



1232677

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

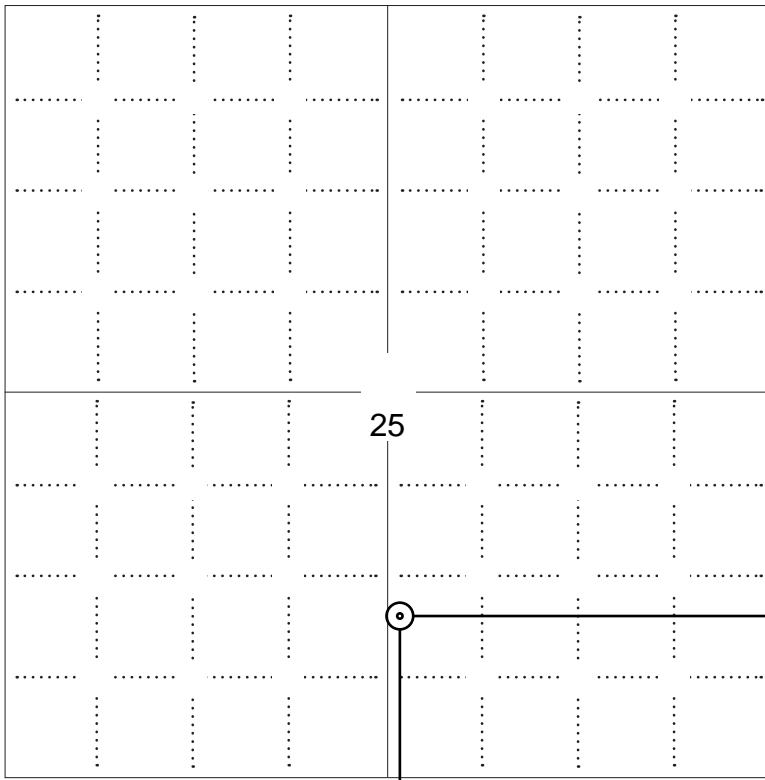
Is Section: Regular or Irregular

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

Section corner used: NE NW SE SW

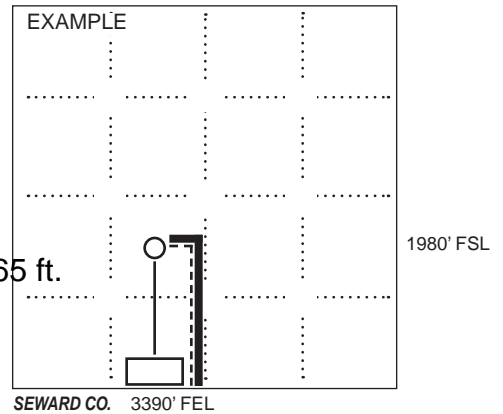
PLAT

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.

1106 ft.

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 1232677
OIL & GAS CONSERVATION DIVISION

Form CDP-1
May 2010
Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

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

KCC OFFICE USE ONLY

Liner Steel Pit RFAC RFAS

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



CERTIFICATION OF COMPLIANCE WITH THE KANSAS SURFACE OWNER NOTIFICATION ACT

This form must be submitted with all Forms C-1 (Notice of Intent to Drill); CB-1 (Cathodic Protection Borehole Intent); T-1 (Request for Change of Operator Transfer of Injection or Surface Pit Permit); and CP-1 (Well Plugging Application). Any such form submitted without an accompanying Form KSONA-1 will be returned.

Select the corresponding form being filed: C-1 (Intent) CB-1 (Cathodic Protection Borehole Intent) T-1 (Transfer) CP-1 (Plugging Application)

OPERATOR: License # _____
Name: _____
Address 1: _____
Address 2: _____
City: _____ State: _____ Zip: _____ + _____
Contact Person: _____
Phone: (_____) _____ Fax: (_____) _____
Email Address: _____

Well Location:
____ - ____ - ____ - ____ Sec. ____ Twp. ____ S. R. ____ East West
County: _____
Lease Name: _____ Well #: _____

If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:

Surface Owner Information:

Name: _____
Address 1: _____
Address 2: _____
City: _____ State: _____ Zip: _____ + _____

When filing a Form T-1 involving multiple surface owners, attach an additional sheet listing all of the information to the left for each surface owner. Surface owner information can be found in the records of the register of deeds for the county, and in the real estate property tax records of the county treasurer.

If this form is being submitted with a Form C-1 (Intent) or CB-1 (Cathodic Protection Borehole Intent), you must supply the surface owners and the KCC with a plat showing the predicted locations of lease roads, tank batteries, pipelines, and electrical lines. The locations shown on the plat are preliminary non-binding estimates. The locations may be entered on the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted.

