

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

## KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

1204799

Form C-1

March 2010

Form must be Typed

Form must be Signed

All blanks must be Filled

## NOTICE OF INTENT TO DRILL

	e (5) days prior to commencing well Surface Owner Notification Act, MUST be submitted with this form.
Expected Spud Date:	Spot Description:
month day year	
	(Q/Q/Q/Q) Section N / S Line of Section
OPERATOR: License#	feet from E / W Line of Section
Name:	Is SECTION: Regular Irregular?
Address 1:	
Address 2: State: Zip: +	(Note: Locate well on the Section Plat on reverse side)
Contact Person:	County:
Phone:	Lease Name: Well #:
CONTRACTOR: Lineary	Field Name:
CONTRACTOR: License#	Is this a Prorated / Spaced Field?
Name:	Target Formation(s):
Well Drilled For: Well Class: Type Equipment:	Nearest Lease or unit boundary line (in footage):
Oil Enh Rec Infield Mud Rotary	Ground Surface Elevation:feet MSL
Gas Storage Pool Ext. Air Rotary	Water well within one-quarter mile:
Disposal Wildcat Cable	Public water supply well within one mile:
Seismic ;# of Holes Other	Depth to bottom of fresh water:
Other:	Depth to bottom of usable water:
	Surface Pipe by Alternate: II
If OWWO: old well information as follows:	Length of Surface Pipe Planned to be set:
Operator:	Length of Conductor Pipe (if any):
Well Name:	Projected Total Depth:
Original Completion Date: Original Total Depth:	Formation at Total Depth:
	Water Source for Drilling Operations:
Directional, Deviated or Horizontal wellbore?  Yes No	Well Farm Pond Other:
If Yes, true vertical depth:	DWR Permit #:
Bottom Hole Location:	( <b>Note:</b> Apply for Permit with DWR)
KCC DKT #:	Will Cores be taken?
	If Yes, proposed zone:
ΛE	FIDAVIT
The undersigned hereby affirms that the drilling, completion and eventual pl	
	ugging of this well will comply with N.O.A. 33 et. seq.
It is agreed that the following minimum requirements will be met:	
1. Notify the appropriate district office <i>prior</i> to spudding of well;	
2. A copy of the approved notice of intent to drill <b>shall be</b> posted on each	5 5,
<ol><li>The minimum amount of surface pipe as specified below shall be set through all unconsolidated materials plus a minimum of 20 feet into the</li></ol>	
	strict office on plug length and placement is necessary <i>prior to plugging</i> ;
5. The appropriate district office will be notified before well is either plug	, , , , , , , , , , , , , , , , , , , ,
6. If an ALTERNATE II COMPLETION, production pipe shall be cemented	ed from below any usable water to surface within 120 DAYS of spud date.
	133,891-C, which applies to the KCC District 3 area, alternate II cementing
must be completed within 30 days of the spud date or the well shall b	e plugged. In all cases, NOTIFY district office prior to any cementing.
Submitted Electronically	
	Remember to:
For KCC Use ONLY	- File Certification of Compliance with the Kansas Surface Owner Notification
API # 15	Act (KSONA-1) with Intent to Drill;
Conductor pipe requiredfeet	- File Drill Pit Application (form CDP-1) with Intent to Drill;
	- File Completion Form ACO-1 within 120 days of spud date;
Minimum surface pipe requiredfeet per ALTIII	- File acreage attribution plat according to field proration orders;
Approved by:	Notify appropriate district office 48 hours prior to workover or re-entry;  Submit alwaying report (CD A) offer alwaying in completed (within 60 days).
This authorization expires:	- Submit plugging report (CP-4) after plugging is completed (within 60 days);
(This authorization void if drilling not started within 12 months of approval date.)	- Obtain written approval before disposing or injecting salt water.

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

Spud date: \_

If well will not be drilled or permit has expired (See: authorized expiration date) please check the box below and return to the address below.

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

m



For KCC Use ONLY	
API # 15	

## IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

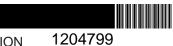
In all cases, please fully complete this side of the form. Include items 1 through 5 at the bottom of this page.

Operator:	Location of Well: County:
ease:	feet from N / S Line of Section
Nell Number:	feet from E / W Line of Section
Field:	Sec Twp S. R
Number of Acres attributable to well:	Is Section: Regular or Irregular
	If Section is Irregular, locate well from nearest corner boundary.
	Section corner used: NE NW SE SW
	_AT
	ease or unit boundary line. Show the predicted locations of
	uired by the Kansas Surface Owner Notice Act (House Bill 2032).
You may attach a se 247	eparate plat if desired. 5 ft.
	LEGEND
	O Well Location
	Tank Battery Location
	Pipeline Location
	Electric Line Location
	Lease Road Location
	1510ettample
: : : :	
14	
	1980' FSL
	SEWARD CO. 3390' FEL

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.



## Kansas Corporation Commission Oil & Gas Conservation Division

Form CDP-1 May 2010 Form must be Typed

## **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:  Emergency Pit  Burn Pit  Settling Pit  Drilling Pit  Haul-Off Pit  (If WP Supply API No. or Year Drilled)  Is the pit located in a Sensitive Ground Water A	Pit is:  Proposed  If Existing, date col  Pit capacity:  urea?  Yes	Existing nstructed: (bbls)	SecTwp R East WestFeet from North / South Line of Section Feet from East / West Line of Section County Chloride concentration: mg/l mg/l for Emergency Pits and Settling Pits only)	
Is the bottom below ground level?  Yes No	Artificial Liner?	No	How is the pit lined if a plastic liner is not used?	
Pit dimensions (all but working pits):	Length (fee			
If the pit is lined give a brief description of the li material, thickness and installation procedure.			dures for periodic maintenance and determining acluding any special monitoring.	
Distance to nearest water well within one-mile of	of pit:	Depth to shallo Source of infor	west fresh water feet. nation:	
feet Depth of water well	feet	measured	well owner electric log 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		Type of materia	over and Haul-Off Pits ONLY:  all utilized in drilling/workover:  king pits to be utilized:  procedure:	
flow into the pit? Yes No Drill pits must be closed within 365 days of spud date.  Submitted Electronically				
	KCC	OFFICE USE O	NLY  Liner Steel Pit RFAC RFAS	
Date Received: Permit Num	ber:	Permi	t Date: Lease Inspection: Yes No	



1204799

Form KSONA-1
January 2014
Form Must Be Typed
Form must be Signed
All blanks must be Filled

