

Well will not be drilled or Permit Expired Date: _

Signature of Operator or Agent:

For KCC	Use:			
Effective Date:				
District #				
SGA?	Yes No			

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

Form C-1 March 2010 Form must be Typed Form must be Signed All blanks must be Filled

NOTICE OF INTENT TO DRILL

Expected Spud Date:	Spot Description:
month day year	
DPERATOR: License#	(0/0/0/0) feet from N / S Line of Section
Vame:	feet from E / W Line of Section
Address 1:	Is SECTION: Regular Irregular?
Address 2:	(Note: Locate well on the Section Plat on reverse side)
City:	County:
Contact Person:	Lease Name: Well #:
hone:	Field Name:
ONTRACTOR: License#	Is this a Prorated / Spaced Field?
lame:	Target Formation(s):
Well Drilled For: Well Class: Type Equipment:	Nearest Lease or unit boundary line (in footage):
Oil Enh Rec Infield Mud Rotary	Ground Surface Elevation:feet MS
Gas Storage Pool Ext. Air Rotary	Water well within one-quarter mile:
Disposal Wildcat Cable	Public water supply well within one mile:
Seismic ; # of Holes Other	Depth to bottom of fresh water:
Other:	Depth to bottom of usable water:
If OWNAYO, and well information on fallows.	Surface Pipe by Alternate: III
If OWWO: old well information as follows:	Length of Surface Pipe Planned to be set:
Operator:	Length of Conductor Pipe (if any):
Well Name:	Projected Total Depth:
Original Completion Date: Original Total Depth:	Formation at Total Depth:
irectional, Deviated or Horizontal wellbore?	Water Source for Drilling Operations:
Yes, true vertical depth:	Well Farm Pond Other:
Bottom Hole Location:	DWR Permit #:(Note: Apply for Permit with DWR)
(CC DKT #:	Will Cores be taken?
	If Yes, proposed zone:
	ID ALVIT
	IDAVIT
he undersigned hereby affirms that the drilling, completion and eventual plug	iging of this well will comply with K.S.A. 55 et. seq.
is agreed that the following minimum requirements will be met:	
A - N - CC - Cb	
Notify the appropriate district office <i>prior</i> to spudding of well;	429P
2. A copy of the approved notice of intent to drill shall be posted on each	0 0 .
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Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202



SEWARD CO. 3390' FEL

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:_			Location of V	Vell: County:
Lease:				feet from N / S Line of Section
Well Number	er:			feet from E / W Line of Section
Field:			Sec	Twp S. R
	Acres attributable to well: QTR/QTR of acreage:		is section.	Regular or Irregular
				Irregular, locate well from nearest corner boundary. er used: NE NW SE SW
		•		dary line. Show the predicted locations of sas Surface Owner Notice Act (House Bill 2032). ired.
				LEGEND
	: : :	:	: : :	LEGEND
	: :	: : :	: :	O Well Location
				Tank Battery Location
				—— Pipeline Location
				Electric Line Location
				Lease Road Location
	: :		······	
2390 ft				EXAMPLE : :
	: :	· · · · · ·	· · ·	
		25		
	: :	:	:	
	: :	: :	: :	
		`		1980' FSL
		·· ········ ·· ·· ·· ·· ·· ·· ·· ·· ··		

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 OIL & GAS CONSERVATION DIVISION

