

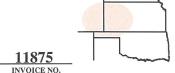
#### Pro-Stake LLC

Oil Field & Construction Site Staking

P.O. Box 2324

Garden City, Kansas 67846 Office/Fax: (620) 276-6159 Cell: (620) 272-1499

burt@pro-stakellc.kscoxmail.com



Palomino Petroleum, Inc.

OPERATOR

Scott County, KS

001932

COUNTY

AUTHORIZED BY:

19s 32w Twp.

LEASE NAME 165' FNL - 165' FEL

#1 Thiele

LOCATION SPOT

1" = 1000 SCALE:\_ June 12th, 2014 DATE: Kent C. MEASURED BY: Norby S. DRAWN BY: \_ Klee W.

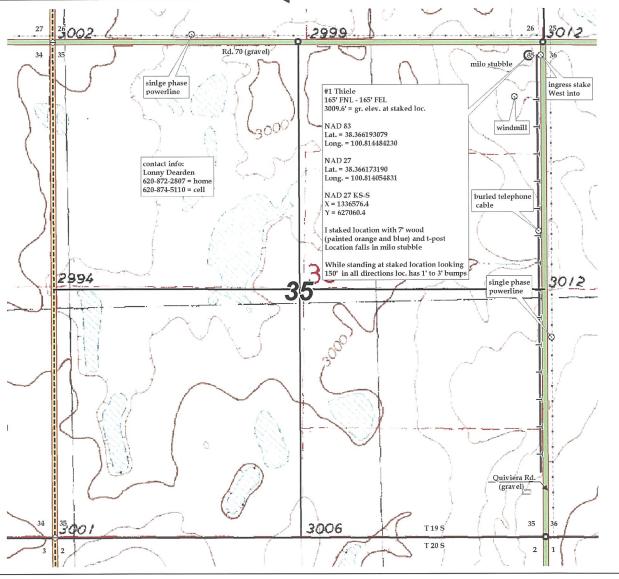
This drawing does not constitute a monumented survey or a land survey plat.

This drawing is for construction purposes only.

GR. ELEVATION: 3009.6°

**Directions:** From the SE side of Shallow Water, KS at the intersections of Hwy 83 and Rd. 70 - Now go 5 miles East on Rd. 70 to the NE corner of section 35-19s-32w - Now go 0.1 mile South on Quiviera Rd. to ingress stake West into - Now go 165' West through milo stubble, into staked location.

Final ingress must be verified with land owner or Operator.



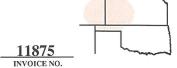


Pro-Stake LLC

Oil Field & Construction Site Staking

P.O. Box 2324

Garden City, Kansas 67846 Office/Fax: (620) 276-6159 Cell: (620) 272-1499



001932 PLAT NO. Cell: (620) 272-1499 burt@pro-stakellc.kscoxmail.com

Palomino Petroleum, Inc.

OPERATOR

Scott County, KS

35 19s 32w Sec. Twp. Rng. #1 Thiele
LEASE NAME

165' FNL - 165' FEL

LOCATION SPOT

SCALE: 1" = 1000'

DATE: June 12<sup>th</sup>, 2014

MEASURED BY: Kent C.

DRAWN BY: Norby S.

AUTHORIZED BY: Klee W.

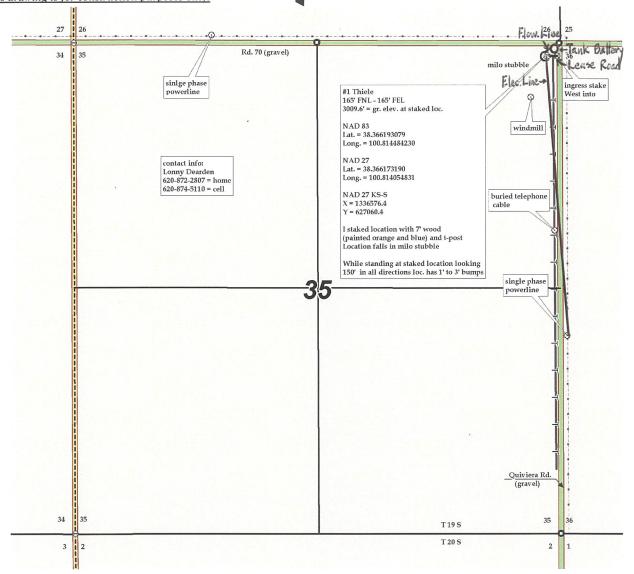
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Final ingress must be verified with land owner or Operator.