## 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 #	Well Location:
Name:	
Address 1:	County:
Address 2:	Lease Name: Well #:
City:	If filing a Form T-1 for multiple wells on a lease, enter the legal description or
Contact Person:	the lease below:
Phone: ( ) Fax: ( )	
Email Address:	
Surface Owner Information:	
Name:	When filing a Form T-1 involving multiple surface owners, attach an additional
Address 1:	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
Address 2:	county, and in the real estate property tax records of the county treasurer.
City:	
are preliminary non-binding estimates. The locations may be entered of	k batteries, pipelines, and electrical lines. The locations shown on the plat n the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted.
Select one of the following:	
owner(s) of the land upon which the subject well is or will be le	Act (House Bill 2032), I have provided the following to the surface ocated: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form being filed is a Form C-1 or Form CB-1, the plat(s) required by this and email address.
	cknowledge that, because I have not provided this information, the
KCC will be required to send this information to the surface ow task, I acknowledge that I must provide the name and address that I am being charged a \$30.00 handling fee, payable to the I	of the surface owner by filling out the top section of this form and
task, I acknowledge that I must provide the name and address that I am being charged a \$30.00 handling fee, payable to the I	s of the surface owner by filling out the top section of this form and KCC, which is enclosed with this form.  fee with this form. If the fee is not received with this form, the KSONA-1

For KCC Use ONLY	-
API # 15	

### IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

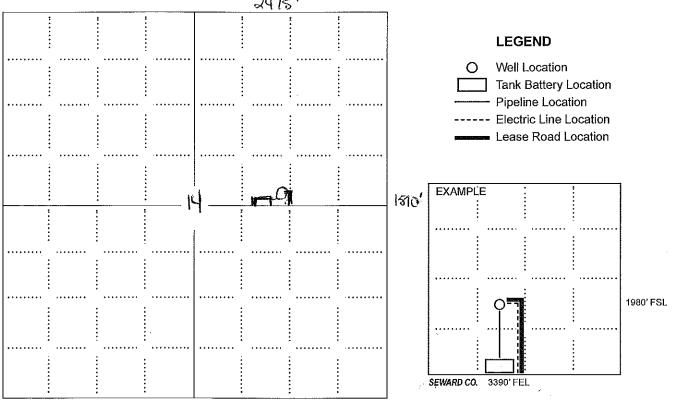
In all cases, please fully complete this side of the form. Include items 1 through 5 at the bottom of this page.

Operator: Downing Nelson Oil Company Inc.	Location of Well: County: Ellis
Lease: SDK Unit Well Number: 1-14	2,475 feet from N / S Line of Section 1,510 feet from X E / W Line of Section
Field: Wildcat	Sec. 14 Twp. 14 S. R. 19 E X W
Number of Acres attributable to well:	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.

## **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:

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

in hand paid, the receipt whereof is hereby acknowledged, does hereby agree that the said term of conditions of said lease or said lease as modified, if any modification thereof may have been 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 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-THEREFORE, heretofore executed.

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

THYOMIT

PENNY J. DAY

COUNTY OF ELLIS, ss: STATE OF KANSAS,

Davis, husband and wife, who are personally known to me to be the same persons who executed the 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 within instrument of writing and such persons duly acknowledged the execution of the same. BEIT REMEMBERED, that on this.

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

My Appointment Expires:

Gina C. Notary Public

AN ON

NOTARY PUBLIC STATE OF KANSAS My App. Exp. 5 5 800 (S) GINA C. BASGALI

This instrument was filed for record

STATE OF KANSAS }

Spage So

Gregory E. Saindon,

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

fotal Fees: \$8.00 STATE OF KANSAS, ELLIS COUNTY, SS
Rebecca Herzog, Register of Deeds
Book: 827 Page: 107
Pages Recorded: 1
Total A 2 Syzara A. Register of Deeds:

## AFFIDAVIT FOR EXTENSION OF OIL & GAS LEASE Date Recorded; 6/7/2013 10:15:00 AW BY PAYMENT OF DELAY RENTAL

STATE OF KANSAS, COUNTY OF ELLIS, SS:

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

That Affiant is a licensed and practicing attorney in the City of Ellis, Ellis County,

Kansas.

긁

That Affiant is the attorney for and on behalf of Downing-Nelson Oil Co., Inc. C)

Downing-Nelson Oil Co., Inc., is the owner of an Oil and Gas Lease as described 3

hereinafter, to-wit:

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 Oil and Gas Lease dated June 24, 2010 between Harold G. Kraus and Kraus, husband and wife, as Lessors, and Downing-Nelson Oil Company, Inc., as Lessee, and recorded on September 3, 14, Township 14 S, Range 19W of the 6th P.M. Virginia B.

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

FURTHER AFFIANT SAYS NOT.

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

GREGORY E.

COUNTY OF ELLIS, ss.: STATE OF KANSAS

BE IT REMEMBERED, that on this 5<sup>th</sup> 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.

Dires 12-2-2014 RAMONA NORTH Notary Public My V

भारत My Appointment Expires:

Saindon, Gregory E.

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

# **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:

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 6<sup>th</sup> P.M., Northwest Quarter (NW/4)

25 Arred 25 Mumerical 25 Checked

of the dated June 8, 2010 and recorded on September 3, 2010 in Book 751 at Page 645 in the Office 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;

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

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

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

STATE OF KANSAS, COUNTY OF ELLIS, ss:

of the Jane B. Schumacher Revocable Living Trust Dated May 1, 2008, who is personally known a Notary Public in and for the County and State aforesaid, came JANE B. SCHUMACHER, Trustee to me to be the same person who executed the within instrument of writing and such person duly day of June, 2013, before me, the undersigned, BEIT REMEMBERED, that on this \_4th. 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. St.

NOTARY PUBLIC - State of Kaness
DON C. STAAB
My Apple Exp. Pab 20, 2014

STATE OF KANSAS SELLIS COUNTY
This instrument was filed for record

Š

JUN 07 2013

827 orkeonspage 108 12e le ca 42x 82 9 ees (400 Register of Geeds Book: 827 Page: 109

# 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:

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 6<sup>th</sup> P.M.,

Street 755 Mumerical 755 Checked 755

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;

in hand paid, the receipt whereof is hereby acknowledged, does hereby agree that the said term of 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 has been originally expressed in such lease, for a period of one (1) year from the date of the said said lease shall be and is hereby extended, with the same tenor and effect as if such extended term administrators and assigns, for and in consideration of Twenty Dollars (\$20.00) per net mineral acre heirs, their themselves, forundersigned, the THEREFORE, heretofore executed. NOW,

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

MULL | MULLIUM UCE J. SCHUMACHER

Brenda A Schumache BRENDA A. SCHUMACHER

> STATE OF KANSAS, COUNTY OF ELLIS, ss:

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 day of June, 2013, before me, the undersigned, BEIT REMEMBERED, that on this 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. Staa

NOTARY PUBLIC - State of Kansas DON C. STAAB STATE OF KANSAS }
This instrument was filled for record

JUN 07 2013

827 of Records age 109

Crespory E. Sauden PA

⋧  $\Delta$ . Rev. -63) roducers) : Colo. (12-દું જ 88—( Okla. Кап., E

## $\Xi$ $\mathcal{O}$ V. $\Xi$ $\mathcal{O}$ K S AND OIL

Reorder No 09-116

Kansas Blue Print 700 S. Bradow, PO Box 703 Wildlin, KS GXO1-0793 316-26-534-36-316 fax www.kbp com · kbp@kbp.com

4t ( Into Entered AGREEMENT,

N Jun

4,

ol

ol

4 .H סי an סי husban ωl Davi Ь Penny and Ø Davi ol thy OH

DOWNING—Nelson Oil Company, Inc.

