



1229971

For KCC Use ONLY

API # 15 - _____

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

In all cases, please fully complete this side of the form. Include items 1 through 5 at the bottom of this page.

Operator: _____

Lease: _____

Well Number: _____

Field: _____

Number of Acres attributable to well: _____

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

Location of Well: County: _____

_____ feet from N / S Line of Section

_____ feet from E / W Line of Section

Sec. _____ Twp. _____ S. R. _____ E W

Is Section: Regular or Irregular

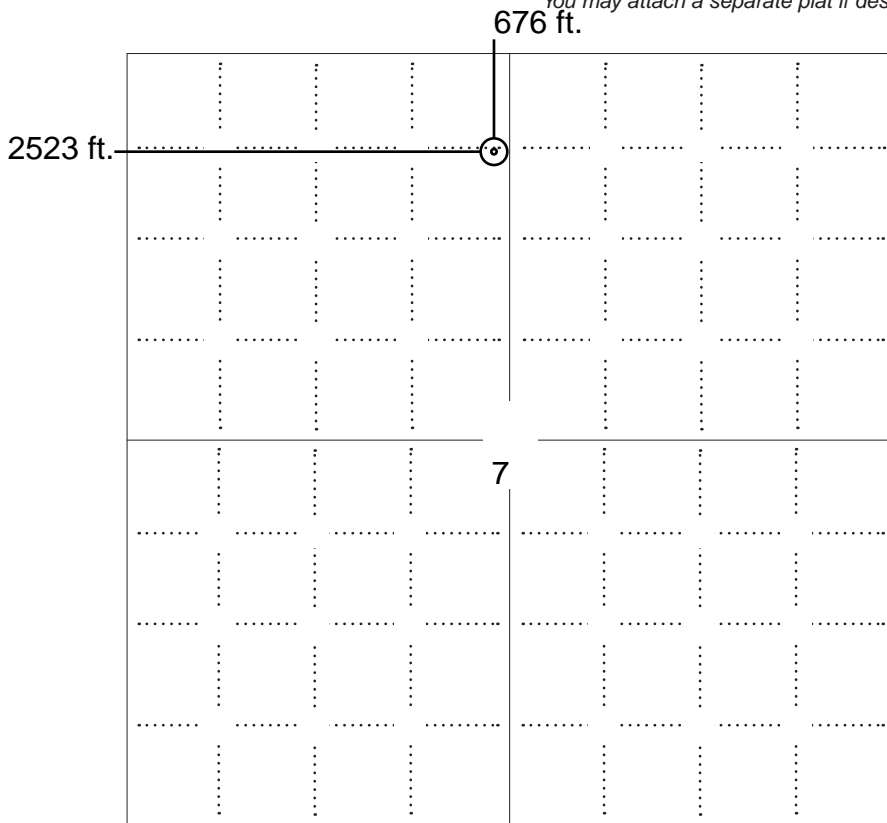
If Section is Irregular, locate well from nearest corner boundary.

Section corner used: NE NW SE SW

PLAT

Show location of the well. Show footage to the nearest lease or unit boundary line. Show the predicted locations of lease roads, tank batteries, pipelines and electrical lines, as required by the Kansas Surface Owner Notice Act (House Bill 2032).

You may attach a separate plat if desired.



LEGEND

- Well Location
- Tank Battery Location
- Pipeline Location
- Electric Line Location
- Lease Road Location



NOTE: In all cases locate the spot of the proposed drilling locaton.

In plotting the proposed location of the well, you must show:

1. The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, 4 sections, etc.
2. The distance of the proposed drilling location from the south / north and east / west outside section lines.
3. The distance to the nearest lease or unit boundary line (in footage).
4. If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (C0-7 for oil wells; CG-8 for gas wells).
5. The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.



KANSAS CORPORATION COMMISSION 1229971
OIL & GAS CONSERVATION DIVISION

Form CDP-1
May 2010
Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

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

KCC OFFICE USE ONLY

Liner Steel Pit RFAC RFAS

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



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:

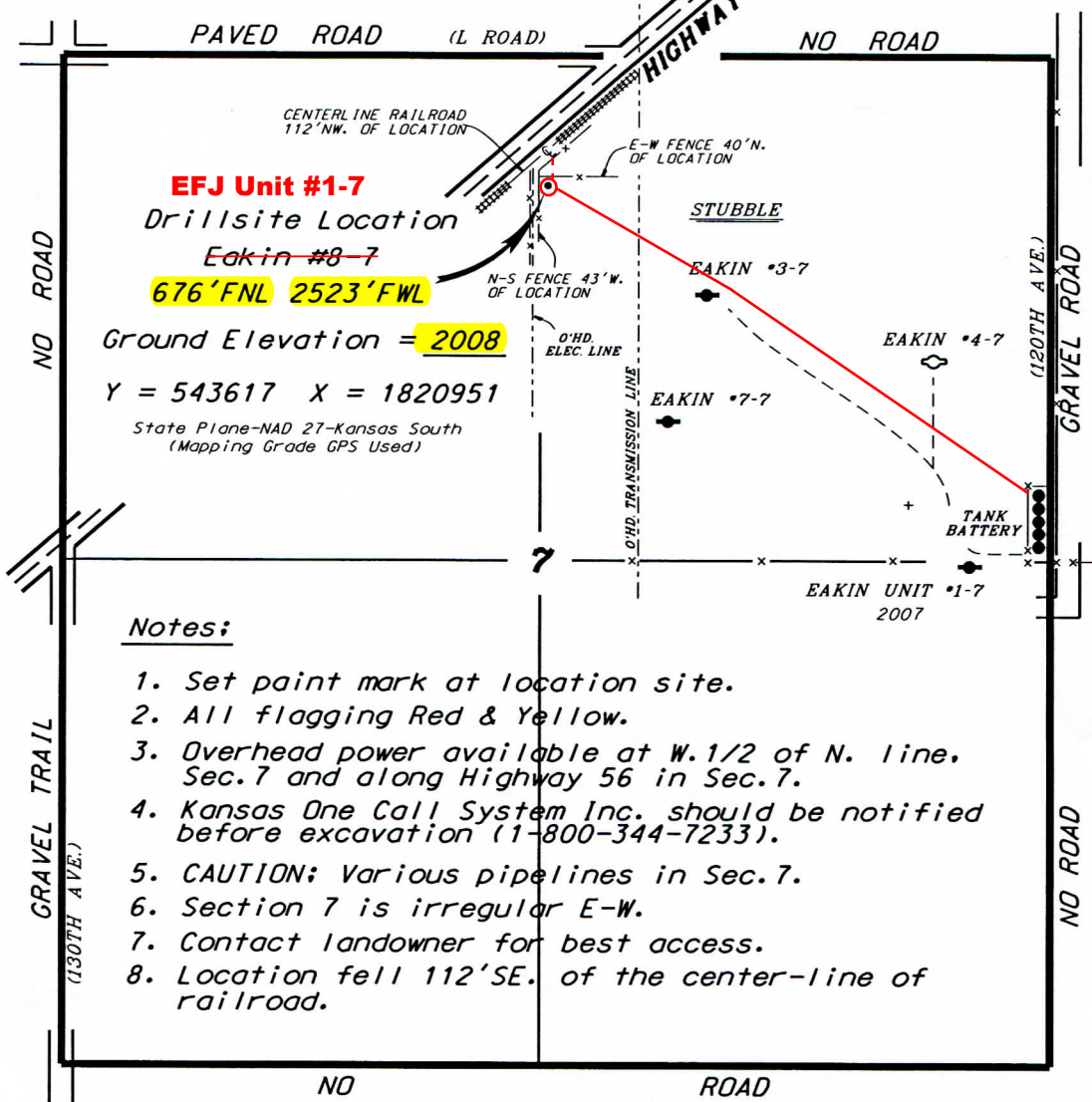
- I certify that, pursuant to the Kansas Surface Owner Notice Act (House Bill 2032), I have provided the following to the surface owner(s) of the land upon which the subject well is or will be located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form CP-1 that I am filing in connection with this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

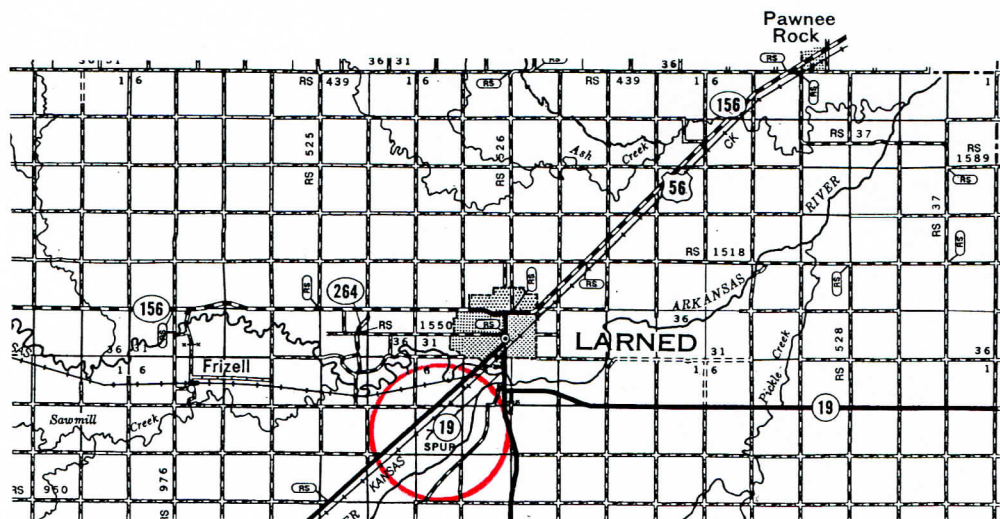
SHELBY RESOURCES, LLC
EFJ Unit #1-7 **EAKIN LEASE**
 N. 1/2, SECTION 7, T22S, R16W
 PAWNEE COUNTY, KANSAS