63U (Rev. 1993)

### OIL AND GAS LEASE



		OIL AND	JAS LEASE		www.kbp.com · kbp@kbp.com
AGREEMENT, Made and en	stered into theloth	day of	April		2009
by and between	Nancy	Thiele,	a single pe	erson	
whose mailing address is	Brewer Circle	Mary Esth	ner, Florida 3	32569 hereinafter c	alled Lessor (whether one or more)
andPal	omino Petroleu	m Inc.			
					, hereinafter caller Lessee
Lessor, in consideration of	alties herein provided and of ysical and other means, pro- ater, other fluids, and air into ake care of, treat, manufactur	specting drilling, mining subsurface strata, laying e, process, store and trar	ssee herein contained, hereb and operating for and proc pipe lines, storing oil, build sport said oil, liquid hydroca	ducing oil, liquid hydrocarbo ding tanks, power stations, tel arbons, gases and their respec	) in hand paid, receipt of which usively unto lessee for the purpose ons, all gases, and their respective lephone lines, and other structures tive constituent products and other
herein situated in County of	Scott		State of	Kansas	described as follows to-wit:
		ship 19 Sout ion 35: NE/4	ch, Range 32 We	<u>est</u>	
				160	
In Section,	Township	, Range	and containir		acres, more or less, and all
accretions thereto.  Subject to the provisions here as oil, liquid hydrocarbons, gas or ot					
In consideration of the premi 1st. To deliver to the credit	ises the said lessee covenants	and agrees:			s pooled.  ) part of all oil produced and saved
from the leased premises.	of whatsoever nature or kind	produced and sold or a	used off the premises or use	ed in the manufacture of any	products therefrom, one-eighth (1/4)
at the market price at the well, (but, bremises, or in the manufacture of p as royalty One Dollar (\$1.00) per ye neaning of the preceding paragraph.	as to gas sold by lessee, in a products therefrom, said paym ar per net mineral acre reta	no event more than one nents to be made month	eighth (%) of the proceeds re ly. Where gas from a well p	received by lessee from such s producing gas only is not solo	sales), for the gas sold, used off the d or used, lessee may pay or tender
of this lease or any extension thereo found in paying quantities, this lease	of, the lessee shall have the r e shall continue and be in for	ight to drill such well to ce with like effect as if s	o completion with reasonable uch well had been completed	e diligence and dispatch, and d within the term of years firs	ence to drill a well within the term I if oil or gas, or either of them, be st mentioned. ss herein provided for shall be paid
he said lessor only in the proportion Lessee shall have the right to	which lessor's interest bears	to the whole and undiv d water produced on said	ided fee.	thereon, except water from th	
No well shall be drilled near	er than 200 feet to the house	or barn now on said pre		nt of lessor.	
Lessee shall pay for damage Lessee shall have the right a				ng the right to draw and rem	ove casing.
If the estate of either party executors, administrators, successor, essee has been furnished with a wri with respect to the assigned portion of	s or assigns, but no change itten transfer or assignment	in the ownership of the or a true copy thereof. I	e land or assignment of re n case lessee assigns this lea	ntals or royalties shall be bi	hereof shall extend to their heirs nding on the lessee until after the e shall be relieved of all obligations
Lessee may at any time exe surrender this lease as to such portio	cute and deliver to lessor or	place of record a releas	e or releases covering any p	portion or portions of the abo	ove described premises and thereby
All express or implied coven n whole or in part, nor lessee held l Regulation.	ants of this lease shall be su iable in damages, for failure	bject to all Federal and to comply therewith, if	State Laws, Executive Orde compliance is prevented by,	, or if such failure is the resu	
Lessor hereby warrants and any mortgages, taxes or other liens signed lessors, for themselves and t as said right of dower and homestead	on the above described lands heir heirs, successors and as	, in the event of default signs, hereby surrender	of payment by lessor, and and release all right of do	be subrogated to the rights o ower and homestead in the p	me to redeem for lessor, by paymen of the holder thereof, and the under remises described herein, in so fa
Lessee, at its option, is herelimmediate vicinity thereof, when in conservation of oil, gas or other min or units not exceeding 40 acres each record in the conveyance records of pooled into a tract or unit shall be found on the pooled acreage, it shall royalties elsewhere herein specified, placed in the unit or his royalty interplaced in the unit or his royalty inter	n lessee's judgment it is neonetals in and under and that in the event of an oil well. I the county in which the latreated, for all purposes exce be treated as if production it, lessor shall receive on pro-	essary or advisable to t may be produced from or into a unit or units r and herein leased is sit pi the payment of royal s had from this lease, w ducltion from a unit s	do so in order to properly said premises, such pooling not exceeding 640 acres each uated an instrument identifities on production from the hether the well or wells be lo pooled only such portion	develop and operate said let g to be of tracts contiguous to n in the event of a gas well. I fying and describing the poo pooled unit, as if it were inco coated on the premises covere of the royalty stipulated her	o one another and to be into a unit Lessee shall execute in writing and oled acreage. The entire acreage so luded in this lease. If production is ed by this lease or not. In lieu of the
			Seal *	STATE OF KANSAS, SCOTT COI This instrument was filed	UNTY, SS for record on the
		م	OUNTY, KATHANIA	10 o'clock 2 M., and page page	duly recorded in book
		COMPUTER OF MUMERICAL du	•	y et announte artispillen et Elan et Till sug est à des et <del>de l'anno</del> gées à <del>l'announte a</del> nnounte de nan-	** MAGIARAL AT MAAGA
IN WITNESS WHEREOF, th	he undersigned execute this i	nstrument as of the day	1 1	10 0	
Bral Mon	W 4-16-09		Maney	w Thiele	> 17
		0	100	Nancy Thiele	