239833

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: Emergency Pit Burn Pit Settling Pit Drilling Pit Workover Pit Haul-Off Pit (If WP Supply API No. or Year Drilled) Is the pit located in a Sensitive Ground Water A		Existing nstructed: (bbls)	SecTwpR East WestFeet from North / South Line of SectionFeet from East / West Line of SectionCounty Chloride concentration: mg/l(For Emergency Pits and Settling Pits only)	
Is the bottom below ground level?	Artificial Liner? Yes N	No	How is the pit lined if a plastic liner is not used?	
Pit dimensions (all but working pits):Length (fe			Width (feet)	
If the pit is lined give a brief description of the li material, thickness and installation procedure.	illel		dures for periodic maintenance and determining any special monitoring.	
Distance to nearest water well within one-mile of	of pit:	Depth to shallo Source of infor	west fresh water feet. mation:	
feet Depth of water well	feet	measured	well owner electric log KDWR	
Emergency, Settling and Burn Pits ONLY:		Drilling, Work	over and Haul-Off Pits ONLY:	
Producing Formation:		Type of materia	al utilized in drilling/workover:	
Number of producing wells on lease:		Number of world	king pits to be utilized:	
Barrels of fluid produced daily:		Abandonment	procedure:	
Does the slope from the tank battery allow all spilled fluids to flow into the pit? Yes No		Drill pits must b	be closed within 365 days of spud date.	
Submitted Electronically				
	KCC	OFFICE USE O	NLY Liner Steel Pit RFAC RFAS	
Date Received: Permit Num	ber:	Permi	it Date: Lease Inspection: Yes No	



Kansas Corporation Commission Oil & Gas Conservation Division

1239833

Form KSONA-1
January 2014
Form Must Be Typed
Form must be Signed
All blanks must be Filled

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 #	Well Location:		
Name:	SecTwpS. R East West		
Address 1:	County:		
Address 2:	Lease Name: Well #:		
City:	9 · · · · · · · · · · · · · · · · · · ·		
Contact Person:	the lease below:		
Phone: () Fax: ()			
Email Address:			
Surface Owner Information:			
Name:	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		
Address 1:			
Address 2:			
City:			
the KCC with a plat showing the predicted locations of lease roads, tar are preliminary non-binding estimates. The locations may be entered a Select one of the following: I certify that, pursuant to the Kansas Surface Owner Notice owner(s) of the land upon which the subject well is or will be CP-1 that I am filing in connection with this form; 2) if the form form; and 3) my operator name, address, phone number, fax, I have not provided this information to the surface owner(s). I KCC will be required to send this information to the surface of task, I acknowledge that I must provide the name and address that I am being charged a \$30.00 handling fee, payable to the	acknowledge that, because I have not provided this information, the owner(s). To mitigate the additional cost of the KCC performing this is of the surface owner by filling out the top section of this form and KCC, which is enclosed 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 CF Submitted Electronically	- I wiii be returnea.		
T.			

LL88.1 Form 88 (producers) Rev. 1-83 (Paid-up)

OIL AND GAS LEASE

Kans. - Okla. - Colo.

THIS AGREEMENT, Entered into this 9th day of February, 2012 by and Between Gilbert Nickel and Linda Nickel, husband and wife, whose mailing address is 224 West 2th, Center, Colorado 81125, hereinafter called Lessor, and Comanche Exploration, LLC of 14860 Montfort Dr., Ste 209, Dallas, TX 75254 hereinafter called Lessoe, does witness:

1. That Lessor, for and in consideration of the sum of Ten and other consideration (\$10.00) Dollars in hand paid and of the covenants and agreements hereinafter contained to be performed by the lessee, has this day granted, leased, and let and by these presents does hereby grant, lease, and let exclusively unto the Lessee the hereinafter described land, with any reversionary rights therein, and with the right to unitize this lease or any part thereof with other oil and gas leases as to all or any part of the lands covered thereby as hereinafter provided, for the purpose of carrying on geological, geophysical and other exploratory work thereon, including core drilling and the drilling, mining, and operating for, producing and saving all of the oil, gas, gas condensate, gas distillate, casinghead gasoline and their respective constituent vapors, and all other gases, found thereon, the exclusive right of injecting water, brine, and other fluids and substances into the subsurface strata and for constructing roads, laying pipe lines, building tanks, storing oil, building power stations, electrical lines and other structures thereon necessary or convenient for the economical operation of said land alone or conjointly with neighboring lands, to produce, save, take care of, and manufacture all of such substances, and the injection of water, brine, and other substances into the subsurface strata, said tract of land being situated in the County of Haskell State of Kansas and described as follows:

Township Twenty-Eight (28) South, Range Thirty-One (31) West Section 25: North Half (N/2)

Containing 320 acres, more or less, ("Leased Premises").