Select one of the following:

- I certify that, pursuant to the Kansas Surface Owner Notice Act (House Bill 2032), I have provided the following to the surface owner(s) of the land upon which the subject well is or will be located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form CP-1 that I am filing in connection with this form; 2) if the form being filed is a Form C-1 or Form CB-1, the plat(s) required by this form; and 3) my operator name, address, phone number, fax, and email address.
- I have not provided this information to the surface owner(s). I acknowledge that, because I have not provided this information, the KCC will be required to send this information to the surface owner(s). To mitigate the additional cost of the KCC performing this task, I acknowledge that I must provide the name and address of the surface owner by filling out the top section of this form and that I am being charged a \$30.00 handling fee, payable to the KCC, which is enclosed with this form.

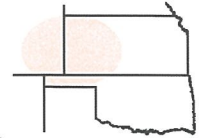
If choosing the second option, submit payment of the \$30.00 handling fee with this form. If the fee is not received with this form, the KSONA-1 form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-1 will be returned.

I Submitted Electronically

I



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



361525bar
 PLAT NO.

12244
 INVOICE NO.

Palomino Petroleum, Inc.

#1 Taylor-Harris

OPERATOR

LEASE NAME

Trego County, KS

25 15s 25w
 Sec. Twp. Rng.

1106' FSL - 2565' FEL

COUNTY

LOCATION SPOT

SCALE: **1" = 1000'**
 DATE: **Oct. 27th, 2014**
 MEASURED BY: **Ben R.**
 DRAWN BY: **Norby S.**
 AUTHORIZED BY: **Klee W.**

