



1231841

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

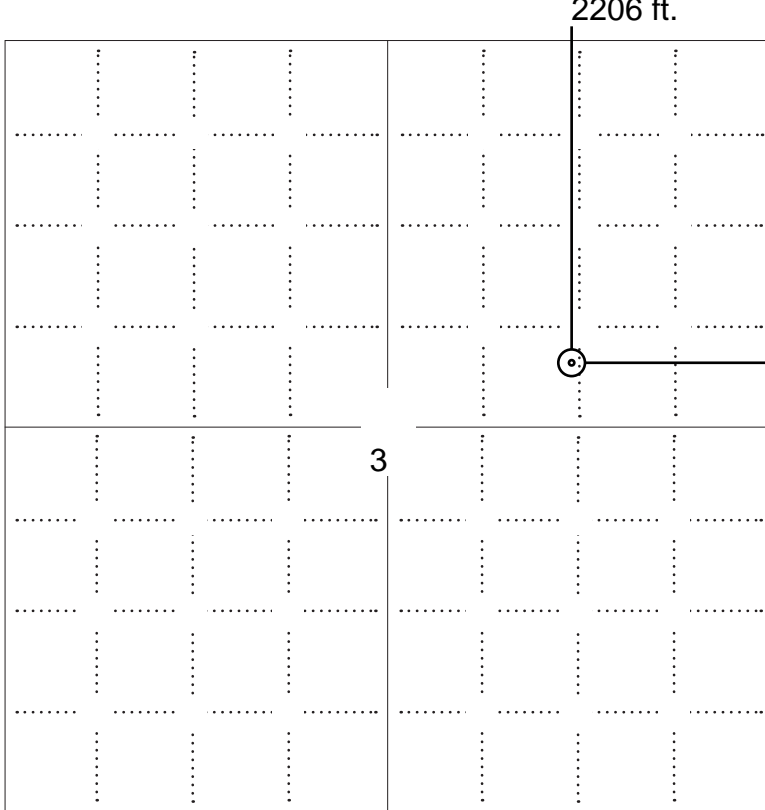
If Section is Irregular, locate well from nearest corner boundary.

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 1231841
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			
		<input type="checkbox"/> Liner <input type="checkbox"/> Steel Pit <input type="checkbox"/> RFAC <input type="checkbox"/> RFAS	
Date Received: _____		Permit Number: _____	
		Permit Date: _____ Lease Inspection: <input type="checkbox"/> Yes <input type="checkbox"/> 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



Ver DW
Num DW
Scan SB
Copy SB
OK DW

FORM 88 - (PRODUCERS SPECIAL)

63U (Rev. 2004 CRI)

OIL & GAS LEASE

AGREEMENT, Made and entered into the 28th day of October, 2014, by and between **JANIS MARY LINDBERG AND ROGER LINDBERG, wife and husband**, 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 MERIDIANSection 3: Lots 6, 7, D and the S $\frac{1}{2}$ SE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

containing 200.00 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 fifteen and one-half percent (15.50%) 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, fifteen and one-half percent (15.50%), at the market price at the well, (but, as to gas sold by Lessee, in no event more than fifteen and one-half percent (15.50%), 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. It is agreed and understood by and between Lessor and Lessee, and their successors and assigns that subject lease is subject to a side letter agreement and any successor or assignee will be bound by the terms therein.

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 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: Roger Lindberg
Roger Lindberg

BY: Janis Mary Lindberg
Janis Mary Lindberg

STATE OF Kansas

§.

COUNTY OF Jewell

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 3rd day of November, 2014, personally appeared Janis Mary Lindberg & Roger Lindberg, wife and husband.

My Commission Expires: 9-11-2017

Shelli Navarro

Notary Public:
Address: 2640 K. Rd
Farmosa, KS 66942



EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated October 28, 2014 by and between Janis Mary Lindberg & Roger Lindberg, husband and wife, as Lessor and Shelby Resources, 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. 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.
19. 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.
20. 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.
21. 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.
22. 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.
23. 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 one-hundred eighty (180) days after completion of a dry hole or within one-hundred eighty (180) 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.
24. 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.
25. 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.
26. 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.
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 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 when so requested by Lessor in writing.

SIGNED FOR IDENTIFICATION

X Roger Lindberg
Roger Lindberg

X Janis Mary Lindberg
Janis Mary Lindberg

FORM 88 - (PRODUCERS SPECIAL)

63U (Rev. 2004 CRI)



Ver *DL*
 Num *DL*
 Scan *SB*
 Copy *SB*
 Ok *DL*

OIL & GAS LEASE

AGREEMENT, Made and entered into the 28th day of October, 2014, by and between **BRYCE G. BUSTER AND JAN M. BUSTER, husband and wife**, 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 3: Lots 6, 7, D and the S $\frac{1}{2}$ SE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

containing 200.00 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 fifteen and one-half percent (15.50%) 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, fifteen and one-half percent (15.50%), at the market price at the well, (but, as to gas sold by Lessee, in no event more than fifteen and one-half percent (15.50%), 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. It is agreed and understood by and between Lessor and Lessee, and their successors and assigns that subject lease is subject to a side letter agreement and any successor or assignee will be bound by the terms therein.

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 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: Jan M. Buster
Jan M. Buster

BY: Bryce G. Buster
Bryce G. Buster

STATE OF Kansas

§.

COUNTY OF Johnson

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 1st day of NOVEMBER, 2014, personally appeared Bryce G. Buster & Jan M. Buster, husband and wife.

My Commission Expires: 5/21/2016

Katherine Kennedy
Notary Public: Katherine Kennedy
Address: 12112 Metcalf Ave
Overland Park, KS 66213

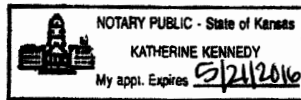


EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated October 28, 2014 by and between Bryce G. Buster and Jan M. Buster, husband and wife, as Lessor and Shelby Resources, 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. 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.
19. 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.
20. 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.
21. 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.
22. 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.
23. 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 one-hundred eighty (180) days after completion of a dry hole or within one-hundred eighty (180) 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.
24. 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.
25. 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.
26. 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.
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 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 when so requested by Lessor in writing.

SIGNED FOR IDENTIFICATION

X Jan M. Buster
Jan M. Buster

X Bryce G. Buster
Bryce G. Buster



Ver AW
Num AW
Scan SB
Copy SB
CK AW

FORM 88 - (PRODUCERS SPECIAL)
63U (Rev. 2004 CRI)

OIL & GAS LEASE

AGREEMENT, Made and entered into the 28th day of October, 2014, by and between **KENT M. BUSTER AND GITTA BANKS, husband and wife**, 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 3: Lots 6, 7, D and the S $\frac{1}{2}$ SE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

containing 200.00 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 fifteen and one-half percent (15.50%) 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, fifteen and one-half percent (15.50%), at the market price at the well, (but, as to gas sold by Lessee, in no event more than fifteen and one-half percent (15.50%), 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. It is agreed and understood by and between Lessor and Lessee, and their successors and assigns that subject lease is subject to a side letter agreement and any successor or assignee will be bound by the terms therein.

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 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: Gitta Banks
Gitta Banks

BY: Kent M. Buster
Kent M. Buster

STATE OF ~~Kansas~~ Texas §.
COUNTY OF HARRIS

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 3rd day of Nov, 2014, personally appeared Kent M. Buster & Gitta Banks, husband and wife.

