

For KCC Use ONLY

API # 15 - _____

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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

Operator: _____

Lease: _____

Well Number: _____

Field: _____

Number of Acres attributable to well: _____

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

Location of Well: County: _____

_____ feet from N / S Line of Section

_____ feet from E / W Line of Section

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

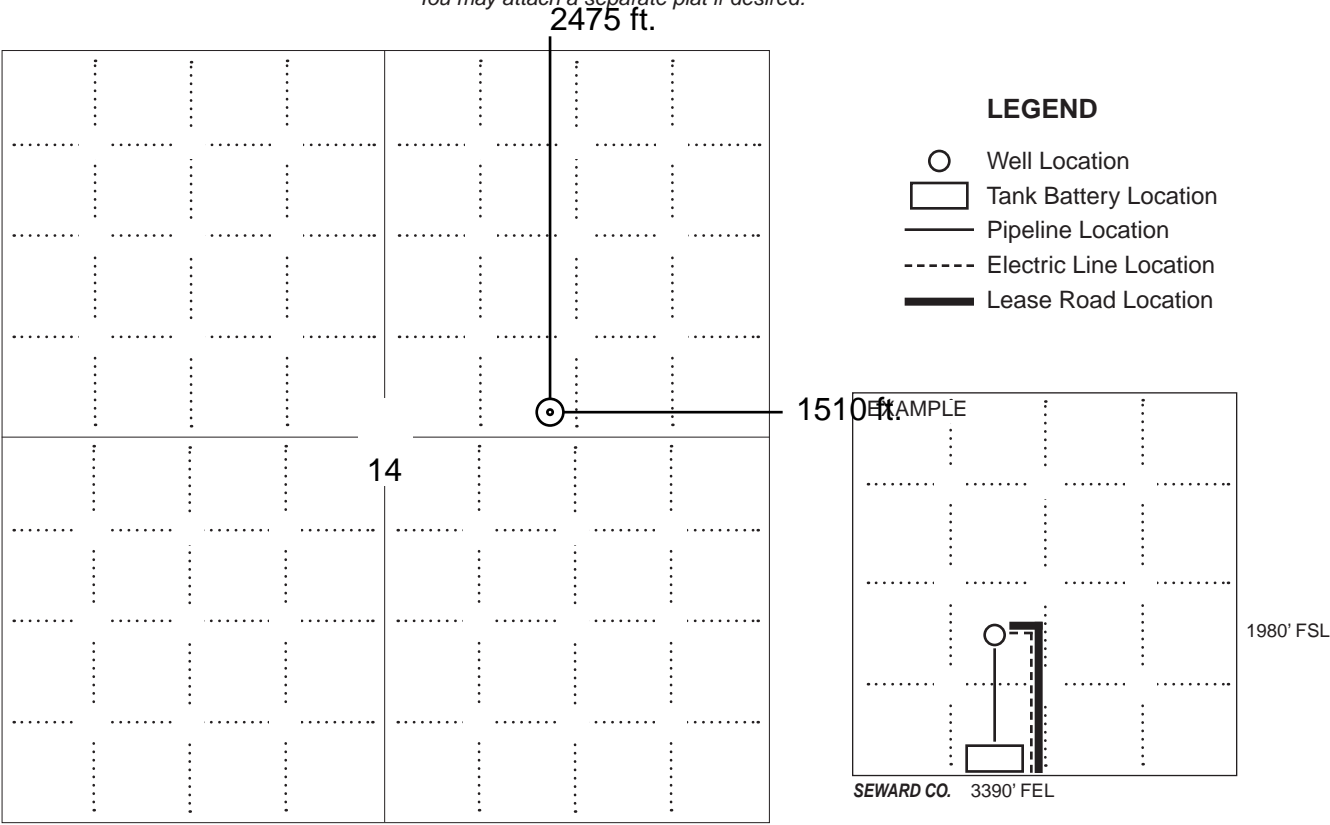
Is Section: Regular or Irregular

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

Section corner used: NE NW SE SW

PLAT

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



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

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

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: Downing Nelson Oil Company Inc.
 Lease: SDK Unit
 Well Number: 1-14
 Field: Wildcat

Location of Well: County: Ellis
2,475 feet from N / S Line of Section
1,510 feet from E / W Line of Section
 Sec. 14 Twp. 14 S. R. 19 E W

Number of Acres attributable to well: _____
 QTR/QTR/QTR/QTR of acreage: SE - SE - SW - NE

