



For KCC Use ONLY

API # 15 - \_\_\_\_\_

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

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

Operator: \_\_\_\_\_

Lease: \_\_\_\_\_

Well Number: \_\_\_\_\_

Field: \_\_\_\_\_

Number of Acres attributable to well: \_\_\_\_\_

QTR/QTR/QTR/QTR of acreage: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

Location of Well: County: \_\_\_\_\_

\_\_\_\_\_ feet from  N /  S Line of Section

\_\_\_\_\_ feet from  E /  W Line of Section

Sec. \_\_\_\_\_ Twp. \_\_\_\_\_ S. R. \_\_\_\_\_  E  W

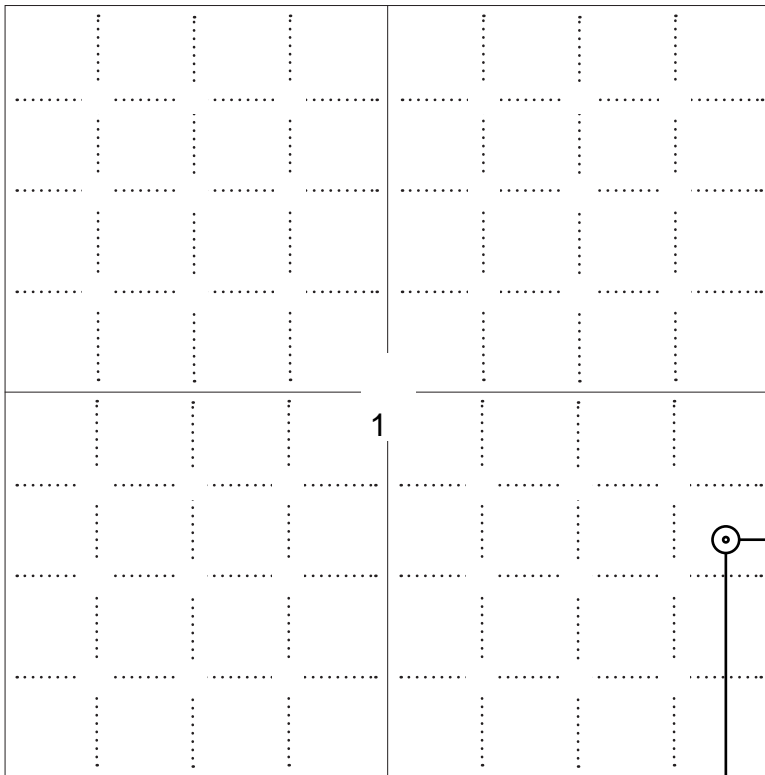
Is Section:  Regular or  Irregular

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

Section corner used:  NE  NW  SE  SW

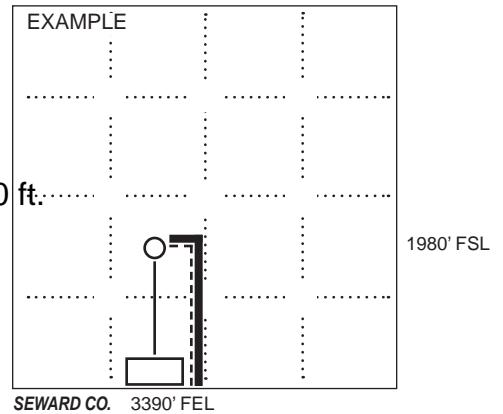
### PLAT

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



**LEGEND**

- Well Location
- Tank Battery Location
- Pipeline Location
- - - - Electric Line Location
- Lease Road Location



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

1627 ft.

#### In plotting the proposed location of the well, you must show:

1. The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, 4 sections, etc.
2. The distance of the proposed drilling location from the south / north and east / west outside section lines.
3. The distance to the nearest lease or unit boundary line (in footage).
4. If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (C0-7 for oil wells; CG-8 for gas wells).
5. The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.