My Commission Expires: 11-25-2018

Dinesh Gupta
Notary Public:
Address: 1530 S-MASON ROAD
KATY TX 77450

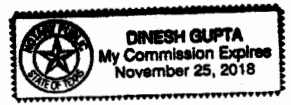


EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated October 28, 2014 by and between Kent M. Buster and Gitta Banks, husband and wife, as Lessor and Shelby Resources, 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. 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.
19. 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.
20. 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.
21. 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.
22. 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.
23. 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 one-hundred eighty (180) days after completion of a dry hole or within one-hundred eighty (180) 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.
24. 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.
25. 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.
26. 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.
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 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 when so requested by Lessor in writing.

SIGNED FOR IDENTIFICATION

X Gitta Banks
Gitta Banks

X Kent M. Buster
Kent M. Buster

FORM 88 - (PRODUCERS SPECIAL)
63U (Rev. 2004 CRI)



STATE OF KANSAS, PAWNEE COUNTY, SS
DOLORES WREN, REGISTER OF DEEDS
Book: M125 Page: 5
Receipt #: 41376 Total Fees: \$20.00
Pages Recorded: 4
Date Recorded: 11/7/2014 9:30:03 AM

OIL & GAS LEASE

AGREEMENT, Made and entered into the 28th day of October, 2014, by and between **ELSIE L. BUSTER, AS LIFE TENENT**, whose mailing address is 15325 S. One Elm Road, Olathe, KS 66061, 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 3: Lots 6, 7, D and the S $\frac{1}{2}$ SE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$

Ver SB
Num SB
Scan SB
Cap. SB
CR DW

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

containing 200.00 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 fifteen and one-half percent (15.50%) 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, fifteen and one-half percent (15.50%), at the market price at the well, (but, as to gas sold by Lessee, in no event more than fifteen and one-half percent (15.50%), 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. It is agreed and understood by and between Lessor and Lessee, and their successors and assigns that subject lease is subject to a side letter agreement and any successor or assignee will be bound by the terms therein.

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 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: _____ BY: Elsie L. Buster
Elsie L. Buster, as Life Tenant

DAPHNE PIPPITT
Notary Public-State of Kansas
My Appt. Expires 9-13-16

STATE OF Kansas

COUNTY OF Johnson

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 30 day of OCTOBER, 2014, personally appeared Elsie L. Buster, as Life Tenant.

My Commission Expires: 9-13-16

Daphne Pippitt
Notary Public:
Address: Bardner, KS 66030

EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated October 28, 2014 by and between Elsie L. Buster, Life Tenant, as Lessor and Shelby Resources, 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. 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.
19. 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.
20. 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.
21. 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.
22. 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.
23. 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 one-hundred eighty (180) days after completion of a dry hole or within one-hundred eighty (180) 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.
24. 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.
25. 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.
26. 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.
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 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 when so requested by Lessor in writing.

SIGNED FOR IDENTIFICATION

X Elsie L. Buster
Elsie L. Buster, as Life Tenant



FORM 88 - (PRODUCERS SPECIAL)
63U (Rev. 2004 CRI)

STATE OF KANSAS, PAWNEE COUNTY, SS
DOLORES WREN, REGISTER OF DEEDS
Book: M125 Page: 4
Receipt #: 41376 Total Fees: \$20.00
Pages Recorded: 4
Date Recorded: 11/7/2014 9:30:02 AM

OIL & GAS LEASE

AGREEMENT, Made and entered into the 28th day of October, 2014, by and between **ALAN J. BUSTER AND PAMELA K. BUSTER, husband and wife**, whose mailing address is 22677 W. 183rd St., Olathe, KS 66062, 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 3: Lots 6, 7, D and the S $\frac{1}{2}$ SE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

Ver SB
Num SB
Scale SB
Copy SB
Ck SB

containing 200.00 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 fifteen and one-half percent (15.50%) 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, fifteen and one-half percent (15.50%), at the market price at the well, (but, as to gas sold by Lessee, in no event more than fifteen and one-half percent (15.50%), 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. It is agreed and understood by and between Lessor and Lessee, and their successors and assigns that subject lease is subject to a side letter agreement and any successor or assignee will be bound by the terms therein.

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.

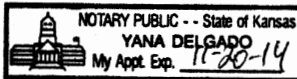
Lessor hereby agrees that the Lessee shall have the right at any time to redeem for Lessor, by payment any mortgages, taxes or other liens on the above described lands, in the event of default of payment by Lessor, and be subrogated to the rights of the holder thereof, and the undersigned Lessors, for 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 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: Pamela K. Buster BY: Alan J. Buster
Pamela K. Buster Alan J. Buster



STATE OF Kansas
COUNTY OF Johnson §.

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 30 day of October, 2014, personally appeared Alan J. Buster and Pamela K. Buster, husband and wife.

My Commission Expires: 11-20-2014

Yana Delgado
Notary Public:
Address: 2002 E Santa Fe
Clathe KS 66062

EXHIBIT "A"

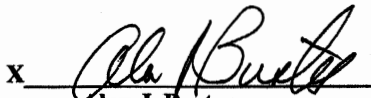
Attached to and made a part of that certain Oil and Gas Lease dated October 28, 2014 by and between Alan J. Buster and Pamela K. Buster, husband and wife, as Lessor and Shelby Resources, LLC, as Lessee.

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. 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.
19. 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.
20. 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.
21. 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.
22. 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.
23. 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 one-hundred eighty (180) days after completion of a dry hole or within one-hundred eighty (180) 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.
24. 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.
25. 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.
26. 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.
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 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 when so requested by Lessor in writing.

SIGNED FOR IDENTIFICATION

X 
Pamela K. Buster

X 
Alan J. Buster



FORM 88 - (PRODUCERS SPECIAL)
63U (Rev. 2004 CRI)

STATE OF KANSAS, PAWNEE COUNTY, SS
DOLORES WREN, REGISTER OF DEEDS
Book: M125 Page: 3
Receipt #: 41376 Total Fees: \$20.00
Pages Recorded: 4
Date Recorded: 11/7/2014 9:30:01 AM

OIL & GAS LEASE

AGREEMENT, Made and entered into the 28th day of October, 2014, by and between **DAVID C. BUSTER AND CAROL BUSTER, husband and wife**, 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 3: Lots 6, 7, D and the S $\frac{1}{4}$ SE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$

Ver DW
Num DW
Scan SB
Copy SB
Ck DW

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

containing 200.00 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 fifteen and one-half percent (15.50%) 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, fifteen and one-half percent (15.50%), at the market price at the well, (but, as to gas sold by Lessee, in no event more than fifteen and one-half percent (15.50%) 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. It is agreed and understood by and between Lessor and Lessee, and their successors and assigns that subject lease is subject to a side letter agreement and any successor or assignee will be bound by the terms therein.

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 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: Carol Buster
Carol Buster

BY: David C. Buster
David C. Buster

STATE OF Kansas

§.

COUNTY OF Stafford

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 30th day of October, 2014, personally appeared David C. Buster and Carol Buster, husband and wife.

