



KANSAS CORPORATION COMMISSION 1208030
OIL & GAS CONSERVATION DIVISION

Form must be Typed
Form must be Signed
All blanks must be Filled

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

NOTICE OF INTENT TO DRILL

Must be approved by KCC five (5) days prior to commencing well

Form KSONA-1, Certification of Compliance with the Kansas Surface Owner Notification Act, MUST be submitted with this form.

Expected Spud Date: month day year

OPERATOR: License#
Name:
Address 1:
Address 2:
City: State: Zip:
Contact Person:
Phone:

CONTRACTOR: License#
Name:

Well Drilled For: Well Class: Type Equipment:
Oil Gas Enh Rec Storage Disposal Seismic; # of Holes Other
Infield Pool Ext. Wildcat Other
Mud Rotary Air Rotary Cable
If OWWO: old well information as follows:

Operator:
Well Name:
Original Completion Date: Original Total Depth:

Directional, Deviated or Horizontal wellbore? Yes No
If Yes, true vertical depth:
Bottom Hole Location:
KCC DKT #:

Spot Description:
- - - Sec. Twp. S. R. E W
feet from N / S Line of Section
feet from E / W Line of Section
Is SECTION: Regular Irregular?

(Note: Locate well on the Section Plat on reverse side)

County:
Lease Name: Well #:
Field Name:
Is this a Prorated / Spaced Field? Yes No
Target Formation(s):
Nearest Lease or unit boundary line (in footage):
Ground Surface Elevation: feet MSL
Water well within one-quarter mile: Yes No
Public water supply well within one mile: Yes No
Depth to bottom of fresh water:
Depth to bottom of usable water:
Surface Pipe by Alternate: I II
Length of Surface Pipe Planned to be set:
Length of Conductor Pipe (if any):
Projected Total Depth:
Formation at Total Depth:
Water Source for Drilling Operations: Well Farm Pond Other:
DWR Permit #: (Note: Apply for Permit with DWR )
Will Cores be taken? Yes No
If Yes, proposed zone:

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 et. seq.

It is agreed that the following minimum requirements will be met:

- 1. Notify the appropriate district office prior to spudding of well;
2. A copy of the approved notice of intent to drill shall be posted on each drilling rig;
3. The minimum amount of surface pipe as specified below shall 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 feet into the underlying formation.
4. If the well is dry hole, an agreement between the operator and the district office on plug length and placement is necessary prior to plugging;
5. The appropriate district office will be notified before well is either plugged or production casing is cemented in;
6. If an ALTERNATE II COMPLETION, production pipe shall be cemented from below any usable water to surface within 120 DAYS of spud date. Or pursuant to Appendix "B" - Eastern Kansas surface casing 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 well shall be plugged. In all cases, NOTIFY district office prior to any cementing.

Submitted Electronically

For KCC Use ONLY
API # 15 -
Conductor pipe required feet
Minimum surface pipe required feet per ALT. I II
Approved by:
This authorization expires:
(This authorization void if drilling not started within 12 months of approval date.)
Spud date: Agent:

Remember to:

- File Certification of Compliance with the Kansas Surface Owner Notification Act (KSONA-1) with Intent to Drill;
- File Drill Pit Application (form CDP-1) with Intent to Drill;
- File Completion Form ACO-1 within 120 days of spud date;
- File acreage attribution plat according to field proration orders;
- Notify appropriate district office 48 hours prior to workover or re-entry;
- Submit plugging report (CP-4) after plugging is completed (within 60 days);
- Obtain written approval before disposing or injecting salt water.
- If well will not be drilled or permit has expired (See: authorized expiration date) please check the box below and return to the address below.