mine / nr 7 1

63U (Rev. 1993)

Reorder No. 09-115 Kansas Blue Print 700 S. Broadway PO Box 793 Wichita, KS 07201-0793 316-249-304-264-5105 fax

		OIL AND	GAS LEA	ASE		www.kbp.com · kbp@kbp.com
AGREEMENT, Made a	nd entered into the	h day of	April			2009
y and between		Anderson and	Richard A	nderson,	her husband	
	515 Bearnay	Lane Color	ado Spring	CO 00	206	
ose mailing address is				5/ 00. 00	hereinafter called	Lessor (whether one or mor
d	Palomino Pe	etroleum Inc.				
						, hereinafter caller Lesse
nstituent products, injecting g d things thereon to produce, s oducts manufactured therefro	of  note royalties herein provided an eophysical and other means, as, water, other fluids, and ai ave, take care of, treat, manuf m, and housing and otherwise	r into subsurface strata, la acture, process, store and a canng for its employees	tring and operating re trying pipe lines, storis transport said oil, liques, the following descri	or and producing ng oil, building tar uid hydrocarbons, bed land, together	oil, liquid hydrocarbons, a ks, power stations, telepho gases and their respective o with any reversionary righ	Il gases, and their respective to lines, and other structure onstituent products and other sand after-acquired interests.
		Township 19	South, Rand	re 32 Was	<del> -</del>	
		Section 35:		ge JZ Web		
		Section 33.	NE/4			
Section	m	-			160	
retions thereto.		, Range				acres, more or less, and a
Subject to the provision oil, liquid hydrocarbons, gas	s herein contained, this lease or other respective constituen	shall remain in force for at products, or any of the	a term of <u>Three</u> m, is produced from s	(3)years from aid land or land w	this date (called "primary ith which said land is pool	term"). and as long thereaft ed.
In consideration of the	premises the said lessee cover	nants and agrees:				
the reased premises.	redit of lessor, free of cost, in					
mises, or in the manufacture	gas of whatsoever nature or (but, as to gas sold by lessed of products therefrom, said er year per net mineral acre raph	e, in no event more than	one-eighth (%) of the	proceeds received	by lessee from such sales)	for the gas sold, used off the
This lease may be main	ntained during the primary thereof, the lessee shall have lesse shall continue and be i					
If said lessor owns a le	ess interest in the above descrition which lessor's interest	ribed land than the enti	ire and undivided fee	simple estate the	ein, then the royalties her	ein provided for shall be pa
Lessee shall have the ri	ght to use, free of cost, gas, o	il and water produced on	said land for lessee's	operation thereon	, except water from the wel	ls of lessor.
	or, lessee shall bury lessee's p					
	nearer than 200 feet to the ho nages caused by lessee's oper			tten consent of les	sor.	
Lessee shall have the ri	ght at any time to remove all	machinery and fixtures	placed on said premis	es, including the	ight to draw and remove co	asing.
ee has been furnished with	party hereto is assigned, and essors or assigns, but no ch a written transfer or assignn tion or portions arising subse	ange in the ownership o sent or a true copy there	of the land or assign:			
Lessee may at any time	e execute and deliver to lesse portion or portions and be reli	or or place of record a re	lease or releases cov	ering any portion	or portions of the above de	scribed premises and there
All express or implied c	ovenants of this lease shall lead liable in damages, for fa	he subject to all Rederal	and State Laws From	autica Ordora Dul	es or Regulations, and this ach failure is the result of,	lease shall not be terminate any such Law, Order, Rule
Lessor hereby warrants mortgages, taxes or other le ed lessors, for themselves a	and agrees to defend the title iens on the above described l and their heirs, successors and	ands, in the event of def	ault of payment by le	essor, and be subr		
Lessee, at its option, is	hereby given the right and r	one purposes for which to	the acrange covered	recited herein.	ou newtien thousef with ath	on land these on leave to a
servation of oil, gas or othe nits not exceeding 40 acres rd in the conveyance recor- ied into a tract or unit shall d on the pooled acreage, it alties elsewhere herein spec-	en in lessee's judgment it in minerals in and under and each in the event of an oil de of the county in which ti le treated, for all purposes shall be treated as if productified, lessor shall receive or interest therein on an acreage	that may be produced fi well, or into a unit or uni he land herein leased is except the payment of ro ion is had from this lease	to do so in order to rom said premises, su its not exceeding 640 situated an instrum systies on production by whether the well or	o properly develop the pooling to be a acres each in the ent identifying are from the pooled wells be located of the pooling of the	and operate said lease pi f tracts contiguous to one event of a gas well. Lessed ad describing the pooled a unit, as if it were included in the premises covered by	remises so as to promote the another and to be into a unit shall execute in writing accreage. The entire acreage in this lease. If production this lease, I have the lease or not be leaved to the second to the lease.
				MINIMAN OF THE CO.	Million .	do
	etate of	E VANCAD COOTT COURT	v 00	* C*	and the second	NUMERICAL
	This ins	F KANSAS, SCOTT COUNT trument was filed for	record on the	e o pal		
	23	trument was filed for day of M., and duly	PAD 200 9	THE COLUMN	A STATE OF THE STA	
	_10	_ o'clock AM., and duly	recorded in book	Manual Kan	in.	1171177
		ebb page	upaku			COLONIA.
	\$	12.00 R	egister of Deeds		2	ST. COLLEGE
						- 489
IN WITNESS WHEREC	F, the undersigned execute	his instrument as of the	day and year first ato	ove written.	100 1	LOIABLY
14 AT	ninotod.	not ondar	1 /21	Mart.	MANNERA	pr 3
- vavo			·	WILLIAM X	200.000	18140
Pat	ricia L. Ander	son			Richard Ander	cson

63U (Rev. 1993)