My Commission Expires: NOV 15, 2015

Kathie Otto
Notary Public:
Address:



EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated October 28, 2014 by and between David C. Buster and Carol Buster, husband and wife, as Lessor and Shelby Resources, 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. 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.
19. 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.
20. 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.
21. 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.
22. 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.
23. 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 one-hundred eighty (180) days after completion of a dry hole or within one-hundred eighty (180) 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.
24. 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.
25. 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.
26. 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.
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 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 when so requested by Lessor in writing.

SIGNED FOR IDENTIFICATION

X Carol Buster
Carol Buster

X David C. Buster
David C. Buster

OIL AND GAS LEASE

THIS LEASE is entered into on the date of its execution by the last of the parties hereto ("Effective Date"), by and between the STATE OF KANSAS, DEPARTMENT OF REVENUE (hereinafter "Lessor"), and CAPTIVA II INC (hereinafter "Lessee").

Lessor and Lessee, in consideration of the mutual promises, covenants and conditions expressed below, agree as follows:

1. Granting Provision

Lessor leases and lets to Lessee the land described below ("Leased Premises") for the purpose of mining and operating for, and producing oil and gas and their constituent products, including, but not limited to, natural gas liquids, helium and other salable by-products, casinghead gas and casinghead gasoline, laying pipe lines, building tanks and storing oil (for ultimate sale) on the Leased Premises:

Arkansas Riverbed as it meanders through: Township 21 South, Range 16 West; Sections 25, 26, 34, 35 and 36. Township 22 South, Range 16 West; Sections 2, 3, 4, 5, 7, and 8, including Section 18 all in Pawnee County.

and the right to pool and unitize this Lease with other oil and gas leases, in their respective entirety or parts.

Lessor is not granting Lessee the right to conduct seismic exploration on the Leased Premises without the written consent of Lessor and the payment of additional compensation to the Lessor.

Lessor is not granting Lessee the right to erect on the Leased Premises any plant or facility for gasoline extraction or for gas processing, its constituent products or petroliferous substances, except the normal and necessary heater treater and separator customarily used.

Lessor reserves all rights to grant, lease, mine and/or produce any minerals from the Leased Premises except interests in gas and oil and their constituent products.

2. Pooling and Unitizing Criteria

Lessee may unitize the Leased Premises or any portion or portions thereof, as to all strata or any stratum or strata, with any other lands as to all strata or any stratum or strata, for the production primarily of oil and/or primarily of gas (and their constituent products) with or without distillate. The words "unit", "unitize" and "unitization", as used in this Lease, includes Lease pooling and unitization. The creation of a unit by Lessee shall be based on the following criteria:

- (i) A unit for an oil well (other than a horizontal completion) shall not exceed 160 acres plus a maximum acreage tolerance of 10%, and a unit for a gas well shall not exceed 640 acres plus a maximum acreage tolerance of 10%.



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(ii) A unit for a horizontal completion shall not exceed 1280 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction.

(iii) The terms "oil well" and "gas well" (as used in this section) shall have the meanings prescribed by applicable law or the appropriate governmental authority or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on a 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and, the term "horizontal completion" means a well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component.

Lessee shall file written unit designations in all counties in which a designated unit is located unless the unitization occurs from governmental order or rule.

Operations upon and production from a unit shall be treated as if such operations were upon, or such production were from the Leased Premises regardless of whether the well or wells are located on the Leased Premises. The entire acreage within a unit shall be treated for all purposes as if it were covered by and included in this Lease except that the royalty on production from a unit shall be as set out in this Lease and except that in calculating the amount of any shut in gas royalties, only the part of the Leased Premises acreage described in this Lease shall be counted.

Unit production royalty payments shall be allocated to the Leased Premises in the proportion the Leased Premises acreage bears to the total number of surface acres in the unit.

3. Lease Term, Bonus and Delay Rental

The Primary Term of the Lease shall commence on the Effective Date and terminate on the date set forth in Schedule A, incorporated herein as though fully set out ("Termination Date").

The Primary Term non-refundable bonus, drilling delay rent and expenses shall be paid on or before the Effective Date in the amount set forth in Schedule A. If oil, or gas, and/or their respective constituent products are produced during the Primary Term, the Lessee shall pay royalty as set forth in Section 4 below.

This Lease shall not terminate upon the Termination Date of the Primary Term if:

(i) during the Primary Term, oil, gas, their constituent products including, without limitation, casinghead gas, or casinghead gasoline, are produced and sold on, at or from the Leased Premises and/or land unitized therewith, and the Lessee pays the Lessor monthly royalty commencing from the day of production (prorated for any partial month) and paid on the first day of each calendar month following the production month as set forth in Section 4; or,

(ii) during the Primary Term, oil, gas, their constituent products of oil and gas, casinghead gas, or casinghead gasoline are not produced and sold on, at or from the Leased Premises

and/or lands unitized or consolidated therewith, and the Lessee pays the Lessor the option payment set forth in Schedule A. The first option payment shall be due no later than the Termination Date. Any subsequent option payment shall extend the Lease term and is due prior to the end of the preceding applicable option period. Any option payment shall extend the Lease term for one year. The Lessee may exercise the total number of option periods set forth in Schedule A. Lessee shall notify Lessor, in writing, of Lessee's intent to exercise an option period at least 30 days prior to the commencement date of the applicable option period set forth in Schedule A.

If, at the end of the last exercised option period, no oil, gas and/or the constituent products of oil and gas including, without limitation, casinghead gas, or casinghead gasoline, are produced or sold on, at or from the Leased Premises or lands unitized therewith, then this Lease shall terminate.

Delayed drilling payments shall be due in the amounts and on the dates set forth in Schedule A.

All payments due Lessor shall be made by check or draft delivered on or before the date the payment is due.

Notwithstanding anything to the contrary contained in this Lease, if production results during the Primary Term or any exercised option period, this Lease shall continue for the period production continues so long as Lessee's required payments are made and the Lessee is not in default of any Lease provision.

After the expiration of the Primary Term, or any exercised option period, formations on the Leased Premises and/or lands unitized therewith not producing oil or gas in paying quantities shall revert to the Lessor. Lessee shall be obligated, subject to the other terms of this section, to file of record a release of the Lease covering such non-producing zones or formations within sixty (60) days following Lessor's written demand. If such release is not filed within said sixty (60) day period, then Lessee shall be subject to damages and for any attorney's fees incurred by Lessor in obtaining such release.

If, upon the expiration of the Lease Primary Term (or any exercised option period) in the event a portion or portions of the Leased Premises is unitized with other land so as to form a unitized unit or units, operations on such unit or units will not maintain this Lease in force as to the land not included in such unit or units.

4. Royalty

Each month during the Lease Primary Term and any extension period that oil, gas, the constituent products of oil and gas, casinghead gas or casinghead gasoline is produced or sold on, at or from the Leased Premises and/or lands unitized therewith, the Lessee shall pay the Lessor (monthly) the greater of:

(i) \$15.00 per acre included in the Leased Premises, or

(ii)(a) On gas and its constituent products marketed from each well where gas only is found, 3/16 of the proceeds if sold at the well, or if marketed by Lessee off the Leased Premises, 3/16 of the prevailing market value at the well; and

(b) On casinghead gas produced from any oil well, 3/16 of the proceeds received by the Lessee; or 3/16 of the prevailing market value at the mouth of the well, computed at the prevailing market price of the casinghead gas produced from any oil well and used by Lessee, at the Lessee's own risk and expense, off the Leased Premises for any purpose or used on the Leased Premises by the Lessee, and

(c) On oil, 3/16 royalty of the prevailing market price for oil of like grade and gravity on the day such oil is run into the pipe line, or into storage tanks, or at the Lessor's option may deliver to the credit of the Lessor as royalty, free of cost, in the pipe line to which Lessee may connect its wells the 3/16 part of oil produced and saved from the Leased Premises.