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

E
W

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

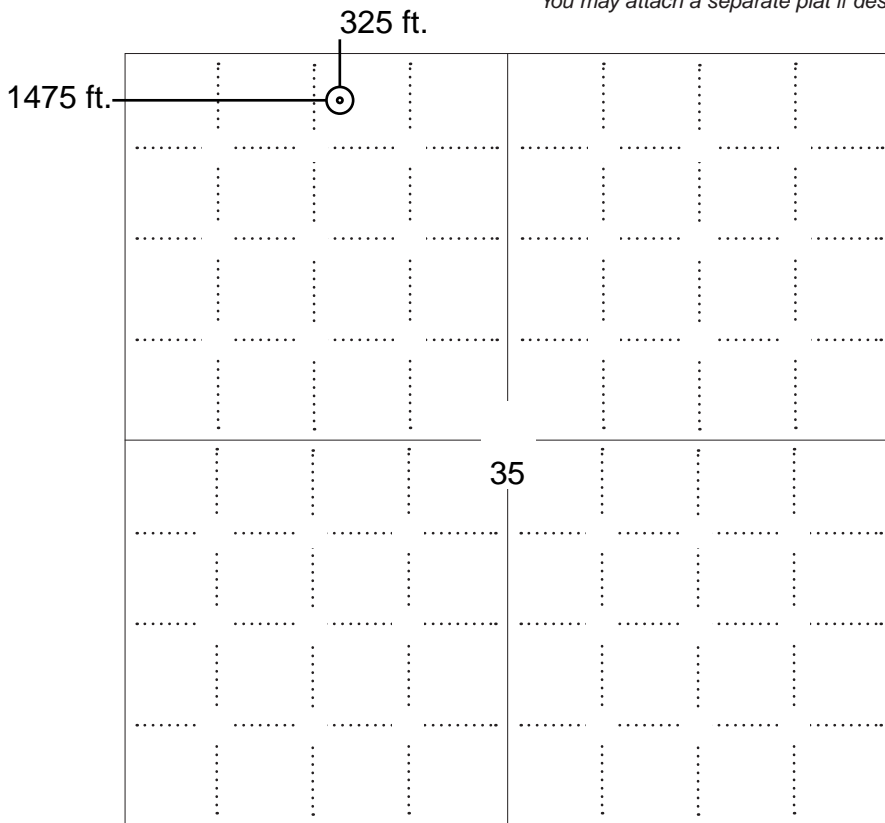
Is Section:  Regular or  Irregular

**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.**

**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.	
<b>Submitted Electronically</b>			

**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  
FAID-UP

RC-917816-9-0  
LEASE NUMBER: 20-085-11-001

TAXPAYER #48-0544202-F

AGREEMENT, Made and entered into June 23, 2011, by and between: the U.S. AgBank, FCB fka Farm Credit Bank of Wichita, 245 N. Waco St., Wichita, Kansas, 67202, a corporation, Party of the first part hereinafter called Lessor and J. FRED HAMBRIGHT INC., 125 N. MARKET, SUITE 1415, WICHITA, KS 67202 Party of the second part, hereinafter called Lessee.

WITNESSETH. That the said Lessor, for and in consideration of One and No/100 DOLLARS, cash in hand paid, receipt of which is hereby acknowledged, and of the covenants and agreements hereinafter contained on the part of Lessee to be paid, kept and performed, has granted, demised, leased and let and by these presents does grant, demise, lease, and let unto said Lessee for the sole and only purpose of mining and operating for oil and natural hydrocarbon gas, including methane gas produced from coal beds, and laying pipe lines, and building tanks, power stations, and structures thereon to produce, save, and take care of said products, all

that certain tract of land, together with any reversionary rights therein, situated in the County of Jackson, State of Kansas, described as follows, to-wit:

TWP 006S, RGE 013E,  
SECTION 36: NW

of Section \_\_\_\_\_ Township \_\_\_\_\_ Range \_\_\_\_\_ and containing 160.0 acres more or less.

It is agreed that this lease shall remain in full force for a term of Two(2) Years from this date, and as long thereafter as oil and natural hydrocarbon gas, or either of them, is produced from said land by the Lessee, or the premises are being developed or operated. In consideration of the premises the said Lessee covenants and agrees:

1. To deliver to the credit of Lessor, free of cost, in the pipe line or lines to which it may connect the well or wells producing hereunder, or in the containers of such other carrier as may be used in transporting the oil from the leased premises, the equal 0.125 part of all oil produced and saved from said land, such oil to be marketable crude when so delivered; provided, however, that in the event of the storage of oil by Lessee, such storage shall be at the expense of the Lessee without charge to Lessor.