## OIL AND GAS LEASE



75 x 15 # 1

	OIL AI	ND GAS LEASE	www.kbp com · kbp@kbp com
AGREEME	ENT, Made and entered into the22ndday of	August	2008
y and between	COLDWATER INTERESTS, L.P.		
	By Coldwater Interests Manage	ement, LLC	
	By Bonnie E. Hibbert, Manager	A .	
	6019 Stones Throw - Houston,	TX 77057	
vhose mailing addr	ress is	hereinafter called Le	essor (whether one or more),
nd PAL	OMINO PETROLEUM, INC.		
			_, hereinafter caller Lessee:
s here acknowledge of investigating, ex- constituent products and things thereon to	ploring by geophysical and other means, prospecting drilling s, injecting gas, water, other fluids, and air into subsurface stra to produce, save, take care of, treat, manufacture, process, store tred therefrom, and housing and otherwise caring for its emplo	Dollars (\$ 10 • 00 ) in 1 of the lessee herein contained, hereby grants, leases and lets exclusively 13, mining and operating for and producing oil, liquid hydrocarbons, all 141, laying pipe lines, storing oil, building tanks, power stations, telephone and transport said oil, liquid hydrocarbons, gases and their respective con yees, the following described land, together with any reversionary rights  State of	unto lessee for the purpose gases, and their respective e lines, and other structures stituent products and other and after-acquired interest,
To	ownship 19 South, Range 32 West ection 36: NW/4	<u> </u>	
n Section	Township, Range	and containing 160	acres, more or less, and all
ccretions thereto. Subject to tl		e for a term of three(3) years from this date (called "primary ter f them, is produced from said land or land with which said land is pooled.	
	carbons, gas or other respective constituent products, or any of ation of the premises the said lessee covenants and agrees:	them, is produced from said land or land with which said land is pooled.	
lst. To del om the leased prer	liver to the credit of lessor, free of cost, in the pipe line to whi	ich lessee may connect wells on said land, the equal one-eighth (1/4) part of	all oil produced and saved
2nd. To pa t the market price remises, or in the	ay lessor for gas of whatsoever nature or kind produced and a at the well, (but, as to gas sold by lessee, in no event more t manufacture of products therefrom, said payments to be mad lar (\$1.00) per year per net mineral acre retained hereunder,	sold, or used off the premises, or used in the manufacture of any product than one-eighth (%) of the proceeds received by lessee from such sales), fo le monthly. Where gas from a well producing gas only is not sold or usee and if such payment or tender is made it will be considered that gas is	or the gas sold, used off the d, lessee may pay or tender
This lease r this lease or any and in paying qua	may be maintained during the primary term hereof without extension thereof, the lessee shall have the right to drill suc antities, this lease shall continue and be in force with like effe	further payment or drilling operations. If the lessee shall commence to c th well to completion with reasonable diligence and dispatch, and if oil o ct as if such well had been completed within the term of years first menti-	r gas, or either of them, be oned.
If said lesso e said lessor only	or owns a less interest in the above described land than the in the proportion which lessor's interest bears to the whole ar	entire and undivided fee simple estate therein, then the royalties herein nd undivided fee.	provided for shall be paid
	l have the right to use, free of cost, gas, oil and water produced ested by lessor, lessee shall bury lessee's pipe lines below plow	d on said land for lessee's operation thereon, except water from the wells	of lessor.