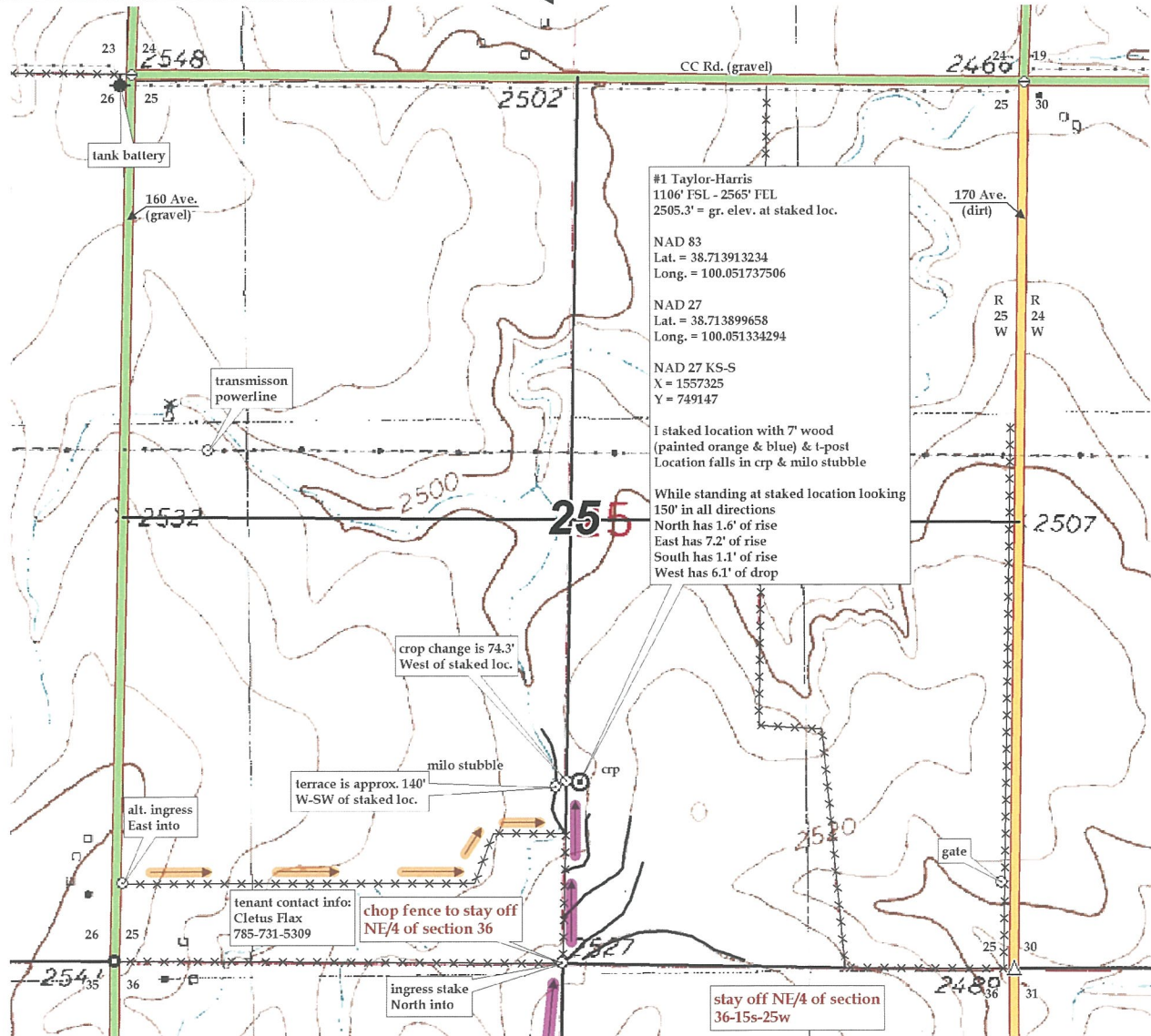


GR. ELEVATION: **2505.3'**

Directions: From the South side of Arnold, Ks at the intersection of Main St. and Hwy 4 – Now go 4 miles North on Main St. / K Rd. – Now go 0.4 mile West on EE Rd. – Now go 0.8 mile North on lease rd. – Now go approx. 1130' North through wheat stubble, which is 0.5 mile East of the SW corner of section 25-15s-25w and ingress stake North into – Now go approx. 1100' North through terraced crp, into staked location.

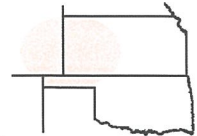
Final ingress must be verified with land owner or Operator.

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





Pro-Stake LLC
 Oil Field & Construction Site Staking
 P.O. Box 2324
 Garden City, Kansas 67846
 Office/Fax: (620) 276-6159
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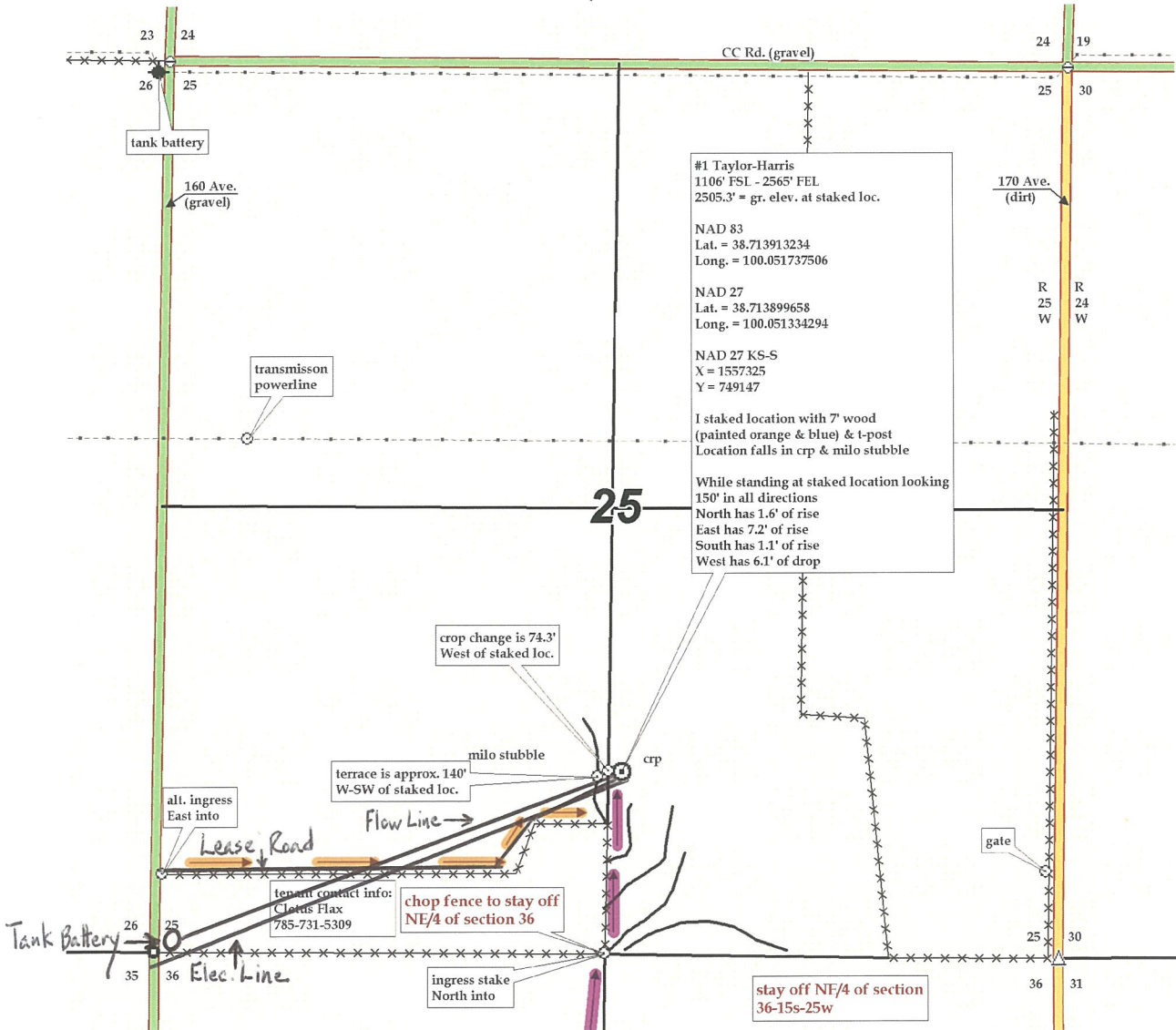


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CONSENT TO UNITIZE AGREEMENT

LESSOR: Dorothy F. Taylor, a single person

LESSEE: Palomino Petroleum, Inc.

