

For KCC Use:

Effective Date: _____

District #: _____

SGA? ☐ Yes ☐ No

**KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION**

1208444

Form C-1

March 2010

Form must be Typed

Form must be Signed

All blanks must be Filled

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 ☐ Enh Rec ☐ Infield ☐ Mud Rotary
☐ Gas ☐ Storage ☐ Pool Ext. ☐ Air Rotary
☐ Disposal ☐ Wildcat ☐ Cable

☐ Seismic ; _____ # of Holes ☐ Other

☐ Other: _____

☐ 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
(Q/Q/Q/Q) _____ 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: _____

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

☐ E
☐ W

1208444

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: _____

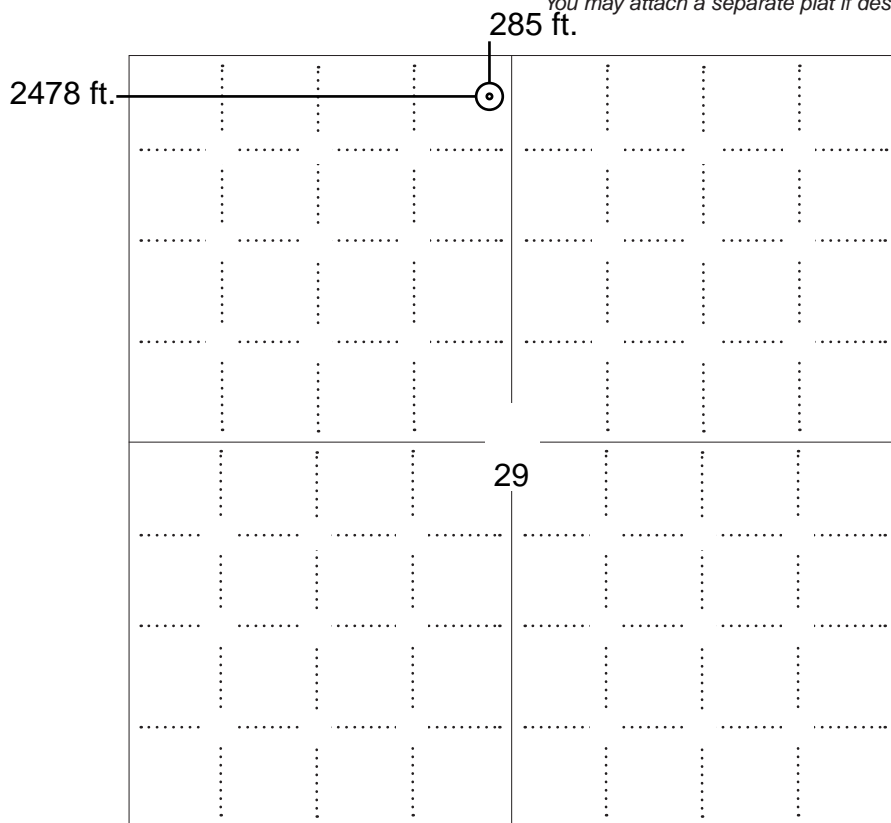
Number of Acres attributable to well: _____

QTR/QTR/QTR/QTR of acreage: _____ - _____ - _____ - _____

Location of Well: County: _____

_____ feet from ☐ N / ☐ S Line of Section_____ feet from ☐ E / ☐ W Line of SectionSec. _____ Twp. _____ S. R. _____ ☐ E ☐ WIs 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:**

- 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.
- The distance of the proposed drilling location from the south / north and east / west outside section lines.
- The distance to the nearest lease or unit boundary line (in footage).
- 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).
- The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

1208444

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): ____ - ____ - ____ - ____ Sec. ____ Twp. ____ R. ____ <input type="checkbox"/> East <input type="checkbox"/> West ____ Feet from <input type="checkbox"/> North / <input type="checkbox"/> South Line of Section ____ Feet from <input type="checkbox"/> East / <input type="checkbox"/> West Line of Section ____ County	
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.	
Submitted Electronically			