- 2. This lease shall remain in force for a term of three (3) years (called "primary term") and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of the products covered by this lease is or can be produced.
- 3. The Lessee shall deliver to Lessor as royalty, free of cost, on the lease, or into the pipeline to which Lessee may connect its wells the equal One-sixth (1/6) part of all oil produced and saved from the leased premises, or at the Lessee's option may pay to the Lessor for such 1/6th royalty the market price at the wellhead for oil of like grade and gravity prevailing on the day such oil is run into the pipeline or into storage tanks.
- 4. The Lessee shall pay to the Lessor, as a royalty, one-sixth (1/6) of the proceeds received by the Lessee at the mouth of the well from the sale of gas, gas condensate, gas distillate, casinghead gas, gas used for the manufacture of gasoline or any other product, and all other gases, including their constituent parts, produced from the land herein leased, less a proportionate part of the production, severance and other excise taxes, conversation fees, and the costs incurred by Lessee in processing, gathering, treating, compressing, dehydrating, transportation, and marketing, or otherwise making such gas or other substances ready for sale or use. If such gas is not sold by the Lessee, Lessee may pay or tender annually at or before the end of each yearly period during which such gas is not sold, as a shut-in royalty, whether one or more wells, an amount equal to ten dollars (\$10.00) per net mineral acre, and while said shut in royalty is so paid or tendered, it will be considered under all provisions of this lease that gas is being produced in paying quantities. The first yearly period during which such gas is not sold shall begin on the date the first well is completed for production of gas
 - 5. This lease is a paid-up lease and may be maintained during the primary term without further payments or drilling operations.
- 6. In the event said Lessor owns a lesser interest in the above described land than the entire and undivided fee simple estate therein then the royalties herein provided for shall be paid to said Lessor only in the proportion which his interest bears to the whole and undivided fee; however, in the event the title to any interest in said land should revert to Lessor, or his heirs, or his or their grantee, this lease shall cover such reversion.
- 7. The Lessee shall have the right to use, free of cost, gas and oil found on said land for its operations thereon. The Lessee shall bury its pipe lines below plow depth and shall pay for damage caused by its operations on said land. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of the Lessor. Lessee shall have the right at any time during, or after the expiration of this lease to remove all machinery fixtures, houses, buildings and other structures placed on said premises, including the right to draw and remove all casing.
- 8. 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 the heirs, devisees, executors, administrators, successors, and assigns, but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee, and no change of ownership in the land or in the royalties or any sum due under this lease shall be binding on the Lessee until it has been furnished with either the original recorded instrument of conveyance or a duly certified copy thereof, or a certified copy of the will of any deceased owner and of the probate thereof, or certified copy of the proceedings showing appointment of an administrator for the estate of any deceased owner, whichever is appropriate, together with all original recorded instruments of conveyance or duly certified copies thereof necessary in showing a complete chain of title back to Lessor of the full interest claimed, and all advance payments of rentals made hereunder before receipt of said documents shall be binding on any direct or indirect assignee, grantee, devisee, or administrator, executor, or heir of Lessor.
- 9. If the leased premises are now or shall hereafter be owned in severalty or in separate tracts, the premises may nonetheless be developed and operated as one lease, and all royalties accruing hereunder shall be divided among and paid to such separate owners in the proportion that the acreage owned by each separate owner bears to the entire leased acreage. There shall be no obligation on the part of the Lessee to offset wells on separate tracts into which the land covered by this lease may now or hereafter be divided by sale, devise, descent or otherwise, or to furnish separate measuring or receiving tanks.
- 10. Lessor hereby warrants and agrees to defend the title to the land herein described, only to the date said land was acquired by the Lessor, and agrees that the Lessee, at its option, may pay and discharge in whole or in part any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands and, in the event it exercises such options it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying to the discharge of any such mortgage, tax or other lien, any royalty accruing hereunder.
- 11. If after the expiration of the primary term, production of oil or gas should cease from any cause, this lease shall not terminate if Lessee commences additional drilling or reworking operations within ninety (90) days thereafter, or if at the expiration of the primary term, oil or gas is not being produced on said land, but Lessee is then engaged in drilling or reworking operations thereon, than in either event, this lease shall remain in force so long as operations are prosecuted either on the same well or any other well thereafter commenced, with no cessation of more than ninety (90) consecutive days, and if they result in production of oil or gas, this lease shall remain in effect so long thereafter as there is production of oil or gas under any provision of this lease.
- 12. Lessee may at any time surrender or cancel this lease in whole or in part by delivering or mailing such release to the Lessor, or by placing same of record in the proper county. In case said lease is surrendered and canceled as to only a portion of the acreage covered thereby, then all payments and liabilities thereafter accruing under the terms of said lease as to the portion canceled shall cease and terminate, but as to the portion of the acreage not released the terms and provisions of this lease shall continue and remain in full force and effect for all purposes.
- 13. All provisions hereof, express or implied, shall be subject to all federal and state laws and the orders, rules, or regulations (and interpretations thereof) of all governmental agencies administering the same, and this lease shall not be in any way terminated wholly or partially nor shall the Lessee be liable in damages for failure to comply with any of the express or implied provisions hereof if such failure accords with any such laws, orders, rules or regulations (or interpretations thereof). If Lessee should be prevented during the last six months of the primary term hereof from drilling a well hereunder by the order of any constituted authority having jurisdiction thereover, the primary term of this lease shall continue until six months after said order is suspended.