ACREAGE: SE/4; SW/4 Section 25-15S-25W

COUNTY: TREGO COUNTY, KS

DATE: October 24, 2014

The undersigned hereby consent to unitize SE/4 Sec. 25-15S-25W (Trego County, KS) with SW/4 Sec. 25-15S-25W (Trego County, KS) in accordance with the base lease signed on August 29th, 2006 (Book 141, Pages 274-276).

Dorothy F. Taylor
Dorothy F. Taylor

11-12-14
Date

STATE OF ILLINOIS

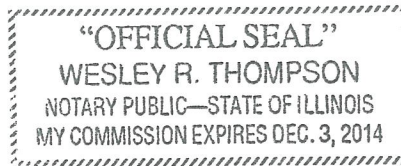
COUNTY OF Woodford

BE IT REMEMBERED, that on this 12 of November, 2014, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came Dorothy F. Taylor, a single person, personally known to me to be the identical person who executed the foregoing CONSENT TO UNITIZE AGREEMENT and acknowledge to me that she executed the same as her free and voluntary act and deed for the uses and purposes therein set forth.

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

Wesley R. Thompson
NOTARY PUBLIC -

My commission expires: 12/3/14



THIS AGREEMENT made and entered into this 10th day of April, 1987

by and between Arlyn C. Harris, Trustee for the Arlyn C. Harris Revocable Inter Vivos Trust, Jeffrey W. Harris, and Derrick D. Harris, Box 148, Beaver, Oklahoma 73932

lessor (whether one or more), and D. H. Carlson, 2843 South Wolff Street, Denver, Colorado 80236 lessee

WITNESSETH: That the lessor, for and in consideration of Ten and 00/100----- Dollars (\$ 10.00) in hand paid, the receipt and sufficiency of which is hereby acknowledged, and the covenants and agreements hereinafter contained, does hereby grant, demise, lease and let unto the said lessee, exclusively, its successors and assigns, the following described land for the purpose of carrying on geological, geophysical and other exploratory work, including core drilling, and the drilling, mining, operating for, producing and saving of oil, gas, gas condensate, gas distillate, casinghead gas, casinghead gasoline, and all other gases and their constituent parts, and other minerals produced in connection with oil and gas operations hereunder, or as a by-product of oil and gas, and the exclusive right of injecting water, brine and other fluids and substances into the subsurface strata, with rights of way and easements for laying pipe lines, telephone and telegraph lines, tanks, power houses, stations, ponds, roadways and other fixtures or structures for producing, treating and caring for such products, and any and all other rights and privileges necessary, incident to or convenient in the economical or efficient operation, alone or conjointly with other lands, of said land for the production of said products or substances and the erection of structures thereon to produce, save and take care of said products and substances and the injection of water, brine and other substances into the subsurface strata of said tract of land, together with any reversionary rights therein, said tract of land being situated in the County of Trego State of Kansas and described as follows, to-wit:

The Southwest Quarter (SW $\frac{1}{4}$)

of Section 25 Township 15 South Range 25 West together with all submerged lands, accretions, strips and pores adjacent or contiguous thereto and owned or claimed by the lessor, which land shall, for the purpose of calculating the amount of any money payment permitted or required by the terms of

this lease, be considered as containing exactly 160 acres, whether there is more or less. Three years from April 10, 1987

TO HAVE AND TO HOLD the same (subject to the other provisions herein contained) for a term of Three years from April 10, 1987 years from this date (hereinafter called "primary term") and as long thereafter as oil, gas, gas condensate, gas distillate, casinghead gas, casinghead gasoline, and other minerals may be produced from said lease premises or operations for the drilling or production thereof are continued as hereinafter provided.