**APPLICATION FOR SURFACE PIT**

*Submit in Duplicate*

Operator Name: _____		License Number: _____	
Operator Address: _____			
Contact Person: _____		Phone Number: _____	
Lease Name & Well No.: _____		Pit Location (QQQQ): _____-_____-_____-_____	
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input type="checkbox"/> Drilling Pit <input type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit <i>(If WP Supply API No. or Year Drilled)</i>		Pit is: <input type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: _____ (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input type="checkbox"/> No		Chloride concentration: _____ mg/l <i>(For Emergency Pits and Settling Pits only)</i>	
Is the bottom below ground level? <input type="checkbox"/> Yes <input type="checkbox"/> No		Artificial Liner? <input type="checkbox"/> Yes <input type="checkbox"/> No	
How is the pit lined if a plastic liner is not used? _____			
Pit dimensions (all but working pits):    _____ Length (feet)    _____ Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: _____ (feet) <input type="checkbox"/> No Pit			
If the pit is lined give a brief description of the liner material, thickness and installation procedure.		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring.	
Distance to nearest water well within one-mile of pit: _____ feet    Depth of water well _____ feet		Depth to shallowest fresh water _____ feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input type="checkbox"/> KDWR	
<b>Emergency, Settling and Burn Pits ONLY:</b> Producing Formation: _____ Number of producing wells on lease: _____ Barrels of fluid produced daily: _____ Does the slope from the tank battery allow all spilled fluids to flow into the pit? <input type="checkbox"/> Yes <input type="checkbox"/> No		<b>Drilling, Workover and Haul-Off Pits ONLY:</b> Type of material utilized in drilling/workover: _____ Number of working pits to be utilized: _____ Abandonment procedure: _____ Drill pits must be closed within 365 days of spud date.	
Submitted Electronically			

**KCC OFFICE USE ONLY**

Liner     Steel Pit     RFAC     RFAS

Date Received: \_\_\_\_\_ Permit Number: \_\_\_\_\_ Permit Date: \_\_\_\_\_ Lease Inspection:     Yes     No



### CERTIFICATION OF COMPLIANCE WITH THE KANSAS SURFACE OWNER NOTIFICATION ACT

*This form must be submitted with all Forms C-1 (Notice of Intent to Drill); CB-1 (Cathodic Protection Borehole Intent); T-1 (Request for Change of Operator Transfer of Injection or Surface Pit Permit); and CP-1 (Well Plugging Application). Any such form submitted without an accompanying Form KSONA-1 will be returned.*

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

OPERATOR: License # \_\_\_\_\_  
Name: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ + \_\_\_\_\_  
Contact Person: \_\_\_\_\_  
Phone: ( \_\_\_\_\_ ) \_\_\_\_\_ Fax: ( \_\_\_\_\_ ) \_\_\_\_\_  
Email Address: \_\_\_\_\_

Well Location:  
\_\_\_\_ - \_\_\_\_ - \_\_\_\_ - \_\_\_\_ Sec. \_\_\_\_ Twp. \_\_\_\_ S. R. \_\_\_\_  East  West  
County: \_\_\_\_\_  
Lease Name: \_\_\_\_\_ Well #: \_\_\_\_\_

*If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:*

**Surface Owner Information:**

Name: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ + \_\_\_\_\_

*When filing a Form T-1 involving multiple surface owners, attach an additional sheet listing all of the information to the left for each surface owner. Surface owner information can be found in the records of the register of deeds for the county, and in the real estate property tax records of the county treasurer.*

*If this form is being submitted with a Form C-1 (Intent) or CB-1 (Cathodic Protection Borehole Intent), you must supply the surface owners and the KCC with a plat showing the predicted locations of lease roads, tank batteries, pipelines, and electrical lines. The locations shown on the plat are preliminary non-binding estimates. The locations may be entered on the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted.*

**Select one of the following:**

- I certify that, pursuant to the Kansas Surface Owner Notice Act (House Bill 2032), I have provided the following to the surface owner(s) of the land upon which the subject well is or will be located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form CP-1 that I am filing in connection with this form; 2) if the form being filed is a Form C-1 or Form CB-1, the plat(s) required by this form; and 3) my operator name, address, phone number, fax, and email address.
- I have not provided this information to the surface owner(s). I acknowledge that, because I have not provided this information, the KCC will be required to send this information to the surface owner(s). To mitigate the additional cost of the KCC performing this task, I acknowledge that I must provide the name and address of the surface owner by filling out the top section of this form and that I am being charged a \$30.00 handling fee, payable to the KCC, which is enclosed with this form.