Notes:

1. Set point mark at location site.
2. All flagging Red & Yellow.
3. Overhead power available at W. 1/2 of N. line, Sec. 7 and along Highway 56 in Sec. 7.
4. Kansas One Call System Inc. should be notified before excavation (1-800-344-7233).
5. CAUTION; Various pipelines in Sec. 7.
6. Section 7 is irregular E-W.
7. Contact landowner for best access.
8. Location fell 112' SE. of the center-line of railroad.

* 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.



* 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 September 17, 2014

N 0081963 Book M112 Page 9
 Pawnee County, State of Kansas
 R E C O R D E D
 Dec 17, 2008 10:10 AM Fees \$20.00
Jacque Schulze
 Jacque Schulze, Register of Deeds

FORM 88 - (PRODUCERS SPECIAL)(PAID-UP W/OPT)
 63U (Rev. 2004 CRI)

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 Num
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 Copy
 Ck

OIL & GAS LEASE

AGREEMENT, Made and entered into the 12th day of August, 2008, by and between **Chad T. Eakin and Janice M. Eakin, husband and wife**, whose mailing address is 4501 Prairie Rose Drive, Great Bend, KS 67530, hereinafter called Lessor (whether one or more), and **Captiva II, LLC**, 1658 Cole Boulevard, Suite 205, Lakewood, CO 80401, hereinafter called Lessee:

Lessor, in consideration of Ten and more Dollars (\$10.00) in hand paid, receipt of which is hereby acknowledged and of the royalties herein provided and of the agreements of the Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring by geophysical and other means, prospecting, drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases and their respective constituent products, injecting gas, water, other fluids and air into subsurface strata, laying pipe lines, storing oil, building tanks, power stations, telephone lines, and other structures and things thereon to produce, save, take care of, treat, manufacture, process, store and transport said oil, liquid hydrocarbons, gases and their respective constituent products and other products manufactured therefrom, and housing and otherwise caring for its employees, the following described land, together with any reversionary rights and after-acquired interest, therein situated in County of Pawnee, State of Kansas described as follows, to-wit:

TOWNSHIP 22 SOUTH, RANGE 16 WEST OF THE 6TH PRINCIPAL MERIDIAN

Section 7: Lot Seven (7), N/2NE/4, SW/4NE/4, LESS AND EXCEPT that portion lying West and North of the Atchison, Topeka and Santa Fe Railroad, (now known as the Kansas and Oklahoma Railroad), AND EXCEPT a tract described as follows: Commencing at the Northwest corner of the Northeast Quarter (NE/4) of said Section 7; thence on an assumed bearing of North 90 degrees 00 minutes 00 seconds East, along the North line of the Northeast Quarter of said section, a distance of 725.25 feet to a point on the South right-of-way line of the Kansas and Oklahoma Railroad, said point being the point of beginning of the land to be described; thence continuing on a bearing of North 90 degrees 00 minutes 00 seconds East, along the North line of the Northeast Quarter of said section, a distance of 183.03 feet; thence on a bearing of South 02 degrees 10 minutes 37 seconds East a distance of 627.53 feet; thence on a bearing of North 88 degrees 15 minutes 00 seconds West a distance of 383.83 feet; thence on a bearing of North 00 degrees 18 minutes 22 seconds West a distance of 459.09 feet to the South right-of-way line of said Kansas and Oklahoma Railroad; thence on a bearing of North 48 degrees 54 minutes 58 seconds East, along the South right-of-way line of said Kansas and Oklahoma Railroad, a distance of 237.79 feet to the point of beginning.