Lessee shall have one (1) year (not to exceed the Primary Term or any exercised option period), herein called "shut-in period," from the date of completion of a gas well in which to make pipeline connections from production or marketing of gas. The shut-in period may be extended for a period not to exceed two (2) additional years (not to exceed the Primary Term or any exercised option period); however, during the shut-in period, Lessee shall pay to Lessor shut-in royalty at the rate of \$50.00 per acre per year, which royalty shall be due and payable each month (commencing on the first day of the first shut-in-period month) on the first day of each month occurring during the shut-in-period. During the shut-in period, it shall be considered that gas is being produced from the Leased Premises in paying quantities so long as Lessee is paying shut-in royalty.

Lessee shall not deduct from any payment due to Lessor any costs including, but not limited to, compression, dehydration and gathering, or such other costs to produce gas or oil, and their constituent products, or costs to place such gas or oil in a marketable condition, whether such costs are incurred on or off the Leased Premises.

5. Premises Installations

Lessee shall build any meter houses, separators, heater treaters and storage tanks, used for the purpose of producing and saving any oil or gas on the Leased Premises adjacent to any county, state, or federal road or highway adjoining the Leased Premises.

Storage tanks and tank battery installations, if any, shall be installed to avoid interference with any irrigation circular sprinkler system and no installation shall be closer than 1400 feet to the center of the Leased Premises without the written consent of the Lessor.

6. Water

The Lessee shall not use Leased Premises water for any purpose including, but not limited to water flooding or injection in any water flooding program on the Leased Premises or on lands in which the Leased Premises and/or lands are unitized.

7. Lessee's Removal of Property

Lessee shall have the right at any time during the Lease term, or, within a reasonable time after Lease termination, to remove all Lessee's machinery, fixtures, houses, buildings and other structures Lessee placed on the Leased Premises, including the right to draw and remove all casing.

8. Pipe and Utility Lines

Lessee shall bury pipelines and utility lines to a depth of not less than sixty (60) inches below the surface.

9. Slush Pits

All slush pits shall be filled and leveled within sixty (60) days after well completion or abandonment unless a longer time period is allowed by Lessor's written consent.

10. Entireties

If the Leased Premises shall hereafter be owned in severalty or in separate tracts, the Leased Premises shall be developed and operated as one lease and all royalties shall be treated as an entirety and shall be divided among and paid to each separate owner in the proportion that the Leased Premises acreage owned by each owner bears to the entire Leased Premises acreage. There shall be no obligation on the part of the Lessee to offset wells on separate tracts into which the Leased Premises may be divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks. If the Lease is assigned in whole or part and the assignee or owner of any part shall fail to comply with any Lease provision, the default shall not operate to defeat or affect any non-defaulting assignee or owner.

11. Assignment

The Lessee may assign this Lease, in whole or part, with the written consent of the Lessor. Written consent shall not be unreasonably withheld.

The Lessor may assign this Lease, in whole or part, without the written consent of Lessee.

The Lease covenants shall extend to heirs, executors, administrators, successors and assigns; except, no change of interest in the Leased Premises, or in the provisions applicable to Lease payments, shall be binding on the Lessee until written notice of the Lessor's assignment is served on Lessee.

12. No Warranty of Title

The Leased Premises are leased without covenants of warranty (reference K.A.R. 92-9-4).

The Lessee, at its option, may pay and discharge any property taxes, mortgages, or other liens existing, levied, or assessed on or against the Leased Premises which arise from the legal obligations of the Lessor (collectively "Encumbrances"). Upon Lessee's payment of an Encumbrance, Lessee shall be subrogated to the rights of the Encumbrance holder or holders and Lessee may offset any payment due Lessor.

13. Taxes

Lessee shall be responsible for the payment of ad valorem taxes levied on any personal property used or owned by Lessee on the Leased Premises, any ad valorem taxes on any property which the Lessee brings upon and adds to the Leased Premises which becomes a part of the real property, any severance tax levied against the oil and/or gas, their constituent products, casinghead gas, casinghead gasoline or any other mineral or product produced pursuant to the Lease terms, and any other tax (a) levied against the Lessee and/or its property, or (b) arising from Lessee's actions related to the Lease.

14. Compliance with Laws

Lessee and this Lease shall at all times and in all respects be subject to valid orders, rules, regulations and laws (collectively "Laws") of any duly constituted authority having jurisdiction of the subject matter hereof including, but not limited to, environmental Laws. Lessee shall bear all costs and expenses associated with compliance with Laws which may affect or be affected by any of the Lessee's Lease interests, purposes or activities on or off the Leased Premises, or anything incident thereto.

15. Construction, Ingress and Egress

Lessor reserves the right to designate all Leased Premises routes of ingress and egress. Lessee shall obtain written authorization from the Lessor and the Leased Premises surface owners and/or tenants to construct roads and pipelines, or install tanks or other equipment. There shall be no oil road surfaces or hard surfacing of any access, ingress, or, egress roads on the Leased Premises without the written consent of Lessor.

16. Farming Operations

The Lessee shall not interfere with any farming operations on the Leased Premises including, without limitation, interference arising from the operation of pivotal irrigation sprinkler systems, or any other irrigation method. Any production equipment including, without limitation, pump jacks, hydraulic lifting equipment, or any equipment necessary to produce oil and gas wells on the Leased Premises shall be recessed to depths permitting use of a circular irrigation sprinkler system.

If Lessee drills a well on the Leased Premises during any crop growing season preventing Lessor's use of any irrigation system, Lessee shall pay Lessor the value of the crop that could not be grown and sold. The field average shall be used as a maximum crop producing capability and the price per crop unit shall be the cash price at the local elevator in the town nearest to the affected crop land on the Leased Premises as of the first day of the normally accepted harvest month.

17. Salt Water Disposal

The installation of any salt-water disposal equipment on the Leased Premises is prohibited without the written approval of Lessor. Lessee shall not be permitted to use any well drilled on the Leased Premises as a salt-water disposal well without the written consent of Lessor and without proper compensation to Lessor; provided however, the terms of this section do not apply to the disposal of salt-water produced from wells located on the Leased Premises.

18. "As Is" Condition and Restoration of Leased Premises

The Lessee shall fill all pits and ponds, remove all structures and reasonably restore the Leased Premises to the condition existing on the Effective Date within 6 months following the Lease termination date whether pursuant to the Lease provisions or any other reason.

Lessee accepts the Leased Premises in its "as is" condition. Lessee has been advised to inspect the Leased Premises to determine that it is suitable for the purpose intended and to ascertain that no environmental hazards or toxins are now present.

19. Leased Premises Maintenance

Lessee shall maintain any well site, storage tank location, or any other area used in its Lease operations reasonably free of weeds, but without the use of salt or chemical substances.