KCC OFFICE USE ONLY

☐ Liner ☐ Steel Pit ☐ RFAC ☐ RFAS

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

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



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:

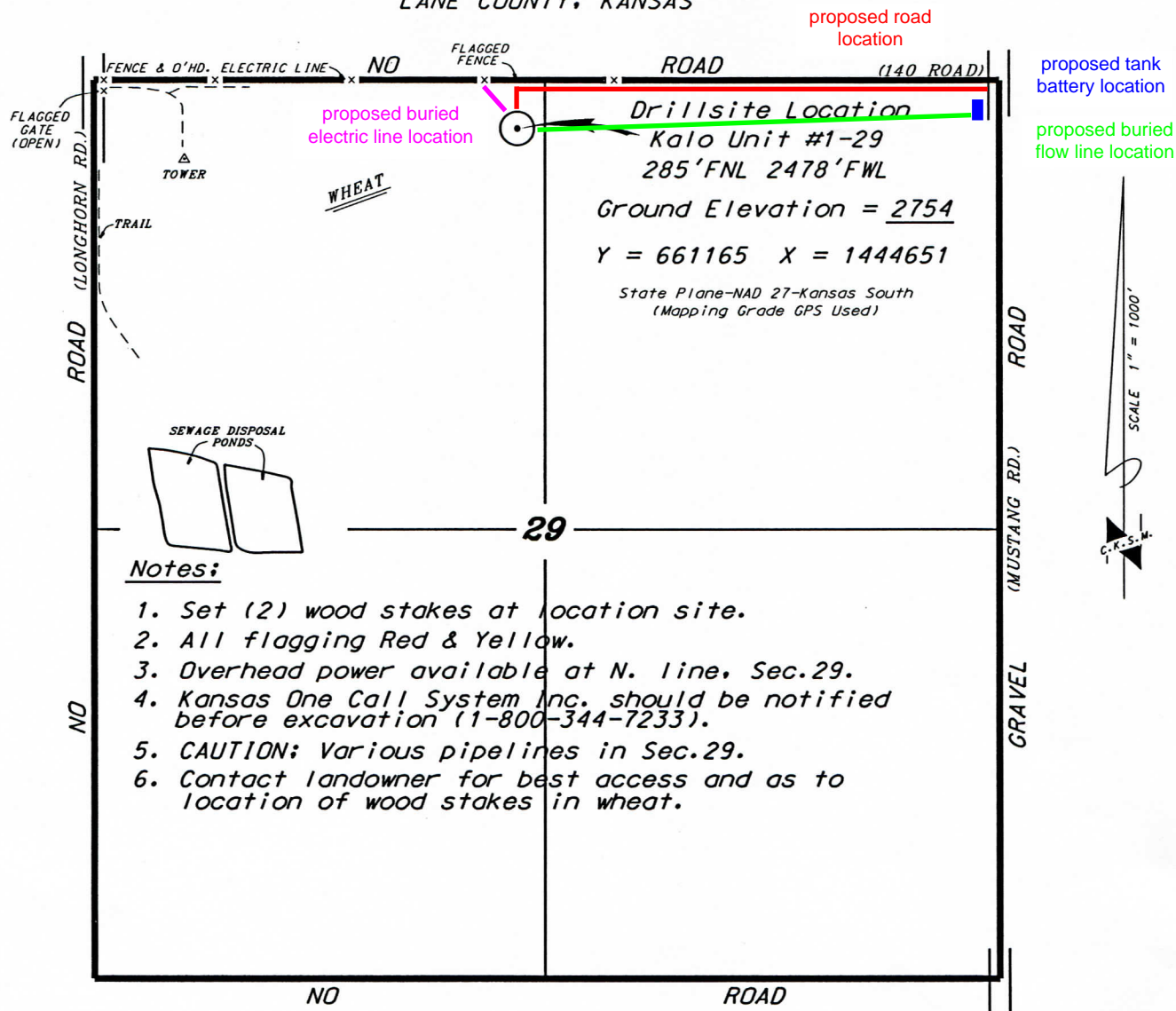
- ☐ I certify that, pursuant to the Kansas Surface Owner Notice Act (House Bill 2032), I have provided the following to the surface owner(s) of the land upon which the subject well is or will be located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form CP-1 that I am filing in connection with 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