2. To pay the Lessor royalty for natural hydrocarbon gas, herein after called "gas," produced from said land including wet gas, casinghead gas and other vaporous or gaseous substances used for the extraction of gasoline, distillate, condensate, or other petroleum products as follows:

(a) If such gas is sufficiently impregnated with liquid hydrocarbons that paying quantities of such products can be separated therefrom and liquefied as a practical lease operation by means of traps, separators, or other devices used in the industry for such purpose, Lessee will install such traps, separators, or other devices and separate so much of said liquid hydrocarbons, whether gasoline, distillate, condensate, or other liquid petroleum products as can be separated from such gas by such devices, and Lessor shall receive 0.125 of the gasoline, condensate, distillate, or other liquid petroleum products recovered in such manner, same to be delivered free of cost to credit of Lessor in the same manner as hereinabove provided for oil royalty, and 0.125 of the market value of the gas there sold or used off the leased premises.

(b) When the gas that remains after such operation on the leased premises is not sold or used off the leased premises but is taken to an extraction plant for further processing, Lessee shall also deliver to credit of Lessor at such plant 0.125 of the gasoline, condensate, distillate, or other petroleum products extracted therefrom less the reasonable cost of extraction, provided, however, such costs shall not exceed 50% of the market value of the products so extracted, and pay to Lessor 0.125 of the market value at the outlet side of the plant of all residue gas remaining after such plant operation if such residue gas is sold or used off the premises.

(c) If such gas is not sufficiently impregnated with liquid hydrocarbons that paying quantities of such products can be separated therefrom and liquefied as a practical lease operation by means of traps, separators, or other devices used in the industry for such purpose before taking the gas to an extraction plant, Lessee will, at the plant, deliver to the credit of Lessor 0.125 of all gasoline, condensate, distillate, or other petroleum products extracted therefrom subject to a reasonable charge for the cost of such extraction, provided, however, such costs shall not exceed 50% of the market value of the products so extracted, and pay to Lessor 0.125 of the market value at the outlet side of the plant of all residue gas remaining after such plant operation, if such residue gas is sold or used off the premises.

(d) On dry natural gas to pay Lessor 0.125 of the market value of such gas sold or used off the leased premises, free of cost, into the initial purchasers pipeline.

(e) Where there is on the leased premises a well or wells capable of producing gas, and gas is not being used off the premises or marketed therefrom and this lease is not then being maintained by other production or operations, this lease shall nevertheless remain in full force and effect for a period of 90 days after cessation of production or operations or the shutting-in of said well if on or before the expiration of said 90-day period, Lessee pays or tenders to Lessor a sum equal to \$1.00 per acre for the number of acres then covered by this lease, or One Hundred Dollars (\$100.00) per well depending upon which sum is greater. Such payment shall maintain this lease in full force and effect for a period of six (6) months after the expiration of said 90-day period, and it will be considered that gas is being produced hereunder, and such payments or tender shall have the same effect as the production of gas, for all purposes hereof. Hereafter, semi-annually in like manner, upon like payments or tender this lease will continue in force and effect for successive periods of six (6) months each, so long as such payments are made, but not, however, exceeding six (6) such successive periods beyond the primary term of said lease. It is understood that the above provision or shut-in clause shall also apply to any well where gas-oil ratio is such that the Lessee is not permitted to operate such well without the use or sale of gas.

As to the oil and gas leasehold estate hereby granted, Lessee is expressly granted the right and privilege to consolidate said oil and gas leasehold with any other adjacent or contiguous oil and gas leasehold estates to form a consolidated oil and gas leasehold estate which shall not exceed a total area of approximately 640 acres for gas and 80 acres for oil; and in the event Lessee exercises the right and privilege of consolidation, as herein granted, the consolidated oil and gas leasehold estate shall be deemed, treated and operated in the same manner as though the entire consolidated leasehold estate were originally covered by and included in this lease, and all royalties which shall accrue on oil or gas, produced and marketed from the consolidated estate, including all royalties payable hereunder, shall be prorated and paid to the Lessors of the various tracts included in the consolidated estate in the same proportion that the acreage of each said Lessor bears to the total acreage of the consolidated estate, and a producing oil or gas well on any portion of the consolidated estate shall operate to continue the oil and gas leasehold estate hereby granted so long as oil or gas is produced therefrom.