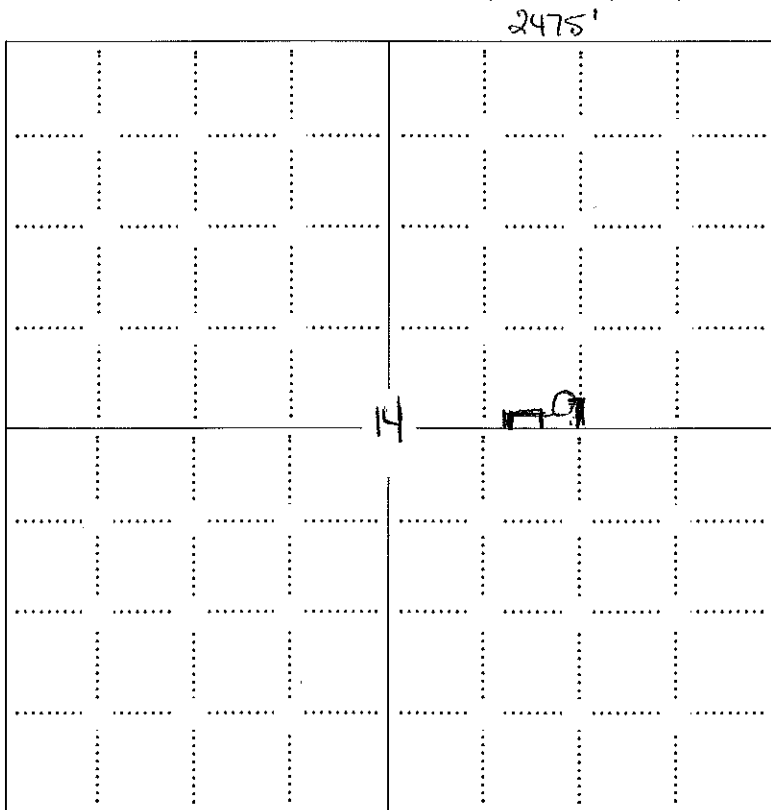
Is Section: Regular or Irregular

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

Section corner used: NE NW SE SW

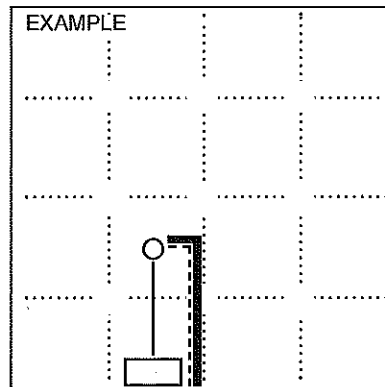
PLAT

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: (CO-7 for oil wells; CG-8 for gas wells).
5. The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.

EXTENSION OF OIL AND GAS LEASE

WHEREAS, DOWNING-NELSON OIL COMPANY, INC., is the owner and holder of an Oil and Gas Lease on the following described land in Ellis County, State of Kansas:

Plat	<u>CA</u>
Direct	<u> </u>
In Direct	<u> </u>
Numerical	<u> </u>
Checked	<u> </u>

East Half of the Northeast Quarter (E/2 NE/4) of Section Fourteen (14), Township Fourteen (14) South, Range Nineteen (19) West of the 6th P.M.,

dated June 24, 2010 and recorded on September 3, 2010 in Book 751 at Page 651 in the Office of the Register of Deeds of Ellis County, Kansas, and

WHEREAS, said Lease expires in the absence of drilling operations on June 24, 2013 and the said owner and holder desires to have the term of said Lease extended;

NOW, THEREFORE, the undersigned, for themselves, their heirs, executors, administrators and assigns, for and in consideration of Twenty Dollars (\$20.00) per net mineral acre, in hand paid, the receipt whereof is hereby acknowledged, does hereby agree that the said term of said lease shall be and is hereby extended, with the same tenor and effect as if such extended term has been originally expressed in such lease, for a period of one (1) year from the date of the said expiration hereof and as long thereafter as oil or gas (including casinghead gas) is produced from any well on the land covered by said lease; subject, however, in all other respects, to the provisions and conditions of said lease or said lease as modified, if any modification thereof may have been heretofore executed.

IN WITNESS WHEREOF, this instrument is signed on this the 5th day of June, 2013.

Timothy O. Davis
TIMOTHY O. DAVIS

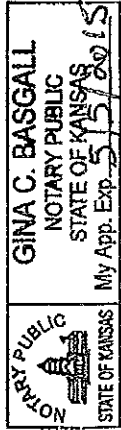
Penny J. Davis
PENNY J. DAVIS

STATE OF KANSAS,
COUNTY OF ELLIS, ss:

BE IT REMEMBERED, that on this 5th day of June, 2013, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came Timothy O. Davis and Penny J. Davis, husband and wife, who are personally known to me to be the same persons who executed the within instrument of writing and such persons duly acknowledged the execution of the same.

In WITNESS WHEREOF, I have hereunto set my hand and official seal, on the day and year last above written.

My Appointment Expires: 5/5/2015
Gina C. Basgall
Notary Public Gina C. Basgall



STATE OF KANSAS }
ELLIS COUNTY }
This instrument was filed for record
at 11:20 o'clock PM recorded in

JUN 11 2013

827 of records page 472
Basgall
Fees 3.00 Register of Deeds

Gregory E. Saindon, P.A.
P.O. BOX 108
824 WASHINGTON STREET
ELLIS, KANSAS 67637
PHONE (785) 726-5129

AFFIDAVIT FOR EXTENSION OF OIL & GAS LEASE

Date Recorded: 6/7/2013 10:15:00 AM

BY PAYMENT OF DELAY RENTAL



STATE OF KANSAS, COUNTY OF ELLIS, SS:

COMES NOW, Affiant, having duly been sworn upon his oath, and states:

1. That Affiant is a licensed and practicing attorney in the City of Ellis, Ellis County, Kansas.
2. That Affiant is the attorney for and on behalf of Downing-Nelson Oil Co., Inc.
3. Downing-Nelson Oil Co., Inc., is the owner of an Oil and Gas Lease as described hereinafter, to-wit:

Oil and Gas Lease dated June 24, 2010 between Harold G. Kraus and Virginia B. Kraus, husband and wife, as Lessors, and Downing-Nelson Oil Company, Inc., as Lessee, and recorded on September 3, 2010 in Book 751 at Page 648 in the Office of the Register of Deeds of Ellis County, Kansas, and covering the South Half (S/2) of Section 14, Township 14 S, Range 19W of the 6th P.M. ✓

PS
Placed
in Filed
Numerical
Checked

4. That under and pursuant to the terms of that Oil and Gas Lease the Affiant paid a delay rental on May 31, 2013 in the amount of \$3,200.00 to Harold G. Kraus and Virginia B. Kraus, husband and wife. Said payment was made on behalf of Downing-Nelson Oil Co., Inc., and extends the above described Oil and Gas Lease beyond its primary term for the fourth and fifth year of the Lease as provided therein.

FURTHER AFFLIANT SAYS NOT.

WITNESS MY HAND this 5th day of June, 2013.

