



KANSAS CORPORATION COMMISSION 1206214
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: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input type="checkbox"/> Drilling Pit <input type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit <i>(If WP Supply API No. or Year Drilled)</i>		Pit is: <input type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: _____ (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input type="checkbox"/> No		Chloride concentration: _____ mg/l <i>(For Emergency Pits and Settling Pits only)</i>	
Is the bottom below ground level? <input type="checkbox"/> Yes <input type="checkbox"/> No		Artificial Liner? <input type="checkbox"/> Yes <input type="checkbox"/> No	
How is the pit lined if a plastic liner is not used?			
Pit dimensions (all but working pits): _____ Length (feet) _____ Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: _____ (feet) <input type="checkbox"/> No Pit			
If the pit is lined give a brief description of the liner material, thickness and installation procedure.		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring.	
Distance to nearest water well within one-mile of pit: _____ feet Depth of water well _____ feet		Depth to shallowest fresh water _____ feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input type="checkbox"/> KDWR	
Emergency, Settling and Burn Pits ONLY: Producing Formation: _____ Number of producing wells on lease: _____ Barrels of fluid produced daily: _____ Does the slope from the tank battery allow all spilled fluids to flow into the pit? <input type="checkbox"/> Yes <input type="checkbox"/> No		Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: _____ Number of working pits to be utilized: _____ Abandonment procedure: _____ Drill pits must be closed within 365 days of spud date.	
<p>Submitted Electronically</p>			

KCC OFFICE USE ONLY

Liner Steel Pit RFAC RFAS

Date Received: _____ Permit Number: _____ Permit Date: _____ Lease Inspection: Yes No

Kansas Corporation Commission Oil & Gas Conservation Division

HAUL-OFF PIT APPLICATION FILING REQUIREMENTS

82-3-607. DISPOSAL OF DIKE AND PIT CONTENTS.

- (a) Each operator shall perform one of the following when disposing of dike or pit contents:
- (1) Remove the liquid contents to a disposal well or other oil and gas operation approved by the commission or to road maintenance or construction locations approved by the department;
 - (2) dispose of reserve pit waste down the annular space of a well completed according to the alternate I requirements of K.A.R. 82-3-106, if the waste to be disposed of was generated during the drilling and completion of the well; or
 - (3) dispose of the remaining solid contents in any manner required by the commission. The requirements may include any of the following:
 - (A) Burial in place, in accordance with the grading and restoration requirements in K.A.R. 82-3-602 (f);
 - (B) removal and placement of the contents in an on-site disposal area approved by the commission;
 - (C) removal and placement of the contents in an off-site disposal area on acreage owned by the same landowner or to another producing lease or unit operated by the same operator, if prior written permission from the landowner has been obtained; or
 - (D) removal of the contents to a permitted off-site disposal area approved by the department.
- (b) Each violation of this regulation shall be punishable by the following:
- (1) A \$1,000 penalty for the first violation;
 - (2) a \$2,500 penalty for the second violation; and
 - (3) a \$5,000 penalty and an operator license review for the third violation.

Complete and return with Haul-Off Pit Application, Form CDP1(2004)

Haul-off pit will be located in an on-site disposal area: Yes No

Haul-off pit is located in an off-site disposal area on acreage owned by the same landowner:
 Yes No If yes, written permission from the land owner must be obtained. Attach written permission to haul-off pit application.

Haul-off pit is located in an off-site disposal area on another **producing** lease or unit operated by the same operator: Yes No If yes, written permission from the land owner must be obtained. Attach permission and a copy of the lease assignment that covers the acreage where the haul-off pit is to be located, to the haul-off pit application.

TEMPORARY SURFACE USE AGREEMENT

THIS AGREEMENT, made and entered into this 1st day of May, 2014 by and between Donnie L. Pound and Debra R. Pound, husband and wife and Margaret A. Metz and Terry D. Metz, wife and husband, as Grantors and Murfin Drilling Company, Inc. as Grantee for the right to construct and utilize two remote reserve pits along with all rights of ingress and egress to said pits for the purposes of the drilling and completing the Pound 1-3, Pound 1-34, Allen 1-34 and DSA OWWO 1-3 and KLS 1-35, (hereinafter known as the "wells").