20. Survey

Notwithstanding the requirements of K.A.R. 92-9-3, the Lessee shall pay all costs associated with any survey required to establish the boundaries of the Leased Premises for any reason including, but not limited to:

- (i) laws, regulations, rules or policies of any federal, state or local government or any agency or department thereof, or
- (ii) any criminal, civil or administrative legal action by any federal, state or local government or any agency or department thereof, or
- (iii) any civil or administrative action by any party that is not a party to this Lease; or
- (iv) any claims, damages, actions or causes of action from or by any abutting landowners to the Leased Premises, or
- (v) any other legal, administrative process or action by or on behalf of any legal entity or person, natural or otherwise.

21. Lessor's Right to Information

Upon written request by Lessor, Lessee shall furnish to Lessor copies of all records in connection with Lessee's operations on the Leased Premises. Lessor shall have reasonable access to all wells during drilling operations and production operations.

22. Interest

The Lessee shall pay interest on any past due payment according to the provisions of the Kansas interest on proceeds from production act, K.S.A. 55-1614, *et seq.*

23. Best Price Available

In selling any gas or oil, or their constituent products, produced from the Leased Premises and/or land unitized or consolidated therewith, the Lessee shall exercise good faith and use due diligence and prudence to market such products at the best price and upon the most favorable terms then prevailing in the same field (or if there is no such price prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar quality and quantity

that may be obtainable by Lessee at the time or times such gas or oil is contracted for sale, but in no event less than the price obtained by Lessee, through arms-length negotiations.

24. Insurance

Lessee shall maintain the insurance set forth in Schedule A during the Lease term.

25. Indemnification.

Lessee shall indemnify and hold harmless Lessor (including all individuals, officers, employees, agents and agency members of the entities comprising Lessor) and its (and their) successors (collectively "State of Kansas") from any and all injuries, damages, liens, claims, environmental liabilities, and other liabilities or obligations of any kind arising directly or indirectly from Lessee's interest in the Leased Premises and/or lands unitized therewith and/or Lessee's operations and activities (including the operations and activities of Lessee's contractors, subcontractors, employees, agents and other authorized persons) related to this Lease. Lessee shall conduct its operations in strict compliance with all Laws and will protect, hold harmless and defend Lessor against any claim, demand, cost loss or damage suffered by the Lessor, including reasonable attorney fees and litigation costs.

Lessee shall indemnify and hold Lessor harmless and shall defend Lessor from any claims, damages, actions or causes of action from any damage or liability caused or contributed to, or from, the Lessee's use of any oil or gas, or their constituent products, casinghead gas produced from any oil well or casinghead gasoline and used by Lessee off, or on, the Leased Premises for any purpose.

Lessee shall indemnify and hold the Lessor harmless from any claims, damages, actions or causes of action from any environmental damage or contamination caused or contributed to by Lessee subsequent to the commencement of this Lease.

26. Singular and Plural

Whenever necessary in this Lease and where the context requires, the singular term and the related pronoun shall include the plural, the masculine and the feminine.

27. Governing Law and Venue

This Lease is governed by the laws of the State of Kansas. The proper venue for any claim, dispute, action or other difference between Lessor and Lessee shall be Shawnee County, Kansas.

28. Notice

Any notice required or permitted under this Lease shall be deemed sufficiently given if personally delivered, sent by registered or certified mail (return receipt requested) or sent by means of telefacsimile, to the party to whom the notice is to be given. Notices delivered in person or sent via telefacsimile shall be deemed to be served effective as of the date the notice is delivered or sent, as applicable. Notices sent by registered or certified mail (return receipt requested) shall be deemed to be served seventy-two (72) hours after the date said notice is postmarked to the addressee, postage prepaid.

Until changed by written notice given by one party to the other, the addresses and numbers of the parties shall be as designated in Schedule "A".

29. Default

In the event of Lessee's breach or default of any Lease provision, Lessor, after written notice of default to Lessee and Lessee's failure to cure the default within a reasonable period of time, in addition to any other rights or remedies Lessor may have in law or in equity, shall have the immediate right of possession of the Leased Premises and, in such event, Lessee shall execute any document necessary for releasing the Leased Premises from Lessee's interests.

30. Attorney Fees

Lessor, in enforcing the terms of this Lease, may recover attorney fees against the Lessee, as allowed by law and/or contractual agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed by their duly authorized representatives on the day and year set forth hereafter.

LESSOR:

LESSEE:

By: [Signature]

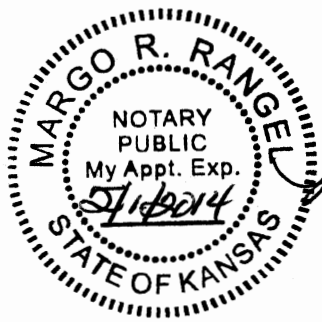
By: [Signature], Attorney in Fact

Title: Director of Taxation

Title: Financial Manager

Date: 10.8.13

Date: 10-8-13



[Signature]

ACKNOWLEDGEMENT FOR AN INDIVIDUAL LESSEE (Kans., Okla., and Colo.)

STATE OF KANSAS)
COUNTY OF _____)

Before me the undersigned, a Notary Public, within and for said county and state, on this 8th day of October, 2013, personally appeared George O. Mallon III to me personally known to be the identical person(s) who executed the within and foregoing instrument and acknowledged to me that _____ executed the same as his/her free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

My commission expires _____ 20____.

Notary Public

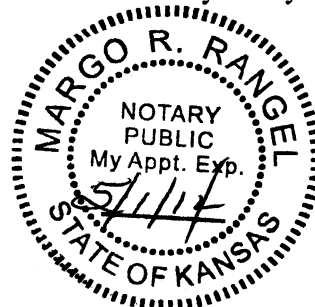
ACKNOWLEDGEMENT FOR A CORPORATION/LLC-LESSEE

STATE OF KANSAS)
COUNTY OF SANDOZ)

Before me the undersigned, a Notary Public in and for the county and state aforesaid, on this 28 day of October, 2013, personally appeared George O. Mallon III of OPTIVA IS to me personally known to be the identical person(s) who signed the name of the maker thereof to the within and foregoing instrument as its Holder in Fact (title) and acknowledged to me that George O. Mallon III (signor) executed the same as a free and voluntary act and deed and as the free and voluntary act and deed of said corporation/limited liability company, for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

My commission expires May 21 2014.



[Handwritten signature]

Notary Public

ACKNOWLEDGEMENT FOR THE STATE-LESSOR

STATE OF KANSAS)
COUNTY OF Sevier)

Before me the undersigned, a Notary Public in and for the county and state aforesaid, on this 28 day of October, 2013, personally appeared Paul D. Nelson, III of the State of Kansas, Department of Revenue to me personally known to be the identical person(s) who signed the name of the maker thereof to the within and foregoing instrument as its Director of Taxation and acknowledged to me that Paul D. Nelson, III (signor) executed the same as a free and voluntary act and deed and as the free and voluntary act and deed of the State of Kansas, Department of Revenue, for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

My commission expires May 01 2014



[Handwritten signature]

Notary Public

SCHEDULE
A

NOTICE: THE PRIMARY TERM AND OPTION PERIODS CANNOT EXCEED A
TOTAL OF FIVE (5) YEARS PURSUANT TO K.A.R. 92-9-2.

1. LESSOR: THE STATE OF KANSAS, DEPARTMENT OF REVENUE
2. LESSEE: CAPTIVA II INC
3. LEASED PREMISES – LEGAL DESCRIPTION

Arkansas Riverbed as it meanders through: Township 21 South, Range 16 West; Sections 25, 26, 34, 35 and 36. Township 22 South, Range 16 West; Sections 2, 3, 4, 5, 7, and 8, including Section 18 all in Pawnee County.