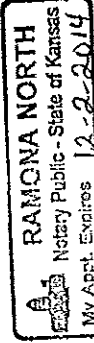
[Signature]

GREGORY E. SAINDON

STATE OF KANSAS
COUNTY OF ELLIS, ss.:

BE IT REMEMBERED, that on this 5th day of June, 2013, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came GREGORY E. SAINDON, who is personally known to me to be the same person who executed the within instrument of writing and such person duly acknowledged the execution of the same.

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



[Signature]

Notary Public

My Appointment Expires: Dec. 2, 2014

Gregory E. Saindon, P.A.

P.O. BOX 108
824 WASHINGTON STREET
ELLIS, KANSAS 67637
PHONE (785) 726-3129

EXTENSION OF OIL AND GAS LEASE

WHEREAS, DOWNING-NELSON OIL COMPANY, INC., is the owner and holder of an Oil and Gas Lease on the following described land in Ellis County, State of Kansas:

direct	<u>PS</u>
In Direct	<u>PS</u>
Numerical	<u>PS</u>
Checked	<u>✓</u>


Northwest Quarter (NW/4) and the West Half of the Northeast Quarter (W/2 NE/4) of Section Fourteen (14), Township Fourteen (14) South, Range Nineteen (19) West of the 6th P.M.,

dated June 8, 2010 and recorded on September 3, 2010 in Book 751 at Page 645 in the Office of the Register of Deeds of Ellis County, Kansas, and

WHEREAS, said Lease expires in the absence of drilling operations on June 8, 2013 and the said owner and holder desires to have the term of said Lease extended;

NOW, THEREFORE, the undersigned, for themselves, their heirs, executors, administrators and assigns, for and in consideration of Twenty Dollars (\$20.00) per net mineral acre, in hand paid, the receipt whereof is hereby acknowledged, does hereby agree that the said term of said lease shall be and is hereby extended, with the same tenor and effect as if such extended term has been originally expressed in such lease, for a period of one (1) year from the date of the said expiration hereof and as long thereafter as oil or gas (including casinghead gas) is produced from any well on the land covered by said lease; subject, however, in all other respects, to the provisions and conditions of said lease or said lease as modified, if any modification thereof may have been heretofore executed.


IN WITNESS WHEREOF, this instrument is signed on this the 4th day of June, 2013.

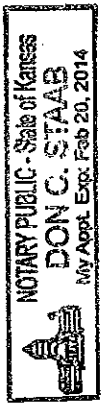

 JANE B. SCHUMACHER, Trustee of the
 Jane B. Schumacher Revocable Living Trust
 Dated May 1, 2008

STATE OF KANSAS,
COUNTY OF ELLIS, ss:

BE IT REMEMBERED, that on this 4th day of June, 2013, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came JANE B. SCHUMACHER, Trustee of the Jane B. Schumacher Revocable Living Trust Dated May 1, 2008, who is personally known to me to be the same person who executed the within instrument of writing and such person duly acknowledged the execution of the same.

In WITNESS WHEREOF, I have hereunto set my hand and official seal, on the day and year last above written.


 Notary Public Don C. Staab
 My Appointment Expires: Feb. 20, 2014



STATE OF KANSAS }
 ELLIS COUNTY }
 This instrument was filed for record
 on 12 o'clock P.M recorded in

JUN 07 2013
827 of record page 108
Travis K. A. Stevens
 Fees 8.00 Register of Deeds

Gregory E. Sawdon PA

EXTENSION OF OIL AND GAS LEASE

WHEREAS, DOWNING-NELSON OIL COMPANY, INC., is the owner and holder of an Oil and Gas Lease on the following described land in Ellis County, State of Kansas:

PS
PS
PS
PS
Street _____
to Direct _____
Numerical _____
Checked _____

Northwest Quarter (NW/4) and the West Half of the Northeast Quarter (W/2 NE/4) of Section Fourteen (14), Township Fourteen (14) South, Range Nineteen (19) West of the 6th P.M.,

dated June 8, 2010 and recorded on September 3, 2010 in Book 751 at Page 642 in the Office of the Register of Deeds of Ellis County, Kansas, and

WHEREAS, said Lease expires in the absence of drilling operations on June 8, 2013 and the said owner and holder desires to have the term of said Lease extended;

NOW, THEREFORE, the undersigned, for themselves, their heirs, executors, administrators and assigns, for and in consideration of Twenty Dollars (\$20.00) per net mineral acre, in hand paid, the receipt whereof is hereby acknowledged, does hereby agree that the said term of said lease shall be and is hereby extended, with the same tenor and effect as if such extended term has been originally expressed in such lease, for a period of one (1) year from the date of the said expiration hereof and as long thereafter as oil or gas (including casinghead gas) is produced from any well on the land covered by said lease; subject, however, in all other respects, to the provisions and conditions of said lease or said lease as modified, if any modification thereof may have been heretofore executed.

IN WITNESS WHEREOF, this instrument is signed on this the 4th day of June, 2013.


BRUCE J. SCHUMACHER


BRENDA A. SCHUMACHER

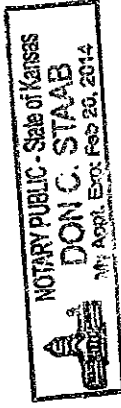
STATE OF KANSAS,
COUNTY OF ELLIS, ss:

BE IT REMEMBERED, that on this 4th day of June, 2013, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came BRUCE J. SCHUMACHER and BRENDA A. SCHUMACHER, husband and wife, who are personally known to me to be the same persons who executed the within instrument of writing and such persons duly acknowledged the execution of the same.

In WITNESS WHEREOF, I have hereunto set my hand and official seal, on the day and year last above written.