SEE EXHIBIT 'A' ATTACHED HERETO AND MADE A PART HEREOF:

containing 152.56 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 (1/8th) 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 (1/8th), at the market price at the well, (but, as to gas sold by Lessee, in no event more than one-eighth (1/8th) 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 300 feet to the house or barn or any other structure on said premises without written consent of Lessor.

Lessee shall pay for damages caused by Lessee's operations 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 and upon termination of this lease, Lessee shall remove all machinery and fixtures.

Ver
 Num
 Scan
 Copy
 Ck

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 160 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 the event this lease is extended beyond the primary term solely by production from a well in a unit which comprises a portion of the lands covered hereby and other lands, Lessee agrees to release all lands not included in any such unit one (1) year subsequent to the end of the primary term.

It is further agreed by and between Lessor and Lessee, that in the event a unit well producing oil in commercial quantities is drilled under the provisions of this lease, then and in such event, the Lessee and Lessor agree that the oil unit established by Lessee shall be by pooling said lands in a unit in a square form around the well bore on the property covered by this lease and lands pooled therewith, unless otherwise agreed to in writing by Lessor.

It is further agreed by and between Lessor and Lessee, that in the event a well producing gas in commercial quantities is drilled under the provisions of this lease, then and in such event, the Lessee and Lessor agree that Lessee may establish a gas unit of one hundred sixty (160) acres, consisting of eighty (80) acres in a square form on the contiguous real estate and eighty (80) acres in a square form on the real estate covered by this lease, said gas unit shall consist of one hundred sixty (160) contiguous acres in a square form, unless otherwise agreed to in writing by Lessor. The 160 acre gas unit that may be formed hereunder, shall not be unitized or pooled with any other lands if said gas well is drilled more than 660 feet from any boundary line of the lands covered by this lease.

Lessee, its successors and assigns, shall have the sole and exclusive options, but not the obligation, ending upon the expiration date of the primary ~~or~~ secondary term of this lease, to elect to extend the term of all or any part of said lease for a term of two (2) years by tendering to Lessor hereunder the sum of \$15.00 per net mineral acre owned by Lessor and selected by Lessee. Lessee shall file an Affidavit of Extension in the records of Pawnee County, Kansas, upon its election to exercise the foregoing option.

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

X Chad T. Eakin
Chad T. Eakin

X Janice M. Eakin
Janice M. Eakin

STATE OF Kansas

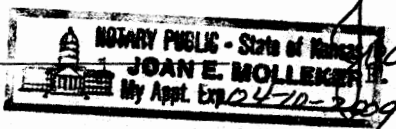
§.

COUNTY OF PAWNEE

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 3rd day of September, 2008, personally appeared

Chad T. Eakin and Janice M. Eakin, husband and wife

My Commission Expires:



Joane Mollerker
Mollerker Notary Public:
Address: Post Office Box 360
Larned, KS 67550



FORM 88 - (PRODUCERS SPECIAL)

63U (Rev. 2004 CRI)

OIL & GAS LEASE

AGREEMENT, Made and entered into the 3rd day of September, 2014, by and between **JIM E. FROETSCHNER AND TAMMY R. FROETSCHNER, HUSBAND AND WIFE** whose mailing address is 1239 M5 Road, Larned, KS 67529, hereinafter called Lessor (whether one or more), and **SHELBY RESOURCES, LLC**, 445 Union Boulevard, Suite 208, Lakewood, CO 80228, hereinafter called Lessee:

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

TOWNSHIP 22 SOUTH, RANGE ¹⁶ WEST OF THE 6TH PRINCIPAL MERIDIAN

Section 7: All that portion of the N $\frac{1}{2}$ N $\frac{1}{2}$ and the S $\frac{1}{2}$ NW $\frac{1}{4}$ as lies North and West of the center line of the Atchison, Topeka and Santa Fe railroad Right-of-Way, LESS AND EXCEPT all that portion of the abovementioned lands contained in the F-F Unit more particularly described as follows: Beginning at a point 20 feet East of the Northwest corner of the North line of said Section 7; thence South 584 feet; thence East 660 feet; thence North 584 feet to the North line of said Section 7; thence west 660 feet to the point of beginning containing 8.8485 acres, more or less.

containing 112.00 acres, more or less, and all accretions thereto.

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 pipe line to which Lessee may connect wells on said land, the equal 14.50% 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, 14.50% at the market price at the well, (but, as to gas sold by Lessee, in no event more than 14.50% 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. However, Lessee's ability to retain the lease by payment of such "shut in" royalties is not indefinite and if no actual sale of gas is made within five years of completion of a gas well, then this lease shall terminate and expire.