It is expressly agreed that should this lease be extended by production beyond the primary term, Lessee agrees to release all formations lying below the deepest producing formation for which production is being allocated to the lease acreage not later than two (2) years after the expiration of the primary term. This shall not limit the right of the Lessee to continue the drilling and



completion of any well commenced during the primary term of this lease or any extension thereof. In the event this lease acreage, or any part thereof, shall subsequently be included in any unit or cooperative plan of development, it is understood that the reversionance of the interest in the non-producing formations above described shall be governed as provided herein regardless of the terms of any subsequent unit or cooperative plan of development agreement to the contrary.

If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and shut-in payments herein provided shall be paid the Lessor only in the proportion which his interest bears to the whole and undivided fee. However, such royalty and shut-in payments shall be increased after any reversion occurs to cover the interest so acquired.

Lessee shall have the right to use, free of cost, gas, oil, and water produced on said land for its operation thereon, except water from wells or ponds of Lessor.

When requested by Lessor, Lessee shall bury its pipe lines below plow depth.

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

Lessee shall pay for damages caused by its 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 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 the like effect as if such well had been completed within the term of years herein first mentioned.

If the estate of either party hereto is transferred, and the privilege of transferring in whole or in part is expressly allowed, or if the rights hereunder of either party hereto are vested by descent or devise, the covenants hereof shall extend to and be binding on the heirs, devisees, executors, administrators, successors, or assigns, but no change in the ownership of said land or of any right hereunder shall be binding on the Lessee until after Lessee has been furnished with the original or a certified copy thereof of any transfer by Lessor or with a certified copy of the will of Lessor together with a transcript of the probate thereof or, in the event Lessor dies intestate and his estate is being administered, with a transcript of the administration proceedings or, in the event of the death of Lessor and no administration being had on the estate, with an instrument satisfactory to Lessee executed by Lessor's heirs authorizing payment or deposit or tender for deposit to their credit as hereinbefore provided, at least thirty days before said rentals and royalties are payable or due, and it is hereby agreed in the event this lease shall be assigned as to a part or as to parts of the above described lands and the assignee or assignees of such part or parts shall fail or make default in the payment of the proportionate part of the rents due from him or them, such default shall not operate to defeat or affect this lease in so far as it covers a part or parts of said lands upon which the said Lessee or any assignee thereof shall make due payments of said rentals. 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. If the leased premises are now or hereafter owned in severalty or in separate tracts, the premises, nevertheless, may be developed and operated as an entirety, and the royalties shall be paid to each separate owner in the proportion that the acreage owned by him bears to the entire leased area. 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 hereafter be divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks for the oil produced from such separate tracts.

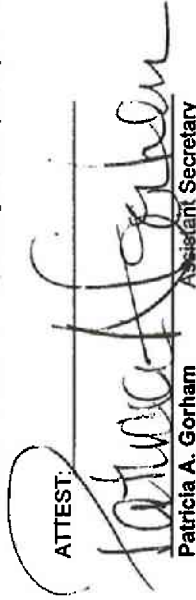
Lessor hereby agrees that the Lessee shall have the right at any time to redeem for Lessor by payment, any mortgages, taxes or other liens on the above described lands, in the event of default of payment by Lessor, and be subrogated to the rights of the holder thereof and may reimburse itself from any rental or royalties accruing hereunder.

Lessor expressly does not warrant or agree to defend its title as to any interest granted herein.

The terms, covenants, and conditions hereof shall run with said land and herewith and shall be binding upon the parties hereto, their heirs, administrators, devisees, executors, successors and assigns; however, 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 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.

IN WITNESS WHEREOF, We sign the day and year first above written.

ATTEST:

  
Patricia A. Gorham  
Assistant Secretary

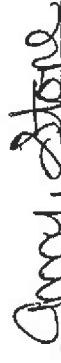
U.S. AgBank, FCB.