1. That lessor, for and in consideration of the sum of One (\$1.00) & O.V.C.

2. That lessor, for and in consideration of the sum of One (\$1.00) & O.V.C.

3. That lessor, for and in consideration of the sum of One (\$1.00) & O.V.C.

4. That lessor, for and in consideration of the sum of the lessee, has this day granted, leased, and let and by these presents does hereby grant, lesse and one of an again and gas leases as to all or any part of the lands covered thereby as hereinster previous for the purpose of carrying on geological, geophysical and other explorations with including but not limited to cashinghead gas and helling, and the drilling, and the drilling, and operating for, producing and seving all of the oil (including but not limited to cashinghead gas and helling and seving all of the oil (including but not limited to desiribed gas and helling and electric transmission lines and other structures thereon necessary or convention for the ceonomical operation of said land alone or conjointly with neighboring lands, to produce, save, take care of, and manufacture all of such substances, said tract and being situated in the County of Ellis

Albert Barbaras East

4 E/2NE/ Ouarter رړ. W e a The North of Half 14

9 more thereafter Buol and term"), 2. This lease s Section

ö pipe line to which lessee may connect IIs wells, m the leased premises, or at the lessee's option grade and gravity prevailing on the day such 14 Township 14 South Range 19 West, and containing 80 to substances covered by this lease shall remain in force for a term of (5) Five years from date (herein called "primary The lasses and deliver as royally, free of cost, to lessor at the wells, or to the cradit of lessor into the years from the lessor for such one-eighth (4) part of all oil (direduling but not limited to distillate and condensate) produced and sarved from the the lessor for such one-eighth (4) froyalty the market price at the wells in the fleid or area for oil of like 3. the equal or may pay to oli is run i

first lessee shall pay to lessor for gas of whatsoever nature or kind (with all of its constituents) produced and used by the lessee, then as royalty one-eighth (1/4) of the market vertee gas in the mouth of the well; if said gas is sold by the lessee, then as royalty of the proceeds of the sale thereof at the mouth of the well; sold payments to be made monthly. During any period (whether before or after exuptions of the primary term hereof whether before or after the said leased premises sufficient to keep this lease la force, lessee shall pay or tender a royalty of One Dollar (\$1,03) per year per net royalty acre retained thereof the specific with the anniversary date of this lease next ensuing after the expiration of history (90) days from the date such the retained there the anniversary date of this lease next ensuing after the expiration of history (90) days from the date such the retained there the anniversary date of this lease next ensuing after the expiration of history (90) days from the date such the retained the spirit in the produced within the meaning of the retained of the lease of this lease during its payment or tender is made if will be considered that gas is being produced within the meaning of the instance of the lease of such payment or tender is made if the lease of such any gas well on the leased premises for stoves and 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 XXXXXX from this date, this lease shall then terminate before the expiration of said period shall pay or tender to lesson, or to the credit of lessor in the time within which drilling operations or mining operations may be commenced. There after a north section of drilling operations or mining operations may be commenced. There after a north section during the payment or tender will be deemed made when the cheek or draft is so delivered or mailed to the without such during the primary term. Payment or tender of draft is so delivered or mailed to the without such during the primary term. Payment or tender of draft is so delivered or mailed to the without the payment or tender will be deemed made when the cheek or draft is so delivered or mailed. If add not not lesser on or before such and made when the cheek or draft is so delivered or mailed. If and indicate the payment or tender of rental until thirty days after lessor of a drop operations or tender will be deemed to be commenced or mailed. If and indicate or for any verson receive such payment or tender of rental until thirty days after lessor of the payment or tender of rental until thirty days after lessor and proper to the such payment or tender of rental until thirty days after lessor and proper to the such payment or tender of rental until thirty days after lessor and proper to the such payment or tender of rental until thirty days after lessor and proper to the day of the payment or tender of rental until thirty days after lessor and proper recordable instrument work, other than surveying or staking the location, is done thereon which is necessary for such operations.

6. If at any time proper of the discovery of oil or gas on this land and annother and operations.

ry hole or dry holes on the manner and in the or if there be no such 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 dranount hereinabove provided by the rental paying date, if any, next ensuing after things (20) days following the completion of the dry hole, rental paying accounted by the rental paying date, if any, next ensuing after thingsty term, days following the completion of the dry hole.

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

er from the wells of the o growing crops on said a shall have the right at premises, including the surface to its original 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 when required by lessor, the lessee shall bury its pipe lines below plow depth and shall be for damage caused by its operations to land. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of the lessee s. Lessee shall be during, or after the expiration of, this lease to remove all machinery, fixtures, houses, buildings and other structures placed on said a 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, adminofithe lesses. No change of existend in whole or in part and the provisions hereof shall entarge the obligations or diminish the rights either the original recorded instrument of conveyance or a duly certified only certified copy of the binding on the lessee until it has been furnished with thereof, or certified copy of the proceedings showing appointment of an administrators of any deceased owner is apporpriate, rote thereof, or certified copy of the proceedings showing appointment of an administrator for the estate of any deceased owner. Superportate, rote thereof and all advances are also conveyance or duly certified copies thereof the administrators are appointment of an administrators of the propertied or any deceased owner. Superportate, the recipie copies thereof shall advance payment of this base of the propertied or and administrators are appointed to the control of the payment of the rote 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 hold-shall not operate to defeat this lease shall make default of said and upon which the lessee or any assignee hereof shall make due payment of said rentals.

e developed and opera-owned by each separ-the land covered by t 10. If the leased premises are now or shall hereafter be owned in severalty or in separate tracts, the premises may nevertheless be the fast, and all revalities accruing hereander shall be divided among and pold to such separate entered in the proportion that the accept of the analysis to the cultire based accepts. There shall be no obligation on the part of the lesse to offset wells on separate tracts into which it are now need to the realter 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 in part any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands and, in event it is be subrogated, to the rights of any holder or holders thereof and may reimburse itself by applying to the discharge of any such more revails. as one owner lease n

may pay and discharge in it exercises such option, it ortgage, tax or other lien,

commence reo H to drill a well c expressly agreed that if lessee shall commence lease shall remain in force and its terms shall continues.