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.

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 located 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 except those obligations relating to any plugging of wells or restoration of the portion 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 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, subject to the prior written consent of Lessor, may 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 160 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

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Num SB
Rec'd SB
Copy SB
Clk SB

describing the pooled acreage. Lessor's written consent to pooling will not be unreasonably withheld. 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.

BY: Tammy R. Froetschner
Tammy R. Froetschner

BY: Jim E. Froetschner
Jim E. Froetschner

STATE OF Kansas

§.

COUNTY OF Pawnee

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 10th day of September, 2014, personally appeared Jim E. Froetschner and Tammy R. Froetschner, husband and wife.

My Commission Expires: 5-17-16

Kala Kurtz
Notary Public:
Address:

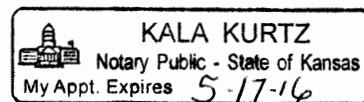


EXHIBIT "A"

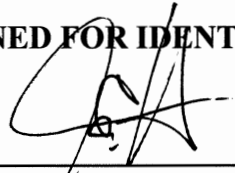
Attached to and made a part of that certain Oil and Gas Lease dated September 3, 2014 by and between Jim E. Froetschner and Tammy R. Froetschner, husband and wife, as Lessor and Captiva II, LLC, as Lessee.

1. The provisions of this lease are hereby amended to include in the granting clause, helium and other extractions.
2. The royalty clause is hereby amended to include a royalty payment on helium and other extractions at the mouth of the well.
3. It is agreed that if the Lessee owns any interest in the pipeline to which is delivered the gas produced from this premises, the Lessor shall bear no costs of gas treatment, dehydration, compression, transportation or water hauling charged to this lease by Lessee in its operations thereon after the point of diversion. It is further agreed that Lessor shall receive their proportionate royalty share of all monies received by Lessee for oil and/or gas production attributable to this lease, including any premiums, rebates and refunds of any kind or nature paid to Lessee and any take or pay payments, production payments, contract buy outs or contract buy downs, which directly reduce the amount of royalty revenue Lessor would otherwise receive from oil and/or gas production from this lease.
4. Lessor reserves the right to purchase gas for farm purposes, including but not limited to irrigation purposes from wells located on the above-described real estate or from any real estate unitized with the above-described real estate. Lessor shall make all connections for these purposes at their sole cost, expense and liability, and Lessor shall conform to the engineering specifications of Lessee's production department. Lessor shall pay Lessee for any gas purchased for irrigation purposes in the amount per MCF equal to the price then in effect under any contract under which Lessee is selling gas from the gas well on the above-described real estate or any unitized real estate to a third party. The amount of gas which the Lessor may purchase hereunder shall be limited to one-eighth (1/8) of the entire amount of gas produced from wells located upon the above-described real estate or from the real estate unitized therewith.
5. Lessee agrees to return the land as nearly as possible to its present condition after any drilling operations.
6. Any tanks or gunbarrels shall be placed by mutual agreement of Lessor and Lessee.
7. Before building any roads, Lessee and Lessor shall mutually agree as to the site for the roads. No road ditches shall be constructed and roads shall not obstruct the natural or established flow of water.
8. The Lessee shall not, notwithstanding the provisions of paragraph 1 of this Oil and Gas Lease, inject any gas, water or other fluid and air into any subsurface stratum which contains water suitable for irrigation purposes or for domestic consumption or livestock consumption.
9. Lessee shall not drill any salt water disposal well upon the above-described real estate without the express written consent of the Lessor being first obtained, provided Lessee shall have the right to drill a salt water disposal well for disposition of salt water from wells drilled on the real estate described in paragraph 1 of this lease.
10. If lessee drills a well on the leased premises, Lessee shall, at the option of Lessor, set the surface pipe from the surface to below the base of the deepest fresh water formation. This obligation shall continue even if this lease is assigned by Lessee to any other persons or entities.
11. In the event of gas production hereunder in commercial quantities and said well is not shut-in, Lessor is to receive a minimum of five dollars (\$5.00) per net mineral acre per year royalty for entire acreage covered by this lease in order to perpetuate this lease. Lessee shall have thirty (30) days after notification by Lessor of insufficient royalty to tender said deficiency or said lease shall terminate.
12. If the primary term of this lease is perpetuated by production of oil or gas, notwithstanding anything to the contrary contained in this lease, it is expressly agreed that this lease shall terminate as of two (2) years after expiration of the primary term hereof, insofar, and only insofar, as to all of the formations lying below 100 feet below the total depth of the deepest test drilled by the lessee or its assigns on the above-described premises or on any lands unitized or pooled therewith. Upon the written request of the Lessor the Lessee shall be obligated to file of record in the applicable office of the Register of Deeds a release of such lower zones or formations within sixty (60) days after the expiration of the two-year period following the primary term hereof. If such release is not filed within said 60-day period, Lessee shall be subject to damages and for any attorney's fees incurred by Lessors in obtaining such release.
13. Lessee shall bury all pipelines at least forty (40) inches below the surface of the above-described real estate.
14. Lessee shall haul trash to the landfill and shall dump no trash in any pits.
15. The Lessee shall not have the right to use fresh water produced from the above-described real estate for the purpose of secondary recovery by water flood, pressure maintenance or other similar operations.