4. LEASE PRIMARY TERM: 3 YEARS

The Lease Primary Term effective date commences on the date of the
execution of this Lease by the last party

Lease Effective Date: October 08, 2013

5. LEASE PRIMARY TERM TERMINATION DATE:

The Lease Primary Term Termination Date is 3 years following the Lease
Effective Date.

Lease Termination Date: October 07, 2016

6. PRIMARY TERM NONREFUNDABLE BONUS, DRILLING DELAY RENT
AND EXPENSES: \$50,626.99

Pursuant to K.A.R. 92-9-2, the Lessee shall pay Lessor advanced delayed
drilling annual rent.

7. TOTAL OPTION PERIODS ALLOWED:

The Lease Primary Term may be extended two times.

A. FIRST OPTION PERIOD COMMENCEMENT DATE COMMENCES ON THE FIRST DAY FOLLOWING THE LEASE TERMINATION DATE AND TERMINATES ON THE SAME DAY OF THE 12th MONTH FOLLOWING THE FIRST OPTION PERIOD COMMENCEMENT DATE.

B. SECOND OPTION PERIOD COMMENCEMENT DATE COMMENCES ON THE FIRST DAY FOLLOWING THE LAST DAY OF THE FIRST OPTION PERIOD AND TERMINATES ON THE SAME DAY OF THE 12th MONTH FOLLOWING THE SECOND OPTION PERIOD COMMENCEMENT DATE.

8. EACH OPTION PERIOD BONUS AND DRILLING DELAY RENT (IF ANY):

A. First Option Period: \$16,800.00

B. Second Option Period: \$16,800.00

9. NOTICE:

A. LESSOR:

ADDRESS: DIRECTOR OF TAXATION
KANSAS DEPARTMENT OF REVENUE
DOCKING STATE OFFICE BUILDING
915 SW HARRISON STREET
TOPEKA, KANSAS 66612-1588

PHONE NUMBER: 785-296-5447

FAX: 785-296-4993

B. LESSEE:

ADDRESS: 445 UNION BLVD., SUITE 208
LAKEWOOD, CO 80228

PHONE NUMBER: 970-704-1737

FAX: 720-274-4685

10. INSURANCE:

Lessee shall at all times maintain in effect a policy or policies of insurance issued by an insurance company or companies authorized to do business in Kansas as set

forth below. In the event such insurance policy or policies are cancelled, Lessor may terminate this Lease, without prejudice to any other remedies.

A. General Requirements applicable to all policies.

- (i) Lessor, its officials, employees, agents and officers shall be endorsed as an "Additional Insured" to all policies except Employers Liability coverage under the Lessee's Workers Compensation policy.
- (ii) All policies shall be written on an occurrence basis except for Environmental Pollution Liability (Seepage and Pollution coverage) and Excess or Umbrella Liability, which may be on a claims-made basis.
- (iii) All policies shall be written by an insurer with an A VIII or better rating by the most current version of the A.M. Best Key Rating Guide or with such other financially sound insurance carriers acceptable to Lessor.
- (iv) Deductibles shall be listed on the Certificate of Insurance and shall be on a "per occurrence" basis unless otherwise stipulated herein.
- (v) Certificates of Insurance shall be delivered to Lessor, evidencing all the required coverages, including endorsements, prior to commencement of any operations on the Leased (or unitized) Premises. The Certificate shall specifically set forth the notice of cancellation, termination, or change in coverage provisions to the Lessor. All policies shall be endorsed to read "THIS POLICY WILL NOT BE CANCELLED OR NON-RENEWED WITHOUT THIRTY (30) DAYS ADVANCED WRITTEN NOTICE TO THE OWNER AND THE LESSOR EXCEPT WHEN THIS POLICY IS BEING CANCELLED FOR NONPAYMENT OF PREMIUM, IN WHICH CASE TEN (10) DAYS ADVANCE WRITTEN NOTICE IS REQUIRED".
- (vi) All policies shall be endorsed with a waiver of subrogation providing rights of recovery in favor of Lessor.
- (vii) Any failure on part of Lessor to request required insurance documentation shall not constitute a waiver of the insurance requirement specified herein.
- (viii) Each policy shall be endorsed to provide Lessor a minimum thirty-day notice of cancellation, non-renewal, and/or material change in policy terms or coverage. A ten days notice shall be acceptable in the event of non-payment of premium,

- (ix) During the Primary Term, and/or any exercised option period, of this Lease, Lessee shall report, in a timely manner, to Lessor any known loss occurrence which could give rise to a liability claim or lawsuit or which could result in a property loss.
- (x) Upon request, certified copies of all insurance policies shall be furnished to Lessor.
- (xi) The insurance set forth by the insurance company must be underwritten on forms that have been approved by the Kansas Insurance Department, or an equivalent policy form acceptable to the Lessor, with the exception of Environmental Pollution Liability and Control of Well coverage.

B. Standard Commercial General Liability Policy.

This coverage must include premises, operations, blowout or explosion, products, completed operations, sudden and accidental pollution, blanket contractual liability, underground resources damage, broad form property damage, independent contractor's protective liability and personal injury. This coverage shall be a minimum Combined Single Limit of \$10,000,000 per occurrence for Bodily Injury and Property damage.

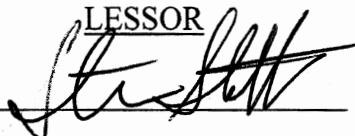
C. Excess or Umbrella Liability.

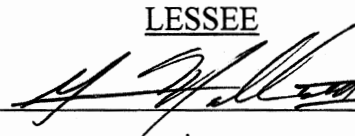
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| \$5,000,000 | Excess, if Lessee has a stand-alone Environmental Pollution Liability (EPL) policy. |
| \$10,000,000 | Excess, if Lessee does not have a stand-alone EPL policy. Coverage must include an endorsement for sudden or accidental pollution. If Seepage and Pollution coverage is written on a "claims made" basis, Lessee must maintain continuous coverage and purchase Extended Coverage Period Insurance when necessary. |

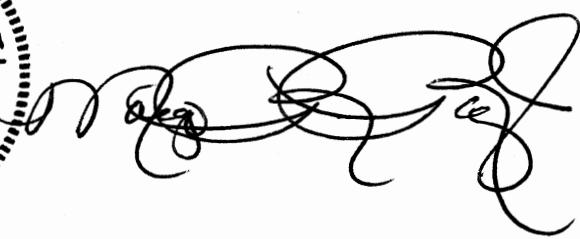
D. Environmental Pollution Liability Coverage.

- (i) Insurance for environmental pollution liability applicable to bodily injury, property damage, including loss of use of damaged property or of property that has not been physically injured or destroyed; cleanup costs; and defense, including costs and expenses incurred in the investigation, defense or settlement of claims; all in connection with any loss arising from the insured site. Coverage shall be maintained in an amount of at least \$10,000,000 per loss, with an annual aggregate of at least \$10,000,000.

- (ii) Coverage shall apply to sudden and accidental pollution conditions resulting from the escape or release of smoke, vapors, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste material or other irritants, contaminants or pollutants.
- (iii) Lessee shall maintain continuous coverage and shall purchase Extended Coverage Period insurance when necessary. The Extended Coverage Period insurance must provide that any retroactive date applicable to coverage under the policy precedes the date of this Lease.