*If choosing the second option, submit payment of the \$30.00 handling fee with this form. If the fee is not received with this form, the KSONA-1 form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-1 will be returned.*

I Submitted Electronically



OIL AND GAS LEASE

AGREEMENT. Made and entered into the 21st day of July 2010 by and between Carolyn L. Janzen, as Trustee of BOTH the Keith A. Janzen and Carolyn L. Janzen Revocable Trust under instrument dated January 21, 1986, AND the Keith A. Janzen and Carolyn L. Janzen Revocable Trust Share A whose mailing address is 1304 Church Street, Scott City, Kansas 67871 hereinafter called Lessor (whether one or more), and J. Fred Hambricht, Inc. 125 N. Market #1415, Wichita, Kansas 67202 hereinafter called Lessee:

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

Township 17 South, Range 33 West Section 6: SW/4, a/d/a Lots 6 (34.95), 7 (34.85), and E/2SW/4 (Tract #1) Section 7: NE/4 (Tract #2) Section 7: NW/4, a/d/a Lots 1 (34.85), 2 (34.94), and E/2NW/4 (Tract #3) Section 7: SW/4, a/d/a Lots 3 (35.05), 4 (35.15), and E/2SW/4 (Tract #4)

In Section Township Range and containing 609.79 acres, more or less, and all accretions thereto.

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

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

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

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

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

If said lessee 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 the said lessor only in the proportion which lessor's interest bears to the whole and undivided fee.

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

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

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

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

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

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

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

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

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

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

COMPUTER NUMERICALS



\*\*\* See Rider attached hereto and made a part hereof:

STATE OF KANSAS, SCOTT COUNTY, KS This instrument was filed for record on the 2 day of August A.D. 2010 at 10 o'clock A.M., and duly recorded in book 235 page 130 by Daphne Murphy \$ 16.00 Register of Deeds

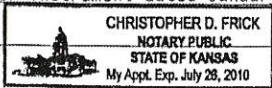
IN WITNESS WHEREOF, the undersigned execute this instrument as of the day and year first above written.

Witness: Carolyn L. Janzen, Trustee - Revocable Trust Keith A. Janzen and Carolyn L. Janzen u/1/d 1-21-1986 Carolyn L. Janzen, Trustee - Revocable Trust Keith A. Janzen and Carolyn L. Janzen Share A

Tax ID#: Tax ID#:

STATE OF KANSAS ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)  
 COUNTY OF SCOTT  
 The foregoing instrument was acknowledged before me this 21<sup>st</sup> day of July, 2010,  
 by Carolyn L. Janzen, as Trustee of the Keith A. Janzen and Carolyn L. Janzen  
Revocable Trust under instrument dated January 21, 1986

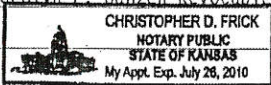
My commission expires \_\_\_\_\_



*[Signature]*  
 Notary Public  
 Christopher D. Frick

STATE OF KANSAS ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)  
 COUNTY OF SCOTT  
 The foregoing instrument was acknowledged before me this 21<sup>st</sup> day of July, 2010,  
 by Carolyn L. Janzen, xxx as Trustee of the  
Keith A. Janzen and Carolyn L. Janzen Revocable Trust Share A

My commission expires \_\_\_\_\_



*[Signature]*  
 Notary Public  
 Christopher D. Frick

STATE OF \_\_\_\_\_ ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)  
 COUNTY OF \_\_\_\_\_  
 The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_,  
 by \_\_\_\_\_ and \_\_\_\_\_

My commission expires \_\_\_\_\_

Notary Public

STATE OF \_\_\_\_\_ ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)  
 COUNTY OF \_\_\_\_\_  
 The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_,  
 by \_\_\_\_\_ and \_\_\_\_\_