My Appointment Expires: Feb. 20, 2014 Notary Public Don C. Staab



STATE OF KANSAS }
ELLIS COUNTY }
This instrument was filed for record
10:15 o'clock P.M recorded in

JUN 07 2013

827 of Records page 109
Rebecca L. J. 109
Fees 8.00 Register of Deeds

Gregory E. Sauter PA

THIS AGREEMENT, Entered into this the 24th

day of June

2010

between

Timothy O. Davis and Penny J. Davis, husband and wife

and Downing-Nelson Oil Company, Inc.

hereinafter called lessor,

1. That lessor, for and in consideration of the sum of One (\$1.00) & O.V.C., hereinafter called lessee, does witness:

and agreements hereinafter contained to be performed by the lessee, has this day granted, leased, and let and by these presents does hereby grant, lease and let exclusively unto the lessee the hereinafter described land, together with any reversionary rights therein, and with the right to utilize this lease and any part thereof with other oil and gas leases as to all or any part of the lands covered and operating thereunder for producing and saving all of the oil (including but not limited to distillate and condensate) and gas (including but not limited to casinghead gas and helium and all constituents of all gases), and for constructing, installing, maintaining and operating pipe lines, building tanks, storing oil, building power, stations, telephone and electric transmission lines and other structures thereon necessary or convenient for the economical operation of said land alone or conjointly with neighboring lands, to produce, save, take care of, and manufacture all of such substances, said tract of land being situated in the County of Ellis State of Kansas

and described as follows:

East Half of The Northeast Quarter (E/2NE/4)

In Section 14

Township 14 South Range 19 West and containing 80

acres, more or less.

2. This lease shall remain in force for a term of (5) Five years from date (herein called "primary term"), and as long thereafter as oil, gas, or any of the substances covered by this lease is or can be produced.

3. The lessee shall deliver as royalty, free of cost, to lessor at the wells, or to the credit of lessor into the pipe line to which lessee may connect its wells, the equal one-eighth (1/8) part of all oil (including but not limited to distillate and condensate) produced and saved from the leased premises, or at the lessee's option may pay to the lessor for such one-eighth (1/8) royalty the market price at the wells in the field or area for oil of like grade and gravity prevailing on the day such oil is run into the pipe line or into storage tanks.

4. The lessee shall pay to lessor for gas of whatsoever nature or kind (with all of its constituents) produced and used by the lessee for the manufacture of gasoline or any other product, as royalty, one-eighth (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 one-eighth (1/8) of the proceeds of the sale thereof at the mouth of the well; said payments to be made monthly. During any period (whether before or after expiration of the primary term hereof) when gas is not being so sold or used and the well or wells are shut in, there is no current production of oil or operations on said leased premises sufficient to keep this lease in force, lessee shall pay or tender a royalty of One Dollar (\$1.00) per acre per net royalty acre retained hereafter, such payment or tender to be made, on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut in and thereafter on the anniversary date of this lease during the period such well is shut in, to the royalty owners or to the royalty owner's credit in the rental depository bank hereinafter designated. When such payment or tender is made it will be considered that gas is being produced within the meaning of the entire lease. Out of any surplus not needed for operations hereunder, the lessor may have, free of charge, gas 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.

5. If drilling operations or mining operations are not commenced on the leased premises on or before ~~XXXX~~ three years from this date, this lease shall then terminate as to both parties unless lessee on or before the expiration of said period shall pay or tender to lessor, or to the credit of lessor in Bank at Four Hundred Dollars (s 400.00) hereinafter called "rental", which shall extend for twelve months the time within which drilling operations or mining operations may be commenced. Thereafter, annually in like manner and upon like payments or tenders the rental may be made by check or draft of lessee, delivered or mailed to the authorized depository bank or lessor (at address last known to lessor) on or before date for payment, and the payment or tender will be deemed made when the check or draft is so delivered or mailed. If said named or successor bank (or any other bank which may be hereinafter provided, have been designated as depository) should fail or liquidate or for reason refuse or fail to accept rental, lessee shall not be held in default for failure to make such payment or tender until thirty days after lessor shall deliver to lessee a proper recordable instrument naming another bank to receive such payments or tenders. The above named or successor bank or any other bank which may be designated as depository shall be deemed to be the depository for such operations, and the first material is placed on the leased premises or when the first work, other than surveying or staking the location, is done thereon which is necessary for such operations.

6. If at any time prior to the discovery of oil or gas on this land and during the primary term of this lease, the lessee shall drill a dry hole or dry holes on this land, this lease shall not terminate if the lessee commences further drilling operations or commences or resumes the payment of rentals in the manner and in the amount hereinabove provided by the rental paying date, if any, next ensuing after thirty (30) days following the completion of the dry hole, or if there be no such rental paying date, commence such further operations before the expiration of the primary term.

7. In case 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 hereinafter provided for shall be paid the said 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.

8. The lessee shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of the lessor. When required by lessor, the lessee shall bury its pipe lines below plow depth and shall pay for damage caused by its operations to growing crops sold on land. 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 have the right at any time during, or after the expiration of this lease to remove all machinery, fixtures, houses, buildings and other structures placed on said premises, including the right to draw and remove all casing, but lessee shall be under no obligation to do so, nor shall lessee be under any obligation to restore the surface to its original condition, where any alterations or changes were due to operations reasonably necessary under this lease.

9. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to their heirs, devisees, executors, administrators, successors and assigns. However, no change or division in ownership of the lands, rentals, royalties or any sum due under this lease shall be binding on the lessee until it has been furnished with either the original recorded instrument of conveyance or a duly certified copy thereof or a duly certified copy of the estate of any deceased owner and of the rights thereof, or certified copy of the proceedings showing appointment of an administrator for the estate of any deceased owner, whichever is appropriate, together with all original recorded instruments of conveyance or duly certified copies thereof necessary in showing a complete chain of title back to lessor to the full interest claimed, and all advance payments of rentals made hereunder before receipt of said documents shall be binding on any and all direct or indirect assignees, grantees, devisees, administrators, executors, or heirs of lessor. In the event this lease shall be assigned as to a part or as to parts of the above described land and the holder or holders of the lease as to any such part or parts shall make default in the payment of the proportionate part of the rent due from him or them, such default shall not operate to defeat or affect this lease insofar as it covers a part or parts of said land upon which the lessee or any assignee hereof shall make due payment of said rentals.