By: LESSOR

 Title: Director of Taxation
 Date: 10-8-13

By: LESSEE

 Title: Financial Manager
 Date: 10-8-13

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



OIL & GAS LEASE

THIS AGREEMENT, Made and entered into the 23rd day of September, 2013

by and between:

PAWNEE COUNTY BOARD OF COMMISSIONERS
PAWNEE, CO., KANSAS,

By: **John C. Haas, Chairman of the Board**
Kathy Bowman, Commissioner
Donna Pelton, Commissioner
Pawnee County Courthouse
715 Broadway Avenue, 2nd Floor
Larned, Kansas 67550,

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Num AW
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OK AW

hereinafter called Lessor (whether one or more)

and: **CAPTIVA II, LLC** - 445 Union Boulevard - Suite 208 - Lakewood, CO 80228, hereinafter called Lessee:

Lessor, in consideration of the sum of **One Thousand and No/100 Dollars (\$1000.00)** 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 temporary housing and otherwise caring for its employees, the following described land, together with an reversionary rights and after-acquired interest, therein situated in County of **PAWNEE**, State of **Kansas** described as follows, to-wit:

A Tract of Land: Commencing 4681 ft (+/-) East of the NW Corner of Sec. 3, T22S-R16W, at a Junction of the North Line of said Sec. 3 and a Line Bearing South 87° West; thence West 19 ft.; thence South 30 ft. for a Point of Beginning, hereinafter referred to as (POB) and described as;

- **From (POB): Southwest on a line parallel and 30 ft. to the Left of Dike Center Line a distance of 3378 ft.**
- **Thence South 160 ft. to Left Bank of the Arkansas River.**
- **Thence Northeasterly along said river bank to its point of interception with heretofore described line bearing South 87° West**
- **Thence Northeasterly along this line a distance of 1095 ft.**
- **Thence West 19 ft. to (POB).**

containing **18.00** acres, more or less.

Subject to the provisions herein contained, this lease shall remain in force for a term of **Two (2) years**, (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:

- First: To deliver to the credit of Lessor, free of cost the equal of **Fifteen and one-half per cent (15.50%)** part of all oil produced and saved from the leased premises.
- Second: 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, **(15.50%)**, at the market price at the well, (but, as to gas sold by Lessee, in no event more than **(15.50%)** 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.

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 300 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.

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 the 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 tract contiguous to one another and to be in 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, 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 acreage, as if it were included in this lease. If production is realized from the pooled acreage, it shall be treated as if production is from this lease, whether the well or wells are located on the premises covered by this lease or not. In lieu of royalties elsewhere herein specified, Lessor shall receive from production, royalties from acreage so pooled, in only such portion of the royalty stipulated herein as to the amount of Lessor's acreage placed in such unit as this acreage bears to the total acreage so pooled in the particular unit involved.

In the event this lease is extended beyond the primary term, or any extension thereof, solely by production from a well in a unit which comprises a portion of the lands covered herein and with other lands, Lessee agrees to release all lands described on this lease that are not included in any such unit, one (1) year subsequent to the end of the primary term or extension thereof, if any.

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

It is further agreed by and between Lessor and Lessee, that in the event a unit well producing gas in commercial quantities is drill under the provisions of this lease, then in that event, 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 or rectangular form on contiguous acreage to the leased premises and Eighty (80) acres, in a square form on lands covered by this lease. Said gas unit shall consist of no more than One Hundred Sixty (160) contiguous acres in a square form, unless otherwise agreed to with Lessor's written consent. The 160 acre gas unit that may be formed hereunder, shall not be unitized or pooled with any other land if said gas well more than 660 feet from any boundary line of lands covered by this lease.

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

CAPTIVA II, LLC

BY: [Signature]
(Hugh M. Proffitt, Agent)

PAWNEE COUNTY COMMISSION

BY: [Signature]
(John C. Haas, Chairman of the Board)
[Signature]
(Kathy Bowman, Commissioner)
[Signature]
(Donna Pelton, Commissioner)

STATE OF KANSAS)
)
COUNTY OF PAWNEE)

§ ACKNOWLEDGMENT FOR INDIVIDUAL

Before me, the undersigned, a Notary Public, on this 23rd day of September, 2013, personally appeared: **John C. Haas, Chairman of the Pawnee County, Kansas Board of Commissioners; Kathy Bowman, Commissioner and Donna Pelton, Commissioner**, to me personally known to be the identical persons who executed the within and foregoing **Oil and Gas Lease**; and acknowledged to me that **they** executed the same as a free and voluntary act and deed for the uses and purpose therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

My Appointment Expires: 1-13-2014

[Signature]
Notary Public
Printed Name: RUTH M. SEARIGHT
Address: LARNED, KS 67550
(City & State)

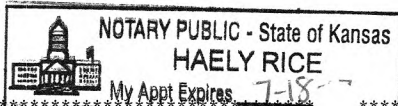
County of PAWNEE)
KANSAS)
State of COLORADO)

§ ACKNOWLEDGEMENT FOR INDIVIDUAL CORPORATION

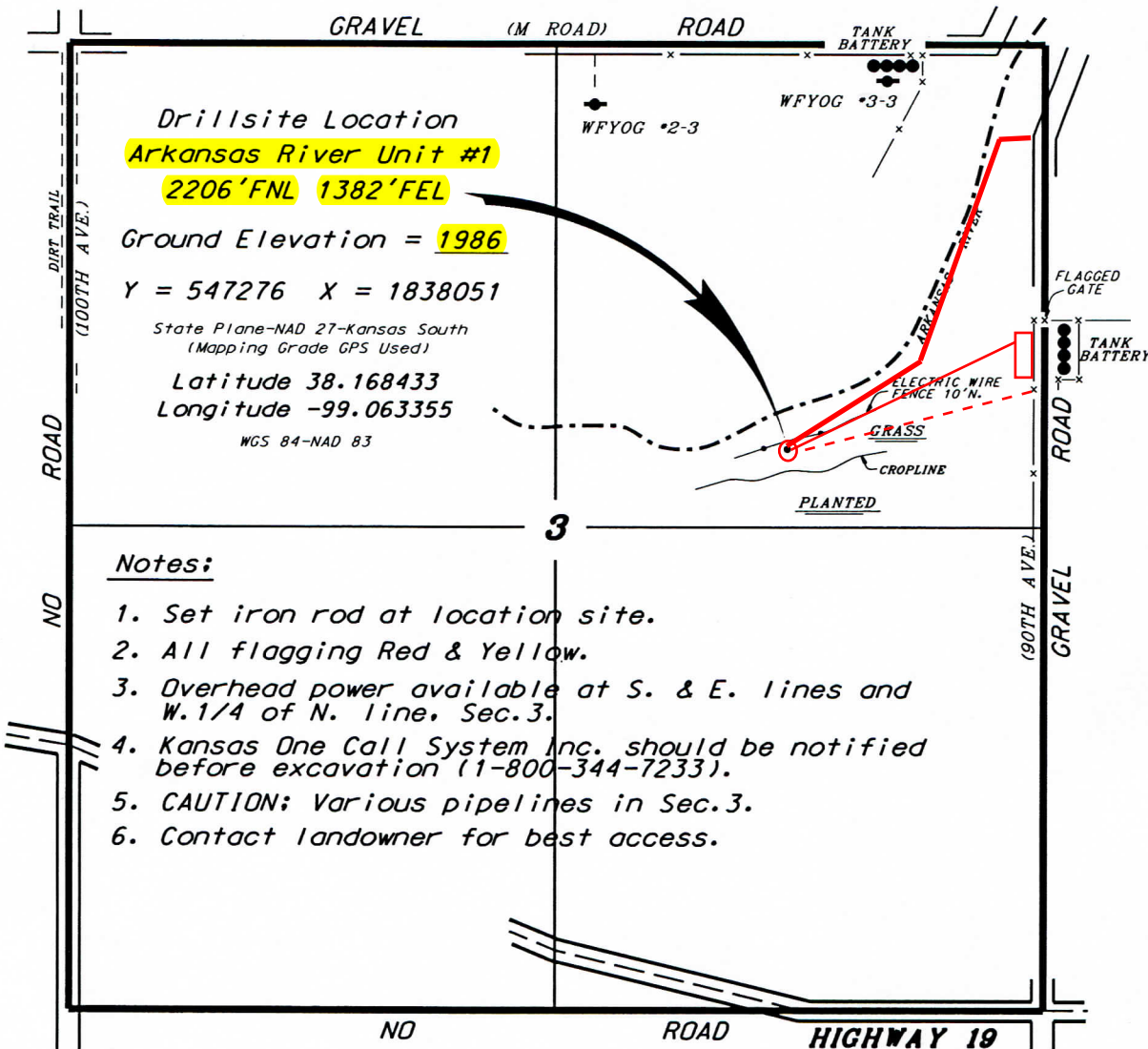
This instrument was acknowledged before me this 23rd day of September, 2013 By: Hugh M. Proffitt et al as AGENT FOR CAPTIVA II of CAPTIVA II, LLC, a Colorado Limited Liability Corporation, on behalf of the corporation.