In part by delivering or mailing such releace to the lessor, or only a portion of the acreage covered thereby, then all payleces and determine and any rentals thereafter paid shall be portion of the acreage not released the terms and provisions working operations on an existing well at any time while this lease is in force, this lease shall remain tions are prosecuted and, if production results therefrom, then as long as production continues.

13. Leasee may at any time and from time to time surrender or cancel this lease in whole or if polating same of record in the proper county. In case said lease is surrendered and concelled as to create and isbilities thereafter accruing under the terms of said lease as to the portion canceled as to reduced in the proper concept of the terms of said lease as to the portion canceled shall of this lease shall continue and remain in full force and effect for all purposes.

If the provisions hereof, compared to all federal and state laws and the orders, rules or regulations (and interpretations thereof) of all governmental agencies and interpretations to the interpretations of the primary term hereof from drilling a well hereunder by the order of the formatten during the last six months of the primary term hereof from drilling a well hereunder by the order of any constituted authoring the last six months of the primary term hereof from drilling a well hereunder by the order of any constituted authoring the last six months of the primary term of the drilling a well hereunder during such extended time.

The lesses should be prevented during such extended time with the production thereover, or if lesses should be unable during such circumants and the results of the drilling thereof and being available on account of any cause, the primary term of this lesses shall continue until stx months after suid order is suspended and/or said equipment is available or account of any cause, the primary term of this lesses shall pay delay rentals herein provided during such extended time.

The covering the lesses hall pay delay rentals herein provided during such circumants and the production primarily of only any portion or portions thereof, as to all strata or any stratum or strett, with any other lands as to all strata or any stratum or than 460 acres (pius such tolerance as may be appropriate by reason of oversize legal suddivisions); provided that if any governmental regulation shall prescribe are handled or as may be appropriate by reason of oversize legal suddivisions; provided that if any governmental regulation and the order of orders from the leased premises of such production were from the lease of premises whether or not the well are during the unit of offers, or discourse and production from the unit shall be asset of premises whether or not the well are the month of orders of from the unit and are production from the unit and are production from the unit and the unit, or his royally i

nevertheless be binding upon all as lessor, although not named a o execute this lease a execute t 5 <u>20</u>4 the party or p ny one or more of the partles above named a word "lesser" as used in this tease means to dum at tached hereto whereor, we sign the day and year first The The 16, Should as lesson. The Added In Witness cute It

	l	ļ	60
		in the second se	JOVA T C /
Davis		6	BOOK
Timothy O.		Ciperil	

Davi enny Δl 0

INDIVIDUAL  Notat  Notat  Notat	FOR INDIVIDUAL (KSO)  Notary Publi and  Notary Publi  Notary Publi	Section Twp. Ree.  Section Twp. Ree.  No. of Acrees  County  C	ACKNOWLEDGMENT FOR CORPORATION (KsOkCoNe)
My cummission expires  STATE OF  COUNTY OF  The foregoing instrument by  My cummission expires  STATE OF  COUNTY OF	COUNTY OF The foregoing instrument by My cummission expires  COUNTY OF The foregoing instrument why My commission expires	РВОМ	STATE OF COUNTY OF The foregoing instrument was

47545

0 50 8/3 Notary Public BOOK

## 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:

(14)Fourteen f Section West O.F (19): Quarter (E/2NE/4) Range Nineteen (19 The Northeast (14) South, E Fourteen ψO Half East Township

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

- 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.
- 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. ci
- 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. m
- and The Parties agree that minimum damages in the amount of \$500.00 for pasture ground \$1,000.00 for tilled ground will be paid for each well drilled on the above described property. 4.

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.

undersigned, a Notary Public in and for the County and State aforesaid, came Trans Fug. D. DAVIS persons who executed the within instrument of writing and such persons duly acknowledged the execution of the same , 2010, before me, the Ļ, Penny day of 154 SS: BE IT REMEMBERED that on this 성 execution of the same. 0 Timothy COUNTY OF STATE OF By:

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

Notary Public

NOTARY PUBLIC - State of Kansas BOOM C. STAAB MAARE Exer Feb 20, 2014 My Appointment Expires:

 $\mathbb{C}$ J PAGE { ~~~ B00K

44

## 5.3(-(3

. 2

<u>മ</u> Form 88—(Producers) Kan., Okla. & Colo. (12-63) Rev.

AND GAS OIL

LEASE

June

'n day

Revocable

Schumacher

m

Jane

Kansas Blue Print 700 S. Braudwy PO Box 703 Wichin, KS 67201-0703 316-284-0344-264-5105 (ax www.kbp.com · ktp@kbc.com

between

2010

8th THIS AGREEMENT, Entered into this the

The Northreet of Schullandcher, Revocable filtering Trible and the Schullandcher of the same of the Schullandcher of the same	covering the Resear premises or any portions thereof, as to all strata or three before or after production is obtained, to form the took of the stratum or strata, with any other lands as to all strata or the production primarily of old or perions, the production primarily of acres (plus such tolerance as may be appropriate by reason of oversize legal subdivisions), or for the production primarily of acres (plus such tolerance as may be appropriate by reason of oversize legal subdivisions), or for the production primarily of gas a spacing pattern. for the development of the field or allocated or producing allowable based on acress per well, then any such unit may en acreage as may be used in such allocation of ollowable. Lease shall file written designations in the county in or such producing and producing allowable. Lease shall file written designations in the county in or such producing and producing any returns or shall satisfies whicher or not the well or wells are located thereon. The entire acreage within a unit is in respect to producing from the unit shall be as below provided. In respect to producing from the unit, lussee shall pay leason, in the county in any acreage of the producing and including any provided. In respect to production from the unit, lussee shall pay leason, in lieu of other royalities thereon, only such proportion of the royalities and acreage placed in the unit, or his royality interest therein on an acreage basis bears to the total acreage in the unit, absorping a lease a leason fall to execute this lease as leason, all though any once or more of the parties above an enage as leason, all though any one or more of the parties and any acreage to producing lease as leason, all though any one or more of the parties are leased to the exercent with lease as leason, all the same as leason, all the lease are a	See And an word lessor, although not named at See a party or parties who execute this lease as lessor, although not named at See In Withess Whithereof we sign the day and year first anone mande a part hereof  Jane B. Schumacher Revocable Living Trust dated May 1, 2008
---	--	--