	ill be drilled nearer than 200 feet to the house or barn now on		
	l pay for damages caused by lessee's operations to growing cro		
If the estate ecutors, administr ssee has been furn	e of either party hereto is assigned, and the privilege of as rators, successors or assigns, but no change in the ownersh	ures placed on said premises, including the right to draw and remove casissing in whole or in part is expressly allowed, the covenants hereof thip of the land or assignment of rentals or royalties shall be binding or hereof. In case lessee assigns this lease, in whole or in part, lessee shall be accommon.	shall extend to their heirs, n the lessee until after the
Lessee may		a release or releases covering any portion or portions of the above descri	ribed premises and thereby
All express	or implied covenants of this lease shall be subject to all Fede	ns as to the acreage surrendered. eral and State Laws, Executive Orders, Rules or Regulations, and this les ewith, if compliance is prevented by, or if such failure is the result of, an	ise shall not be terminated, y such Law, Order, Rule or
y mortgages, taxe gned lessors, for t	es or other liens on the above described lands, in the event of	described, and agrees that the lessee shall have the right at any time to red f default of payment by lessor, and be subrogated to the rights of the hol urrender and release all right of dower and homestead in the premises ich this lease is made, as recited herein.	lder thereof, and the under-
nmediate vicinity onservation of oil, r units not exceedi ecord in the conve- colled into a tract of bund on the pooled oyalties elsewhere laced in the unit or	thereof, when in lessee's judgment it is necessary or advising gas or other minerals in and under and that may be producing 40 acres each in the event of an oil well, or into a unit or syance records of the county in which the land herein lease or unit shall be treated, for all purposes except the payment acreage, it shall be treated as if production is had from this herein specified, lessor shall receive on production from a his royalty interest therein on an acreage basis bears to the	bine the acreage covered by this lease or any portion thereof with other stable to do so in order to properly develop and operate said lease prened from said premises, such pooling to be of tracts contiguous to one an runits not exceeding 640 acres each in the event of a gas well. Lessee all dis situated an instrument identifying and describing the pooled acre of royalties on production from the pooled unit, as if it were included in lease, whether the well or wells be located on the premises covered by this a unit so pooled only such portion of the royalty stipulated herein as it total acreage so pooled in the particular unit involved.  1. **Id **Lessee** **Less	nises so as to promote the other and to be into a unit hall execute in writing and age. The entire acreage so this lease. If production is s lease or not. In lieu of the the amount of his acreage
	t shall read "three-sixteenths(	3/16the)" in each cace	
		anniminan.	COMPUTE CLA NUMERICADA
		Sex STATE OF KANSAS, SCOTT COI	UNTY, SS
		This instrument was filed	for record on the
		day of October 10 glebolk Q M and	duly recorded in book
		223 page _	22
		Debbie n	jurply
IN WITNES	SS WHEREOF, the undersigned execute this instrument as of	the day and year first above written.	Register of Deeds
tnesses:		OULDHAMED TRANSPORCE I D	
		COLDWATER INTERESTS, L.P.	
		By: Donnie E. Hill	rest
		(Bonnie E. Hibbert, Manager	