Said temporary surface use agreement will cover a mutually agreed location situated in Stafford County, Kansas as follows:

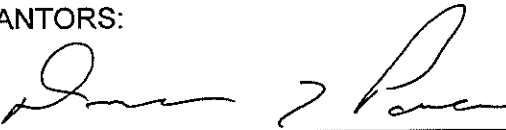

Southeast Quarter (SE/4) of Section 34, Township 22 South, Range 12 West of the 6th P. M.

NOW, THEREFORE, for and in consideration of the mutual covenants herein to be performed, and One Dollar (\$1.00) in hand paid, and other good and valuable considerations, receipt and sufficiency whereof is hereby acknowledged, the parties agree as follows:

1. Grantors do hereby grant unto Grantee the right of ingress and egress over, through and across said Lands reasonably necessary for the construction, operation and maintenance of two remote reserve pits.
2. Grantee agrees the term of this agreement shall be for the length of time necessary for the drilling and completion of the above described wells. At such time as operations cease and the pits have been properly dried, the Grantee shall close the pits in a timely manner and in accordance with KCC regulations.
3. Grantee agrees to reseed the pit location as necessary to return the location back to its original condition as nearly is practicable.
4. This Agreement shall be governed by and construed in accordance with the law of the State of Kansas.
5. This Agreement constitutes the entire understanding of the parties with respect to the subject matter hereof.
6. This Agreement may be executed in any number of counterparts with the same effect as if all parties had executed the same copy.

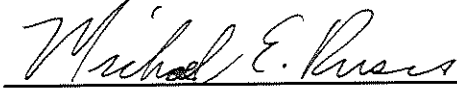
IN WITNESS WHEREOF, this Agreement is executed on the 9th day of May, 2014, but shall be effective as of the Effective Date herein.

GRANTORS:

By:  By: 
Donnie L. Pound Debra R. Pound

By: _____ By: _____
Margaret A. Metz Terry D. Metz

GRANTEE:
Murfin Drilling Company, Inc.

By: 
Michael E. Rusco, as agent

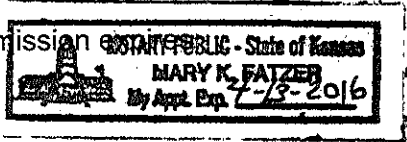
ACKNOWLEDGEMENTS

STATE OF KANSAS)
)ss
COUNTY STAFFORD)

Before me, the undersigned, a Notary Public, within and for said County and State, on this 9th day of May, 2014, personally appeared **Donnie L. Pound and Debra R. Pound, husband and wife**, 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 free and voluntary act and deed for the uses and purposes therein set forth.

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

My commission expires:



Mary K. Fatzer

Notary Public

STATE OF NORTH DAKOTA)
)ss
COUNTY OF MCLEAN)

Before me, the undersigned, a Notary Public, within and for said County and State, on this _____ day of May, 2014, personally appeared **Margaret A. Metz and Terry D. Metz, wife and husband**, 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 free and voluntary act and deed for the uses and purposes therein set forth.

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

My commission expires:

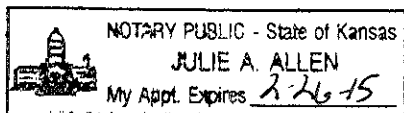
Notary Public

STATE OF KANSAS)
)ss
COUNTY SEDGWICK)

Before me, the undersigned, a Notary Public, within and for said County and State, on this 9th day of May, 2014, personally appeared Michael E. Rusco, 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 free and voluntary act and deed for the uses and purposes therein set forth.

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

My commission expires: 2-26-15



Julie A. Allen

Notary Public

TEMPORARY SURFACE USE AGREEMENT

THIS AGREEMENT, made and entered into this 1st day of May, 2014 by and between Donnie L. Pound and Debra R. Pound, husband and wife and Margaret A. Metz and Terry D. Metz, wife and husband, as Grantors and Murfin Drilling Company, Inc. as Grantee for the right to construct and utilize two remote reserve pits along with all rights of ingress and egress to said pits for the purposes of the drilling and completing the Pound 1-3, Pound 1-34, Allen 1-34 and DSA OWWO 1-3 and KLS 1-35, (hereinafter known as the "wells").