Trustee

d May 1, 2008 B Schumacher

Jane B. tare

50 S

ф

1076

700a

instrument was acknowledged before me this IT.  O SOM WALNEY OF USER PLANCE  O SOM RESERVED  STATE GENERAL MAD. ED. 122-12.	OF ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe) sing instrument was acknowledged before me this day of and solution expires	ACKNOWLEDGME?  nt was acknowledged before me this day of	ACKNOWLEDG	ision expires	PROM  This instrument was filed for record on the OS  Any of County  County  This instrument was filed for record on the OS  at 12:00 o-clock bould, and duly recorded in Book  The records of this office.  By LL.O.O. Pare Office.  P.O. Box 372  Hays, Kanase 67601	ACKNOWLEDGMENT FOR CORPORATION (KsOkCoNe) (instrument was acknowledged before me this
The foregoing instrum by SOMC B	ne ir	STATE OF COUNTY OF The foregoing instrume by	My cummission expires STATE OF COUNTY OF The foregoing instrumen	My commission expires	OIL AND GAS LEASE	STATE OF COUNTY OF The foregoing instrument

BOOK 751 PAGE

Notary Public

## ADDENDUM

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: day of June 8th This Addendum is made and entered into this

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

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

- drillable location, after will consult with Lessor finds a d en Lessee s agree if Lessee fi is completed. Then wells are drilled. h Parties Seismic i any before Both Ą
- 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. d
  - 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. m
- ground The Parties agree that minimum damages in the amount of \$500.00 for pasture ground \$1,000.00 for tilled ground will be paid for each well drilled on the above described property. 4,

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. FURTHER PROVIDED that it is understood that the damages indicated represent liquidated

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: が上 , S (Trustee) Schumacher インが B. S. 1 ane STATE OF COUNTY OF E.

Schuinacher 2010, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came \ \Lambda \times \ \SQUELYVOLO \ \text{Who are personally known to me to be the same persons who executed the within instrument of writing and such persons duly acknowledged the undersigned, a Notary Public in and for the County and State aforesaid, came June day of BE IT REMEMBERED that on this

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
State of Kenter 1.7 SELIC PA TON

Notary Public

My Appointment Expires: (-)7-17

4.51

88—(Producers) Okla. & Colo. (12-63) Rev. Form Kan.,

GA AND

## LEASE $\mathcal{O}$

Rearder No. 09-116

Kansas Blue Print 706 S. Bradowy PO Box 703 Wichay, KS 5201-2703 316-28-63-41-36-518 fax www.kbp com · kbp@kbp.com

