

Well will not be drilled or Permit Expired Date: \_\_\_

Signature of Operator or Agent:

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

## KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

Form C-1 March 2010 Form must be Typed Form must be Signed All blanks must be Filled

## NOTICE OF INTENT TO DRILL

month day year	Spot Description:
, and any source	SecTwpS. RS
PERATOR: License#	feet from N / S Line of Section
ame:	
ddress 1:	
ddress 2:	
ity: State: Zip: +	Courity.
ontact Person:	Lease Name: Well #:
hone:	Field Name:
ONTRACTOR: License#	Is this a Prorated / Spaced Field?
ame:	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 Flevation: feet MS
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 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:	Duning stand Total Donaths
Original Completion Date: Original Total Depth:	Formation at Total Depth:
	Water Source for Drilling Operations:
Directional, Deviated or Horizontal wellbore?	No Well Farm Pond Other:
Yes, true vertical depth:	DWR Permit #:
Sottom Hole Location:	( <b>Note:</b> Apply for Permit with DWR )
CCC DKT #:	Will Cores be taken?
	If Yes, proposed zone:
	AFFIDAVIT
he undersigned hereby affirms that the drilling, completion and ev	
t is agreed that the following minimum requirements will be met:	
<ol> <li>Notify the appropriate district office <i>prior</i> to spudding of well</li> <li>A copy of the approved notice of intent to drill <i>shall be</i> poste</li> </ol>	
	a on each drilling rig,  all be set by circulating cement to the top; in all cases surface pipe shall be set
through all unconsolidated materials plus a minimum of 20 fe	
·	nd the district office on plug length and placement is necessary <b>prior to plugging</b> ;
5. The appropriate district office will be notified before well is e	ther plugged or production casing is cemented in;
	cemented from below any usable water to surface within 120 DAYS of spud date.
·	g order #133,891-C, which applies to the KCC District 3 area, alternate II cementing
must be completed within 30 days of the spud date or the we	ell shall be plugged. In all cases, NOTIFY district office prior to any cementing.
ubmitted Electronically	
For MCC Has ONLY	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;
Minimum surface pipe requiredfeet per ALT.	- File Completion Form ACO-1 within 120 days of spud date;
	- File acreage attribution plat according to field profation orders,
Approved by:	<ul> <li>Notify appropriate district office 48 hours prior to workover or re-entry;</li> <li>Submit plugging report (CP-4) after plugging is completed (within 60 days);</li> </ul>
This authorization expires:	Obtain written approval before diagoning or injecting get water
(This authorization void if drilling not started within 12 months of approval	- 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.



For KCC Use ONLY	
API # 15	

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

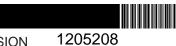
In all cases, please fully complete this side of the form. Include items 1 through 5 at the bottom of this page.

Operator:	Location of W	/ell: County:
_ease:		feet from N / S Line of Section
Vell 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 corne	er used: NE NW SE SW
	PLAT	
	_	dary line. Show the predicted locations of
lease roads, tank batteries, pipelines an		as Surface Owner Notice Act (House Bill 2032).
	You may attach a separate plat if desi 2545 ft.	ired.
,		
		LEGEND
		O Well Location
		Tank Battery Location
		Pipeline Location
		Electric Line Location
		Lease Road Location
		- 1480 <sup>Eft</sup>
	- ; ; ;	
9	¦	
	: : : : : : : : : : : : : : : : : : :	
	: : :	
		1980' FSL
: : : :		
		:         : : :
		OLITAIN OU. JUJU I LL