- 1. In consideration of the premises, it is hereby mutually agreed as follows:
 - To deliver, free of cost, to the lessor at the well or to the credit of lessor into the pipe line to which lessee may connect its well, an equal one-eighth (1/8th) part of all oil produced and saved produced or at the lessee's option to pay to the lessor for such one-eighth (1/8th) the market price at the wellhead for oil of a like grade and gravity prevailing on the day such oil is run into the pipe line or storage tanks.
 - On gas, gas condensate, gas distillate, casinghead gas and all other gases, including their constituent parts, produced from said land and sold or used off the lease premises or in the manufacture of gasoline or other products, lessee shall pay to lessor a sum equal to one-eighth (1/8th) of the gross proceeds received from the sale of such produced substances where the same is sold at the mouth of the well or, if not sold at the mouth of the well, then one-eighth (1/8th) of the market value thereof at the mouth of the well, but in no event more than one-eighth (1/8th) of the actual amount received by lessee for the sale thereof.
 - If gas from any well or wells on the premises capable of producing gas in commercial quantities is not sold or used off the premises or in the manufacture of gasoline for a period of one (1) year or more during which time there is no other production from the lease premises, then lessee shall become obligated to pay as royalty for such annual period a sum equal to the delay rentals provided in paragraph number 6 hereof, whether during or after the primary term. In consideration of the obligation so to pay, it shall within the meaning of all the terms of this lease, including the habendum clause, be conclusively deemed that gas is being produced from the premises during the time such gas is not sold or used.
 - On all other minerals produced and marketed, lessee shall pay one-eighth (1/8th) of the current market price at the mouth of the well, but in no event more than one-eighth (1/8th) of the actual amount received by the lessee.
 - If any gas well on the lease premises produces dry gas in excess of that needed for operations hereunder, lessor shall have the privilege, at his sole risk, cost and expense, of using such surplus gas for stoves and inside lights in the principal dwelling located upon the lease premises. Notwithstanding any of the provisions aforesaid, lessee shall have free use of oil, distillate, condensate, gas, casinghead gas, casinghead gasoline and all other petroleum products, water and other minerals and materials from the lease premises, except water from lessor's wells and tanks, for all operations hereunder.
 - If operations for the drilling of a well for oil or gas are not commenced on the lease premises on or before one (1) year from the date hereof, then this lease, except as otherwise provided, shall terminate as to both parties unless the lessee, on or before that date, shall pay or tender to lessor or to lessor's credit in the Bank of Beaver City Beaver, Oklahoma 73923 (or to any bank designated in writing by lessor whether or not such written designation is recorded), or its successor or successors, which bank and its successors are lessor's agents and shall continue as the depository bank regardless of changes in the ownership of said land or the right to receive rentals, the sum of One Hundred Sixty & 00/100----- Dollars (\$ 160.00).

which shall operate as a rental and cover the privilege of deferring the commencement of operations for the drilling of said well for a period of one (1) year from said date. In a like manner and upon like payments or tenders, the commencement of operations for the drilling of said well may be further deferred for like periods successively. It is understood and agreed that the consideration first recited herein, the down payment, covers all the privileges, options and other matters provided for in this lease. 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, as to any or all horizons, and thereby surrender the lease as to such portion or portions of the premises before or on the next ensuing rental paying date. Where a part or portion of this lease is released as to all horizons, then rentals thereafter payable hereunder may be reduced in the proportion that the acreage covered by this lease is reduced by said release or releases. Payment or tender of rental may be made by draft or check of the lessee, transmitted, delivered or mailed to the authorized depository bank or to the lessor at his last known address (as shown by lessee's records) on or before the rental date, and the payment or tender shall be deemed to have been made when the check or draft is so transmitted, delivered or mailed.

7. It is expressly agreed that if lessee shall commence operations for the drilling of a well at any time while this lease is in force, this lease shall remain in force and its term shall continue for so long as such operations are prosecuted and, if production results therefrom, then so long as such production may continue. Should the first well drilled on the above described land be dry, then production, then and in that event if a second well is drilled and production therefrom commences within twelve (12) months following the expiration of the last rental period for which rental has been paid (or within twelve (12) months from the first anniversary of this lease if such well is drilled during the first year of the primary term), this lease shall terminate as to both parties unless the lessee on or before the expiration of said twelve (12) months shall resume or commence the payment of rentals in the same amount and in the same manner as provided. If within the primary term of this lease, production on the lease premises shall cease from any cause (other than a cessation contemplated in paragraph 3), this lease shall not terminate provided lessee resumes or commences the drilling or reworking of a well within ninety (90) days from the date of such cessation, and this lease shall remain in force and effect during the prosecution of such operations, and if production results therefrom, then as long as such production or operations are continued or resumed. If after the expiration of the primary term of this lease, production on the lease premises shall cease from any cause (other than a cessation contemplated in paragraph 3), this lease shall not terminate provided lessee resumes or commences the drilling or reworking of a well within ninety (90) days from the date of such cessation, and this lease shall remain in force and effect during the prosecution of such operations, and if production results therefrom, then as long as such production or operations are continued or resumed.

8. Where required by lessor, lessee shall bury all pipe lines below ordinary plow depth in cultivated land. Lessee shall pay lessor for damages caused by lessee's operations to all cultivated crops growing on said land. Lessee shall have the right, but shall not be obligated, at any time, either before or after expiration of this lease, to remove all fixtures and other property placed by lessee on the lease premises, including the right to draw and remove all casing, any structures and facilities placed on the lease premises by lessee for operations hereunder and any well or wells on the lease premises drilled or used for the injection of salt water or other fluids may also be used for lessee's operation on other lands in the same area; the right to so use such facilities may be continued beyond the term of this lease by payment in advance of the sum of One Hundred Dollars (\$100.00) per year. No well shall be drilled or used for any purpose or to burn upon the premises without the consent of lessor.