Said temporary surface use agreement will cover a mutually agreed location situated in Stafford County, Kansas as follows:

**Southeast Quarter (SE/4) of Section 34, Township 22 South, Range 12
West of the 6th P. M.**

NOW, THEREFORE, for and in consideration of the mutual covenants herein to be performed, and One Dollar (\$1.00) in hand paid, and other good and valuable considerations, receipt and sufficiency whereof is hereby acknowledged, the parties agree as follows:

1. Grantors do hereby grant unto Grantee the right of ingress and egress over, through and across said Lands reasonably necessary for the construction, operation and maintenance of two remote reserve pits.
2. Grantee agrees the term of this agreement shall be for the length of time necessary for the drilling and completion of the above described wells. At such time as operations cease and the pits have been properly dried, the Grantee shall close the pits in a timely manner and in accordance with KCC regulations.
3. Grantee agrees to reseed the pit location as necessary to return the location back to its original condition as nearly as practicable.
4. This Agreement shall be governed by and construed in accordance with the law of the State of Kansas.
5. This Agreement constitutes the entire understanding of the parties with respect to the subject matter hereof.
6. This Agreement may be executed in any number of counterparts with the same effect as if all parties had executed the same copy.

IN WITNESS WHEREOF, this Agreement is executed on the 9th day of May, 2014, but shall be effective as of the Effective Date herein.

GRANTORS:

By: _____ By: _____
Donnie L. Pound Debra R. Pound

By: Margaret A. Metz By: Terry D. Metz
Margaret A. Metz Terry D. Metz

GRANTEE:
Murfin Drilling Company, Inc.

By: Michael E. Rusco
Michael E. Rusco, as agent

ACKNOWLEDGEMENTS

STATE OF KANSAS)
)ss
COUNTY STAFFORD)

Before me, the undersigned, a Notary Public, within and for said County and State, on this _____ day of May, 2014, personally appeared **Donnie L. Pound and Debra R. Pound, husband and wife**, 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 free and voluntary act and deed for the uses and purposes therein set forth.

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

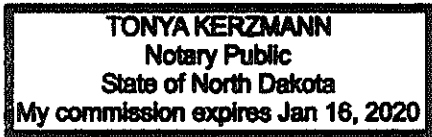
My commission expires: _____
Notary Public

STATE OF NORTH DAKOTA)
)ss
COUNTY OF MCLEAN)

Before me, the undersigned, a Notary Public, within and for said County and State, on this 9th day of May, 2014, personally appeared **Margaret A. Metz and Terry D. Metz, wife and husband**, 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 free and voluntary act and deed for the uses and purposes therein set forth.

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

My commission expires: January 16, 2020 Tony Kerzmann
Notary Public

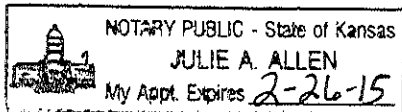


STATE OF KANSAS)
)ss
COUNTY SEDGWICK)

Before me, the undersigned, a Notary Public, within and for said County and State, on this 9th day of May, 2014, personally appeared Michael E. Rusco, 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 free and voluntary act and deed for the uses and purposes therein set forth.

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

My commission expires: 2-26-15 Julie A. Allen
Notary Public



OIL AND GAS LEASE

AGREEMENT, made and entered into this 18th day of August, 2011, by and between Donnie Lee Pound and Debra R. Pound, husband and wife, whose mailing address is 830 N. Nutting St., St. John, KS 67576, hereinafter called lessor (whether one or more), and HOP Energies, LLC, P.O. Box 47911, Wichita, KS 67201, hereinafter called lessee.

1. Lessor, in consideration of Ten Dollars (\$10.00) in hand paid, receipt of which is hereby acknowledged and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring 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 the County of Stafford, State of Kansas, described as follows, to wit:

/ Township 22 South, Range 12 West
Section 34: SE/4

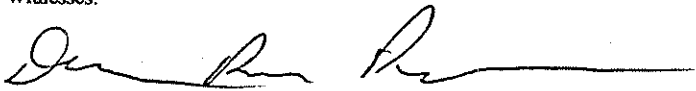
/ Township 23 South, Range 12 West
Section 3: N/2

In Section XX, Township XXXXXX, Range XXXXXX and containing 480.00 Acres, more or less, and all accretions thereto.