10. If the leased premises are now or shall hereafter be owned in severally or in separate tracts, the premises may nevertheless be developed and operated as one lease, and all royalties accruing hereunder shall be divided among and paid to such separate owners in the proportion that the acreage owned by each separate owner bears to the entire leased acreage. 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 may now or hereafter be divided by sale, devise, descent or otherwise, or to furnish separate receiving or measuring tanks or devices.

11. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the lessee, at its option, may pay and discharge in whole or in part any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands and, in event it exercises such option, it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying to the discharge of any such mortgage, tax or other lien, any royalty or rentals accruing hereunder.

12. Notwithstanding anything in this lease contained to the contrary, it is expressly agreed that if lessee shall commence to drill a well or commence reworking operations on an existing well at any time while this lease is in force, this lease shall remain in force and its terms shall continue so long as such operations are prosecuted and, if production results therefrom, then as long as production continues.

13. Lessee may at any time and from time to time surrender or cancel this lease in whole or in part by delivering or mailing such release to the lessor, or by placing same of record in the proper county. In case said lease is surrendered and canceled as to only a portion of the acreage covered thereby, then all payments and liabilities thereafter accruing under the terms of said lease as to the portion canceled shall cease and determine and any rentals thereafter paid shall be reduced in the proportion that the acreage covered hereby is reduced to the portion of such release, but as to the portion of the acreage not released the terms and provisions of this lease shall continue and remain in full force and effect for all purposes.

14. All provisions hereof, express or implied, shall be subject to all federal and state laws and the orders, rules or regulations (and interpretations thereof) of all governmental agencies administering the same, and this lease shall not be in any way terminated wholly or partially nor shall the lessee be liable in damages for failure to comply with any of the express or implied provisions hereof, if such failure accords with any such laws, orders, rules or regulations (or interpretations thereof). If lessee should be prevented during the last six months of the primary term hereof from drilling a well hereunder by the order of any constituted authority having jurisdiction thereover, or if lessee should be unable during said period to drill a well hereunder due to equipment necessary in the drilling thereof not being available on account of any cause, the primary term of this lease shall continue until six months after said order is suspended and/or said equipment is available, but the lessee shall pay delay rentals herein provided during such extended time.

15. Lessee is hereby granted the right at any time and from time to time, either before or after production is obtained, to form or reform a unit or units covering the leased premises or any portion or portions thereof, as to all strata or strata, with any other lands as to all strata or any stratum or units strata, for the production primarily of oil or primarily of gas with or without distillate. However, no unit for the production primarily of oil shall embrace more than 40 acres (plus such tolerance as may be appropriate by reason of oversize legal subdivisions), or for the production primarily of gas with or without distillate more than 840 acres (plus such tolerance as may be appropriate by reason of oversize legal subdivisions); provided that if any governmental regulation shall prescribe a spacing pattern for the development of the field or allocate a producing allowable based on acreage per well, then any such unit may embrace as much additional acreage as may be so prescribed or as may be used in such allocation of allowable. Lessee shall file written designations in the county in which the leased premises are located in order to reform, or to reform or to dissolve a unit, or to locate or re-locate a producing allowable, and operations upon and production from the unit shall be treated as if such operations were upon or such production were from the leased premises whether or not units, well or wells are located thereon. The entire acreage within a unit shall be treated for all purposes as if it were covered by and included in this lease, except that the royalty on production from the unit shall be as below provided, and except that in calculating the amount of any rentals or shut in gas royalties only that part of the acreage originally leased and then actually embraced by this lease shall be counted. In respect to production from the unit, lessee shall pay lessor in lieu of such royalties thereon, only such proportion of the royalties 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 in the unit.

16. Should any one or more of the parties above 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 means the party or parties who execute this lease as lessor, although not named above. See Addendum attached hereto and made a part hereof IN WITNESS WHEREOF, we sign the day and year first above written.

Timothy O. Davis

Penny J. Davis

Timothy O. Davis

Penny J. Davis

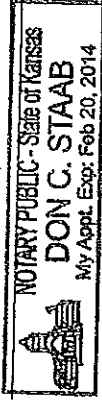
STATE OF KANSAS

COUNTY OF ELLIS

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)

The foregoing instrument was acknowledged before me this 15th day of July 2010
by Timothy O. Davis & Penny J. Davis and

My commission expires _____



Notary Public

STATE OF _____

COUNTY OF _____

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)

The foregoing instrument was acknowledged before me this _____ day of _____
by _____ and _____

My commission expires _____

Notary Public

STATE OF _____

COUNTY OF _____

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)

The foregoing instrument was acknowledged before me this _____ day of _____
by _____ and _____

My commission expires _____

Notary Public

STATE OF _____

COUNTY OF _____

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)

The foregoing instrument was acknowledged before me this _____ day of _____
by _____ and _____

My commission expires _____

Notary Public

OIL AND GAS LEASE

FROM

_____ TO _____

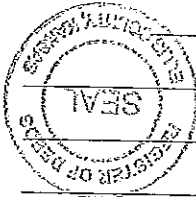
Date _____

Section _____ Twp. _____ Rpt. _____

No. of Acres _____ Term _____

County _____

STATE OF Kansas



County Ellis

This instrument was filed for record on the 03
day of September 2010

at 12:00 o'clock noon, and duly recorded

in Book 751 Page 651 of _____

the records of this office.

By Rebecca Harvey Register of Deeds \$16.00

When recorded, return to _____

DOWNING - NELSON OIL CO., INC.

