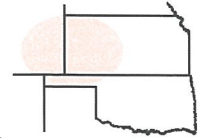


Pro-Stake LLC
 Oil Field & Construction Site Staking
 P.O. Box 2324
 Garden City, Kansas 67846
 Office/Fax: (620) 276-6159
 Cell: (620) 272-1499
 burt@pro-stakellc.kscoxmail.com



121916bar
 PLAT NO.

12145
 INVOICE NO.

Palomino Petroleum, Inc.
 OPERATOR
Rush County, KS
 COUNTY

#1 Dyer-Tammen
 LEASE NAME
432' FNL - 2623' FEL
 LOCATION SPOT

12 19s 16w
 Sec. Twp. Rng.

SCALE: **1" = 1000'**
 DATE STAKED: **Sept. 22nd, 2014**
 MEASURED BY: **Ben R.**
 DRAWN BY: **Norby S.**
 AUTHORIZED BY: **Klee W. & Nick G.**

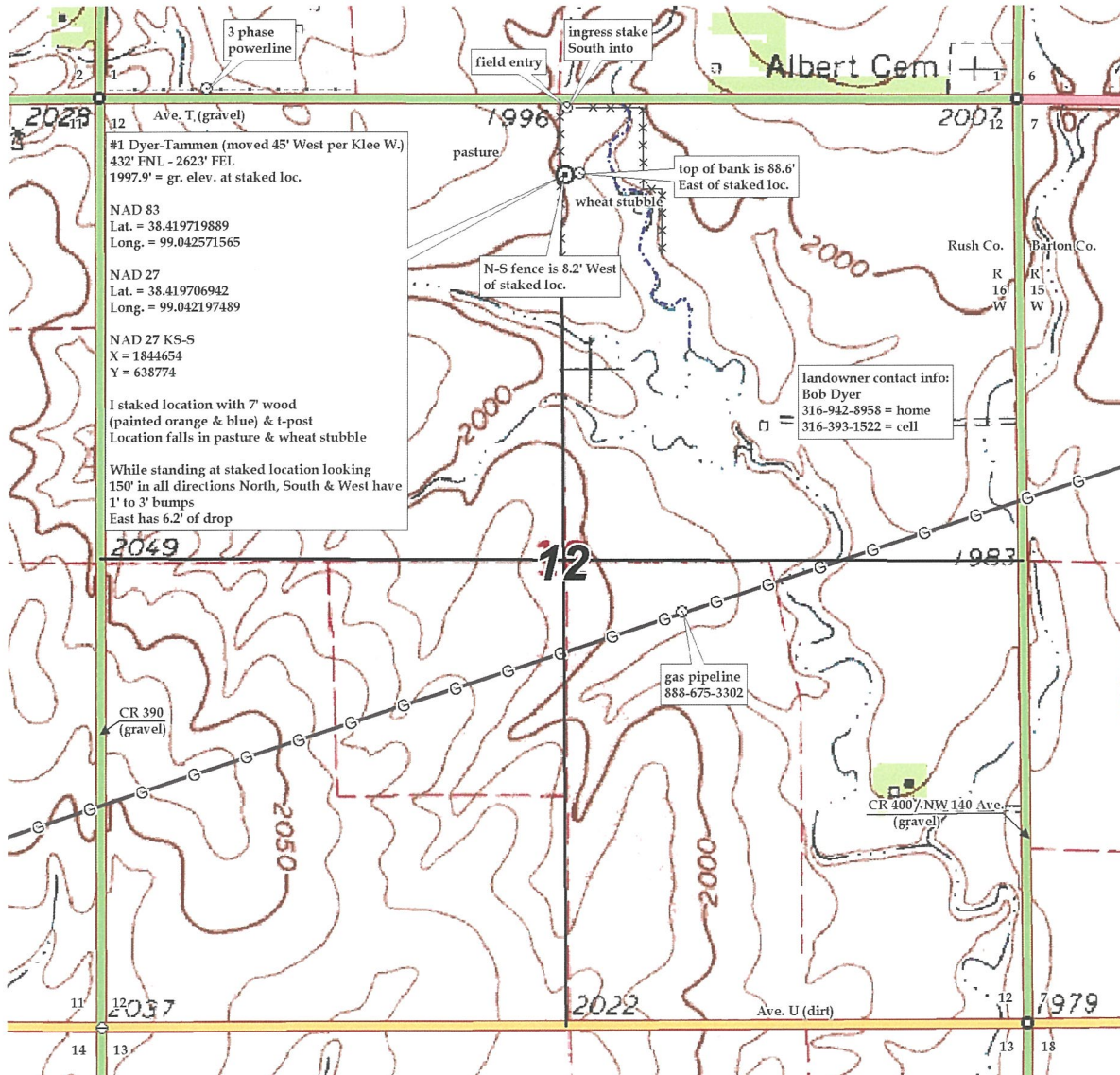


GR. ELEVATION: **1997.9'**

Directions: From the NW side of Albert, Ks at the intersection of Hwy 96 and NW 130 Ave. – Now go 2.5 mile South on NW 130 Ave. – Now go 