## **OIL AND GAS LEASE**



AGREEMENT, Made and entered into the 22nd day of	August	2008
by and betweenCOLDWATER INTERESTS, L.P.		
By Coldwater Interests Mana	gement, LLC	
By Bonnie E. Hibbert, Manage	er	
6019 Stones Throw - Houston,	TX 77057	
whose mailing address is	hereinafter called Lesso	r (whether one or more),
PALOMINO PETROLEUM, INC.		
		nereinafter caller Lessee:
of investigating, exploring by geophysical and other means, prospecting drilli- constituent products, injecting gas, water, other fluids, and air into subsurface s and things thereon to produce, save, take care of, treat, manufacture, process, str products manufactured therefrom, and housing and otherwise caring for its em	Deliars (\$ 10.00 ) in haming the lesses and lets exclusively untuing, mining and operating for and producing oil, liquid hydrocarbons, all gas trata, laying pipe lines, storing oil, building tanks, power stations, telephone linore and transport said oil, liquid hydrocarbons, asses and their respective constitutions of the control of t	es, and their respective nes, and other structures went products and other d after-acquired interest.
in Section, Township, Range accretions thereto. Subject to the provisions herein contained, this lease shall remain in fo	and containing 160 acrospore for a term of three(3) years from this date (called "primary term") of them, is produced from said land or land with which said land is pooled.	res, more or less, and all
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 w	of them, is produced from said land or land with which said land is pooled.  which lessee may connect wells on said land, the equal one-eighth (1/4) part of all	
at the market price at the well, (but, as to gas sold by lessee, in no event mor oremises, or in the manufacture of products therefrom, said payments to be m as royalty One Dollar (\$1.00) per year per net mineral acre retained hereund	d sold, or used off the premises, or used in the manufacture of any products the than one-eighth (%) of the proceeds received by lessee from such sales), for tiade monthly. Where gas from a well producing gas only is not sold or used, it er, and if such payment or tender is made it will be considered that gas is being.	he gas sold, used off the essee may pay or tender
of this lease or any extension thereof, the lessee shall have the right to drill s cand in paying quantities, this lease shall continue and be in force with like o	ut further payment or drilling operations. If the lessee shall commence to drill such well to completion with reasonable diligence and dispatch, and if oil or gr ffect as if such well had been completed within the term of years first mentions	as, or either of them, be ed.
If said lessor owns a less interest in the above described land than the said lessor only in the proportion which lessor's interest bears to the whole	the entire and undivided fee simple estate therein, then the royalties herein pre- and undivided fee.	ovided for shall be paid
Lessee shall have the right to use, free of cost, gas, oil and water produ When requested by lessor, lessee shall bury lessee's pipe lines below plo	iced on said land for lessee's operation thereon, except water from the wells of leave depth	essor.
No well shall be drilled nearer than 200 feet to the house or barn now of		
Lessee shall pay for damages caused by lessee's operations to growing	crops on said land. xtures 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 executors, administrators, successors or assigns, but no change in the owner	assigning in whole or in part is expressly allowed, the covenants hereof sha rahip of the land or assignment of rentals or royalties shall be binding on it y thereof. In case lessee assigns this lease, in whole or in part, lessee shall be re	all extend to their heirs, he lessee until after the
	rd a release or releases covering any portion or portions of the above describe	d premises and thereby
n whole or in part, nor lessee held liable in damages, for failure to comply th Regulation.	ederal and State Laws, Executive Orders, Rules or Regulations, and this lease erewith, if compliance is prevented by, or if such failure is the result of, any s	uch Law, Order, Rule or
uny mortgages, taxes or other liens on the above described lands, in the even igined lessors, for themselves and their heirs, successors and assigns, hereby is said right of dower and homestead may in any way affect the purposes for v		r thereof, and the under- scribed herein, in so far
immediate vicinity thereof, when in lessee's judgment it is necessary or ad conservation of oil, gas or other minerals in and under and that may be proor or units not exceeding 40 acres each in the event of an oil well, or into a unifector of in the conveyance records of the county in which the land herein le pooled into a tract or unit shall be treated, for all purposes excep, the payme found on the pooled acresse, it shall be treated as if production is had from the royalties elsewhere herein specified, lessor shall receive on production fron placed in the unit or his royalty interest therein on an acreage basis bears to the traction of the production of the productio	and Lessee that wherever the words "one-	es so as to promote the ere and to be into a unit lexecute in writing and e. The entire acreage so is lease. If production is ase or not. In lieu of the amount of his acreage
appear, it shall read "three-sixteenth	s(3/15ths)" in each case.	IPUTER de
	"Hand Tex Or Text of the Text	
	STATE OF KANSAS, SCOTT COUNTY, SS This instrument was filed for reci  4 day of October A.D.  O'clock M., and duly reco  Page September M.	. <u>200</u> 8 Inded in book
IN WITNESS WHEREOF, the undersigned execute this instrument as Witnesses:	of the day and year first above written.	
	COLDWATER INTERESTS, L.P.	
	By: Bonnie E. Hills	ent
	(Bonnie E. Hibbert, Manager) Coldwater Interests Managem	ent. LLC
	Coldwater Interests Managem	ent, LLC