14. If at the end of the primary term this lease is not otherwise continued in force under the provisions hereof, Lessor and Lessee hereby agree that Lessee shall have the option to extend the primary term of this lease for an additional three (3) years on or before the expiration of the primary term of this lease by tendering to Lessor a payment equal to \$85.00 per acre-paid to Lessor under the original terms of this lease times the net acres actually owned by Lessor and Lessor's successors (ff any) on the date the option is exercised. Payment shall be deemed made upon Lessee's tendering of such payment by certified mail to Lessor at Lessor's address shown on this lease on or before the expiration of the primary term hereof. Nothing contained herein nor any separate implied agreement between parties shall serve to bind Lessee to exercise this option and it shall be at Lessee's sole discretion to do so.

15. Lessee shall have the right, but not the obligation, to pool all or any part of the Leased Premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this Lease, either before or after the commencement of production, whenever Lessee deams it necessary or proper to do so in order to prudently develop or operate the Leased Premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 40 acres plus a maximum acreage tolerance of 10%, and for a vertical gas well shall not exceed 160 acres, and a horizontal oil or gas completion shall not exceed 640+ 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 unit may be formed for an oil well of gas well on intended in a long to the foregoing the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" 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 cubb feet or more per barrel, based on 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 in the reservoir. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the Leased Premises shall be treated as if it were production, drilling or reworking operations on the Leased Premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights to the extent such proportion of unit production is said by Ecssee. To the extent such proportion of the extent such proportion of the extent such proportion of the extent such production of the extent such productio the governmental aumonty having jurisdiction, or to common to any productive actes determination made by seen governmental aumonty having jurisdiction, or to common to any productive actes of the control of the contr in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, upon permanent cessation thereof, Lessee may terminate the unit by filling of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

16. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors and assigns of said Lessor and Lessee.

17. It is the Intent of the Lessor to lease, and Lessor does hereby grant, demise, lease and let unto Lessee, all oil, gas and other minerals owned by Lessor in Section Twenty-Five (25) T28S-R31W, Haskell County, Kansas whether or not properly and completely described herein. In the event it is determined that Lessor actually owns more net mineral acres than that assumed by the parties in the calculation of lease bonus and pald by Lessee, Lessor and Lessee agree that Lessee shall pay Lessor for such additional net acreage at the same bonus price per acre agreed upon for the execution of this oil and gas lease. Likewise, in the event it is determined that Lessor owns less net acres, or it is determined that Lessor's acreage is currently leased under a prior oil and gas lease, then the Lessor agrees to reimburse Lessee for the bonus per acre paid for the acreage not owned by Lessor or under the prior oil and gas lease.