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  Drilling Pit  Workover Pit  Haul-Off Pit  (If WP Supply API No. or Year Drilled)	Pit is:  Proposed  If Existing, date colling  Pit capacity:	Existing	SecTwpR East WestFeet from Rast / West Line of SectionFeet from East / West Line of Section	
		(bbls)	County	
Is the pit located in a Sensitive Ground Water A	Area? Yes	No	Chloride concentration: mg/l (For Emergency Pits and Settling Pits only)	
Is the bottom below ground level?	Artificial Liner?	No	How is the pit lined if a plastic liner is not used?	
Pit dimensions (all but working pits):	Length (fee	et)	Width (feet) N/A: Steel Pits	
Depth fro	om ground level to dee	epest point:	(feet) No Pit	
If the pit is lined give a brief description of the li material, thickness and installation procedure.	illei		dures for periodic maintenance and determining ncluding any special monitoring.	
Distance to nearest water well within one-mile	of pit:	Depth to shallo Source of infor	west fresh water feet. mation:	
feet Depth of water wellfeet		measured	well owner electric log KDWR	
Emergency, Settling and Burn Pits ONLY:		Drilling, Work	over and Haul-Off Pits ONLY:	
Producing Formation:		Type of materia	al utilized in drilling/workover:	
Number of producing wells on lease:		Number of world	king pits to be utilized:	
Barrels of fluid produced daily:		Abandonment	procedure:	
Does the slope from the tank battery allow all spilled fluids to flow into the pit? Yes No		Drill pits must b	be closed within 365 days of spud date.	
Submitted Electronically				
	KCC	OFFICE USE O		
Date Received: Permit Num	ber:	Permi	Liner Steel Pit RFAC RFAS it Date: Lease Inspection: Yes No	



1205208

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.

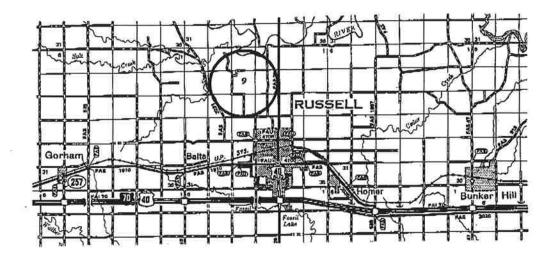
Select the corresponding form being filed: C-1 (Intent) CB-1 (Cathodic Protection Borehole Intent) T-1 (Transfer) CP-1 (Plugging Application)

OPERATOR: License #	Well Location:	
Name:	SecTwp S. R	
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:	ewiler intermediate be realist in the records of the register of deeds for the	
Address 2:		
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 vner(s). To mitigate the additional cost of the KCC performing this	
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		
that I am being charged a \$30.00 handling fee, payable to the I	CCC, which is enclosed with this form.  fee with this form. If the fee is not received with this form, the KSONA-1	

shown on this
t be legally
ndowner;
for access.

PROSPECT OIL & GAS CORPORATION MACHIN-STOPPEL LEASE NE. 1/4, SECTION 9, T135, R14W RUSSELL COUNTY. KANSAS

ROAD NO (SALT CREEK RD.) Drillsite Location Machin-Stoppel Unit #1 2545'FNL 1810'FEL Ground Elevation = 1715  $Y = 220941 \quad X = 1749991$ \*Alternate Location (220'west of Loc.) 2545'FNL 2030'FEL Ground Elevation = 1776  $Y = 220941 \quad X = 1749771$ PASTURE \*Alternate Location (330'east of Loc.) 2545'FNL 1480'FEL Ground Elevation = 1787  $Y = 220941 \quad X = 1750321$ State Plane-NAD 27-Konsas North (Mapping Grade GPS Used) Notes: 1. Set iron rod at location site. 2. All flagging Red & Yellow. Š 3. Overhead power available in Sec. 9. 4. Kansas One Call System Inc. should be notified before excavation (1-800-344-7233). 5. CAUTION: Various pipelines in Sec. 9. 6. Contact landowner for best access. Brad Stoppel. (785)483-1294. 7. Location fell in a conyor, set (2) alternates. (RESERVOIR RD.) ROAD NO GRAVEL ROAD



- e Controlling data is agoed upon the best maps and photographs available to us and upon a requisi-section of land containing 640 octes.