1 mile West on NW 40 Rd. to the NE corner of section 12-19s-16w – Now go 0.5 mile West on Ave T. to ingress stake South into – Now go 432' South through wheat stubble, into staked location.

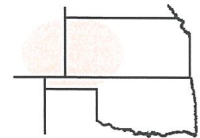
Final ingress must be verified with land owner or Operator.

This drawing does not constitute a monumented survey or a land survey plat. This drawing is for construction purposes only.





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#1 Dyer-Tammen

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Rush County, KS

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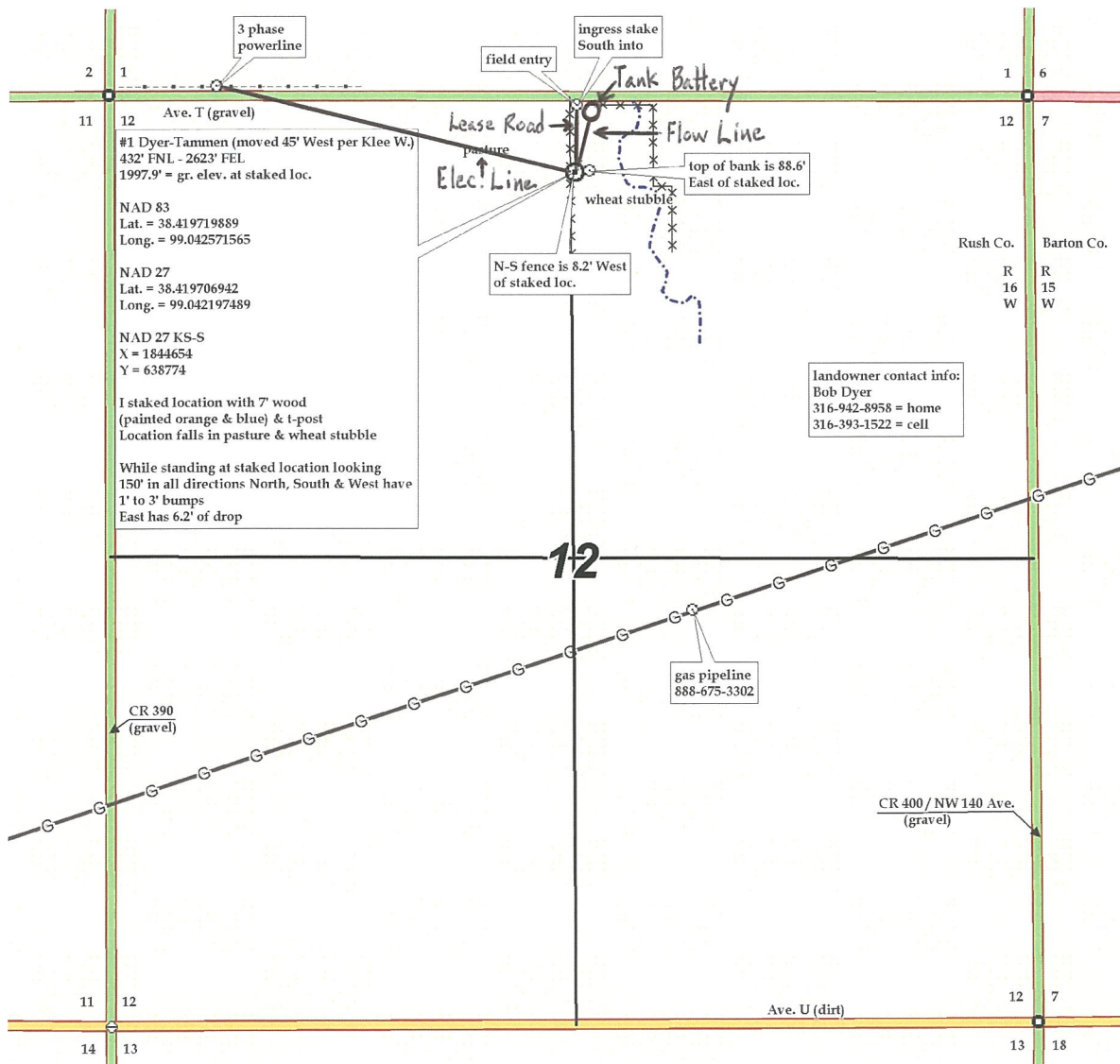


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Final ingress must be verified with land owner or Operator.