# OIL AND GAS LEASE



		www.kbp.com · kbp@kbp.com
AGREEMENT, Made and entered into the22ndday of	August	2008
and between COLDWATER INTERESTS, L.P.		
By Coldwater Interests Management, LL	С	
By Bonnie E. Hibbert, Manager		
6019 Stones Throw - Houston, TX 77057		
	hereinafter called Lesson	(whether one or more),
PALOMINO PETROLEUM, INC.		
Lessor, in consideration of Ten and More  here acknowledged and of the royalties herein provided and of the agreements of the lessee here investigating, exploring by geophysical and other means, prospecting drilling, mining and op- notificient products, injecting gas, water, other fluids, and air into subsurface strata, laying pipe lin dt hings thereon to produce, save, take care of, treat, manufacture, process, store and transport sair oducts manufactured therefrom, and housing and otherwise caring for its employees, the following erein situated in County of Scott State of	Dollars (\$\frac{10.00}{0.00}\$) in hand in contained, hereby grants, leases and lets exclusively unto erating for and producing oil, liquid hydrocarbons, all gase es, storing oil, building tanks, power stations, telephone lind oil, liquid hydrocarbons, gases and their respective constitutions.	es, and their respective es, and other structures tent products and other after-acquired interest.
Township 19 South, Range 32 West Section 25: SW/4		
avations thereto		es, more or less, and all
Subject to the provisions herein contained, this lease shall remain in force for a term of coil, liquid hydrocarbons, gas or other respective constituent products, or any of them, is produce In consideration of the premises the said lesses covenants and agrees:	hree(3) years from this date (called "primary term"). d from said land or land with which said land is pooled.	and as long thereafter
Ist. To deliver to the credit of lessor, free of cost, in the pipe line to which lessee may come the leased premises.	nnect wells on said land, the equal one-eighth (1/4) part of all	oil produced and saved
2nd. To pay lessor for gas of whatsoever nature or kind produced and sold, or used off the market price at the well, (but, as to gas sold by lessee, in no event more than one-eighth (temises, or in the manufacture of products therefrom, said payments to be made monthly. Wher royalty One Dollar (\$1.00) per year per net mineral acre retained hereunder, and if such payraning of the preceding paragraph.	%) of the proceeds received by lessee from such sales), for the gas from a well producing gas only is not sold or used, le	e gas sold, used off the ssee may pay or tender
This lease may be maintained during the primary term hereof without further payment this lease or any extension thereof, the leasee shall have the right to drill such well to complet and in paying quantities, this lease shall continue and be in force with like effect as if such well	ion with reasonable diligence and dispatch, and if oil or ga had been completed within the term of years first mentioned	s, or either of them, be l.
If said lessor owns a less interest in the above described land than the entire and undiv- 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 When requested by lessor, lessee shall bury lessee's pipe lines below plow depth.	riessee's operation thereon, except water from the wens of le	BSOT.
No well shall be drilled nearer than 200 feet to the house or barn now on said premises wit Lessee shall pay for damages caused by lessee's operations to growing crops on said land.	hout written consent of lessor.	
