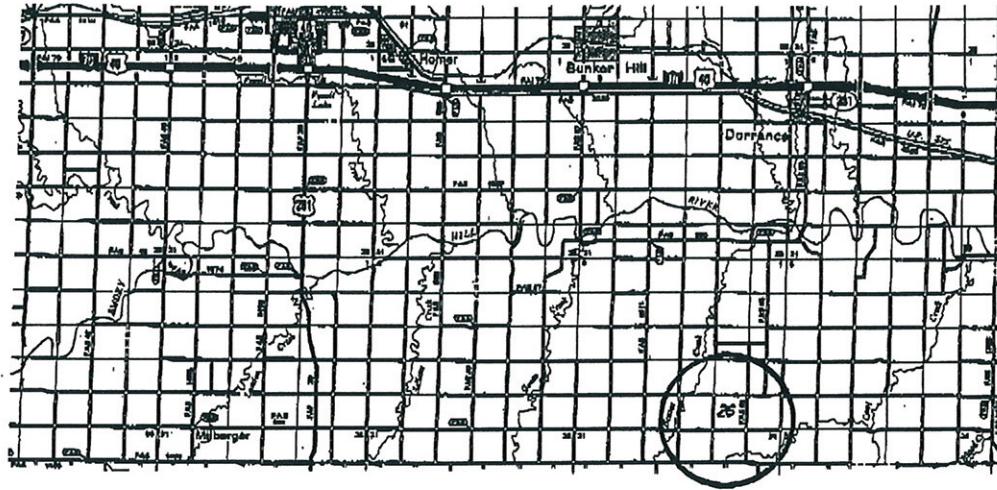
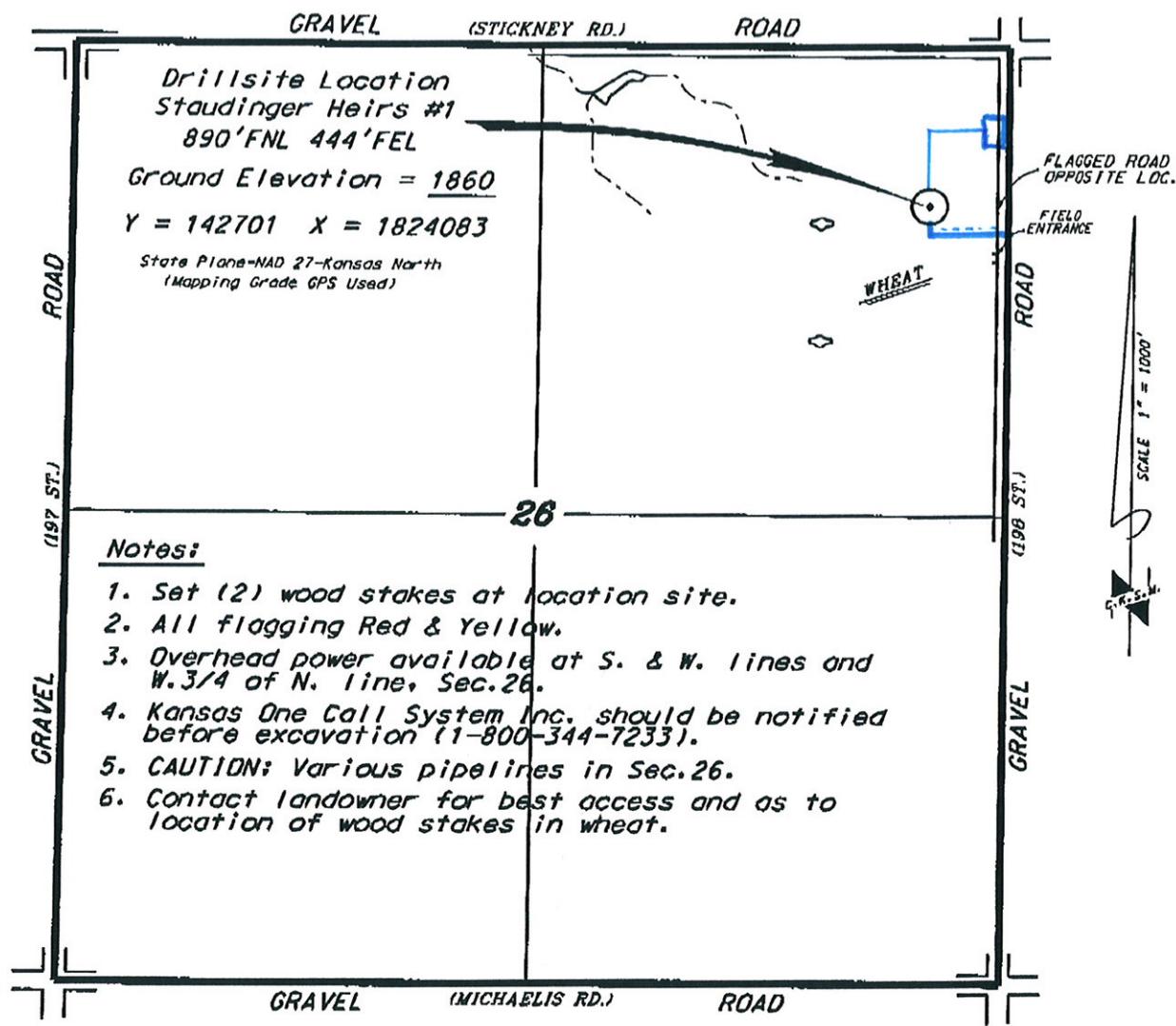