  
Richard K. Carlisle, Director, Minerals

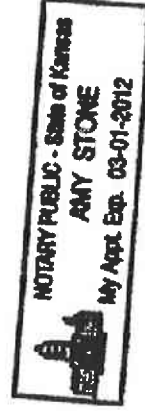
STATE OF KANSAS  
COUNTY OF SEDGWICK

The foregoing instrument was acknowledged before me this 23rd day June, 2011, by Richard K. Carlisle, Director, Minerals of USAgBank, FCB fka Farm Credit Bank of Wichita, a corporation, on behalf of the corporation.

My commission expires 3-1-2012

  
Amy Stone Notary Public  
P.O. Box 2940  
Wichita, KS 67201-2940

Form 72101 R04-90



606 ORIGINAL

FORM 88 - (PRODUCER'S SPECIAL) (PAID-UP)

63U (Rev. 1993)

Reorder No. 09-115

Kansas Blue Print 700 S. Broadway, PO Box 793 Wichita, KS 67201-4793 316-266-6344 266-7168 fax www.kbp.com kbp@kbp.com

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 14th day of June 2012

by and between Dorothy A. Henry, managing Trustee of the Donald E. Henry Trust dated 3/24/94 and of the Dorothy A. Henry Trust dated 3/24/94; Francis J. Henry, managing Trustee of the Dorothy M. Henry Trust dated 3/25/94 and of the Francis J. Henry Trust dated 3/25/94

whose mailing address is PO Box 211, Wetmore, Kansas 66550 hereinafter called Lessor (whether one or more), and J. Fred Hambright, Inc. 125 N. Market #1415, Wichita, Kansas 67202

hereinafter called Lessee;

Lessor, in consideration of One & More Dollars (\$ 1.00 & More ) 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 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 County of Jackson State of Kansas described as follows to-wit:

Township 6-South, Range 13-East Section 26: SW/4; S/2NE/4

In Section XXXX Township XXXX Range XXX and containing 240 acres, more or less, and all accretions thereto.

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 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 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 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 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.

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 of 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 lease is made, as recited herein.

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 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 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.

All monies due or to become due shall be made payable to Henry Brothers Farms.

STATE OF KANSAS JACKSON COUNTY

This instrument was filed for record on

DIRECT INDIRECT NUMERICAL

11:15 JUL 27 2012

checked and was duly recorded in book 461 of RB on page 666-607

Fee \$ 12.00 REGISTER OF DEEDS

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

Witness: Dorothy A. Henry Francis J. Henry (Dorothy A. Henry, managing Trustee) (Francis J. Henry, managing Trustee)

Shirley A. Monaghan Deputy



STATE OF Kansas ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)

COUNTY OF Menasha The foregoing instrument was acknowledged before me this 14th day of June 2012

by Dorothy A. Henry, managing Trustee of the Donald E. ~~xxx~~ Henry Trust dated 3/24/94 and of The Dorothy A. Henry Trust dated 3/24/94; Francis J. Henry, managing Trustee of the Dorothy M. Henry Trust dated 3/25/94 and of the Francis J. Henry Trust dated 3/25/94.