IN TESTIMONY WHEREOF, we sign the day and year first above written. inda Teckel

ACKNOWLEDGMENT

STATE OF COLORADO COUNTY OF SCALLACTIC

INDIVIDUAL (For use in all states)

day of March 2012 before me, the undersigned Notary Public in and for said county and state personally appeared Gilbert Nickel and Linda Nickel, husband and wife, known to me to be the person(s) whose name(s) is subscribed to the foregoing instrument, and acknowledged that the same was executed and delivered as his free and voluntary act for the purposes therein set forth. In witness whereof I hereunto set my hand and official seal as of the data hereinabove stated.

SEAL

My Commission Expires

6-28-15

EL88.1 Form 88 (producers) Rev. 1-83 (Paid-up

OIL AND GAS LEASE

COCHECTED ADDA

Kans. - Okla. - Colo.

THIS AGREEMENT, Entered into this 8th day of February, 2012 by and Between Lester D. Unruh as Attorney in Fact for Vada L. Unruh, whose mailing address is 873 YY Rd, Copeland, Kanses 67837, hereinafter called Lessor, and Comanche Exploration, LLC, whose mailing address is 14860 Montfort Dr., Ste 209, Dallas, TX 75254 hereinafter called Lessoe, does witness:

1. That Lessor, for and in consideration of the sum of Ten and other consideration (\$10.00) Dollars in hand paid and of the covenants and agreements hereinafter contained to be performed by the lessee, has this day granted, leased, and let and by these presents does hereby grant, lease, and let exclusively unto the Lessee the hereinafter described land, with any reversionary rights therein, and with the right to grant, lease, and let exclusively unto the Lessee the hereinafter described land, with any reversionary rights therein, and with the right to unitize this lease or any part-thereof with other oil and gas leases as to all or any part of the lands covered thereby as hereinafter provided, for the purpose of carrying on geological, geophysical and other exploratory work thereon, including core drilling and the drilling, mining, and operating for, producing and saving all of the oil, gas, gas condensate, gas distillate, casinghead gasoline and their respective constituent vapors, and all other gases, found thereon, the exclusive right of injecting water, brine, and other fluids and substances into the subsurface strata and for constructing roads, laying pipe lines, building tanks, storing oil, building power stations, electrical lines and other structures thereon necessary or convenient for the economical operation of said land alone or conjointly with neighboring lands, to produce, save, take care of, and manufacture all of such substances, and the injection of water, brine, and other substances into the subsurface strata, said tract of land being situated in the County of Haskell, State of Kansas and described as follows:

See attached "EXHIBIT A"

Containing 392.00 acres, more or less, ("Leased Premises").