P.O. Box 372

Hays, Kansas 67601

Handwritten initials and notes

STATE OF _____

COUNTY OF _____

ACKNOWLEDGMENT FOR CORPORATION (KsOkCoNe)

The foregoing instrument was acknowledged before me this _____ day of _____
by _____ of _____

corporation, on behalf of the corporation.

My commission expires _____

Notary Public

ADDENDUM

This Addendum is made and entered into this 24th day of June, 2010, with regard to that certain Oil and Gas Lease dated the date hereto and executed herewith which Oil and Gas Lease cover the following described real property in Ellis County, Kansas, to-wit:

The East Half of The Northeast Quarter (E/2NE/4) of Section Fourteen (14) Township Fourteen (14) South, Range Nineteen (19) West

In addition to the terms of such Oil and Gas Lease, the parties agree as follows:

1. This Lease is for a term of five (5) years with the first three (3) years being paid-up at the time of granting the Lease. The Lessee may, at it's option, extend the term of this lease for an additional two (2) years by payment of the delay rental called for in paragraph 5 of the Lease. If the Lessor does not specify a depository for the payment of the delay rentals the Lessee may tender to Lessor such delay rental payments at Lessor's last known address or such other address as Lessor may designate to Lessee, in writing. Payment of such delay rental payment shall be deemed to be made by Lessee to Lessor on the date that such payment is deposited in the United States Mail by certified mail from the Lessee to the Lessor.
 2. Lessor hereby grants to the Lessee, its successors or assigns, the exclusive right to perform three dimensional seismic exploration on the leased premises for the consideration paid by the Lessee to the Lessor for the granting of this Oil and Gas Lease. Lessee shall pay to Lessor or to Lessor's agricultural tenant, whenever it is appropriate, an additional \$5.00 per acre as liquidated damages for 3-D seismic exploration activities on the property.
 3. Lessee acknowledges and agrees that upon abandonment of this Oil and Gas Lease, the Lessee will plug all wells drilled thereon by Lessee according to KCC regulations.
 4. The Parties agree that minimum damages in the amount of \$500.00 for pasture ground and \$1,000.00 for tilled ground will be paid for each well drilled on the above described property.
- FURTHER PROVIDED that it is understood that the damages indicated represent liquidated damages for the activities contemplated on the property which damages are reasonable under the circumstances. It is not intended that this amount of liquidated damages will include unreasonable or unnecessary damages that might be caused to the property as a result of the Lessees activities thereon.

Except for and to the extent of the provisions contained in this Addendum, the Oil and Gas Lease referred to hereinabove shall be in full force and effect and its terms shall control the operations of the Lessee on the leased property.

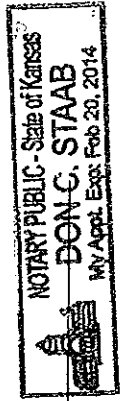
By: Timothy O. Davis By: Penny J. Davis
Timothy O. Davis Penny J. Davis

STATE OF Kansas, ss:
COUNTY OF Ellis

BE IT REMEMBERED that on this 1st day of July, 2010, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came Timothy O. Davis who are personally known to me to be the same persons who executed the within instrument of writing and such persons duly acknowledged the execution of the same.

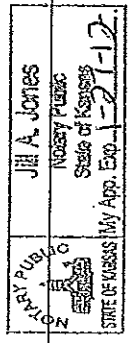
IN WITNESS WHEREOF, I have hereunto set my hand and official seal, on the day and year last above written.

[Signature]
Notary Public



My Appointment Expires:

STATE OF KANSAS ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)
COUNTY OF ELIAS
The foregoing instrument was acknowledged before me this 17th day of June, 2010
by Jane B. Schumacher, Trustee and _____



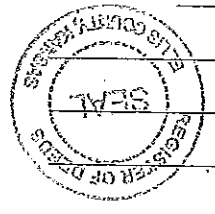
Jill A. Jones
Notary Public

My commission expires _____
STATE OF _____ ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)
COUNTY OF _____
The foregoing instrument was acknowledged before me this _____ day of _____
by _____ and _____

My commission expires _____
STATE OF _____ ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)
COUNTY OF _____
The foregoing instrument was acknowledged before me this _____ day of _____
by _____ and _____

My commission expires _____
STATE OF _____ ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)
COUNTY OF _____
The foregoing instrument was acknowledged before me this _____ day of _____
by _____ and _____

My commission expires _____
STATE OF _____ ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)
COUNTY OF _____
The foregoing instrument was acknowledged before me this _____ day of _____
by _____ and _____



FROM _____
OIL AND GAS LEASE
No. _____
Date _____
Section _____ Twp. _____ Rpt. _____
No. of Acres _____ Term _____
County _____ STATE OF Kansas County Elis
This instrument was filed for record on the 03 day of September, 2010
at 12:00 o'clock noon, and duly recorded
in Book 751 Page 645 of
the records of this office.
By Rebecca Alexander Register of Deeds
P.O. Box 372
Hays, Kansas 67601
When recorded, return to _____
DOWNING - NELSON OIL CO., INC.