My commission expires \_\_\_\_\_

Notary Public

No. \_\_\_\_\_  
**OIL AND GAS LEASE**  
 FROM \_\_\_\_\_  
 TO \_\_\_\_\_  
 Date \_\_\_\_\_  
 Section \_\_\_\_\_ Twp. \_\_\_\_\_ Rge. \_\_\_\_\_  
 No. of Acres \_\_\_\_\_ Term \_\_\_\_\_ County \_\_\_\_\_  
 STATE OF \_\_\_\_\_  
 County \_\_\_\_\_  
 This instrument was filed for record on the \_\_\_\_\_  
 day of \_\_\_\_\_, \_\_\_\_\_,  
 at \_\_\_\_\_ o'clock \_\_\_\_\_ M., and duly recorded  
 in Book \_\_\_\_\_ Page \_\_\_\_\_ of  
 the records of this office.  
 By \_\_\_\_\_  
 Register of Deeds.  
 When recorded, return to \_\_\_\_\_

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

Notary Public

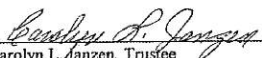
RIDER

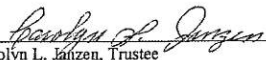
This rider is attached to that certain oil and gas lease dated the 21st day of July, 2010, entered into by and between Carolyn L. Janzen as Trustee of the Keith A. Janzen and Carolyn L. Janzen Revocable Trust under instrument dated January 21, 1986 and the Keith A. Janzen and Carolyn L. Janzen Revocable Trust Share A

as Lessor, and J. Fred Hambright, Inc.  
as Lessee, and covering the following described land in SCOTT County, State of KANSAS, described as follows, to wit:

Township 17 South, Range 33 West  
Section 6: SW/4, a/d/a Lots 6 (34.95), 7 (34.85), and E/2SW/4 (Tract #1)  
Section 7: NE/4 (Tract #2)  
Section 7: NW/4, a/d/a Lots 1 (34.85), 2 (34.94), and E/2NW/4 (Tract #3)  
Section 7: SW/4, a/d/a Lots 3 (35.05), 4 (35.15), and E/2SW/4 (Tract #4)

1. It is understood and agreed that each of the above-described tracts shall constitute separate and individual leases according to the terms herein established. Production on any single tract shall not extend lease on any other tract.
2. Lessee, or its assigns, agrees to consult with Lessor regarding routes of ingress and egress prior to commencing operations.
3. When preparing development locations, the topsoil shall be segregated to be replaced on the surface upon completion of drilling activities. Any terraces driven over or altered for drilling or tank locations shall be restored to original height and contour as nearly as is practicable.
4. In the event of drilling operations on the leased premises, Lessee or assigns agree to backfill all slush pits when dried, level the location and restore the surface to its original condition as nearly as is practicable. Lessee or assigns agree to pay for all damages of any nature arising from its operations on said lands.
5. It is understood and agreed that upon termination of production on this lease, all equipment of Lessee shall be removed within six (6) months and all sites shall be restored to their original condition as nearly as is practicable.
6. A sufficient dike shall be placed around tank batteries. Tank batteries and pumping equipment units shall be fenced to restrain cattle in pastures or on ground that Lessor grazes cattle on milo or corn stalks or wheat. Lessee or assigns agree to comply with all applicable Federal, State, and Local laws and regulations.
7. In the event that the land or any part of it is enrolled in the Conservation Reserve Program (CRP) administered by the U.S. Department of Agriculture, the following provisions will be applicable: Lessee shall comply with the rules and notification procedures of that program insofar as the same may apply to operations of Lessee on the enrolled lands; Lessee shall compensate Lessor for CRP penalties or CRP withdrawal reimbursements resulting directly from Lessee's operations hereunder; Lessee shall reseed to grass all acres thereof affected by Lessee's operations and hold Lessor harmless from penalties or liquidated damages assessed by the Conservation Reserve Program as a result of Lessee's operations.
8. If, at the end of the primary term, this lease is not otherwise continued in force under the provisions hereof, this lease shall expire, unless Lessee on or before the end of the primary term shall pay or tender to Lessor the sum of \$ 10.00 multiplied by the number of net mineral acres owned by Lessor in the land above described and then subject to this lease; and subject to the other provisions of this lease, the primary term shall be extended for an additional term of One (1) years from the end of the primary term hereof.