May 9, 2014

CENTRAL KANSAS OILFIELD SERVICES, INC. (620)792-1977

### Kansas Corporation Commission Oil & Gas Conservation Division

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 (Ca	thodic Protection Borehole Intent) T-1 (Transfer) CP-1 (Plugging Application)
OPERATOR: License # 6627  Name: Prospect Oil & Gas Corp  Address 1: PO BOX 837  Address 2:  City: RUSSELL State: KS Zip: 67665 + 0837  Contact Person: Brad Hutchinson  Phone: ( 785 ) 483-6266 Fax: ( )  Email Address:	Well Location:  SE_SE_SW_NE_Sec. 9 Twp. 13 S. R. 14 Sast West  County: Russell  Lease Name: Machin-Stoppel Unit Well #: 1  If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:
Surface Owner Information:  Name: Gerald W, Stoppel  Address 1: 438 W. Wisconsin  Address 2:  City: Russell, State KS Zip: 67665	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 the KCC with a plat showing the predicted locations of lease roads, tank be are preliminary non-binding estimates. The locations may be entered on the Select one of the fellowing:	Atteries, pipelines, and electrical lines. The locations shown on the plat the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted.  (House Bill 2032), I have provided the following to the surface ated: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form ing filed is a Form C-1 or Form CB-1, the plat(s) required by this I email address.  I email address.  I emovided that, because I have not provided this information, the er(s). To mitigate the additional cost of the KCC performing this if the surface owner by filling out the top section of this form and
If choosing the second option, submit payment of the \$30.00 handling ferform and the associated Form C-1, Form CB-1, Form T-1, or Form CP-1 with the second option of the second option.	e with this form. If the fee is not received with this form, the KSONA-1
I hereby certify that the statements made herein are true and correct to the	e best of my knowledge and belief.
Date: Signature of Operator or Agent:	Title:

## OIL AND GAS LEASE

THIS AGREEMENT, Entered into this 21st day of MARCH 2012, between GERALD W. STOPPEL, A SINGLE PERSON. 438 WEST WISCONSIN, RUSSELL, KANSAS 67665, hereinafter called lessors, and PROSPECT OIL AND GAS, INC., P.O. BOX 837, RUSSELL, KS 67665 hereinafter called lessor, does witness:

1. That lessor, for and in consideration of the sum of ONE AND MORE (\$1.00) Dollars in hand paid and of the covenants 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, with any reversionary rights therein, and with the right to unitize this lease or any part thereof with other oil and gas leases as to all or any part of the lands covered thereby as hereinafter provided, for the purpose of carrying on geological, geophysical and other exploratory work thereon, including core drilling and the drilling, mining, and operating for, producing and saving all of the oil, gas, gas condensate, gas distillate, casinghead gasoline and their respective constituent vapors, and all other gases, found thereon, the exclusive right of injecting water, brine, and other fluids and substances into the subsurface strata, and for constructing roads, laying pipe lines, building tank, storing oil, building power stations, electrical 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, and the injection of water, brine, and other substances into the subsurface strata, said tract of land being situated in the County of RUSSELL state of KANSAS, and described as follows

THE SOUTHEAST QUARTER (SE/4), SECTION NINE (9), TOWNSHIP THIRTEEN (13), SOUTH, RANGE FOURTEEN (14), WEST

Containing 160 acres, more or less.

This lease shall remain in force for a term of THREE (3) year called "primary term") and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of the products covered by this lease is or can be produced.

3. The lesses shall deliver to lessor as royalty, free of cost, on the lease, or into the pipe line to which lessee may connect its wells the equal one-eighth part of all oil produced and saved from the leased premises, or at the lessee's option may pay to the lessor for such one-eighth royalty the market price at the wellhead 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 the lessor, as a royalty, one-eighth of the proceeds received by the lessee from the sale of gas, gas condensate, gas distillate, casinghead gas, gas used for the manufacture of gasoline or any other product, and all other gases, including their constituent parts, produced from the land herein leased. If such gas is not sold by the lessee, lessee may pay or tender annually at or before the end of each yearly period during which such gas is not sold, as a shut-in royalty, whether one of more wells, an amount equal to one dollar per net mineral acre, and while said shut in royalty is so paid or tendered, it will be considered under all provisions of this lease that gas is being produced in paying quantities. The first yearly period during which such gas is not sold shall begin on the date the first well is completed for production of gas.

5. This lease is a paid-up lease and may be maintained during the primary term without further payments or drilling operations.

6. In the event said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein then the royalties herein provided for shall be paid to said lessor only in the proportion which his interest bears to the whole and undivided fee: however, in the event the title to any interest in said land should revert to lessor, or his heirs, or his or their grantee, this lease shall cover such reversion.

7. 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 existing 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 operation to its growing crops on said 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.

8. If the estate of either party hereto is assigned (and the privilege of assigning in whole or in part is expressly allowed), the covenants hereof shall extend to the heirs, devisees, executors, administrators, successors, and assigns, but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of lessee, and no change of ownership in the land or in the 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 of the will of any deceased owner and of the probate 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 of the full interest claimed, and all advance payments of rentals made hereunder before receipt of said documents shall be binding on any direct or indirect essignee, grantee, devisee, or administrator, executor, or heir of lessor.