9. Lessee is granted the right, from time to time while this lease is in force, to pool into a separate operating unit or units all or any part of the land covered by this lease with other land, lease or leases, or interest therein (whether such other interests are pooled by a voluntary agreement on the part of the owners thereof or by the exercise of a right to pool by the lessee thereof), when in lessee's judgment it is necessary or advisable in order to promote conservation, to properly develop or operate the land and interests to be pooled, or to obtain a multiple production allowable based on acreage per well, then any such unit may embrace as much additional acreage as may be so prescribed or as may be permitted in the absence of such pooling, would be placed to the credit of lessor from production from the land and interests included in the pooled area as the amount of the surface acreage in the land covered by this lease which is placed in the pooled area bears to the amount of the surface acreage of the entire pooled area. Nothing herein contained shall authorize or effect any transfer of any title to any leasehold, royalty or other interest pooled pursuant hereto. The commencement of a well, the conduct of other drilling operations, the completion of a well or of a dry hole, or an operation of producing well on the pooled area, shall be considered for all purposes (except for royalty purposes) the same as if said well were located on, or such drilling operations were conducted upon, the lands covered by this lease whether or not such pooling is in effect. If such drilling operations are being conducted thereon by any lands. Lessee may terminate any pooling effected pursuant hereto at any time the pooled unit is not capable of producing and no drilling operations are being conducted thereon by any pooling and filing of record in the county or counties in which the pooled area is located a written declaration of the termination of such pooling, provided that the pooling of all interests not comprising a part of such pooled unit be also terminated in some effective manner.

10. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to their heirs, successors and assigns, but no charge or division of interests shall be made, and no interest shall be construed so as to enlarge or increase the obligations or burdens of the lessee, or diminish its rights. Specifically, but not by way of limitation of the foregoing, the lessee shall not be required to offset wells on separate tracts into which the land covered by this lease may hereafter be divided, or to furnish separate measuring or receiving tanks. Notwithstanding any actual or constructive knowledge of or notice to the lessee, no change in the ownership of said land or the right to receive rentals or royalties hereunder, or any interest therein, however accomplished, shall be binding on the lessee (except at lessee's option until thirty (30) days after lessee has been furnished with written notice thereof, together with the supporting information hereinafter referred to, by the party claiming as the result of such change in ownership or interest payment of rentals made hereunder shall be supported by original or certified copies of all recorded documents and other instruments or proceedings necessary in lessee's opinion to establish the ownership of the claiming party. All advance payments of rentals made hereunder shall be supported by original or certified copies of all recorded documents and other instruments or proceedings necessary in lessee's opinion to establish the ownership of the claiming party. All advance payments of rentals made hereunder shall be supported by original or certified copies of all recorded documents and other instruments or proceedings necessary in lessee's opinion to establish the ownership of the claiming party. All advance payments of rentals made hereunder shall be supported by original or certified copies of all recorded documents and other instruments or proceedings necessary in lessee's opinion to establish the ownership of the claiming party.

11. In the event lessor considers that the lessee has failed to comply with any obligation hereunder, express or implied, lessor shall notify lessee in writing, specifying in what respect lessor claims lessee has breached this lease. The service of such notice and filing of sixty (60) days without lessee meeting or complying to meet the alleged breach shall be a condition precedent to any action by lessor for any cause. If, within sixty (60) days after the receipt of such notice lessee shall meet or commence to meet the breaches alleged by lessor, lessee shall not be deemed in default hereunder.

12. If lessor owes a less interest than the entire fee or mineral estate (whether or not a lesser interest is stated above), the rentals and royalties herein provided shall be paid to lessor only in the proportion that his interest bears to the entire fee or mineral estate. If, however, during the term of this lease any reversion of interest to lessor should occur, then and in that event on the next succeeding rental anniversary after lessor shall have notified lessee of the occurrence of such reversion and shall have furnished lessee with satisfactory proof thereof, the rental shall be increased to cover the additional interest so acquired by the lessor.

13. All provisions hereof express or implied shall be subject to all federal and state laws and the orders, rules and regulations of all governmental agencies administering the same (interpretations thereof by such agencies or courts having jurisdiction), and this lease shall not in any way be terminated wholly or partially nor shall the lessee be liable in damages for failure to comply with any of the express or implied covenants hereof if such failure is caused by any such laws, orders, rules or regulations or interpretations thereof by said agencies or courts having jurisdiction. If lessee should be prevented during the last six (6) months of the primary term hereof from drilling a well hereunder by the order of any duly constituted authority having or asserting jurisdiction thereover, or if lessee should be unable during said period to drill a well hereunder due to equipment necessary in the drilling or completion thereof not being available from any cause, the primary term of this lease shall continue until six (6) months after said order is suspended and/or said equipment is available.