16. Before commencing any drilling operations upon portions of the above-described real estate, the Lessee shall pay the sum of one thousand dollars (\$1,000.00) to the Lessor as a deposit to be applied against damages to land and crops caused by the operations of the Lessee. If the described real estate, is damaged (physical and/or loss to crop production capability or loss to grazing rights) to an amount greater than the amount paid prior to drilling operations, then Lessee shall promptly pay Lessor such additional damages.
17. In the event of production of only gas in commercial quantities and in the further event said gas well is shut-in, the Lessee shall pay shut-in gas royalties of three hundred twenty dollars (\$320.00) per year for the three (3) year period after such gas well is completed and thereafter, the shut-in royalty payments shall be one thousand dollars (\$1,000.00) per year. If gas has not been sold from said premises within six (6) years from completion of said gas well, this lease shall expire six (6) years from the date of completion of said gas well.
18. Notwithstanding anything to the contrary contained in this Lease, if during the primary term hereof, a well is drilled and oil is produced therefrom in commercial quantities, the Lessee agrees either to commence drilling operations for an additional oil well and complete said operations within thirty-six (36) months following the completion of the first well producing oil in commercial quantities or release all acreage in said lease, except the forty (40) acres immediately surrounding the first producing well.
19. Lessee shall use plastic lined pits on water pits but shall not be required to use plastic lined working and reserve pits. As soon as the pits are dry, all drilling mud will be removed and the pits closed as herein provided.
20. The Lessee agrees that in connection with its operations upon the above-described real estate, the shale and reserve pits will be dug in such a manner as to remove and preserve the Lessor's topsoil and to segregate the topsoil from the subsoil and after use, said pits will be backfilled by Lessee pursuant to this lease at such time as the Lessor shall direct.
21. The Lessee agrees to comply with all rules and regulations of the United States Department of Agriculture, Natural Resources Conservation Services and appropriate Farm Service Agency with respect to any conservation Reserve Program covering the above-described real estate. In particular, when drilling and operations have terminated, the Lessee shall restore the surface to its present condition, including the reseeded of grass acceptable to the Natural Resources Conservation Services and Farm Service Agency.
22. Lessee shall not enter or attempt to enter onto the leased land during muddy conditions, except as may be agreed by Lessor. In the event Lessee shall already be on and conducting seismic or drilling operations when muddy conditions develop, then Lessee shall use reasonable efforts to minimize damage to land, but Lessee shall not be required to stop operations due to muddy conditions.
23. Notwithstanding any other provision of this lease, the Lessor and Lessee agree that this lease does not provide Lessee with a pipeline right of way and/or easement for carrying or transporting gas, oil, or other oil and gas related materials that are solely produced from locations not originating on the leased land or on land to which the leased land is unitized.
24. The Lessee upon request shall allow Lessor or Lessor's representative(s) to view copies of any logs in its possession or under its control relative to the geologic structure of the above-described real estate. Such information shall be kept strictly confidential by the Lessor.
25. Notwithstanding anything herein contained to the contrary, no well shall be drilled nearer than three hundred feet (300') to the house, barn or any other structure on said premises without the written consent of the Lessor.
26. Notwithstanding anything herein contained to the contrary, all assignees of Lessee shall be responsible for restoring the surface as near as practicable to its original condition within ninety (90) days after completion of a dry hole or within ninety (90) days after oil or gas ceases to be produced from a producing well. The obligation to restore the surface shall continue even if this lease is assigned by Lessee to any other persons or entities.
27. Notwithstanding the provisions of this lease to the contrary, if the Lessee determines that the appropriate drill site for a well on either a contiguous tract or on the real estate covered by this lease is closer than three hundred thirty feet (330') to the property line between the two (2) real estate tracts, the Lessee is hereby authorized to drill such well within three hundred thirty feet (330') of the property line between the two (2) real estate tracts after providing written notice to the Lessor.
28. In the event a well producing oil in commercial quantities is drilled under the provisions of Paragraph 27 of this lease, then and in such event, the Lessors agree that an oil unit of ten (10) acres may be established by pooling ten (10) acres in a square form around the well bore whether located on the property covered by this lease or on the contiguous property. The unit shall consist of a total of ten (10) acres from this lease and from the contiguous property. The royalty payable herewith shall be apportioned according to the number of acres from this lease, and the acres from the contiguous real estate contained in said unit.
29. In the event a well, producing gas in commercial quantities is drilled under the provisions of Paragraph 27 of this lease, then and in that event, the Lessee may establish a gas unit of one hundred sixty (160) acres, consisting of eighty (80) acres in a square or rectangular form on the contiguous real estate and eighty (80) acres in a square or rectangular form on the real estate covered by this lease. Said gas unit shall consist of one hundred sixty (160) contiguous acres in square or rectangular form.