  
\_\_\_\_\_  
Carolyn L. Janzen, Trustee  
Keith A. Janzen and Carolyn L. Janzen Revocable  
Trust under instrument dated January 21, 1986

  
\_\_\_\_\_  
Carolyn L. Janzen, Trustee  
Keith A. Janzen and Carolyn L. Janzen Revocable  
Trust Share A

# OIL AND GAS LEASE

© 1983 David Carter Company

THIS AGREEMENT, Entered into this 10th day of February 20 12  
between Carolyn L. Janzen, Trustee of the Keith A. Janzen and Carolyn L. Janzen Revocable Trust Share A; Elissa G. Bahm and Dannie G. Bahm, her husband; Ann K. Price and Judson P. Price, Jr., her husband; 1304 Church Street, Scott City, KS 67874  
and J. Fred Hambright, Inc., 125 N. Market # 1415-Wichita, Kansas 67202 hereinafter called lessor,  
and hereinafter called lessee, does witness:

1. That lessor, for and in consideration of the sum of Ten and More 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 utilize this lease or any part thereof with either oil and gas leases as drilling and the drilling, mining, and operating for, producing and saving all of the oil, gas, gas condensate, gas distillate, casinghead gas 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 tanks, 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 Scott State of Kansas and described as follows:

Township 17 South, Range 34 West  
Tract #1 Section 1: SE/4  
Tract #2 Section 1: SW/4  
Tract #3 Section 2: SE/4  
Tract #4 Section 11: NW/4



STATE OF KANSAS, SCOTT COUNTY, SS  
This instrument was filed for record on the 13 day of March A.D. 2012  
10 o'clock A.M., and duly recorded in book 252 page 1  
J. Fred Hambright  
\$ 16.00 Register of Deeds

containing 640 acres, more or less.

- This lease shall remain in force for a term of One (1) years (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.
- 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.
- The lessee shall pay to the lessor, as a royalty, one-eighth (1/8th) 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 or 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 as 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.
- This lease is a paid-up lease and may be maintained during the primary term without further payments or drilling operations.
- 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 grantees, this lease shall cover such reversion.
- 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 operations to 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.
- 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 thereof, or a certified copy of the will of any deceased owner and of the original recorded instruments of conveyance or duly certified copies thereof, as 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 assignee, grantee, devisee, or administrator, executor, or heir of lessor.
- 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 accruing hereunder shall be divided among and paid to such separate owners in the proportion that the acreage owned by each separate owner bears to the entire leased acreage. There shall be no obligation on the part of the lessee to offset wells on separate tracts into which the land covered by this lease may now or hereafter be divided by sale, devise, descent or otherwise, or to furnish separate measuring or receiving tanks.
- 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.
- 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; 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 cessation of more than one 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.
- 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 record in the proper county. In case said lease is surrendered and canceled as to only a portion of the acreage covered thereby, then all payments and liabilities thereafter accruing under the terms of said lease as to the portion canceled shall cease and determine, 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.
- All provisions hereof, express or implied, shall be subject to all federal and state laws and the orders, rules, or regulations (and interpretations thereof) of all governmental agencies administering the same, and this lease shall not be in any way terminated wholly or partially nor shall the lessee be liable in damages for failure to comply with any of the express or implied provisions hereof if such failure accords with any such laws, orders, rules or regulations (or interpretations thereof). If lessee should be prevented during the last six months of the primary term hereof from drilling a well hereunder by the order of any constituted authority having jurisdiction thereover, the primary term of this lease shall continue until six months after said order is suspended.
- 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 80 acres each in the event of an oil well, or into a unit or units not exceeding 640 acres each in the event of a gas 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. 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 as 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.
- This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors of said lessor and lessee.