14. This lease and all of its terms and conditions shall be binding upon all successors of the lessors and the lessees. Should any one or more of the parties above named as lessors fail to execute this lease, it shall nevertheless be binding upon all lessors who do execute it. Notwithstanding any language herein to the contrary, it is expressly understood and agreed that any payment or payments made by the lessee to the owner of any interest subject to this lease shall be sufficient payment hereunder as to such interest notwithstanding the joinder herein of the spouse of any such party, as a party-lessor for the purpose of making homestead, dower or inchoate rights of inheritance, if any.

15. Lessor hereby warrants and agrees to defend the title to the land above described and agrees that the lessee shall have the right at any time to redeem for lessor, by payment, any mortgage, lease or other liens on the above described land in the event of default of payment by the lessor and the lessee shall be subrogated to the rights of the holder thereof, and lessor hereby agrees that any such payments made by the lessee for the lessor may, at lessee's option, be deducted from any amounts of money which may become due or payable to the lessor under the terms of this lease.

IN WITNESS WHEREOF, we sign this as of the day and year first above written.

See Exhibit "A" attached hereto and made a part of by reference herein.
Arlyn C. Harris
Arlyn C. Harris, Trustee for the Arlyn C. Harris Revocable Inter Vivos Trust
Jeffrey W. Harris
Jeffrey W. Harris
Derrick D. Harris
Derrick D. Harris

STATE OF Oklahoma
COUNTY OF Beaver ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)
The foregoing instrument was acknowledged before me this 13th day of May, 1987
by Arlyn C. Harris, Jeffrey W. Harris and Derrick D. Harris

My commission expires October 10, 1990
Carol Stapp
Notary Public
Carol Stapp

STATE OF _____
COUNTY OF _____ ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)
The foregoing instrument was acknowledged before me this _____ day of _____, 19____
by _____ and _____

My commission expires _____
Notary Public

STATE OF _____
COUNTY OF _____ ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)
The foregoing instrument was acknowledged before me this _____ day of _____, 19____
by _____ and _____

My commission expires _____
Notary Public

STATE OF _____
COUNTY OF _____ ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)
The foregoing instrument was acknowledged before me this _____ day of _____, 19____
by _____ and _____

My commission expires _____
Notary Public

No. _____
OIL AND GAS LEASE
FROM _____
TO _____
Date _____, 19____
Section _____ Twp. _____ Rgn. _____
No. of Acres _____ Term _____
County _____
STATE OF Kansas
County Trego
This instrument was filed for record on the 15th
day of June, 1987.
at 10:00 o'clock A. M., and duly recorded
in Book A94 Page 269 of
the records of this office.
Steve M. Ruempel
Register of Deeds.
By: Josephine A. Marney, Deputy
When recorded, return to
D. H. CARLSON
2843 SO. WOLFF
DENVER, CO 80236

STATE OF _____
COUNTY OF _____ ACKNOWLEDGMENT FOR CORPORATION (KsOkCoNe)
The foregoing instrument was acknowledged before me this _____ day of _____, 19____
by _____
of _____ a _____
corporation, on behalf of the corporation.

My commission expires _____
Notary Public

EXHIBIT "A"

The following provisions are part of this Oil and Gas Lease and if there be conflict between these provisions and any of the foregoing provision, then the following provisions shall apply and take precedence:

A. All gas constituting the share of the Lessor, except that part which the Lessor may take in kind for irrigation or other purposes, shall be delivered into a pipeline at the well head, free of cost to the Lessor.

B. Lessor shall have the privilege, at the risk and expense of said Lessor, of using gas from any gas well on said land or from any gas well on land with which said above described land is unitized, pooled or spaced for stoves and lights in the principal dwelling and in other buildings on the premises if used in conjunction with his farming or ranching operations, including yard lights, free of charge.

C. After the expiration of this Lease, Lessee shall remove any property and fixtures on leased premises within one year after such expiration, and shall reasonably restore the premises to the condition existing as of the date of execution of this Lease, and that any abandoned oil or gas well shall be properly and carefully plugged and sealed under the laws of this State and under the rules and regulations of the State Agency having authority thereof (this shall include proper and careful sealing and closing of "Dry Holes"), all done in such manner as to prevent the pollution of fresh water strata by salt water or by escaping oil or gas, from a lower strata.

D. The right of the Lessor or the Surface Owner of said land, to follow the usual pursuits of farming and ranching and practices usual thereto, including irrigation farming and terracing on said land shall not be infringed upon by Lessee, except as it may be reasonably necessary for proper depth so farming and ranching operations including irrigation farming and terracing may be safely performed.