2. Subject to the provisions herein contained, this lease shall remain in force for a term of One (1) years from this date (called "primary term"), and as long as thereafter as oil, liquid hydrocarbons or gas or other respective constituent products, or any form of them is produced from said land or land with which said land is pooled.
3. In consideration of these premises lessee covenants and agrees:
 - a. To deliver to the credit of lessor, free of cost, in the pipeline 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.
 - b. To pay lessor for gas of whatsoever nature or kind produced and sold or used off the premises, or used in the manufacture of any products therefrom, 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.
4. 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.
5. If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein provided for shall be paid to lessor only in the proportion which lessor's interest bears to the whole and undivided fee.
6. Lessee shall have the right to use, free of cost, gas, oil and water produced on the leased premises for lessee's operations thereon, except water from wells of lessor.
7. When requested by the lessor, lessee shall bury lessee's pipelines below plow depth.
8. No well shall be drilled nearer than 200 feet to a house or barn now on said premises without the written consent of the lessor.
9. Lessee shall pay for all damages caused by lessee's operations to growing crops on said land.
10. 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.
11. 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 its heirs executors, administrators, successors or assigns, but no change in the ownership of the lands or assignment of rentals or royalties shall be binding on 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.
12. Lessee may at any time execute and deliver to lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.
13. 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.
14. 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 lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, in so far as said right of dower and homestead may in any way affect the purposes for which this leases is made, as recited herein.
15. Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, when in 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 leases 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 royalties elsewhere herein specified, lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.
16. Lessee, or its assigns, will consult with Lessor regarding routes of ingress and egress prior to commencing operations.
17. Lessee, or its assigns, will restore surface to original condition as nearly as is practicable upon completion of operations, including backfilling all pits when dried and restoring terraces disturbed by operations.
18. In the event some or all of the lands covered by this lease are enrolled in the Conservation Reserve Program (CRP) of the U.S. Department of Agriculture, 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.
19. It is understood and agreed by Lessor and Lessee that Lessee, or its assigns, will not conduct any operations on the leased premises south of Rattlesnake Creek without first obtaining Lessor's express written consent.
20. 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 \$50.00 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, this lease shall thereby be modified and the primary term shall be extended for an additional term of one (1) year(s) from the end of the primary term hereof. Said payment may be made by check or draft of Lessee or any assignee thereof, mailed or delivered direct to Lessor at the address first provided above, on or before the end of the primary term.

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

Witnesses:



Donnie Lee Pound



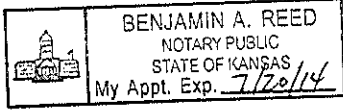
Debra R. Pound

STATE of Kansas)
COUNTY of Stafford)
ss: Acknowledgment for Individual (KS, OK, CO)

Before me, the undersigned, a Notary Public, within and for said County and State, on this 18th day of August, 2011, personally appeared Donnie Lee Pound and Debra R. Pound, husband and wife to me personally known to be the identical person(s) who executed the within foregoing instrument and acknowledged to me that they executed the same as their free and voluntary act(s) and deed(s) 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



Signature of Benjamin A. Reed, Notary Public

STATE of)
COUNTY of)
ss: Acknowledgment for Individual (KS, OK, CO)

Before me, the undersigned, a Notary Public, within and for said County and State, on this ___ day of ___, personally appeared ___ to me personally known to be the identical person(s) who executed the within foregoing instrument and acknowledged to me that ___ executed the same as ___ free and voluntary act(s) and deed(s) 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 ___ , Notary Public

STATE of)
COUNTY of)
ss: Acknowledgment for Individual (KS, OK, CO)

Before me, the undersigned, a Notary Public, within and for said County and State, on this ___ day of ___, personally appeared ___ to me personally known to be the identical person(s) who executed the within foregoing instrument and acknowledged to me that ___ executed the same as ___ free and voluntary act(s) and deed(s) 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 ___ , Notary Public

STATE of)
COUNTY of)
ss: Acknowledgment for Individual (KS, OK, CO)

Before me, the undersigned, a Notary Public, within and for said County and State, on this ___ day of ___, personally appeared ___ to me personally known to be the identical person(s) who executed the within foregoing instrument and acknowledged to me that ___ executed the same as ___ free and voluntary act(s) and deed(s) 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 ___ , Notary Public

Oil and Gas Lease form with fields for No., FROM, TO, Date, Section, Twp., Rng., No. of Acres, Term, County, STATE OF, County of, This instrument was filed for record on the ___ day of ___, 20___ 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)
COUNTY of)
ss: Acknowledgment for Corporation (KS, OK, CO)

Be it remembered that on this ___ day of ___, 20___, before me, the undersigned, a Notary Public, duly commissioned, in and for the county and state aforesaid, came ___ President of ___ a corporation of the State of ___ personally known to me to be such officer, and to be the same person who executed as such officer the foregoing instrument of writing in behalf of said corporation, and ___ duly acknowledged the execution of the same for ___ self and for said corporation 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 ___ , Notary Public

EXTENSION OF OIL AND GAS LEASE

WHEREAS, HOP Energies, LLC is the owner and holder of an oil and gas lease on the following described land in **STAFFORD** County, State of **KANSAS**.