9. If the leased premises are now or shall hereafter be owned in severalty or in separate tracts, the premises may nonetheless be developed and operated as one lease, and all royalties accraing 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, devisee, descent or otherwise, or to furnish separate measuring or receiving tanks.

10. 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 options 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 accruing hereunder.

11. If after the expiration of the primary term, production of oil or gas should cease from any cause, this lease shall not terminate if lessee commences additional drilling or reworking operations within one hundred-twenty (120) days thereafter, or if at the expiration of the primary term, oil or gas is not being produced on said land,, but lessee is then engaged in drilling or reworking operations thereon, then in either event, this lease shall remain in force so long as operations are prosecuted either on the same well or any other well thereafter commenced, with no cassation of more than on hundred-twenty (120) consecutive days, and if they result in production of oil or gas, this lease shall remain in effect so long thereafter as there is production of oil or gas under any provision of this lease.

12. Lessee may at any 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 recorded 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 cancelled shall cease and determine, 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.

13. All provisions hereof, express or implied, shall be subject to all federal and state laws and the orders, rules, or regulations (an 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 t 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, the primary term of this lease shall continue until six months after said order is suspended.

14. Lessee, at its option, is hereby given the right and power to pool or combine into one or more units the land covered by this lease, or any portion thereof, with other land covered by another lease, or leases when, in lessee's judgment, it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of such minerals in and under said land, such pooling to be in a unit or units not exceeding 40 acres each in the event of a gas and/or condensate or distillate well, plus a tolerance of ten percent (10%) to conform to Governmental Survey quarter sections. Lessee shall execute in writing and file for record in the

county in which the land is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a unit or units shall be treated for all purposes, except the payments of royalties on production from the pooled unit, as if it were included in this lease. If production is found on any part of the pooled acreage it shall be treated as if production is had from this lease whether any well is located on the land covered by this lease or not. Any well drilled on any such unit shall be and constitute a well hereunder. In lieu of the royalties elsewhere herein specified lessor shall receive on production from the unit so pooled only such portion of the royalty stipulated herein as the amount of his net royalty interest therein on an acreage basis bears to the total mineral acreage so pooled in the particular unit involved.

15. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors of said lessor and lessee.

16. It is hereby agreed by both lessor and lessee, that should the lessee decide to extend this lease, lessee will tender a check to lessor for the same lease bonus amount as heretofore tendered, this lease will be extended for a second year. This payment shall be made on or before the expiry date.

17. Lessee is hereby granted the option to extend the primary term of this lease for an additional two (2) years from the expiration of the original primary term. This option may be exercised by Lessee, on or before the expiration date of lease by paying and delivering to Lessor at the above address, the sum of \$15.00 per acre covered by the lease. Should this option be exercised as herein provided, it shall be considered for all purposes as though this lease originally provided for a term of (5) years.

IN WITNESS WHEREOF, we sign the day and sear first above written

BOOK 217 PAGE 0164

STATE OF KANSAS

COUNTY OF RUSSELL

ACKNOWLEDGMENT FOR INDIVIDUAL

day of

Before me, the undersigned, a Notary Public, within and for said county and state, on this appeared GERALD W. STOPPEL, to me personally known to be the identical person who executed the within and foregoing instrument and acknowledged to me that he executed the same as his own free and voluntary act and deed for the uses and purposes therein set forth. IN WITNESS WHEREOF, I have hereunto set my hand and official scal the day and year last above written.

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**Notary Public** 

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Lon R. Haberer **Notary Public** State Of Kansas My App. Exp 10 . 13 . 2

Seal) 16 n 44. COUNTY LAND

State of Kansas, Russell County, ss This Instrument filed for record April 18, 2012 9:40 A

Computer >

15 11

#### OIL AND GAS LEASE

THIS AGREEMENT, Entered into this 12ht day of APRIL 2012, between ELMINA R. MACHIN REVOCABLE TRUST, BY ELMINA R. MACHIN TRUSTEE, RUSSELL, KANSAS 67665, hereinsiter called lessors, and PROSPECT OIL AND GAS, INC., P.O. BOX 837, RUSSELL, KS 67665 hereinsiter called lessor, does witness:

1. That lessor, for and in consideration of the sum of ONE AND MORE (\$1.00) Dollars in hand paid and of the covenants 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, with any reversionary rights therein, and with the right to unitize this lease or any part thereof with other oil and gas leases as to all or any part of the lands covered thereby as hereinafter provided, for the purpose of carrying on geological, geophysical and other exploratory work thereon, including core drilling and the drilling, mining, and operating for, producing and saving all of the oil, gas, gas condensate, gas distillate, casinghead gasoline and their respective constituent vapors, and all other gases, found thereon, the exclusive right of injecting water, brine, and other fluids and substances into the subsurface strata, and for constructing roads, laying pipe lines, building tank, storing oil, building power stations, electrical 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, and the injection of water, brine, and other substances into the subsurface strata, said tract of land being situated in the County of RUSSELL state of KANSAS, and described as follows

THE NORTH HALF, (N/2), SECTION NINE (9), TOWNSHIP THIRTEEN (13), SOUTH, RANGE FOURTEEN (14), WEST

Containing 320 acres, more or less.

2. This lease shall remain in force for a term of THREE (3) year called "primary term") and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of the products covered by this lease is or can be produced.

3. The lessee shall deliver to lessor as royalty, free of cost, on the lease, or into the pipe line to which lessee may connect its wells the equal one-eighth part of all oil produced and saved from the leased premises, or at the lessee's option may pay to the lessor for such one-eighth royalty the market price at the wellhead 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 the lessor, as a royalty, one-eighth of the proceeds received by the lessee from the sale of gas, gas condensate, gas distillate, casinghead gas, gas used for the manufacture of gasoline or any other product, and all other gases, including their constituent parts, produced from the land herein leased. If such gas is not sold by the lessee, lessee may pay or tender annually at or before the end of each yearly period during which such gas is not sold, as a shut-in royalty, whether one of more wells, an amount equal to one dollar per net mineral acre, and while said shut in royalty is so paid or tendered, it will be considered under all provisions of this lease that gas is being produced in paying quantities. The first yearly period during which such gas is not sold shall begin on the date the first well is completed for production of gas.

5. This lease is a paid-up lease and may be maintained during the primary term without further payments or drilling operations.

6. In the event said lessor owns a less interest in the above described land than the entire and undivided for simple estate therein then the royalties herein provided for shall be paid to said lessor only in the proportion which his interest bears to the whole and undivided fee: however, in the event the title to any interest in said land should revert to lessor, or his heirs, or his or their grantee, this lease shall cover such reversion.

7. 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 existing 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 operation to its growing crops on said land. No well shall be drilled neuter than 200 feet to the house or born 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 leane to remove all machinery furtures, houses, buildings and other structures placed on said premises, including the right to draw and remove all casing.

8. If the estate of either party hereto is ussigned (and the privilege of assigning in whole or in part is expressly allowed), the covenants hereof shall extend to the heirs, devisces, executors, minimistrators, successors, and assigns, but no change or division in consensity of the land, or republics, however accomplished, shall operate to enlarge the obligations or diminish the rights of lesser, and no change of ownership in the land or in the royalties or any sum due under this lease shall be hinding on the lesser until it has been familiated with either the original recorded instrument of conveyance or a duly certified copy of the will of any deceased owner and of the probate 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 accessory in showing a complete chain of title back to lessor of the full interest claimed, and all advance payaments of status smalls become the face receipt of said documents shall be binding on any direct or indirect assigner, grapter, devises, or administrator, executor, or heir of lessor.

9. ......If the learned promises are now or chall hereafter be owned in securally or in separate tracts, the promises anny nonetheless he developed and operated us one lease, and all royalties accoming hereander shall be divided among and paid to such separate owners in the proportion that the accompt owned by each separate owner bears to the entire learned acreage. There shall be no obligation on the part of the lessee to offset wells on separate tracts into which the head covered by this legac may more or inscaller be divided by sale, devices, descent or otherwise, or to famish separate meanining or according tracks.

10. Lessor leneby warrants and agrees to defend the title to the hard teroin described and agrees that the lessee, at its option, may gay and discharge in whole or in part any texes, mortgages, or other liens existing, levied, or assessed on or against the above described lands and, in event it exercises such options it shall be subrogated to the rights of any holder or holders themed and may minimum itself by applying to the discharge of any such mortgage, tax or other liens, any avoidy according because.