See Rider attached hereto and made a part hereof:

IN WITNESS WHEREOF, we sign the day and year first above written.  
Elissa G. Bahm (Elissa G. Bahm)  
Dannie G. Bahm (Dannie G. Bahm)  
Carolyn L. Janzen Trustee (Carolyn L. Janzen) Trustee  
Ann K. Price (Ann K. Price)  
Judson P. Price, Jr. (Judson P. Price, Jr.)  
BOOK 252 PAGE 1 (PAGE 1 OF 3)



RIDER

This rider is attached to that certain oil and gas lease dated the 10 day of February, 2012 entered into by and between Carolyn L. Janzen as Trustee of the Keith A. Janzen and Carolyn L. Janzen Revocable Trust, Share A; Elissa C. Bahm and Dannie G. Bahm, her husband Ann K. Price and Judson P. Price, Jr., her husband as Lessor, and J. Fred Hambright, Inc. as Lessee, and covering the following described land in SCOTT County, State of KANSAS, described as follows, to wit:

Township 17 South, Range 34 West  
Section 1: SE/4 (Tract #1)  
Section 1: SW/4 (Tract #2)  
Section 2: SE/4 (Tract #3)  
Section 11: NW/4 (Tract #4)

1. It is understood and agreed that each of the above-described tracts shall constitute separate and individual leases according to the terms herein established. Production on any single tract shall not extend lease on any other tract.
2. Lessee, or its assigns, agrees to consult with Lessor regarding routes of ingress and egress prior to commencing operations.
3. When preparing development locations, the topsoil shall be segregated to be replaced on the surface upon completion of drilling activities. Any terraces driven over or altered for drilling or tank locations shall be restored to original height and contour as nearly as is practicable.
4. In the event of drilling operations on the leased premises, Lessee or assigns agree to backfill all slush pits when dried, level the location and restore the surface to its original condition as nearly as is practicable. Lessee or assigns agree to pay for all damages of any nature arising from its operations on said lands.
5. It is understood and agreed that upon termination of production on this lease, all equipment of Lessee shall be removed within six (6) months and all sites shall be restored to their original condition as nearly as is practicable.
6. A sufficient dike shall be placed around tank batteries. Tank batteries and pumping equipment units shall be fenced to restrain cattle in pastures or on ground that Lessor grazes cattle on milo or corn stalks or wheat. Lessee or assigns agree to comply with all applicable Federal, State, and Local laws and regulations.
7. In the event that the land or any part of it is enrolled in the Conservation Reserve Program (CRP) administered by the U.S. Department of Agriculture, the following provisions will be applicable: Lessee shall comply with the rules and notification procedures of that program insofar as the same may apply to operations of Lessee on the enrolled lands; Lessee shall compensate Lessor for CRP penalties or CRP withdrawal reimbursements resulting directly from Lessee's operations hereunder; Lessee shall reseed to grass all acres thereof affected by Lessee's operations and hold Lessor harmless from penalties or liquidated damages assessed by the Conservation Reserve Program as a result of Lessee's operations.