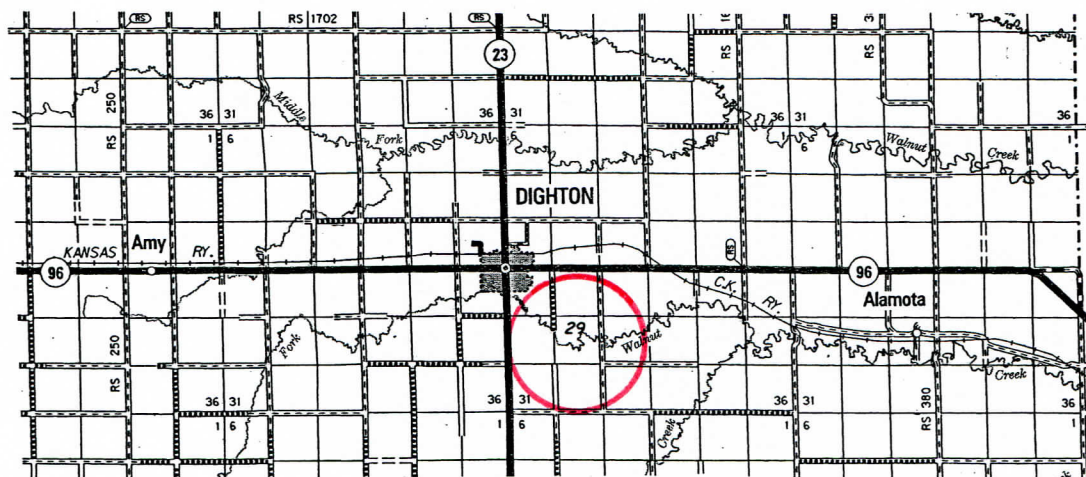
I

LARSON ENGINEERING, INC.
KALO LEASE
NW. 1/4, SECTION 29, T18S, R28W
LANE COUNTY, KANSAS



Notes:

1. Set (2) wood stakes at location site.
2. All flagging Red & Yellow.
3. Overhead power available at N. line, Sec. 29.
4. Kansas One Call System Inc. should be notified before excavation (1-800-344-7233).
5. CAUTION: Various pipelines in Sec. 29.
6. Contact landowner for best access and as to location of wood stakes in wheat.



* Controlling data is based upon the best maps and photographs available to us and upon a regular section of land containing 640 acres.

* Approximate section lines were determined using the normal standard of care of oilfield surveyors practicing in the state of Kansas. The section corners, which establish the precise section lines, were not necessarily located, and the exact location of the drillsite location in the section is not guaranteed. Therefore, the operator securing this service and accepting this plot and all other parties relying thereon agree to hold Central Kansas Oilfield Services, Inc., its officers and employees harmless from all losses, costs and expenses and said entities released from any liability from incidental or consequential damages.

* Elevations derived from National Geodetic Vertical Datum.

Date May 22, 2014

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

* Ingress and egress to location as shown on this plot is per usage only and may not be legally opened for public use. Contact landowner, tenant and county road department for access.

NUMERICAL
DIRECT
INDIRECT
✓ COMP. ORIG.
COMPUTER

LONGHORN PROSPECT

63U (Rev 1993)

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 26th day of September, 2013, by and between _____Hineman Farms L.P.,a Kansas limited partnershipwhose mailing address is 116 S. Longhorn Road; Dighton KS 67839 hereinafter called Lessor (whether one or more),and Scout Exploration Corp., P.O. Box 1410, Edmond OK 73083 hereinafter called Lessee.