- 2. This lease shall remain in force for a term of three (3) years (called "primary term") and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of the products covered by this lease is or can be produced.
- 3. The Lessee shall deliver to Lesser as royalty, free of cost, on the lease, or into the pipeline to which Lessee may connect its wells the equal One-sixth (1/6) part of all oil produced and saved from the leased premises, or at the Lessee's option may pay to the Lessor for such 1/6th royalty the market price at the wellhead for oil of like grade and gravity prevailing on the day such oil is run into the pipeline or into storage tanks.
- 4. The Lessee shall pay to the Lessor, as a royalty, one-sixth (1/6) of the proceeds received by the Lessee at the mouth of the well from the sale of gas, gas condensate, gas distillate, casinghead gas, gas used for the manufacture of gasoline or any other product, and all other gases, including their constituent parts, produced from the land herein leased, less a proportionate part of the production, severance and other excise taxes, conversation fees, and the costs incurred by Lessee in processing, gathering, treating, compressing, dehydrating, transportation, and marketing, or otherwise making such gas or other substances ready for sale or use. If such gas is not sold by the Lessee, Lessee may pay or tender annually at or before the end of each yearly period during which such gas is not sold, as a shut-in royally, whether one or more viells, an amount equal to ten dollars (\$10.00) per net mineral acre, and while said shut in royalty is so paid or tendered, it will be considered under all provisions of this lease that gas is being produced in paying quantities. The first yearly period during which such gas is not sold shall begin on the date the first well is completed for production of gas
 - 5. This lease is a paid-up lease and may be maintained during the primary term without further payments or drilling operations.
- 6. In the event said Lessor owns a lesser interest in the above described land than the entire and undivided fee simple estate therein then the royalties herein provided for shall be paid to said Lessor only in the proportion which his interest bears to the whole and undivided fee; however, in the event the title to any interest in said land should revert to Lessor, or his heirs, or his or their grantee, this lease shall cover such reversion.
- 7. The Lessee shall have the right to use, free of cost, gas and oil found on said land for its operations thereon. The Lessee shall bury its The Lesses shall have the right to use, lies of cost, gas and on both of said and for its operations thereon. The besses shall but it is pleating below plow depth and shall pay for damage caused by its operations on said land. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of the Lessor. Lesses shall have the right at any time during, or after the expiration of this lease to remove all machinery fixtures, houses, buildings and other structures placed on said premises, including the right to draw and remove all casing.
- 8. 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 the heirs, devisees, executors, administrators, successors, and assigns, but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee, and no change of trand, or royattles, nowever accomplished, shall operate to enlarge the dollagations of ultimate the ingits of cassee, and in change of convership in the land or in the royalities or any sum due under this lease shall be binding on the Lessee until it has been furnished with either the original recorded instrument of conveyance or a duly certified copy thereof, or a certified copy of the will of any deceased owner and of the probate thereof, or certified copy of the proceedings showing appointment of an administrator for the estate of any deceased owner, whichever is appropriate, together with all original recorded instruments of conveyance or duly certified copies thereof necessary in showing a complete chain of title back to Lessor of the full interest claimed, and all advance payments of rentals made hereunder before receipt of said documents shall be binding on any direct or indirect assignee, grantee, devisee, or administrator, executor, or heir of Lessor.
- 9. If the leased premises are now or shall hereafter be owned in severalty or in separate tracts, the premises may nonetheless be developed and operated as one lease, and all royalties accruing hereunder shall be divided among and paid to such separate owners in the proportion that the acreage owned by each separate owner bears to the entire leased acreage. There shall be no obligation on the part of the Lessee to offset wells on separate tracts into which the land covered by this lease may now or hereafter be divided by sale, devise, descent or otherwise, or to furnish separate measuring or receiving tanks.
- 10. Lessor hereby warrants and agrees to defend the title to the land herein described, only to the date said land was acquired by the Lessor, and agrees that the Lessee, at its option, may pay and discharge in whole or in part any taxes, mortgages, or other liens existing, leviled, or assessed on or against the above described lands and, in the event it exercises such options it shall be subrogated to the rights of eny holder or holders thereof and may reimburse itself by applying to the discharge of any such mortgage, tax or other lien, any royalty eccruing hereunder.
- 11. If after the expiration of the primary term, production of oil or gas should cease from any cause, this lease shall not terminate if Lessee commences additional drilling or reworking operations within ninety (90) days thereafter, or if at the expiration of the primary term, oil or gas is not being produced on said land, but Lessee is then engaged in drilling or reworking operations thereon, than in either event, this lease remain in force so long as operations are prosecuted either on the same well or any other well thereafter commenced, with no cessation of more than ninety (90) consecutive days, and if they result in production of oil or gas, this lease shall remain in effect so long thereafter as there is production of oil or gas under any provision of this lease.
- 12. Lessee may at any time surrender or cancel this lease in whole or in part by delivering or mailing such release to the Lessor, or by placing same of record in the proper county. In case said lease is surrendered and canceled as to only a portion of the acreage covered thereby, then all payments and liabilities thereafter accruing under the terms of said lease as to the portion canceled shall cease and terminate, but as to the portion of the acreage not released the terms and provisions of this lease shall continue and remain in full force and effect for all purposes.
- 13. All provisions hereof, express or implied, shall be subject to all federal and state laws and the orders, rules, or regulations (and interpretations thereof) of all governmental agencies administering the same, and this lease shall not be in any way terminated wholly or partially nor shall the Lessee be liable in damages for failure to comply with any of the express or implied provisions hereof if such failure accords with any such laws, orders, rules or regulations (or interpretations thereof). If Lessee should be prevented during the last six months of the primary term hereof from drilling a well hereunder by the order of any constituted authority having jurisdiction thereover, the primary term of this lease shall continue until six months after said order is suspended.