17th
June
2010

STATE OF _____ ACKNOWLEDGMENT FOR CORPORATION (KsOkCoNe)
COUNTY OF _____
The foregoing instrument was acknowledged before me this _____ day of _____
by _____ a _____
corporation, on behalf of the corporation.
My commission expires _____

Notary Public

ADDENDUM

This Addendum is made and entered into this 8th day of June, 2010, with regard to that certain Oil and Gas Lease dated the date hereto and executed herewith which Oil and Gas Lease cover the following described real property in Ellis County, Kansas, to-wit:

The Northwest Quarter (NW/4) and the West Half of the Northeast Quarter (W/2NE/4) of Section Fourteen (14), Township Fourteen (14) South, Range Nineteen (19) West

In addition to the terms of such Oil and Gas Lease, the parties agree as follows:

1. Both Parties agree if Lessee finds a drillable location, after 3-D Seismic is completed. Then Lessee will consult with Lessor before any wells are drilled.
2. Lessor hereby grants to the Lessee, its successors or assigns, the exclusive right to perform three dimensional seismic exploration on the leased premises for the consideration paid by the Lessee to the Lessor for the granting of this Oil and Gas Lease. Lessee shall pay to Lessor or to Lessor's agricultural tenant, whenever it is appropriate, an additional \$5.00 per acre as liquidated damages for 3-D seismic exploration activities on the property.
3. Lessee acknowledges and agrees that upon abandonment of this Oil and Gas Lease, the Lessee will plug all wells drilled thereon by Lessee according to KCC regulations.
4. The Parties agree that minimum damages in the amount of \$500.00 for pasture ground and \$1,000.00 for tilled ground will be paid for each well drilled on the above described property.

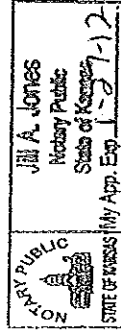
FURTHER PROVIDED that it is understood that the damages indicated represent liquidated damages for the activities contemplated on the property which damages are reasonable under the circumstances. It is not intended that this amount of liquidated damages will include unreasonable or unnecessary damages that might be caused to the property as a result of the Lessees activities thereon.

Except for and to the extent of the provisions contained in this Addendum, the Oil and Gas Lease referred to hereinabove shall be in full force and effect and its terms shall control the operations of the Lessee on the leased property.

By: Jane B. Schumacher By: _____
Jane B. Schumacher (Trustee)
STATE OF KANSAS
COUNTY OF ELLIS ss:

BE IT REMEMBERED that on this 17th day of June, 2010, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came Jane B. Schumacher who are personally known to me to be the same persons who executed the within instrument of writing and such persons duly acknowledged the execution of the same.

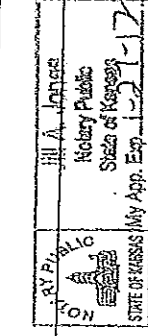
IN WITNESS WHEREOF, I have hereunto set my hand and official seal, on the day and year last above written.



Jill A. Jones
Notary Public

My Appointment Expires: 1-27-12

STATE OF KANSAS
 COUNTY OF ELLIS
 The foregoing instrument was acknowledged before me this 17th day of June, 2010
 by Brandi A. Schumacher + Bruce J. Schumacher



Jill A. Janice
 Notary Public

My commission expires _____
 STATE OF _____
 COUNTY OF _____
 The foregoing instrument was acknowledged before me this _____ day of _____
 by _____ and _____

My commission expires _____
 Notary Public

STATE OF _____
 COUNTY OF _____
 The foregoing instrument was acknowledged before me this _____ day of _____
 by _____ and _____

My commission expires _____
 Notary Public

STATE OF _____
 COUNTY OF _____
 The foregoing instrument was acknowledged before me this _____ day of _____
 by _____ and _____

My commission expires _____
 Notary Public

OIL AND GAS LEASE



TO _____
 FROM _____
 Date _____
 Section _____
 Twp. _____
 No. of Acres _____
 County _____
 State of _____
 This instrument was filed for record on the _____ day of _____, 2010.
 At _____ o'clock P.M. on _____ day of _____, 2010.
 I, _____ Notary Public,
 do hereby certify that the foregoing instrument was duly acknowledged before me and that the signers of the instrument are the persons whose names are subscribed to the same.
 My commission expires _____ day of _____, 2010.
 By _____
 Notary Public
 The records of this office are open to the public for inspection during business hours.
 When recorded, return to _____
 P.O. Box 372
 Hays, Kansas 67601

STATE OF _____
 COUNTY OF _____
 The foregoing instrument was acknowledged before me this _____ day of _____
 by _____ of _____
 corporation, on behalf of the corporation.
 My commission expires _____

Notary Public

ADDENDUM

This Addendum is made and entered into this 8th day of June, 2010, with regard to that certain Oil and Gas Lease dated the date hereto and executed herewith which Oil and Gas Lease cover the following described real property in Ellis County, Kansas, to-wit:

The Northwest Quarter (NW/4) and the West Half of the Northeast Quarter (W/2NE/4) of Section Fourteen (14), Township Fourteen (14) South, Range Nineteen (19) West

In addition to the terms of such Oil and Gas Lease, the parties agree as follows:

1. Both Parties agree if Lessee finds a drillable location, after 3-D Seismic is completed. Then Lessee will consult with Lessor before any wells are drilled.
2. Lessor hereby grants to the Lessee, its successors or assigns, the exclusive right to perform three dimensional seismic exploration on the leased premises for the consideration paid by the Lessee to the Lessor for the granting of this Oil and Gas Lease. Lessee shall pay to Lessor or to Lessor's agricultural tenant, whenever it is appropriate, an additional \$5.00 per acre as liquidated damages for 3-D seismic exploration activities on the property.
3. Lessee acknowledges and agrees that upon abandonment of this Oil and Gas Lease, the Lessee will plug all wells drilled thereon by Lessee according to KCC regulations.
4. The Parties agree that minimum damages in the amount of \$500.00 for pasture ground and \$1,000.00 for filled ground will be paid for each well drilled on the above described property.

FURTHER PROVIDED that it is understood that the damages indicated represent liquidated damages for the activities contemplated on the property which damages are reasonable under the circumstances. It is not intended that this amount of liquidated damages will include unreasonable or unnecessary damages that might be caused to the property as a result of the Lessees activities thereon.

Except for and to the extent of the provisions contained in this Addendum, the Oil and Gas Lease referred to hereinabove shall be in full force and effect and its terms shall control the operations of the Lessee on the leased property.