Township 22 South, Range 12 West
Section 34: SE/4

Township 23 South, Range 12 West
Section 3: N/2

of Section XXX, Township XXX, Range XXX and recorded in Book 225, Page 618 and extended by option payment recorded at Book 231, Page 319, of the Records of said County, and

WHEREAS, said lease expires in the absence of drilling operations on **August 18th, 2013** and the said owner and holder desires to have the term of said lease extended;

NOW, THEREFORE, the undersigned, for themselves, their heirs, executors, administrators and assigns, for and in consideration of \$10.00 and more Dollars, in hand paid, the receipt whereof is hereby acknowledged, does hereby agree; that the said term of said lease shall be and is hereby extended, with the same tenor and effect as if such extended term had been originally expressed in such lease, for a period of One (1) year(s) from the date of the said expiration thereof and as long thereafter as oil or gas (including casinghead gas) is produced from any well on the land covered by said lease, subject however, in all other respects, to the provisions and conditions of said lease or said lease as modified, if any modification thereof may have been heretofore executed; that no delay rental is due and payable on **August 18th, 2013** under the terms of this extension; and that all previous rentals due under the terms of said lease have been timely and properly paid.

IN WITNESS WHEREOF, this instrument is signed on this the 6th day of February, 2013.

Donnie Lee Pound
Donnie Lee Pound

Debra R. Pound
Debra R. Pound

STATE of: **KANSAS**)
COUNTY of: **STAFFORD**)

ss: Acknowledgment for Individual (KS, OK, CO)

Before me, the undersigned, a Notary Public, within and for said County and State, on this 6th day of February, 2013, personally appeared **Donnie Lee Pound and Debra R. Pound, his wife**, to me personally known to be the identical person(s) who executed the within foregoing instrument and acknowledged to me that they executed the same as their 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:

Bret C. Turner
Bret C. Turner Notary Public



OIL AND GAS LEASE

AGREEMENT, made and entered into this 18th day of August, 2011, by and between Margaret A. Metz and Terry D. Metz, wife and husband, whose mailing address is PO Box 642, Garrison, ND 58540, hereinafter called lessor (whether one or more), and HOP Energies, LLC, P.O. Box 47911, Wichita, KS 67201, hereinafter called lessee.

1. Lessor, in consideration of Ten Dollars (\$10.00) in hand paid, receipt of which is hereby acknowledged and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring 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 the County of Stafford, State of Kansas, described as follows, to wit:

✓ Township 22 South, Range 12 West
Section 34: SE/4

✓ Township 23 South, Range 12 West
Section 3: N/2

In Section XX, Township XXXXXX, Range XXXXXX and containing 480.00 Acres, more or less, and all accretions thereto.

2. Subject to the provisions herein contained, this lease shall remain in force for a term of One (1) years from this date (called "primary term"), and as long as thereafter as oil, liquid hydrocarbons or gas or other respective constituent products, or any form of them is produced from said land or land with which said land is pooled.
3. In consideration of these premises lessee covenants and agrees:
 - a. To deliver to the credit of lessor, free of cost, in the pipeline 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.
 - b. To pay lessor for gas of whatsoever nature or kind produced and sold or used off the premises, or used in the manufacture of any products therefrom, 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.
4. 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.
5. If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein provided for shall be paid to lessor only in the proportion which lessor's interest bears to the whole and undivided fee.
6. Lessee shall have the right to use, free of cost, gas, oil and water produced on the leased premises for lessee's operations thereon, except water from wells of lessor.
7. When requested by the lessor, lessee shall bury lessee's pipelines below plow depth.
8. No well shall be drilled nearer than 200 feet to a house or barn now on said premises without the written consent of the lessor.
9. Lessee shall pay for all damages caused by lessee's operations to growing crops on said land.
10. 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.
11. 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 its heirs, executors, administrators, successors or assigns, but no change in the ownership of the lands or assignment of rentals or royalties shall be binding on 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.
12. Lessee may at any time execute and deliver to lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.
13. 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.
14. 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 lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, in so far as said right of dower and homestead may in any way affect the purposes for which this leases is made, as recited herein.
15. Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, when in 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 leases 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 royalties elsewhere herein specified, lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.
16. Lessee, or its assigns, will consult with Lessor regarding routes of ingress and egress prior to commencing operations.
17. Lessee, or its assigns, will restore surface to original condition as nearly as is practicable upon completion of operations, including backfilling all pits when dried and restoring terraces disturbed by operations.
18. In the event some or all of the lands covered by this lease are enrolled in the Conservation Reserve Program (CRP) of the U.S. Department of Agriculture, 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.
19. It is understood and agreed by Lessor and Lessee that Lessee, or its assigns, will not conduct any operations on the leased premises south of Rattlesnake Creek without first obtaining Lessor's express written consent.
20. 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 \$50.00 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, this lease shall thereby be modified and the primary term shall be extended for an additional term of one (1) year(s) from the end of the primary term hereof. Said payment may be made by check or draft of Lessee or any assignee thereof, mailed or delivered direct to Lessor at the address first provided above, on or before the end of the primary term.