My commission expires 5/14/2013



Notary Public  
Terrance M. Wood

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

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

OIL AND GAS LEASE

FROM

No. \_\_\_\_\_

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 \_\_\_\_\_

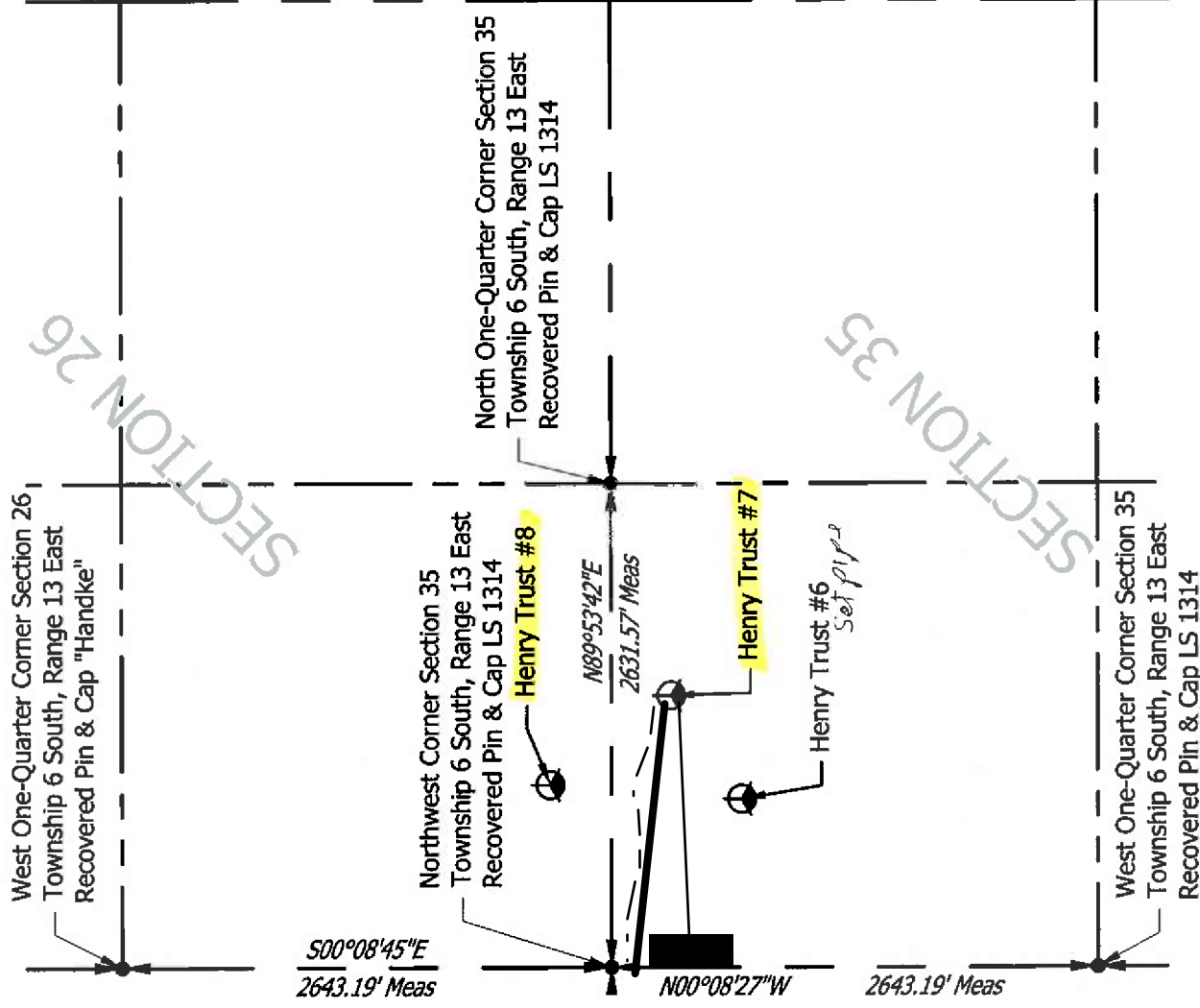
corporation, on behalf of the corporation.

My commission expires \_\_\_\_\_  
Notary Public

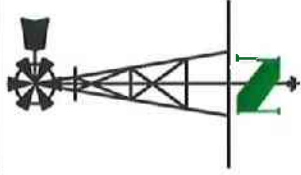


# WELL SITE GEODETIC LOCATION

Located in Sections 26 and 35,  
Township 6 South, Range 13 East of the  
Sixth Principal Meridian, Jackson County, Kansas



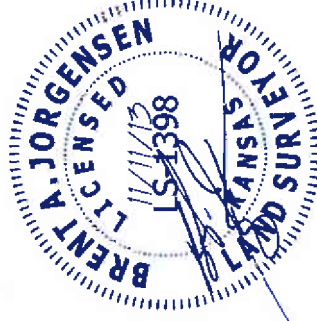
Well	Location	Hub Elev	Latitude	Longitude
Henry Trust #6	915'Ex710'S Sec 35	1168.78'	39°29'25.936"	-95°56'20.443"
Henry Trust #7	1475'Ex325'S Sec 35	1180.53'	39°29'29.746"	-95°56'13.286"
Henry Trust #8	990'Ex330'N Sec 26	1226.06'	39°29'36.215"	-95°56'19.498"



SCALE: 1" = 1000'

LAND SURVEYOR'S CERTIFICATE

THIS IS TO CERTIFY THAT THIS SURVEY WAS DONE BY THE UNDERSIGNED, AND THAT THE SURVEY WAS DONE ON THE GROUND ON 11/11/13.