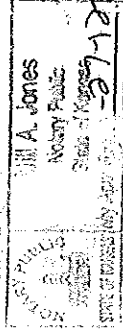
By: Bruce J. Schumacher
Bruce J. Schumacher

By: Brenda A. Schumacher
Brenda A. Schumacher

STATE OF KANSAS
COUNTY OF ELLIS ss:

BE IT REMEMBERED that on this 17th day of JUNE, 2010, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came Brenda A. Schumacher who are personally known to me to be the same persons who executed the within instrument of writing and such persons duly acknowledged the execution of the same.

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



Bill A. Jones
Notary Public

My Appointment Expires 3-27-12

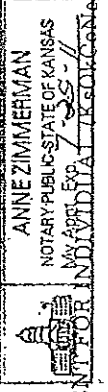
STATE OF Kansas
COUNTY OF Cherokee

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)

The foregoing instrument was acknowledged before me this 1st day of July 2010
by Harold G Kraus and Virginia B Kraus

My commission expires 7-25-11

Anne Zimmerman
Notary Public



STATE OF _____
COUNTY OF _____

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)

The foregoing instrument was acknowledged before me this _____ day of _____
by _____ and _____

My commission expires _____

Notary Public

STATE OF _____
COUNTY OF _____

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)

The foregoing instrument was acknowledged before me this _____ day of _____
by _____ and _____

My commission expires _____

Notary Public

STATE OF _____
COUNTY OF _____

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)

The foregoing instrument was acknowledged before me this _____ day of _____
by _____ and _____

My commission expires _____

Notary Public

OIL AND GAS LEASE

FROM _____

TO _____

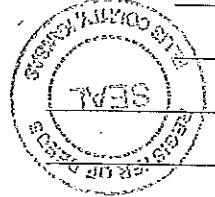
Date _____

Section _____ Twp. _____ Rge. _____

No. of Acres _____ Term _____

County _____

STATE OF Kansas



County _____

This instrument was filed for record on the 23 day of September 2010
at 12:00 o'clock noon, and duly recorded
in Book 751 Page 648 of _____

the records of this office.
By Patricia A. Hedges Register of Deeds. 2/6.00

When recorded, return to _____
P.O. Box 372
Hays, Kansas 67601

DOWNING - NELSON OIL CO., INC.
P.O. Box 372
Hays, Kansas 67601

Patricia A. Hedges
Register of Deeds

STATE OF _____
COUNTY OF _____

ACKNOWLEDGMENT FOR CORPORATION (KsOkCoNe)

The foregoing instrument was acknowledged before me this _____ day of _____
by _____ of _____ a _____

corporation, on behalf of the corporation.

My commission expires _____

Notary Public

ADDENDUM

This Addendum is made and entered into this 24th day of June, 2010, with regard to that certain Oil and Gas Lease dated the date hereto and executed herewith which Oil and Gas Lease cover the following described real property in Ellis County, Kansas, to-wit:

The South Half (S/2) of Section Fourteen (14), Township Fourteen (14) South, Range Nineteen (19) West

In addition to the terms of such Oil and Gas Lease, the parties agree as follows:

1. This Lease is for a term of five (5) years with the first three (3) years being paid-up at the time of granting the Lease. The Lessee may, at it's option, extend the term of this lease for an additional two (2) years by payment of the delay rental called for in paragraph 5 of the Lease. If the Lessor does not specify a depository for the payment of the delay rentals the Lessee may tender to Lessor such delay rental payments at Lessor's last known address or such other address as Lessor may designate to Lessee, in writing. Payment of such delay rental payment shall be deemed to be made by Lessee to Lessor on the date that such payment is deposited in the United States Mail by certified mail from the Lessee to the Lessor.
2. Lessor hereby grants to the Lessee, its successors or assigns, the exclusive right to perform three dimensional seismic exploration on the leased premises for the consideration paid by the Lessee to the Lessor for the granting of this Oil and Gas Lease. Lessee shall pay to Lessor or to Lessor's agricultural tenant, whenever it is appropriate, an additional \$5.00 per acre as liquidated damages for 3-D seismic exploration activities on the property.
3. Lessee acknowledges and agrees that upon abandonment of this Oil and Gas Lease, the Lessee will plug all wells drilled thereon by Lessee according to KCC regulations.
4. The Parties agree that minimum damages in the amount of \$500.00 for pasture ground and \$1,000.00 for tilled ground will be paid for each well drilled on the above described property.

FURTHER PROVIDED that it is understood that the damages indicated represent liquidated damages for the activities contemplated on the property which damages are reasonable under the circumstances. It is not intended that this amount of liquidated damages will include unreasonable or unnecessary damages that might be caused to the property as a result of the Lessees activities thereon.

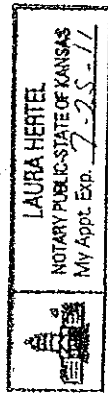
Except for and to the extent of the provisions contained in this Addendum, the Oil and Gas Lease referred to hereinabove shall be in full force and effect and its terms shall control the operations of the Lessee on the leased property.

By: [Signature] By: [Signature]
Harold G. Kraus Virginia B. Kraus

STATE OF KS
COUNTY OF Ellis, ss:

BE IT REMEMBERED that on this 28th day of June, 2010, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came Harold G. Kraus & Virginia B. Kraus, who are personally known to me to be the same persons who executed the within instrument of writing and such persons duly acknowledged the execution of the same.

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



[Signature]
Notary Public

My Appointment Expires: 7-25-11

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

June 02, 2014

Ron Nelson
Downing-Nelson Oil Co Inc
PO BOX 1019
HAYS, KS 67601

Re: Drilling Pit Application
SDK Unit 1-14
NE/4 Sec.14-14S-19W
Ellis County, Kansas

Dear Ron Nelson:

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.

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 file form CDP-5, 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.