Lessor, in consideration of ***** ten and other ***** Dollars (\$ **10.00**) 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 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 Lane State of Kansas described as follows to-wit:

Tract 1: The Northeast Quarter (NE ¼) and
Tract 2: The Northwest Quarter (NW ¼) and
Tract 3: The Southwest Quarter (SW ¼) and
Tract 4: The Southeast Quarter (SE ¼)

In Section 29, Township 18 South, Range 28 West, and containing 640 acres, more or less, and all accretions thereto. Lessor and Lessee agree that this Lease shall constitute a separate lease agreement with respect to each of the four tracts listed above. In no event shall the production of oil or gas on any individual tract extend the primary term of the lease on the other tract, unless such tracts are included in an oil or gas-producing unit.

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 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.

2nd. 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.

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 operations 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 the 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 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 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.

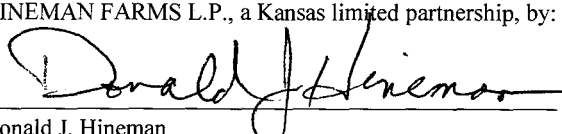
Lessee agrees upon the completion of any test as a dry hole or upon abandonment of any producing well, to restore the premises to their original condition as nearly as practicable and to remove all equipment within a reasonable time.

Scout Exploration Corp. has your permission to conduct a seismic survey across your lands as listed herein for the purpose of Oil & Gas Exploration. Our operations will be conducted in accordance with good standard practices and careful manner; we agree to hold you free and harmless from any and all claims and damages that may result from our work by virtue of your permission herein granted.

*This lease is subject to an attached Addendum.

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

HINEMAN FARMS L.P., a Kansas limited partnership, by:

✓ 
Donald J. Hineman
Title: General Partner

STATE OF KANSAS

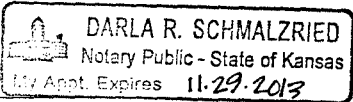
ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)

COUNTY OF LANE

The foregoing instrument was acknowledged before me this 15th day of October, 2013, by Donald J. Hineman, in his capacity as General Partner of Hineman Farms L.P., a Kansas limited partnership

My Commission Expires 11-29-2013

Darla R. Schmalzried
Notary Public



STATE OF

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)

COUNTY OF

The foregoing instrument was acknowledged before me this day of, 2013, 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, 2013, 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, 2013, by and

My Commission Expires

Notary Public

Oil and Gas Lease form with fields for No., FROM, TO, Date, Section, Twp., Rge., No. of Acres, Term, County, STATE OF, and recording details.

STATE OF

ACKNOWLEDGMENT FOR CORPORATION (KsOkCoNe)

COUNTY OF

The foregoing instrument was acknowledged before me this day of, 2013, by of a corporation, on behalf of the corporation.

My Commission Expires

Notary Public

OIL AND GAS LEASE ADDENDUM

This addendum is attached to and made part of an oil and gas lease dated September 26, 2013, by Hineman Farms L.P., Donald J. Hineman, General Partner, as Lessor, and Scout Exploration Corp., PO Box 1410, Edmond OK 73083, as Lessee, covering the following described real estate:

NE ¼ Sec. 29-18S-28W Lane County, Kansas
NW ¼ Sec. 29-18S-28W Lane County, Kansas
SW ¼ Sec. 29-18S-28W Lane County, Kansas
SE ¼ Sec. 29-18S-28W Lane County, Kansas

The provisions included in this addendum are meant to be an integral part of the oil and gas lease. In instances where said provisions are contradictory to other provisions contained in the basic lease, provisions contained in this addendum shall take precedence and shall be considered to have replaced those provisions contained in the basic lease.