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

X Margaret A. Metz
Margaret A. Metz

8-26-11

X Terry D. Metz
Terry D. Metz

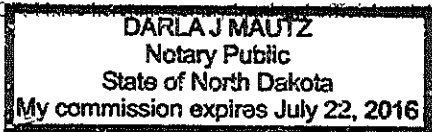
8-26-11

63 U (Rev. 1993, ATH 12/2006)

STATE of X North Dakota)
COUNTY of X McLean) ss: Acknowledgment for Individual (KS, OK, CO)

Before me, the undersigned, a Notary Public, within and for said County and State, on this X 26th day of August, 2011, personally appeared Margaret A. Metz and Terry D. Metz, wife and husband, to me personally known to be the identical person(s) who executed the within foregoing instrument and acknowledged to me that they executed the same as their free and voluntary act(s) and deed(s) 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 X 7-22-16

X Darla J. Mautz, Notary Public

STATE of _____)
COUNTY of _____) ss: Acknowledgment for Individual (KS, OK, CO)

Before me, the undersigned, a Notary Public, within and for said County and State, on this _____ day of _____, personally appeared _____, to me personally known to be the identical person(s) who executed the within foregoing instrument and acknowledged to me that _____ executed the same as _____ free and voluntary act(s) and deed(s) 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 _____

_____, Notary Public

STATE of _____)
COUNTY of _____) ss: Acknowledgment for Individual (KS, OK, CO)

Before me, the undersigned, a Notary Public, within and for said County and State, on this _____ day of _____, personally appeared _____, to me personally known to be the identical person(s) who executed the within foregoing instrument and acknowledged to me that _____ executed the same as _____ free and voluntary act(s) and deed(s) 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 _____

_____, Notary Public

STATE of _____)
COUNTY of _____) ss: Acknowledgment for Individual (KS, OK, CO)

Before me, the undersigned, a Notary Public, within and for said County and State, on this _____ day of _____, personally appeared _____, to me personally known to be the identical person(s) who executed the within foregoing instrument and acknowledged to me that _____ executed the same as _____ free and voluntary act(s) and deed(s) 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 _____

_____, Notary Public

Oil and Gas Lease form with fields for No., FROM, TO, Date, Section, Twp., Rng., No. of Acres, Term, County, STATE OF, County of, This instrument was filed for record on the, day of, 20, 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 _____)
COUNTY of _____) ss: Acknowledgment for Corporation (KS, OK, CO)

Be it remembered that on this _____ day of _____, 20____, before me, the undersigned, a Notary Public, duly commissioned, in and for the county and state aforesaid, came _____, President of _____, a corporation of the State of _____ personally known to me to be such officer, and to be the same person who executed as such officer the foregoing instrument of writing in behalf of said corporation, and _____ duly acknowledged the execution of the same for _____ self and for said corporation 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 _____

_____, Notary Public

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 23, 2014

Shauna Gunzelman
Murfin Drilling Co., Inc.
250 N WATER STE 300
WICHITA, KS 67202-1216

Re: Drilling Pit Application
DSA OWWO 1-3
Sec.34-22S-12W
Stafford County, Kansas

Dear Shauna Gunzelman:

District staff has inspected the above referenced location and has determined that an unsealed condition will present a pollution threat to water resources.

District staff has recommended that the Haul-Off pit be lined with bentonite or native clay, 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 Haul-Off pit within 96 hours after drilling operations have ceased.

NO completion fluids or non-exempt wastes shall be placed in the Haul-Off 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.

If you have any questions or concerns please feel free to contact the District Office at (620) 225-8888.