**J**ORGENSEN  
**S**URVEYING

73051 617 Ave  
Tecumseh, NE 68450  
(402) 335-2033  
(402) 335-2043 FAX

FIELD ON: 11/11/13

JOB NO. 2056.07

DATE: 11/11/13

PREPARED FOR

L.D. Drilling, Inc.

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



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

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

Sam Brownback, Governor

June 02, 2014

L. D. DAVIS  
L. D. Drilling, Inc.  
7 SW 26TH AVE  
GREAT BEND, KS 67530-6525

Re: Drilling Pit Application  
API 15-085-20091-00-00  
HENRY TRUST 7  
NW/4 Sec.35-06S-13E  
Jackson County, Kansas

Dear L. D. DAVIS:

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 practical after drilling operations have ceased.

**If production casing is set all completion fluids shall be removed from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve pit.**

The fluids should be taken to an authorized disposal well. Please file form CDP-5, Exploration and Production Waste Transfer, through KOLAR within 30 days of fluid removal.

**A copy of this letter should be posted in the doghouse along with the approved Intent to Drill.** If you have any questions or concerns please feel free to contact the District Office at (620) 432-2300.

## Summary of Changes

Lease Name and Number: HENRY TRUST 7

API/Permit #: 15-085-20091-00-00

Doc ID: 1208030

Correction Number: 1

Approved By: Rick Hestermann 06/02/2014

Field Name	Previous Value	New Value
Depth Of Water Well	120	80
Depth to Shallowest Fresh Water	66	53
ElevationPDF	1210 Estimated	1183 Estimated
Feet to Nearest Water Well Within One-Mile of Pit	1441	1852
Field Name	SOLDIER	Unnamed
Ground Surface Elevation	1210	1183
Is Footage Measured from the East or the West Section Line	East	West
Is Footage Measured from the East or the West Section Line KCC Only - Approved By	East	West
KCC Only - Approved Date	Rick Hestermann 05/28/2014	Rick Hestermann 06/02/2014
	05/28/2014	06/02/2014

Summary of changes for correction 1 continued

Field Name	Previous Value	New Value
KCC Only - Date Received	05/28/2014	05/30/2014
KCC Only - Lease Inspection	No	Yes
KCC Only - Regular Section Quarter Calls	NE NE NW NE	NW NW NE NW
LocationInfoLink	<a href="https://kolar.kgs.ku.edu/kcc/detail/locationInformation.cfm?section=35&amp;tNE">https://kolar.kgs.ku.edu/kcc/detail/locationInformation.cfm?section=35&amp;tNE</a>	<a href="https://kolar.kgs.ku.edu/kcc/detail/locationInformation.cfm?section=35&amp;tNW">https://kolar.kgs.ku.edu/kcc/detail/locationInformation.cfm?section=35&amp;tNW</a>
Quarter Call 1 - Largest	NE	NW
Quarter Call 1 - Largest	NE	NW
Quarter Call 2	NW	NE
Quarter Call 2	NW	NE
Quarter Call 3	NE	NW
Quarter Call 3	NE	NW
Quarter Call 4 - Smallest	NE	NW
Quarter Call 4 - Smallest	NE	NW
RFAC		Yes



Summary of changes for correction 1 continued

Field Name	Previous Value	New Value
Save Link	../../../../kcc/detail/operatorEditDetail.cfm?docID=1207183	../../../../kcc/detail/operatorEditDetail.cfm?docID=1208030

## Summary of Attachments

Lease Name and Number: HENRY TRUST 7

API: 15-085-20091-00-00

Doc ID: 1208030

Correction Number: 1

Approved By: Rick Hestermann 06/02/2014

Attachment Name

Fluid