E. In the event this Lease is extended beyond its initial primary term, then at the end of two years from the expiration date of said primary term, Lessee agrees to release this Lease as to all rights in any formation, horizon or zone from which oil or gas in commercial quantities is not being produced.

F. In the event of oil or gas production being had in paying quantities on adjacent land, Lessee agrees to drill such offset wells as a reasonably prudent operator would drill under the same or similar circumstances to protect the leased premises from drainage.

G. Lessee may not use fresh water obtained from or under this land for the purpose of repressuring, pressure maintenance, cycling or for secondary recovery operations without express written consent of the surface owners of said above described land.

H. Lessee shall be liable and agrees to pay for all damages to the range (including grass), livestock, crops and improvements on said land, caused by Lessee's operations on said land, and agrees to pay a minimum of \$ 5,000.00 as location damages for each well drilled on said land, and a minimum of \$ 25.00 per rod for any pipeline crossing damages for pipelines constructed by Lessee whether connecting to the well on the premises or not.

I. ROYALTY GAS FOR IRRIGATION: Lessor shall have the right to take, in kind, in lieu of money royalty, gas produced from any gas well drilled on the land herein described or on any land with which it is unitized, solely for use as fuel to pump water for irrigation of crops grown on the land herein described or on other lands farmed by Lessor; which right shall be subject to the following terms and conditions:

(1) The quantity of gas taken shall not exceed the fraction of gas produced each year which Lessor is entitled to receive as royalty from the gas produced from such well, and a corresponding reduction shall be made in gas royalty payments payable under the terms of this Lease.

EXHIBIT "A" - PAGE TWO

(2) Any gas so received by Lessee shall be taken by Lessor at or near the mouth of the well at a point selected by Lessee. All equipment necessary for the taking and measurement of such gas and its transportation to the place of places of consumption shall be supplied, installed and operated at the sole risk and expense of Lessor.

(3) The equipment and facilities used in the taking, measurement and transportation of such gas and the utilization and operations thereof shall be at all times in compliance with all reasonable current requirements of Lessee.

(4) Nothing herein contained shall impair any right Lessee would otherwise have to determine the quantity of gas it shall produce at any particular time; and the taking, transportation and use of such gas shall be without interference with or danger to Lessee's property or its rights and operations under this Lease.

J. In case of actual production, royalty payments in any events, shall not be less than the equivalent of \$ 5.00 per acre per year, in any one year, on the net mineral acres owned by Lessor and covered by this Lease. Provided, however, that this provision shall be a covenant for the payment of royalty only, and shall in no way serve to extend the term of this Lease beyond the term otherwise provided for herein.

K. Lessee, its successors or assigns, agree to make diligent effort to secure the best terms available for the sale of gas from the leased lands. Lessee shall upon request by Lessor make available to Lessor copies of all gas purchase contracts, supplemental agreements or amendments there- to which govern the price to be received for oil, natural gas, gas condensate to their constituent by-products produced under the terms of this Lease.

Lessor reserves the right to designate the direction and location of every road or roadway on the premises and no road, roadway or easement shall constructed, laid or in any manner laid to and from any well location or drillsite except as may be so designated by Lessor, provided only that such road shall upon the request of Lessee be so designated and the width thereof shall be sufficient for normal operations.

In the event that production is secured and a tank battery installation is necessary, Lessor reserves the right to designate the location of the tank battery and applicable equipment pertaining thereto so as to interfere as little as possible with Lessor's irrigation of the premises. It is the intention of the parties hereto to reduce the amount of land used by the Lessee to a minimum.

L. In addition to their proportionate part of the landowners royalty, Lessors reserve unto themselves an additional 1/16 of 8/8ths Overriding Royalty (0.625 net Revenue Interest).

NOTICE

Nearest Lease or Unit Boundary Line

K.A.R. 82-3-108 provides that all oil and gas well locations must comply with setback requirements, unless an exception has been granted by the Commission. Depending upon whether the subject well is an oil well or gas well, and also depending upon the county in which the well is located, the setback may be 330 feet or 165 feet from the nearest lease or unit boundary.

This Intent to Drill (“C-1”) form indicates that the distance between the well and the nearest lease or unit boundary will comply with the setback requirement. Accordingly, the C-1 has been approved. However, the C-1 also stated that the well location is very near a boundary line of a Section or a Quarter-Section. This notice is being sent as a courtesy reminder, in case an error was made on the C-1.

As the operator of the proposed well, you must independently verify that the proposed well location complies with the applicable regulatory setback. If at any time it should appear that a well does not comply with the regulatory setback, the well may be subject to being shut-in pending Commission approval of an application for a well location exception. In addition, if such an application is not granted by the Commission, you may be required to plug the well.

If the proposed well location will comply with the regulatory setback, this notice may be disregarded. Please contact the KCC Production Department with any questions or concerns.