- 30. Any pumping units shall be lowered so as not to interfere with any center pivot irrigation system now installed upon the above-described real estate.
- 31. If the Lessee conducts any drilling operations upon any portion of the above-described real estate which is irrigated land, the Lessee shall either use tanks and shall permit no drilling mud to remain on said premises or, at the option of the Lessee, pits may be dug but as soon as the pits are dry, all drilling mud will be removed and the pits closed as herein provided.
- 32. Lessee shall not go upon or conduct any operations upon the irrigated portion of the above-described real estate between April 15th and the end of harvest in the fall in any calendar year unless given written permission by the Lessor, which permission shall not be unreasonably withheld. Crop damages shall be paid upon the basis of average field yield times average price at maturity, plus any loss as a result of lower crop yield due to operations of the Lessee which prevented timely irrigation of said crops.
- 33. The lessee agrees that no geo-physical seismic testing shall be conducted on the described real estate, except by separate written agreement and for such consideration as shall be agreed to by Lessor.
- 34. If Lessee's seismic operation damages any of Lessor's underground irrigation pipe, the Lessee agrees to pay all costs of repairing the damaged pipe.
- 35. In the event this lease is extended beyond the primary term solely by production from a well in a unit which comprises a portion of the lands covered hereby and other lands, Lessee agrees to release all lands not included in any such unit one (1) years subsequent to the end of the primary term when so requested by Lessor in writing.

SIGNED FOR IDENTIFICATION

X 

Jim E. Froetschner

X 

Tammy R. Froetschner

Ver
Num
Scan
Copy
Ck



No 082046 Book M112 Page 92

Pawnee County, State of Kansas
RECORDED

Dec 17, 2008 10:10 AM Fees \$12.00

Jacqueline Schulze
Jacque Schulze, Register of Deeds

FORM 88 - (PRODUCERS SPECIAL)(PAID-UP W/OPT)

63U (Rev. 2004 CRI)

OIL & GAS LEASE

AGREEMENT, Made and entered into the 8th day of October, 2008, by and between **Ellen W. Johnson, a widow**, whose mailing address is 1188 US Highway 56, Larned, KS 67550, hereinafter called Lessor (whether one or more), and **CAPTIVA II, LLC**, 1658 Cole Boulevard, Suite 205, Lakewood ,CO 80401, hereinafter called Lessee:

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

TOWNSHIP 22 SOUTH, RANGE 16 WEST OF THE 6TH PRINCIPAL MERIDIAN

Section 7 and 18: That part of the W/2 of Section 7 lying South of the Atchison, Topeka and Santa Fe Railroad right of way and the N/2 of Section 18 lying North of the Arkansas River, as described in that certain Warranty Deed recorded in Book 66, Page 1091 in the Office of the Register of Deeds, Pawnee County, Kansas.

containing 85.00 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 (1/8th) 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 (1/8th), at the market price at the well, (but, as to gas sold by Lessee, in no event more than one-eighth (1/8th) 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 located 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 160 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 to consult with Lessor prior to conducting any surface operations so as to cause the least amount of interference to Lessor's irrigation operations on leased premises, including but not limited to using low profile pumping equipment on any producing well drilled by Lessee. Lessee further agrees not to locate any pits where there are currently tire tracks for Lessor's irrigation system.

In the event production is secured and a tank battery installation is necessary, such tank battery shall be placed at a location mutually agreeable by Lessor and Lessee.