14. If at the end of the primary term this sease is not otherwise continued in force under the provisions hereof, Lessor and Lessee hereby agree that Lessee shall have the option to extend the primary term of this lease for an additional three (3) years on or before the expiration of the primary term of this lease by tendering to Lessor a payment equal to the same per acre paid to Lessor under the original terms of this lease times the net acres actually owned by Lessor and Lessor's successors (if any) on the date the option is exercised. Payment shall be deemed made upon Lessee's tendering of such payment by certified mail to Lessor at Lessor's address shown on this lease on or before the expiration of the primary term hereof. Nothing contained herein nor any separate implied agreement between parties shall serve to bind Lessee to exercise this option and it shall be at Lessee's sole discretion to do so.

15. Lessee shall have the right, but not the obligation, to pool all or any part of the Leased Premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this Lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the Leased Premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 40 acres plus a maximum acreage tolerance of 10%, and for a vertical gas well shall not exceed 160 acres, and a horizontal oil or gas completion shall not exceed 640+ 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 of permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" nieans 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 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 in the reservoir. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the Leased Premises shall be treated as if it were production, drilling or reworking operations on the Leased Premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights figreunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority or as otherwise provided for in this lease and is deemed advisable by Lessee. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the Leased Premises is included or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

16. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors and assigns of said Lessor and essee.

17. It is the Intent of the Lessor to lease, and Lessor does hereby grant, demise, lease and let unto Lessee, all oil, gas and other minerals owned by Lessor in Sections Twelve (12) and Twenty-Five (25) T28S-R31W, Haskell County, Kansas whether or not properly and completely described herein. In the event it is determined that Lessor actually owns more net mineral acres than that assumed by the parties in the calculation of lease bonus and paid by Lessee, Lessor and Lessee agree that Lessee shall pay Lessor for such additional net acreage at the same bonus price per acre agreed upon for the execution of this oil and gas lease. Likewise, in the event it is determined that Lessor owns less net acres, or it is determined that Lessor's acreage is currently leased under a prior oil and gas lease, then the Lessor agrees to reimburse Lessee for the bonus per acre paid for the acreage not owned by Lessor or under the prior oil and gas lease.

IN TESTIMONY WHEREOF, we sign the day and year first above written.

By Lester D. Unruh, Attorney in Fact

ACKNOWLEDGMENT

STATE OF KANSAS
COUNTY OF HASKELL

))ss.

INDIVIDUAL (For use in all states)

On this 13 day of April

, 2012 , before me, the undersigned Notary Public in and for said county and state

personally appeared <u>Lester D. Unruh Attorney in Fact for Vada L. Unruh</u>, known to me to be the person(s) whose name(s) is subscribed to the foregoing instrument, and acknowledged that the same was executed and delivered as his free and voluntary act for the purposes therein set forth. In witness whereof I hereunto set my hand and official seal as of the date hereinabove stated.

SEAL

LUANN McQuitty
NOTARY PUBLIC
STATE OF KANSAS
My Appt. Exp. 111313

My Commission Expires 11/13/13

Exhibit A

Attached and made a part of the Lease between Lester D. Unruh, Attorney in Fact for Vada L. Unruh And

COMANCHE Exploration LLC.

Township 28 South, Range 31 West

Section 12: The North Half of the Southwest Quarter (N/2 SW/4)

Section 25: The South Half (S/2), Less an 8 acre tract in the Southeast Quarter of the Northeast Quarter of the Southeast Quarter (SE/4 NE/4 SE/4) described as follows: Commencing at the Southeast corner of Section 25, Township 28 South, Range 31 West of the 6th P.M., thence northerly along the East line of said Section 25 a distance of 1273.6 feet to the point of beginning. Thence continuing North 464.64 feet, thence westerly at an angle of 90 degrees a distance of 750.0 feet, thence southerly and parallel to the East line of said Section 25, a distance of 464.64 feet, thence easterly 750.0 feet to the point of beginning, containing 8.0 acres.

Containing 392.00 acres, more or less

HUGOTON GAS AREA

ALL

GILBERT NICKEL #1-25(NW)

2012

2010

2006

2002

Торо