This drawing does not constitute a monumented survey or a land survey plat. This drawing is for construction purposes only.





36U (Rev. 1993)

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 11th day of April 2006 by and between Robert H. Dyer, Trustee of the Robert H. Dyer Living Trust

whose mailing address is 2212 Bella Vista Wichita, Kansas 67203 hereinafter called Lessor (whether one or more), and J. Fred Hambright Inc. 125 N. Market #1415 Wichita, Kansas 67202

hereinafter caller Lessee:

Lessor, in consideration of One and More Dollars (\$ One (1.00)) in hand paid, receipt of which is here acknowledged and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases and 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 Rush State of Kansas described as follows to-wit:

Township 19 South, Range 16 West Section 1: SE/4 Section 12: NE/4 Section 22: SW/4

In Section Township Range and containing .480 acres, more or less, and all accretions thereto.

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 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 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 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 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.

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

Robert H. Dyer, Trustee Robert H. Dyer Living Trust

OIL AND GAS LEASE

Reorder No. 09-115



P.O. Box 793 Wichita KS, 67201-0793 1-800-455-5116 1-316-254-9344 Wichita 1-316-254-5165 fax www.kbp.com • kbp@kbp.com

AGREEMENT, Made and entered into the 18th day of October 2006 by and between Geoffrey F. Tammen, a single person

whose mailing address is RR 1, Box 53 Albert, Kansas 67511 hereinafter called Lessor (whether one or more), and Palomino Petroleum Inc. hereinafter called Lessee:

Lessor, in consideration of One and More Dollars (\$ One (1.00)) in hand paid, receipt of which is here acknowledged and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases and 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 Rush State of Kansas described as follows to-wit:

Township 19 South, Range 16 West Section 12: W/2NW/4, E/2NW/4 Section 15: W/2NE/4, E/2NE/4, W/2SE/4, E/2SE/4 Section 27: W/2NW/4, E/2NW/4

In Section Township Range and containing 640 acres, more or less, and all accretions thereto.

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 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 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 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 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 pooled 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.

See RIDER attached hereto and made a part hereof.

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

Handwritten signature of Geoffrey F. Tammen

Geoffrey F. Tammen

Rider

Attached to and made a part of that certain Oil and Gas lease dated October 18, 2006 by and between Geoffrey F. Tammen, whose mailing address is RR1, Box 53, Albert, Kansas 67511 as Lessor and Palomino Petroleum Inc. 4924 SE 84th Newton, Kansas 67114 as Lessee covering lands in Rush County, Kansas to wit:

It is understood and agreed that the below defined tracts shall constitute separate and individual leases according to the terms set herein.

Tract 1: W/2NW/4 12-19-16
 Tract 2: E/2NW/4 12-19-16
 Tract 3: W/2NE/4 15-19-16
 Tract 4: E/2NE/4 15-19-16
 Tract 5: W/2SE/4 15-19-16
 Tract 6: E/2SE/4 15-19-16
 Tract 7: W/2NW/4 27-19-16
 Tract 8: E/2NW/4 27-19-16

Lessor, at depreciated or salvage value, whichever is less, reserves the right to acquire any well on these Lessors lease premises in the event Lessee abandons well. In the event Lessor acquires the well he assumes all responsibility for complying with all applicable laws and is responsible for plugging the well.

The provisions of this lease are hereby amended to include in the granting clause, helium and other extractions. The royalty clause is hereby amended to include a royalty payment on helium and other extractions at the mouth of the well.

The lessee agrees to pay the Lessor for all surface damages which result from any of its operations on said premises including seismograph operations, drilling operations and other operations involving the construction and maintenance of tank batteries and drill sites on said premises.

That all pits constructed on said premises in connection with drilling operations shall be at least six feet deep. That all top soil to a depth of two feet which is removed in digging pits shall be segregated and retained so that upon the refilling of all pits that such top soil can be restored to the surface of said pits. Pits must be fully lined so that no fluid is retained in it with exposed soil; or mud tanks shall be used in the alternative.