My Appointment Expires 7-18-17

[Signature]
Notary Public
Printed name: Haely Rice
Address: Larned, Kansas
City & State



SHELBY RESOURCES, LLC
ARKANSAS RIVER LEASE
NE. 1/4, SECTION 3, T22S, R16W
PAWNEE COUNTY, KANSAS



Drillsite Location
Arkansas River Unit #1

2206'FNL 1382'FEL

Ground Elevation = 1986

Y = 547276 X = 1838051

State Plane-NAD 27-Kansas South
 (Mapping Grade GPS Used)

Latitude 38.168433

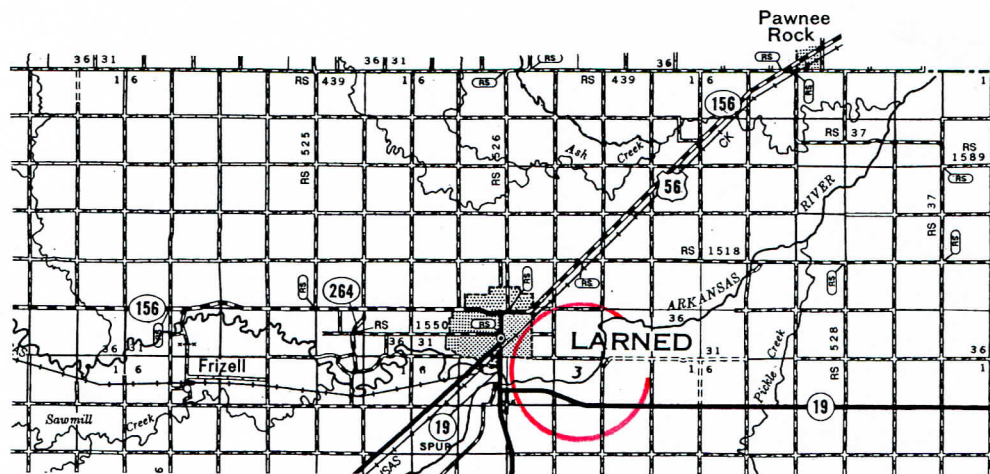
Longitude -99.063355

WGS 84-NAD 83

Notes:

1. Set iron rod at location site.
2. All flagging Red & Yellow.
3. Overhead power available at S. & E. lines and W. 1/4 of N. line, Sec. 3.
4. Kansas One Call System Inc. should be notified before excavation (1-800-344-7233).
5. CAUTION; Various pipelines in Sec. 3.
6. Contact landowner for best access.

*Ingress and egress to location as shown on this plat is for 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 plat 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 29, 2014**

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

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

December 02, 2014

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

Re: Drilling Pit Application
Arkansas River Unit 1-3
NE/4 Sec.03-22S-16W
Pawnee County, Kansas

Dear Chris Gottschalk:

District staff has inspected the location and has determined that an unsealed condition will present a pollution threat to water resources.

District staff has instructed that no earthen pits are to be used at this location. Steel pits are to be used. Please inform the Commission in writing as to which disposal well you utilized to dispose of the contents in the steel pits and the amount of fluid that was disposed. Please file form CDP-5 (August 2008), Exploration and Production Waste Transfer, within 30 days of fluid removal.

Should a haul-off pit be necessary please file form CDP-1 (April 2004), Application for Surface Pit, through KOLAR. This location will have to be inspected prior to approval of the haul-off pit application.

HAUL-OFF PIT APPLICATION FILING REQUIREMENTS

82-3-607.

DISPOSAL OF DIKE AND PIT CONTENTS.

(a)
pit

Each operator shall perform one of the following when disposing of dike or contents:

- (1) Remove the liquid contents to a disposal well or other oil and gas operation approved by the commission or to road maintenance or construction locations approved by the department;
- (2) dispose of reserve pit waste down the annular space of a well completed according to the alternate I requirements of K.A.R. 82-3-106, if the waste to be disposed of was generated during the drilling and completion of the well;

or

- (3) dispose of the remaining solid contents in any manner required by the commission. The requirements may include any of the following:
 - (A) Burial in place, in accordance with the grading and restoration requirements in K.A.R. 82-3-602 (f);
 - (B) removal and placement of the contents in an on-site disposal area approved by the commission;
 - (C) removal and placement of the contents in an off-site disposal area

on

lease

from

acreage owned by the same landowner or to another producing or unit operated by the same operator, if prior written permission from the landowner has been obtained; or

approved (D) removal of the contents to a permitted off-site disposal area
by the department.

(b) Each violation of this regulation shall be punishable by the following:

- (1) A \$1,000 penalty for the first violation;
- (2) a \$2,500 penalty for the second violation; and
- (3) a \$5,000 penalty and an operator license review for the third violation.

File Haul-Off Pit Application in KOLAR. Review the information below and attach all required documents to the pit application when submitting through KOLAR. This form will automatically generate and fill in from questions asked in KOLAR.

Haul-off pit will be located in an on-site disposal area: ___Yes ___No

Haul-off pit is located in an off-site disposal area on acreage owned by the same landowner: ___Yes ___No If yes, written permission from the land owner must be obtained. Attach written permission to haul-off pit application.

Haul-off pit is located in an off-site disposal area on another **producing** lease or unit operated by the same operator: ___Yes ___No If yes, written permission from the land owner must be obtained. Attach permission and a copy of the lease assignment that covers the acreage where the haul-off pit is to be located, to the haul-off pit application.