11. If ther the capitation of the primary term, production of oil or gas should exact from any came, this lease shall not be primary to a additional drilling or revocking operations within one hundred towarty (120) days thereafter, or if at the capitation of the primary term, oil or gas is not being produced on arid land, but lease is then engaged in drilling or revocking operations thereon, then in either count, this lease shall remain in force so langua operations are protected either on the same well or any other well towarder commonsted, with no constitute of man; then on landed-towardy (120) emisculine days, and if they result in production of oil or gas, this lease shall remain in effect so long thereafter as there is production of oil or gas under any provision of this lease.

12. Lence may at any time summin or cancel this least in whole or in part by delivering or mailing such schare to the least, or by placing some of recorded in the proper county. In case said large image pulses, and cancel as to only a parties of the sumage county thereby, then all payments and liabilities thereby country under the time. It is in the parties of the parties cancelled shall creat and determine, but at to the parties of the surveys not school the terms and providents of this length playing payer associated in fall force and effect for all proposes.

relevant the terms and providents of this heat-plant entains and officer and effect for all property.

13. All provident instant entained, shall be higher to all findent and state hous and the orders, rules, or applications thereof) of all generalized against administrating the higher plant this house shall not be in any way translated wheely or partially are shall the beautre be liable in almospect the follower comply with any orders explain of implied provisions become if such failure accords with any such laws, orders, rules or any administration thereof. If he see should be prevented during the last six months of the primary term become from deliving a well become by the order of any constituted authority having providents therefore, the primary term of this lease shall continue until six months after said order is any and its action.

1. If we said the said of the primary term of this lease shall continue until six months after said order is any and the said order in the said or the said or the said or the said order in the said or the said or the said or the said order in the said or the said or the said or the said order in the said or the said or the said or the said or the said order in the said or the said order in the said or the said

Id. Letter, at its opine, is ben'ny given the night and power to pand or condition into one or more units the hand control by this hear, or may pushion thereof, with other hand control by another hears, or hears when, in become judgment, it is necessary or advisable to do so in order to properly develop and operate soid hour promises so as to promise the conservation of such minerals in and noder soid hour, such profing to be in a soid or units not controling. On more each in the count of a gas and/or conditions or distributed, plus a televisor of ten promost (1974) to continue to Greenmantal Storay quarter sections. Letter shall execute in writing and the for record in the

that is about an incomment identifying and describing the product arrange. The entire accorage so product into a unit or units shall be; was, compt the payments of anythics on production from the product unit, at if it were included in this lease. If production is found on toll accorage it shall be incured as if production is had from this least substitut may well in beatred on the had concept by this least or ant. of on any such spirit shall be and committee a well becomitte. In five of the myshics characteristic specified beaut shall receive on a A fire unit so product only such pushion of the negative stipulated beauts as the amount of his and myshly interest therein on an account basis of mineral netwigs up product in the positionly unit involved.

This have sold its town, confirms, and eligibilities shall entered to said be binding on all successor of said below and loope.

It is bordey against by both looper and leave, that should the leave double to extend this leave, facts with the same for the same leavest as leavest for a substant and the share with be entered for a second year. This paperent shall be much on or below the entire the same beautiful the oping to the same of this leaves for an additional two (2) years from the entire of the original space. This oping and define the entire of the original space are constalled by Leaves, on or before the expiration date of leave by paying and define the factor at the above address, as of \$150 Mayor care constalled the leaves. Should this oping the constalled, it shall be considered for all property as though the adjusted for a term of (5) years.

IN WITNESS, WHEREIF, we sign the day and your first above written.

ELMNAR MACIEN TELESTEE OF THE FLAMMAR MACHINE WICHELE TRUST

BOCK 217 AME 0840

STATE OF KANSAS COUNTY OF RUSSELL

ACKNOWLEDGMENT FOR INDIVIDUAL

Before me, the undersigned, a Notary Public, within and for said county and state, on this day of , 2012, personally appeared FLMINA R. MACHIN, to me personally known to be the identical person who executed the within and foregoing instrument and acknowledged appeared FLMINA R. MACHIN, to me personally known to be the identical person who executed the within and foregoing instrument and acknowledged to me that she executed the same as her own free and voluntary act and deed for the uses and purposes therein set forth.

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

My commission expires 05-13-15

DONNA LETSCH Notary Public, State of Kansas My Appointment Expires

Notary Public



State of Kansas, Russell County, 98
This Instrument filed for record
August 20, 2012
8:15 A M. Recorded in