between

2010

8th the. AGREEMENT, Entered into this

THIS

å day

June

wif Schumacher, his A and Brenda Schumacher Bruce

hereinafter called lesse	hereInafter called lessee, does witnes this day granted, lessee, and let and by these presents does hereby grant, lesse a reversionary Highs therein, and with the right to unlike this beas on any part there way as hereinafter provided for the purpose of carrying on seviogical, geophysical a popurating for, producing and sawing all of the oil (including but not limited to distillation and all other gauss and all constituents of all gases), and for constructing road made, to produce, save, take care of, and manufactures thereon necessary or convenie and so, to produce, save, take care of, and manufacture all of such substances, said irradiants of the constituents of the constituents of the constituents of any said irradiants.	2NE/4)  2NE/4)  St. and containing 240  vears from date (herein called "primary term"), and as long thereafter as oil, gas, wells, or to the credit of lessor into the pipe line to which lessee may connect its wells or and condensate) produced and saved from the leased premises, or at the lessee's optic wells in the field or area for oil of like grade and gravity prevailing on the day sur	nd (with all of its constituents) produced and used by the lessee for the manufacture sof such gas at the mouth of the well; if said gas is sold by the lessee, then as royal said payments to be made monthly. During any period (whether before or after end of wells are shut in and there is no current production of all or operation or tender a royalty of One Dollar (\$3.00) per year per net, royalty acre retained hete of this lease next ensuing after the expiration of nlnety (90) days from the date suppress of the lease next ensuing after the expiration of nlnety (90) days from the date suppress and the lease next ensuing of lift in the considered that gas is being produced within the meaning of lift may have, free of charge, gas from any gas well on the leased premises for stoves a connections with the well, the use of such gas to be at the lessor's sole risk and expension the leased premises on or before **** The Pepuls*** The lease this lease shall then terminal the leased premises on or before ************************************	all pay of tender to iessor, of to the credit of lessor in.	XXXXXXXXXXX in the sum of the sum	d during the primary term of this lease, the lessee shall drill a dry hole or dry hotes on any operations or commences or resumes the payment of rentals in the manner and in that after thirty (20) days following the completion of the dry hole, or if there be no surfithe primary term.	nd than the entire and undivided fee simple estate therein then the royalties and renta his interest bears to the whole and undivided fee. However, such rental shall be it to cover the interest so acquired.	vater found on said land for its operations thereon, except water from the wells of tillow begin and stall pay for damage caused by its operations to growing crops on said premises without written consent of the lessor. Lessee shall have the right, y, fixtures, houses, buildings and other structures placed on said premises, including it and so, nor shall lesse be under any obligation to restore the surface to its origin by necessary under this lease.	In part and the provisions hereof shall extend to their heirs, devisees, executors, admil pool the lands, renais, or royalites shall enhage the obligations or dinnish the righ sum due under this lease shall be hicking on the lease until it has been furnished will remain and of the bester until it has been the proba histrator for the estate of any deceased owner, whichever is appropriate, fogether will recessary in showing a complete chain of title back to lessor to the full interest shall be shall be binding on any and all direct or indirect assignees, grantee a shall be assigned as to a part of nat and all direct or indirect assignmes, grantee estail be assigned as to a part of nat very described innd and the hold the payment of the proportionale part of the rent due from him or them, such defau arts of said land upon which the lessee or any assignee hereof shall make due payment	everalty or in separate tracts, the premises may nevertheless be developed and operate aid to such separate owners in the proportion that the acreage owned by each separate part of the lessee to offset wells on separate tracts into which the land covered by tho or to furnish separate receiving or measuring tanks or devices.	I herein des cribed and agrees that the lessee, at its option, may pay and discharge is sessed on or against the above described lands and, in event it evercises such option, reimburse itself by applying to the discharge of any such mortgage, tax or other lier	y, it is expressly agreed that if lessee shall commence to drill a well or commence rece, this lease shall remain in force and its terms shall continue so long as such operaduction continues.	tel this lease in whole or in part by delivering or mailing such release to the lessor, of dered and canceled us to only a portion of the acreage covered thereby, then all past the portion canceled shall cease and determine and any rentals thereafter paid shall the telease, but as to the portion of the acreage not released the terms and provision es.	federal and state laws and the orders, rules or regulations (and interpretations thereos to be in any way terminated wholly or partially nor shall the lessee be liable in damage such failure accords with any such laws, orders, rules or regulations (or interpretation rimary term hereof from drilling a well hereunder by the order of any constituted at 1 period to drill a well hereunder where the essenty in the drilling thereof in continue until six months after said order is suspended and/or said equipment is avail equipment is avail equipment is avail order in a continue until six months after said order is suspended and/or said equipment is avail or time.
	and Downing-Nelson Oil Company, Inc.  1. That lessor, for and in consideration of the sum of One arts and agreements hereinafter contained to be performed by the lessee, hat let exclusively unto the lessee the hereinafter described land, ingether with any with other oil and gas leases as to all or any part of the lands covered therefore exploratory work, including over drilling and the drilling, and on ond condensate) and gas (including but not limited to eachighed gas and having pipe lines, building tanks, storing oil, building powers, stutions, telept for the economical operation of said land alone or conjointly with neighboring 1 of land being situated in the County of Ellis	The Northwest Quarter (NW The Northeast Quarter (NW In Section 14 Township 14 South, Range 19 West any of the substances covered by this lease is or can be produced.  3. The leases shall deliver as reyally, free of cost, to leason at the equal one-depth (%) part of all oil (Including but not limited to distillate may pay to the leaser for such one-clight (%), reyally the market price at the oil is run into the oils of informations.	gasoline or any other product, as royalty, one-eligith (1/4) of the market value one-eighth (1/4) of the product, as royalty, one-eligith (1/4) of the product, as royalty, one-eligith (1/4) of the proceeds of the sale thereof at the mouth of the well paration of the primary term hereof) when gas is not lobing so soid or used a on said leased premises sufficient to keep this lease in force, lessee shall pay upder, such payment or tender to be made, on or before the anniversary de the remail depository bank hereinafter designated. When such payment or the chiltre lease. Out of any surplus nut needed for operations hereunder, the lesso inside lights in the principal dwelling house on said land by making his own is a fifth of the principal dwelling operations are not commenced on the bank of the lease of	as to ooth paintes unless ressee on or before the expiration of said period sn. Bank at	XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	6. If at any time prior to the discovery of oil or gas on this land and this land, this lass shalf not terminate if the lesse commences during of oill amount horeinabove provided by the rental paying date, if any, next ensuing rental paying date, commence such further operations before the expiration of	7. In case said lessor owns a less interest in the above described la herein provided for shall be paid the said lessor only in the proportion which creased at the next succeeding rental anniversary after any reversion occurs is	B. The lessee shall have the right to use, free of cost, gas, oil and w lessor. When required by lessor, the lessee shall bury its pipe lines below p land. No well shall be drilled nearer than 200 feet to the house or barn now any time durins, or after the expiration of, this lease to remove all machinery right to draw and remove all casing, but lessee shall be under no obligation to condition, where any alterations or changes were due to operations reasonab	9. The rights of either party hereunder may be assigned in whole or listrators, successors and assigns. However, no change or division in cownersh of the lessee. No change of overeship in the lands, rentals, revalities or any either the original recorded instrument of conveyance or a duly certified copy of the proceedings showing appointment of an admit original recorded instruments of conveyance or duly certified copy of the proceedings showing appointment of an admit of call advance partners of conveyance or duly certified copies there or duly certified copies, there or or not of rentals made hereunder before receipt devisees, administrators, executors, or heirs of lessor. In the event this lease or or holders of the lease as to any such part or parts shall make default in the stall not operate to defeat or affect this lease insofar as it covers a part or property.	10. If the leased premises are now or shall hereafter be owned in as as one lease, and all royalties accruing hereunder shall be divided among and prowner beaus to the entire leased acreage. There shall be no obligation on the lease may now or hereafter be divided by sale, devise, descent or otherwise,	13. Lessor hereby warrants and agrees to defend the title to the land whole or in part any taxes, mortgages, or other liens existing, levied, or assimil be subrogated to the rights of any holder or holders thereof and may any royalty or rentals accruing hereunder.	12. Notwithstanding anything in this lease contained to the contear working operations on an existing well at any time while this lease is in for tions are prosecuted and, if production results therefrom, then as long as pro-	13. Lessee may at any time and from time to time surrender or cance by placing same of record in the proper county. In case said lease is surrent ments and liabilities thereafter accruing under the terms of said lease as to reduced in the proportion that the acreage covered hereby is reduced by each said this lease shall continue and remain in full force and effect for all purpose	14. All provisions hereof, express or implied, shall be subject to all for falling overmmental agencies administering the same, and this lease shall not the falliure to comply with any of the express or implied provisions hereof If thereof). If lesses should be prevented during the last six months of the photivity having jutisdiction thereover, or If lesses should be unable during said being available on account of any cause, the primary term of this lease shall sole, but the lesses shall pay delay rentals herein provided during such extend extends.

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 structum or stratta, with any other lands as to all stratta or any stratum or stratta, with any other lands as to all strain or any stratum or stratta, with a without distillate. However, no unit for the production primarily of all shall embrace more than 60 acres (plus such loctance as may be appropriate by reason of oversize legal subdivisions), or for the production primarily of gas with or without distillate. However, no unit of the production primarily of gas with or without distillate more than 60 acres (plus such observance as may be appropriate by reason of oversize legal subdivisions); provided that If any governmental regulation shall presscribe more than 60 acres (plus such observance) and presson of oversize legal subdivisions); provided that If any governmental regulation shall presscribe as may be so prescribed or as may be used in such allocation of allowable. Lesse shall file written designations in the county in which the leased premises are legal subdivisions from the unit shall be treated as if such operations were upon posted in order to form, to reform, or to dissolve a unit or other well are located thereion. The entire acreage within a unit shall be treated as if such operations were upon passes as if it were covered by and included in this lease except that the regulation from the unit shall be as below provided, and except that the respect to production from the unit, lessee shall pay lesser, in lieu of other royalities thereon, only such proportion of the royalities stipulated herein as the amount of his creage placed in the unit, and included herein as an acreage basis bears to the total acreage in the unit.