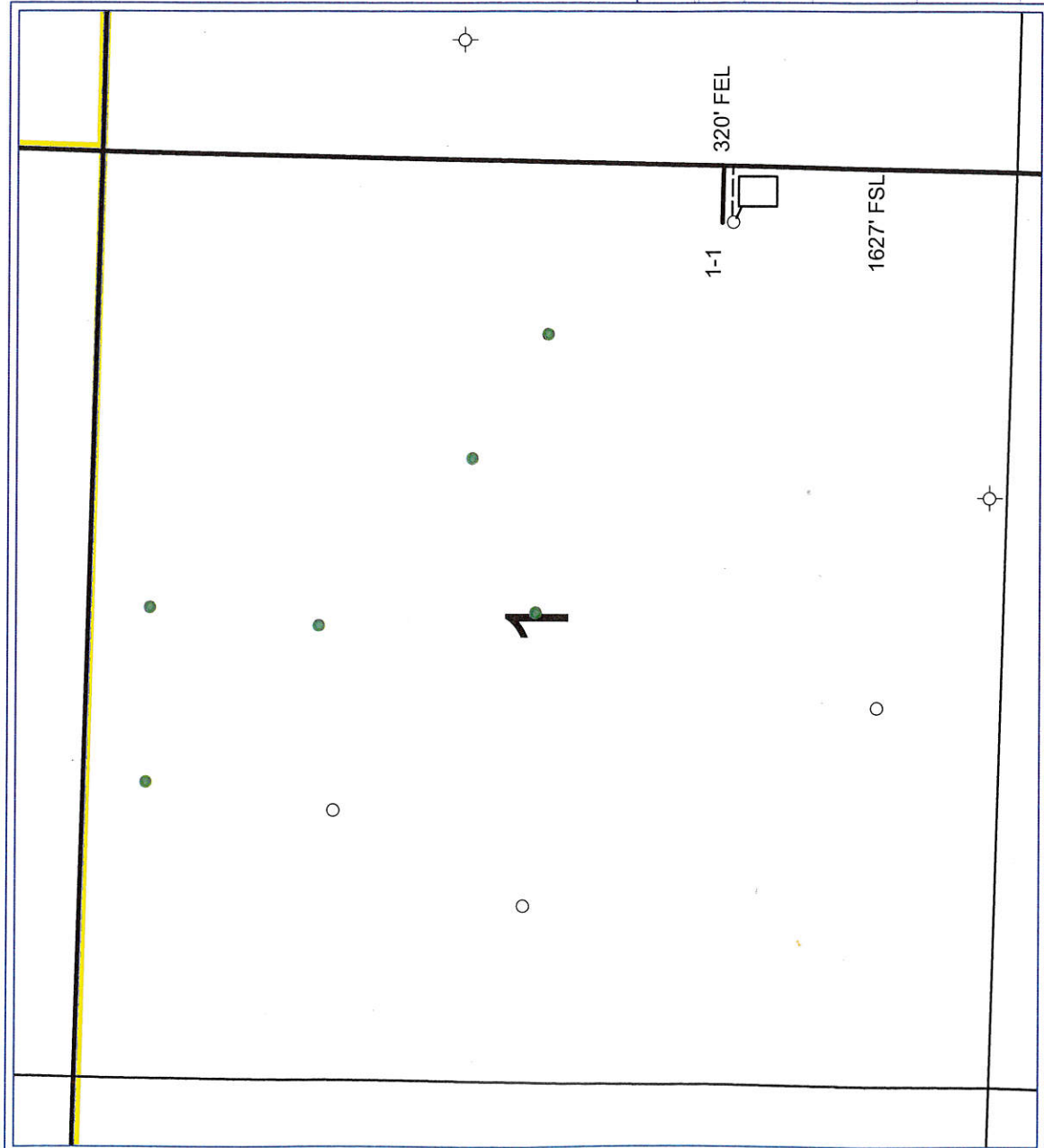
Elissa C. Bahm  
(Elissa C. Bahm)

Dannie G. Bahm  
(Dannie G. Bahm)

Carolyn L. Janzen  
Carolyn L. Janzen, Trustee  
Keith A. Janzen and Carolyn L. Janzen Revocable  
Trust Share A

Ann K. Price  
(Ann K. Price)

Judson P. Price, Jr.  
(Judson P. Price, Jr.)



Landmark Resources, Inc.
1-1 Janzen Unit
Section 1, 17S, 34W
Scott Co., Kansas
<b>WELL SYMBOLS</b> ○ Location Only ● Oil Well ⊕ Dry Hole
May 16, 2014

Conservation Division  
Finney State Office Building  
130 S. Market, Rm. 2078  
Wichita, KS 67202-3802



Phone: 316-337-6200  
Fax: 316-337-6211  
<http://kcc.ks.gov/>

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

Sam Brownback, Governor

May 19, 2014

Jeff Wood  
Landmark Resources, Inc.  
1616 S VOSS RD STE 600  
HOUSTON, TX 77057-2641

Re: Drilling Pit Application  
Janzen Unit 1-1  
SE/4 Sec.01-17S-34W  
Scott County, Kansas

Dear Jeff Wood:

District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed **without slots**, the bottom shall be flat and reasonably level and the free fluids must be removed. The fluids are to be removed from the reserve pit as soon as the Hutchinson Salt section has been drilled through and displacement of the fluids into the reserve pit has occurred. The fluids should be removed again within 96 hours after drilling operations have ceased. KEEP PITS on north side of stake.  
No pits in the tailwater pit to the south.

**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 call the District Office at (620) 225-8888 when the fluids have been removed. Please file form CDP-5 (August 2008), 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 (620) 225-8888.