**H & D EXPLORATION, LLC
STAUDINGER HEIRS LEASE
NE. 1/4, SECTION 26, T15S, R12W
RUSSELL COUNTY, KANSAS**

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



- Controlling data is based upon the best maps and photographs available to us and upon a regular section of land containing 640 acres.
- Approximate section lines were determined using the normal methods of care of oilfield surveys practiced in the state of Kansas. The section corners, which establish the precise section lines, are not necessarily located, and the exact location of the drillsite location in the section is not guaranteed. Therefore, the company securing this service and accepting this plot and all other plots within the same section do so at their own risk.
- Oilfield Services, Inc., its officers and employees harmless from oil leases, costs, expenses and solid entities related thereto in entirety from incidental or consequential damages.
- Elevations derived from National Geodetic Vertical Datum.

Date April 22, 2014

CENTRAL KANSAS OILFIELD SERVICES, INC. 1820792-1977

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 29 day of January, 2013,

by and between Thomas L. Frist and Marie Ann Frist Recyclable Living Trust, West Branch County Road, Great Bend, KS 67530, Henry J. Staudinger and Karen V. Staudinger, 2218 Riverview Dr., Tonganoxie, KS, 66086, Donald W. Kuhfuss and Levertta Kuhfuss, 2012 Mth St., Great Bend, KS 67530, Vern Lee Miller, 7336, 1/2 St., Great Bend, KS 67530, Palmer, LMK, 865 Meadow St., Salina, KS 67401,

whose mailing address is

(hereinafter called Lessor (whether one or more).

and H&D Exploration, LLC, PO Box 387, Hoisington, KS 67544, hereinafter called Lessee:

Lessor, in consideration of One Dollars (\$1.00) in hand paid, receipt of which is here acknowledged and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring byophysical, including but not limited to 3-D seismic, 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 brining and otherwise caring for its employees, the following described land, together with any reversionary rights and after acquired interest, therein situated in

County of Russell, State of Kansas, described as follows: Instrument filed for record
February 14, 2013
8:15 A.M. Recorded in
Book 218 Page 655-656
One, Orr, Marion, & Russell
Register of Deeds
\$12.00

In Section 26, Township 15, Range 12, and containing 160 acres, more or less, and all accretions thereto.

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

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

- 1st. To tender to lessor, free of cost, nine sixty fourth (9/64) of all proceeds received by lessee for oil produced and sold 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, nine sixty fourth (9/64), at the market price at the well, (but, as to gas sold by lessee in no event more than nine sixty fourth (9/64) 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 at 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 herein 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 lease shall have the right to drill such well in 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 its 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 to 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 operations thereon, except water from the wells of lessor and the pond located on the premises.

When requested by lessor, lessee shall bury lessor'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 lessor's operations in growing crops on said land.

Lessee shall restore the surface of the leased premises as close as possible to its original state. If slash ponds are built, the top soil shall be placed at one end and spread on the top when the ponds are closed.

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 herein is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to the heirs, executors, administrators, successors or assigns, but no change in the ownership of the land, 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 lessor assigns this lease, in whole or in part, lessor shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment.

Lessor may at any time execute and deliver to lessee or place of record a release or releases covering any portion or portions of the above described premises and thereby 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 lessor 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 agrees that the lessor 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 under-signed 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 lessor'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 in tracts contiguous to one another and to be into a unit or units not exceeding 20 acres each in the event of an oil well, or into a unit or units not exceeding 220 acres each in the event of a gas well. Lessee shall execute in writing and record in the conveyance records of the county on which the land herein leased is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a unit 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. If pooling occurs and there are no wells outside the Unit within one year of formation of the Unit, the lease shall end as to acreage not covered by the unit.

If at the end of the primary term this lease is not otherwise continued in force under the provisions hereof, this lease shall expire, unless lessor or before the end of the primary term shall pay or tender to lessor the sum of Ten (\$10.00) dollars multiplied by the number of net mineral acres owned by lessor in the land above described and then subject to this lease, and subject to the other provisions of this lease, this lease shall thereby be modified and the primary term shall be extended for an additional term of One (1) years from the end of the primary term. Said payment may be made by check or draft of lessor or any assignee thereof, mailed or delivered direct to lessor at the address first provided above, no or before the end of the primary term.

If the lease terminates, lessee shall provide to lessor the results of any 7-D or similar testing undertaken by lessee during the term of this lease.

IN WITNESS WHEREOF, the undersigned execute this instrument as of the day and year first above written BOOK 218 PAGE 655

Thomas L. Frist and Marie Ann Frist Recyclable Living Trust
Henry J. Staudinger
Karen V. Staudinger

Donald W. Kuhfuss
Levertta Kuhfuss
Vern Lee Miller
Patricia J. Miller
Elmer J. Miller

Henry J. Staudinger
Karen V. Staudinger
Levertta Kuhfuss
Vern Lee Miller
Patricia J. Miller
Elmer J. Miller

Additional Landowners:

Henry J. & Karen V. Staudinger
2218 Riverview Dr
Toms Brook, VA 22660

Donald W. & Loretta Kuhlman
2912 26th St
Great Bend, KS 67530

Vera Lee Conley
2546 17th St
Great Bend, KS 67530

Patricia J. Mills
865 Sheridan St
Salina, KS 67401