16. Should any one or more of the parties above named as lessor fall to execute this lease, it shall nevertheless be binding upon all such as lessor. The word respect to the parties who execute this lease as lessor, although not named above. It will be a partie of the control of the control

900g

-

ROOK

Schuma

Brenda

ğ

Bri

cute it as

		en de la composition de la composition La composition de la
:	.}	Pays, Kansas 67601
		DOWNING - NEISON OIECO, INC.
		When recouded, right to
(KsOkCaNe)	y Public  (KsOkCoNe)	The state of Deede.
		K SOK Co.N. The property of this bance of the bance of th
INDIVIDUAL  WARENEN  Word  INDIVIDUAL	Notar	- · · · · · · · · · · · · · · · · · · ·
INDIVIDU	Nota INDIVIDUAL and Nota	INDIVIDUA WASHINGTON AND AND AND AND AND AND AND AND AND AN
FOR PORT	T FOR I	Sold on the Osman was filed for the Osman on
OMEN'	Ζ <sub>Θ</sub>	
WLEDO Aday VLEDO	LEDGM	BDOME CANADA CONTRACTOR OF THE POWER OF THE
CKNOWLEDGMENT  CKNOWLEDGMENT  CKNOWLEDGMENT	KNOW	ON TO AND THE REPORT OF THE PARTY OF THE PAR
this.	AC AC	A County A C
fore m	ore me	Bection Tilwp. ARRe.
Ill A Nowy State of the Nowy State of the Exp. I gred bef	red before	
acknowledged CNULIAN A  RYPA	cknowledged	
S S S S S S S S S S S S S S S S S S S	a	was acknow  Corporation
instrument was g	res nent ws	ion expires  PROM PROM Instrument was acknown to behalf of the corpore
nstr nstr	instrun	MOM Expire Istrumer
STATE OF COUNTY OF The foregoing instrument why cummissian expires  STATE OF  COUNTY OF  The foregoing instrument with	My commission expires  STATE OF  COUNTY OF  The foregoing instrument w  by  My commission expires	
STATE OF COUNTY The forego in My cummit My COUNTY C	My con STATE COUNT The fort liv	STATE OF COUNTY C The foregoi by My cummis  My cummis  STATE OF COUNTY OF COUNTY OF The foregoing by of corporation o
	w 06-1-2	STAT STAT

BOOK 75.1 PAGE 643

## ADDENDUM

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

South, Northeast Fourteen ( Half of the , Township 1 and the West Haran Fourteen (14), er (NW/4) f Section West Quarter (74) of S Northwest Quarter (W/2NE/4) Quarter Range Ni

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

- , after Lessor drillable location, will consult with Lessee ๙ finds Then Lessee completed. The Ψ. -agree is comp wells n Parties Seismic i before Both 3-D
- 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.
- 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. 'n
- 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. 4

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

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

2010, before me, the JUME वेबम् हर  $\geq$ 83 BE IT REMEMBEREDATATION this そうずり STATE OF COUNTY OF

who are personally known to me to be the sens acknowledged writing and such persons duly undersigned, a Norary Public in and for the County and State aforesaid, came (NWCE T SCALLWW) CACA
persons who executed the within sistemment of writing and such person execution of the same

IN WITNESS WHEREOF, I have hereunto ser my hand and official seal, on the day and year less above written

Now Pares
Nove Pares
Nove Pares

orary Public

My Appointment Expires

いして

1531-15 1+1

≽ Form 88—(Producers) Kan., Okla. & Colo. (12-63) Rev.

 $\mathbf{SE}$ LEA! GAS AND

09-116

Kansas Blue Print 700 S. Broadway PO Bax 703 Wildia, XS 2201-0703 310-264-0344-324-5185 Jax www.kpp com · kbp@kbp.com

2010	
	±† ₽
-	and C
Je	usband
June	d G. Kraus and Virginia B. Kraus, husband and wife
y of	Kra
da	nia B
th	Virgi
7.4	and
this the	3. Kraus
ntered into	G.
EMENT, E	Harold
IIS AGREI	j.L.
ļ.	1

24th

THIS AGREEMENT.

Harold G. Kraus and Virginia B. Kraus, husband and wife  and Downing-Nelson Oil Company, Inc.  1. That lessor, for and in consideration of the sum of One (\$1.00) & O.V.C.  be performed by the recharding to be performed by the lessee, has this day granted, leased, and let and by these presents from the paid and of the coverable to the lesse the hereinafter described land, together with any reversionary spits therein, and with the right to unlike this lates of any part of the lands covered thereby as hereinafter provided for the purpose of eartwhip on resolucion in months of the purpose of eartwhip on resolucion.	and condensate, and gas (including but not limited to cashafted gas and helium and all other gases and all of the oil (including but not limited to cashafted gas and helium and all other gases and all constituents of all gases), and for constituents reads. It is confined to constituent to the constituents of a constituent of constituents reads. It is not the constituent 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 said in the control of said and described as follows:
---	--

3. The lassee shall deliver as rayalty, 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, may pay to the lesser for such one-eighth (14) rayalty 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. or less. 3.5 рпа term") "primary i date Cherein from ( West. years This leave shall remain in force for a term of (5) F1

Substances covered by this leave is or can be produced.

The leaves shall deliver an example of the leave is or can be produced. Township 14 South any of the Section

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 une-eighth (%) of the prime, as royalty one-eighth (%) of the prime is royalty one-eighth (%) of the spire thereof at the mouth of the well is and enothly. During any period (whether before or after events and the primary item between of the safe thereof at the mouth of the well or wells are shut in and there is no current production of oil or operations said lessed premises sufficient to keep this least in force, lessee shall pay or tender to One Dollar (\$1.00) per year per net royalty acre retained here well is that in and there is no entering the manufacture of this least in the darkness and made, on or before the anniversary due of this lease next ensuing after the expiration of ninety (\$9) days from the darkness, the considered that gas is being produced within the meaning of the considered that gas is being produced within the meaning of the least of operations hereunder, the lessor may have, free of charge, gas from any gas well on the leased for operations hereunder, the lessor may have, free of charge, gas from any gas well on the lessor's sole risk and expense.