1. Lessor reserves the right to approve the location of all lease roads; however such approval shall not be unreasonably withheld. Lessee shall consult and secure approval from Lessor for the location of all above ground equipment and developments, including but not limited to tank batteries, compressor equipment, and oil head lines located on the leased premises; however, such approval shall not be unreasonably withheld. Lessee agrees that all utility lines such as oil/gas lines, electricity, etc., will be buried a minimum of thirty (30) inches below plow depth.
2. Lessee will pay damages caused by its operations to growing crops, grassland being considered a growing crop at any time of the year, notwithstanding the time of year the damage to pasture is done.
3. Lessee shall pay Lessor damages at a rate mutually agreeable for all damages caused by drilling operations, temporary lease roads, oil lines, and all other operations performed by Lessee, its agents, assigns or employees.
4. All lease roads will be maintained in a good and workable condition at all times by Lessee. Lessor reserves the right to designate all routes of ingress and egress. There shall be no oil road surfaces or hard surfacing of any access roads without the written consent of Lessor.
5. If at any time oil or salt water or chemicals used in the production of oil shall flood over any grounds other than the immediate oil well site or tank battery site, damages will be paid by Lessee to Lessor at a mutually agreeable rate for each and every occurrence.
6. Lessee agrees that his free use of water from said land is limited to the use of water for drilling operations only. In particular, use of water for secondary recovery operations is not granted by this agreement. Lessee further agrees that salt-water disposal in dry wells on this land is not covered by this agreement, and such salt-water disposal is prohibited unless written consent is obtained from the Lessor and the Lessor receives compensation.
7. When Lessee digs pits for use during drilling operations, all black dirt (topsoil) will be piled separately. When said pit is filled and leveled in the event of a dry hole or abandonment, the black dirt shall be used as a top covering. Mud and reserve pits will be filled and leveled to restore the area as nearly as practical to its original condition within 45 days after Lessor gives written notice to Lessee, and the expense thereof shall be borne by Lessee. In no event shall the mud and reserve pits be filled and leveled before they have had sufficient time to evaporate and dry. In the event there is an abandonment of said lease, the Lessee shall fill all pits and ponds, remove all structures and reasonably restore the premises to their original condition as nearly as possible.
8. Upon request by Lessor, Lessee shall erect and keep maintained permanent type fencing around any wells, tank batteries, or other oil production equipment, which Lessor desires to have fenced.
9. Lessee shall reimburse Lessor for all livestock killed or poisoned by oil or chemicals or injured by equipment or by vehicles used in operating and maintaining this lease. Reimbursement shall be at the fair market value of said livestock (recognizing that registered or breeding stock is valued higher than slaughter animals), plus the sum of \$50 per animal for trouble and inconvenience to Lessor, and such payment shall be made within 30 days after notice by Lessor to Lessee. Lessee shall have the right to have livestock examined by a licensed veterinarian, and Lessor shall notify Lessee before disposing of any livestock so injured.
10. In the event of a dry hole being drilled, Lessor reserves the right to develop and use said dry hole, in cooperation with a third party operator of producing well or wells on other land owned by Don J. Hineman, Hineman Farms L.P., or Hineman Ranch L.L.C. for the purpose of salt water disposal. In the event this right is exercised, Lessor and cooperating third party operator assume all responsibilities and obligations emanating therefrom, and Lessor shall hold Lessee harmless of any liability of any nature resulting from said use of the dry hole.

Notwithstanding any provisions of the oil and gas lease or this Addendum to said oil and gas lease to the contrary, Lessee shall be liable and responsible unto Lessor for all damages suffered by Lessor proximately caused by Lessee's (its successors, agents or assigns) use, occupancy, possession and enjoyment of said premises, including, but not limited to water contamination, surface or sub-surface.

This lease and Addendum to said lease and all of its terms, conditions and stipulations shall extend to and be binding upon the heirs, devisees, executors, administrators, personal representatives, assigns and successors of the parties hereto.

In witness whereof, we sign the day and year first above written.

Lessor:

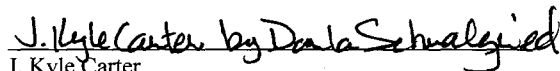
Hineman Farms L.P., a Kansas limited partnership, by:



Donald J. Hineman
Title: General Partner

Lessee:

Scout Exploration Corp., by:



J. Kyle Carter
Title: President

63U (Rev 1993)

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 11th day of December, 2012, by and between _____Cole Ehmke and Tanner Ehmke, Trustees of theEhmke Mile Deep Irrevocable Trust under agreement dated February 9, 2009whose mailing address is 175 N. Bison Road; Healy KS 67850 hereinafter called Lessor (whether one or more),and Scout Exploration Corp., P.O. Box 1410, Edmond OK 73083 hereinafter called Lessee.