Lessee, its successors and assigns, shall have the sole and exclusive options, but not the obligation, ending upon the expiration date of the primary or secondary term of this lease, to elect to extend the term of all or any part of said lease for a term of two (2) years by tendering to Lessor hereunder the sum of \$15.00 per net mineral acre owned by Lessor and selected by Lessee. Lessee shall file an Affidavit of Extension in the records of Pawnee County, Kansas, upon its election to exercise the foregoing option.

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

X Ellen W. Johnson
Ellen W. Johnson

X _____

STATE OF Kansas

§.

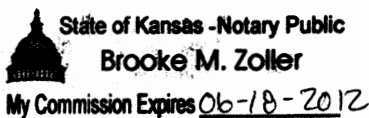
COUNTY OF Pawnee

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 28 day of October, 2008, personally appeared

Ellen W. Johnson, a widow

My Commission Expires: 06-18-2012

Brooke M. Zoller
Notary Public: Brooke M. Zoller
Address: PO Box 30
Hosington, KS 67544





EXTENSION OF OIL & GAS LEASE

WHEREAS, Captiva II, LLC is the owner and holders of an oil and gas lease dated October 8, 2008, which was executed by Ellen W. Johnson, a widow, as Lessor, to Captiva II, LLC as Lessee, covering the following described lands in Pawnee County, State of Kansas, to-wit:

TOWNSHIP 22 SOUTH, RANGE 16 WEST, 6TH P.M.

Sections 7 and 18: That part of the W½ of Section 7 lying South of the Atchison, Topeka and Santa Fe Railroad Right-of-Way and the N½ of Section 18, lying North of the Arkansas River, as described in that certain Warranty Deed, recorded in Book 66, at page 1091 in the office of the Register of Deeds, Pawnee County, Kansas.

such lease having been recorded in Book M112, at Page 92 of the records of said county; and,

WHEREAS, the primary term of said lease expires on October 8, 2013, and it is the desire of the said owners and holders and of the undersigned that the term of said lease be extended.

NOW, THEREFORE, the undersigned, for and in consideration of Ten Dollars, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, do hereby agree that the original term of said lease be and is hereby extended, with the same force and effect as if such term had been originally expressed in such lease, for a term ending December 31, 2014, and for as long thereafter as oil, gas or other hydrocarbons is produced as provided in said lease; subject, however, in all other respects, to the provisions and conditions of said lease and/or terms of any modification or amendment; provided, however, that the consideration for this extension includes the delay rental, if any, which would become payable on said original expiration date because of this extension.

The undersigned acknowledge that said lease is valid and in full force and effect and for such purpose the undersigned hereby grant, lease and let to the aforesaid owners and holders all of the interest of the undersigned in the above described lands upon the same terms, conditions and provisions as are contained in said lease as extended hereby, and by any amendment heretofore executed, and for such purpose the rights of dower and/or homestead in such lands are hereby released.

This extension of oil and gas lease shall be binding upon and shall inure to the benefit of the aforesaid owners and holders and of the undersigned, their successors, personal representatives and assigns.

IN WITNESS WHEREOF, this instrument is executed on this 1st day of October, 2013.

By: _____

By: Lynn C. Johnson
(Lynn C. Johnson)

Ver SB
Num SB
Scan SB
Copy SB
Ck DW

State of Kansas

§

County of Pawnee

The foregoing instrument was acknowledged before me this 1st day of October, 2013, by Lynn C. Johnson, single.

WITNESS my hand and official seal.

Hugh M. Proffitt
Notary Public
Printed Name Hugh M. Proffitt
Address Wichita, KS



My commission expires: 6-28-2016

Conservation Division
266 N. Main St., Ste. 220
Wichita, KS 67202-1513



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

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

Sam Brownback, Governor

November 12, 2014

Chris Gottschalk
Shelby Resources LLC
2717 Canal Blvd
Suite C
HAYS, KS 67601

Re: Drilling Pit Application
EFJ Unit 1-7
NW/4 Sec.07-22S-16W
Pawnee County, Kansas

Dear Chris Gottschalk:

District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed **without slots**, the bottom shall be flat and reasonably level and the free fluids must be removed. The fluids are to be removed from the reserve pit as soon as the Hutchinson Salt section has been drilled through and displacement of the fluids into the reserve pit has occurred. The fluids should be removed again within 96 hours after drilling operations have ceased.

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

The fluids should be taken to an authorized disposal well. Please call the District Office at (620) 225-8888 when the fluids have been removed. Please file form CDP-5 (August 2008), Exploration and Production Waste Transfer, through KOLAR within 30 days of fluid removal.

A copy of this letter should be posted in the doghouse along with the approved Intent to Drill. If you have any questions or concerns please feel free to contact the District Office at (620) 225-8888.