That all free liquids in any pits constructed upon said premises, and all other litter shall be removed within 3 days of completion of well. That in the event there is a dry hole upon said premises free fluids may be disposed of by pumping the same into a dry hole below the salt bed, so that it will not in any manner interfere with or enter any strata bearing fresh water. All other litter shall be removed from said premises and said premises shall be cleaned up and restored in a like condition as they were in prior to Lessee's operations upon said premises.

That the Lessee, or his assigns, shall at such time as they are requested to do so by the Lessor, or their assigns, refill and level all pits to the satisfaction of the Lessor and restore on the surface of such pits the top soil tanken therefrom in construction of pits. That such pits shall be refilled, leveled and water packed to the surface level of adjoining ground in such manner that they will not interfere with lessors' use of the premises for flow irrigation.

That if any drill site or test is abandoned that the surface pipe shall be cut off not less than six feet below the surface, so as to not in any manner interfere with leveling for irrigation or farming operations.

That all lease roads shall be constructed in an orderly direction at the places designated by lessors. It is further agreed that no drip valves, meters or other above ground obstructions shall be placed upon said premises, except at the well or tank battery locations. It is expressly understood that the tank battery site shall be on a site agreeable to lessors. That all pipe lines and/or electrical lines shall be buried and maintained at a depth of not less than three feet by the lessee in such manner that they will not interfere with any irrigation or farming operations of the lessors.

That all ditches constructed on said premises in the laying of pipe lines shall be at locations to be approved by the Lessor and that all such ditches shall be backfilled, water packed and maintained level with the surrounding surface; and that any top soil removed in constructing such ditches shall be replaced on the surface as near as practicable.

That all lease roads shall be constructed in such manner as not to interfere with the irrigation or drainage of said premises, and culverts or bridges shall be placed on lease roads where necessary so as not to restrict drainage.

That all electrical lines shall be buried at depth of three feet and maintained parallel with and along the lease roads and shall be as close to said lease roads as possible and shall be so placed as not to in any manner interfere with irrigation or farming operations upon adjoining areas and shall be constructed in such manner as meets with the approval of the lessors. That all anchors used around well sites, which are used in connection with pulling units, shall be of a portable type and shall be removed at the time the pulling unit is removed.

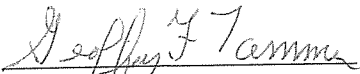
That upon the completion of any drilling operations or any seismographic testing that the Lessee shall leave no waste material, litter, or other debris upon said premises and shall restore said premises as nearly as practical to the condition the premises were in prior to Lessee's operations, in such a manner that the lessors present or future farming operations will not be unnecessarily interfered with.

At the request of the lessor, that upon abandoning any lease roads, drill sites, tank battery site, or pipe lines, that all oiled surfaces and any and all other road building material which may have been placed on said premises by the lessee shall be removed by the Lessee from said premises and said premises shall be cleaned up and restored as near as practicable to the condition as said premises were in prior to Lessee's operations under this lease.

That Lessee shall be liable for all damages caused to the Lessor by reason of oil, saltwater, or other fluid spills resulting from Lessee's operations, and that in the event the lessee permits any such liquids to run over the surface of said premises, such oil or liquids shall be scraped up and removed to a depth of the soil saturation and any depressions resulting there from shall be refilled with good, clean topsoil, and leveled to the surrounding surface.

When requested by Lessor, Lessee shall maintain fencing around oil or gas well sites, whether during drilling operations or after completion, and tank battery sites to protect any livestock from injury by equipment or by ingestion of oil, salt water or other liquids. Lessee further agrees to install and maintain cattle guards in the fence lines of any permanent fencing; upon request to keep any gates of any temporary or permanent fencing closed when livestock are on the premises; and to be liable for any damages sustained by Lessor or tenants thereof for failure to comply herewith.

If the lands covered hereby are irrigated by the use of a self-propelled overhead sprinkler system presently in operation or installed hereafter, the Lessee, prior to conducting operations between, shall consult with the Lessor in regard to said drilling operations. Said operations shall be conducted in such a manner at least disturb or interfere with Lessor's irrigation system or the surface contours of the leased premises. Should any alterations to the surface contours be caused by its operations, Lessee, or his assigns, shall restore said surface contours to their former condition as nearly as is practicable. In the event of production and continued use of the surface, Lessee, or his assigns, will restore or prepare the surface and situate and install all equipment needed in connection therewith, so that Lessee's use thereof will not interfere with the passage of said overhead sprinkler irrigation system. Lessee shall consult with Lessor in regard to the route of ingress and egress on said premises for the purpose of drilling and production.


Geoffrey F. Tammen