Shall this lease commenced on the leased premises on or before XXXXX from this date, said period shall pay or tender to lessor, or to the credit of lessor in\_\_\_\_ are not r mining operations are r or before the expiration operations drilling

lessee (

untess

parties

both

, 5

Sixteen Hundred Dollars (\$ 1600.00), herelastic railed 'rental', which shall extend for twelve months menced. Therefore, annually, in the manner and upon like payments or tenders the conference of drilling operations or mining operations may be commenced. Therefore, annually, in the manner and upon like payments or tenders the conference of drilling operations or mining operations may be cumented. Therefore of the conference of the manner and upon like payments or tenders the conference of the payment or tender of mailed to the authorized depository bank or lessor (at address last known to becase) or before such during the payment or tender of mailed to the authorized depository should fall or liquidate or mailed. If said named or successor bank for any state lessor returned to accept rental until thirty days after lessor should ever to lessee a proper recordable mathing another bank to receive such payments or tenders. The above named or successor bank or any tensor so reliable to accept recordable mathing another bank to receive such payments or tenders. The above named or successor shall deliver to lessee a proper recordable mathing another manner or successor bank or such payments or tenders. The above named or successor shall deliver to lessee a proper recordable mathing another manner or sucreying or starking 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 among 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 (20) days following the completion of the dry hole, or if there be no such rental assor further three in expirations 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 herein provided for shall be paid the said lessor only in the proportion which his interest bars to the whole and undivided fee. However, such rental shall be in-

8. The lesses shall have the right to use, free of cast, gas, oil and water found on said land for its operations thereon, except water from the wells of the land. 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 on said and. No well shall be defilled mater than 200 feet to the houses or barn now on said premises without written consent of the lessor. Lessee shall have the right and any time during, or after the expiration of, this lease to remove all machinery. Iffixines, busiess, buildings and other structures placed on said premises, including the right and remove all easing, but lessee shall be under no obligation to draw and remove all easing, but lessee shall be under no obligation to draw and 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, admin of the lassee. No change of division in ownership of the inds, rentals, or royalties shall enlarge the obligations or diminish the right either the original recorded instrument of an aduly certified copy thereof or a duly certified copy of the will of any deceased owner and of the probat all original recorded instruments of conveyance or a duly certified copy the estate of any deceased owner, whichever is appropriate, together will estate of conveyance or duly ertified cops thereof or a duly certified copy of the will of any deceased owner, whichever is appropriate, together will estate of any administrators, executors, or heritals made hereunder before tecelpt of said documents shall be binding on any and all direct assignees, grantees devices, 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 hold shall not operate to defeat or affect this 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 of said rentals.

as one lease, and all royalties are now or shall hereafter be owned in severalty or in separate tracts, the proportion that the acreage owned by each separate owner 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 lease acreage. There shall be no obligation on the part of the lessee to offset wells on separate tracts into which the land coverted by this lesser may now or hereby warrants and earlied. 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, leviced, or assessed on or against the above described lands and, in event it evertises such option, it any royalty or rentals accruing hereunder.

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

the lesson, or then all pay-paid shall be and provisions 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 by placing same of record in the proper county. In case said lease is surrendered and canceled us to only a portion of the acreage covered thereby, it may be not a portion of the acreage covered thereby. It is proportion that the acreage covered hereby is reduced to the portion of the acreage covered hereby is reduced by each such release, but as to the portion of the acreage not released the terms and 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, ruies or regulations (and interpretations thereof) for all governmental agencies administering the same, and this lease shall not be in any very terminated wholly or partially nor shall the leases be liable in damages thereof). If leases should be reverted during the last six months of the primary term hereof from drilling a well hereof and drilling a well hereof of any constituted austhories, in respectations for interpretations therefore, or if leases should be unable during said period to drill a well hereunder by the order of any constituted austhories 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 to 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.

15. Lessee is hereby granted the right at any time and from time, either before or after production is obtained, to form or reform a unit or valued the increase granted the right at any time and from time, either before or after, with any other lands as to all strate or any stratum or strate, with any other lands as to all strate or any stratum or strate, with any other lands as to all strate or any portion or portions thereof, as to all strate or any portion or portions thereof, as with or without distillate. However, no unit for the production primarily of oil shall embrace in more than 60 acres (plus such olerance as may be appropriate by reason of oversize legal subdivisions), or for the production primarily of gas with or without distill pressure of the development of the field or allocate a pressure of one of oversize legal subdivisions), provided that if any governmental regulations had acreage be well, then any such unit may ensure as may be used in such allocation of allowable. Lessee shall file written designations in the county in which the leased promises whether or not the well or wells are located thereon. The entire acreage within a unit or units. Operations upon and production from the unit shall be treated or all stilling the amount of any refact by and included in this lease except that the royalty on production from the unit shall be are some than an expect to production from the unit, lessee shall pay lessor, in like of other royalties thereon, only such proportion of the royalty interest therein on an acreage basis bears to the total acreage placed in the unit, or his royalty interest thereon, only such proportion of the royalty on production and then acreage bases in the unit.

cute it as lessor. The word "lessor" as used in this lease means the party or parties who execute this lease it shall nevertheless be binding upon all such SEE Addending sor, although not named above. In wirthers we sign the day and hereto and made a part hereof Krai

B. Kr ď Virginia

O

Harold

aus

S 1 PAGE BOO不

Date  Date  Section Twp. Rge.  No. of Acres  County  C	ACKNOWLEDGMENT FOR IT was acknowledged before me this day of	STATE OF  COUNTY OF  The foregoing instrument was acknowledged before me this  Ind  My commission expires	My rummission expíres	STATE OF  COUNTY OF  The foregoing instrument was acknowledged before me this  'and  'ACKNOWLEDGMENTOR INDIGHTOR KANSAS  ACKNOWLEDGMENTOR INDIGHTOR KANSAS  Indig	My cummission expires 7 - 25 - 11	in Harala 15 Kraus Kraus
--	--	---	-----------------------	--	-----------------------------------	--------------------------

Notary Public

corporation, on behalf of the corporation. My commission expires BOOK 751 PAGE 649

## 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:

4 ij Township Fourteen (14), f Section Fourteen (19) West O F South Half (S/2) c h, Range Nineteen South,

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

- 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 This Lease is for a term of five (5) years with the first three (3) years being paid-up at the time of certified mail from the Lessee to the Lessor.
- 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. Сi
- 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. α;
- and The Parties agree that minimum damages in the amount of \$500.00 for pasture ground \$1,000.00 for tilled ground will be paid for each well drilled on the above described property. ਚਂ

FURTHER PROVIDED that it is understood that the damages indicated represent liquidated s for the activities contemplated on the property which damages are reasonable under the tances. 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. damages for the activities contemplated circumstances.

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.

who are personally known to me to be the same executed the within instrument of writing and such persons duly acknowledged the 2010, before me, Harold undersigned, a Notary Public in and for the County and State aforesaid, came & Virginia B Araus rginia 100 , SS: BE IT REMEMBERED that on this Kraus execution of the same. 0.00 COUNTY OF persons who STATE OF

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

	LAURA HEHTE NOTARY PUBLIC STATE OF KANSAS MY APPL EXP. 7-25-1/	
NAME OF TAXABLE PARTY.	411 E	

Jama Ketel

My Appointment Expires: /- 25 - //

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/

Sam Brownback, Governor

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

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 <u>without slots</u>, 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.