Lessee shall have the right at any time to remove all machinery and fixtures placed on sai	d 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 cutors, administrators, successors or assigns, but no change in the ownership of the land or see has been furnished with a written transfer or assignment or a true copy thereof. In case lesh respect to the assigned portion or portions arising subsequent to the date of assignment.	r assignment of rentals or royalties shall be binding on th	e lessee until after the
Lessee may at any time execute and deliver to lessor or place of record a release or relet render this lease as to such portion or portions and be relieved of all obligations as to the acrea		premises and thereby
All express or implied covenants of this lease shall be subject to all Federal and State La whole or in part, nor lessee held liable in damages, for failure to comply therewith, if compliar gulation.	ws, Executive Orders, Rules or Regulations, and this lease s ice is prevented by, or if such failure is the result of, any su	hall not be terminated, ch Law, Order, Rule or
Lessor hereby warrants and agrees to defend the title to the lands herein described, and agreen to the liens on the above described lands, in the event of default of paym mod lessors, for themselves and their heirs, successors and assigns, hereby surrender and tessors, for themselves and their heirs, successors and assigns, hereby surrender and tessors and the purposes for which this lease is many that the follower and homestead may in any way affect the purposes for which this lease is many that the follower and homestead may be a few to the follower and homestead may be a few to the follower and homestead may be a few to the few	ent by lessor, and be subrogated to the rights of the holder case all right of dower and homestead in the premises desc ade, as recited herein.	thereof, and the under- cribed herein, in so far
Lessee, at its option, is hereby given the right and power to pool or combine the acreage- mediate vicinity thereof, when in lessees's judgment it is necessary or advisable to do so in neervation of oil, gas or other minerals in and under and that may be produced from said pre- units not exceeding 40 acres each in the event of an oil well, or into a unit or units not exceed ord in the conveyance records of the county in which the land herein leased is situated an olded into a tract or unit shall be treated, for all purposes except the payment of royalties on py und on the pooled acreage, it shall be treated as if production is had from this lease, whether th valties elsewhere herein specified, lessor shall receive on production from a unit so pooled aced in the unit or his royalty interest therein on an acreage basis bears to the total acreage aced it is understood and agreed by Lessor and Lessee.	order to properly develop and operate said lease premises mises, such pooling to be of tracts contiguous to one anothe ling 640 acres each in the event of a gas well. Lessee shall instrument identifying and describing the pooled acreage. roduction from the pooled unit, as if it were included in this e well or wells be located on the premises covered by this lea only such portion of the royalty stipulated herein as the cooled in the particular unit involved.  that wherever the words "one—	is a sa to promote the r and to be into a unit execute in writing and. The entire acreage so lease. If production is se or not. In lieu of the amount of his acreage
ppear, it shall read "three-sixteenths(3/16ths)	" in each case.	
	STATE OF KANSAS, SCOTT COUNTY, SS This instrument was filed for record  day of Control A.D.	I on the
	Detaile Muse Register	ed in book
IN WITNESS WHEREOF, the undersigned execute this instrument as of the day and year tnesses:	first above written.	TER also
O	OLDWATER INTERESTS, L.P.	
13.	V: Bannie E. Hills	+
	(Bonnie E. Hibbert, Manager)	nt IIC