Lessor, in consideration of ***** ten and other ***** Dollars (\$ **10.00**) 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 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 Lane State of Kansas described as follows to-wit:

The Northeast Quarter (NE ¼) and
The Northwest Quarter (NW ¼) and
The Southwest Quarter (SW ¼) and
The Southeast Quarter (SE ¼)

In Section 20, Township 18 South, Range 28 West, and containing 640 acres, more or less, and all accretions thereto. Lessor and Lessee agree that this Lease shall constitute a separate lease agreement with respect to each of the four tracts listed above. In no event shall the production of oil or gas on any individual tract extend the primary term of the lease on the other tracts, unless such tracts are included in an oil or gas-producing unit.

Subject to the provisions herein contained, this lease shall remain in force for a term of three (3) 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 pipeline to which lessee may connect wells on said land, the equal five-thirty seconds (5/32) part of all oil produced and saved from the leased premises.

2nd. 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, five-thirty seconds (5/32) at the market price at the well, (but, as to gas sold by lessee, in no event more than five-thirty seconds (5/32) 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 operations 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 the 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 lessors, for themselves and their heirs, successors or 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 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.

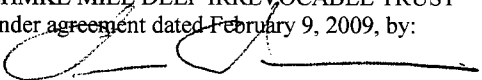
Lessee agrees upon the completion of any test as a dry hole or upon abandonment of any producing well, to restore the premises to their original condition as nearly as practicable and to remove all equipment within a reasonable time.


Scout Exploration Corp. has your permission to conduct a seismic survey across your lands as listed herein for the purpose of Oil & Gas Exploration. Our operations will be conducted in accordance with good standard practices and careful manner; we agree to hold you free and harmless from any and all claims and damages that may result from our work by virtue of your permission herein granted.

This Oil and Gas Lease is subject to an unrecorded Letter Agreement by and between the parties hereto.

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

EHMKE MILE DEEP IRREVOCABLE TRUST
under agreement dated February 9, 2009, by:

✓ 
Cole Ehmke
Title: Trustee

✓ 
Tanner Ehmke
Title: Trustee

STATE OF KANSAS

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)

COUNTY OF ✓

The foregoing instrument was acknowledged before me this ✓ day of December, 2012, by

Tanner Ehmke, a Trustee of the

Ehmke Mile Deep Irrevocable Trust under agreement dated February 9, 2009, on behalf of said Trust

My Commission Expires ✓

✓
Notary Public

STATE OF ✓ Kansas

ACKNOWLEDGMENT FOR INDIVIDUAL

COUNTY OF ✓ Lane

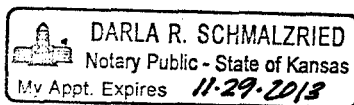
The foregoing instrument was acknowledged before me this ✓ 2nd day of December 2013, 2012, by

Cole Ehmke, a Trustee of the

Ehmke Mile Deep Irrevocable Trust under agreement dated February 9, 2009, on behalf of said Trust

My Commission Expires ✓ 11-29-2013

✓ Darla R. Schmalzried
Notary Public



STATE OF Colorado

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)

COUNTY OF Denver

The foregoing instrument was acknowledged before me this 19th day of December, 2012, by

~~Anne Ehmke~~ Tanner Ehmke

My Commission Expires 4/3/2013

Notary Public

STATE OF _____

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)

COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 2012, 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 _____, 20____.	At _____ o'clock _____ M., and duly recorded	In Book _____ Page _____ of _____	the records of this office.	By _____	When recorded, return to _____	Register of Deeds.

STATE OF Colorado

ACKNOWLEDGMENT FOR CORPORATION (KsOkCoNe)

COUNTY OF Denver

The foregoing instrument was acknowledged before me this 19th day of December, 2012, by

of _____ a _____

corporation, on behalf of the corporation.

My Commission Expires _____

Notary Public