



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

KANSAS CORPORATION COMMISSION 1240853
 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

Must be approved by KCC five (5) days prior to commencing well

Form KSONA-1, Certification of Compliance with the Kansas Surface Owner Notification Act, MUST be submitted with this form.

Expected Spud Date: _____
 month day year

OPERATOR: License# _____
 Name: _____
 Address 1: _____
 Address 2: _____
 City: _____ State: _____ Zip: _____ + _____
 Contact Person: _____
 Phone: _____
 CONTRACTOR: License# _____
 Name: _____

Well Drilled For:	Well Class:	Type Equipment:
<input type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input type="checkbox"/> Infield
<input type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input type="checkbox"/> Pool Ext.
	<input type="checkbox"/> Disposal	<input type="checkbox"/> Wildcat
<input type="checkbox"/> Seismic ; _____ # of Holes	<input type="checkbox"/> Other	<input type="checkbox"/> Mud Rotary
<input type="checkbox"/> Other: _____		<input type="checkbox"/> Air Rotary
		<input type="checkbox"/> Cable
<input type="checkbox"/> If OWWO: old well information as follows:		

Operator: _____
 Well Name: _____
 Original Completion Date: _____ Original Total Depth: _____

Directional, Deviated or Horizontal wellbore? Yes No
 If Yes, true vertical depth: _____
 Bottom Hole Location: _____
 KCC DKT #: _____

Spot Description: _____
 _____ - _____ - _____ Sec. _____ Twp. _____ S. R. _____ E W
 (Q/Q/Q/Q) _____ feet from N / S Line of Section
 _____ feet from E / W Line of Section
 Is SECTION: Regular Irregular?
 (Note: Locate well on the Section Plat on reverse side)

County: _____
 Lease Name: _____ Well #: _____
 Field Name: _____
 Is this a Prorated / Spaced Field? Yes No
 Target Formation(s): _____
 Nearest Lease or unit boundary line (in footage): _____
 Ground Surface Elevation: _____ feet MSL
 Water well within one-quarter mile: Yes No
 Public water supply well within one mile: Yes No
 Depth to bottom of fresh water: _____
 Depth to bottom of usable water: _____
 Surface Pipe by Alternate: I II
 Length of Surface Pipe Planned to be set: _____
 Length of Conductor Pipe (if any): _____
 Projected Total Depth: _____
 Formation at Total Depth: _____
 Water Source for Drilling Operations:
 Well Farm Pond Other: _____
 DWR Permit #: _____
 (Note: Apply for Permit with DWR)
 Will Cores be taken? Yes No
 If Yes, proposed zone: _____

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 et. seq.
 It is agreed that the following minimum requirements will be met:

1. Notify the appropriate district office **prior** to spudding of well;
2. A copy of the approved notice of intent to drill **shall be** posted on each drilling rig;
3. The minimum amount of surface pipe as specified below **shall be set** by circulating cement to the top; in all cases surface pipe **shall be set** through all unconsolidated materials plus a minimum of 20 feet into the underlying formation.
4. If the well is dry hole, an agreement between the operator and the district office on plug length and placement is necessary **prior to plugging**;
5. The appropriate district office will be notified before well is either plugged or production casing is cemented in;
6. If an ALTERNATE II COMPLETION, production pipe shall be cemented from below any usable water to surface within **120 DAYS** of spud date. Or pursuant to Appendix "B" - Eastern Kansas surface casing order #133,891-C, which applies to the KCC District 3 area, alternate II cementing must be completed within 30 days of the spud date or the well shall be plugged. **In all cases, NOTIFY district office** prior to any cementing.

Submitted Electronically

For KCC Use ONLY

API # 15 - _____

Conductor pipe required _____ feet

Minimum surface pipe required _____ feet per ALT. I II

Approved by: _____

This authorization expires: _____
 (This authorization void if drilling not started within 12 months of approval date.)

Spud date: _____ Agent: _____

Remember to:

- File Certification of Compliance with the Kansas Surface Owner Notification Act (KSONA-1) with Intent to Drill;
- File Drill Pit Application (form CDP-1) with Intent to Drill;
- File Completion Form ACO-1 within 120 days of spud date;
- File acreage attribution plat according to field proration orders;
- Notify appropriate district office 48 hours prior to workover or re-entry;
- Submit plugging report (CP-4) after plugging is completed (within 60 days);
- Obtain written approval before disposing or injecting salt water.
- If well will not be drilled or permit has expired (See: authorized expiration date) please check the box below and return to the address below.

Well will not be drilled or Permit Expired Date: _____
 Signature of Operator or Agent: _____

E
W



1240853

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

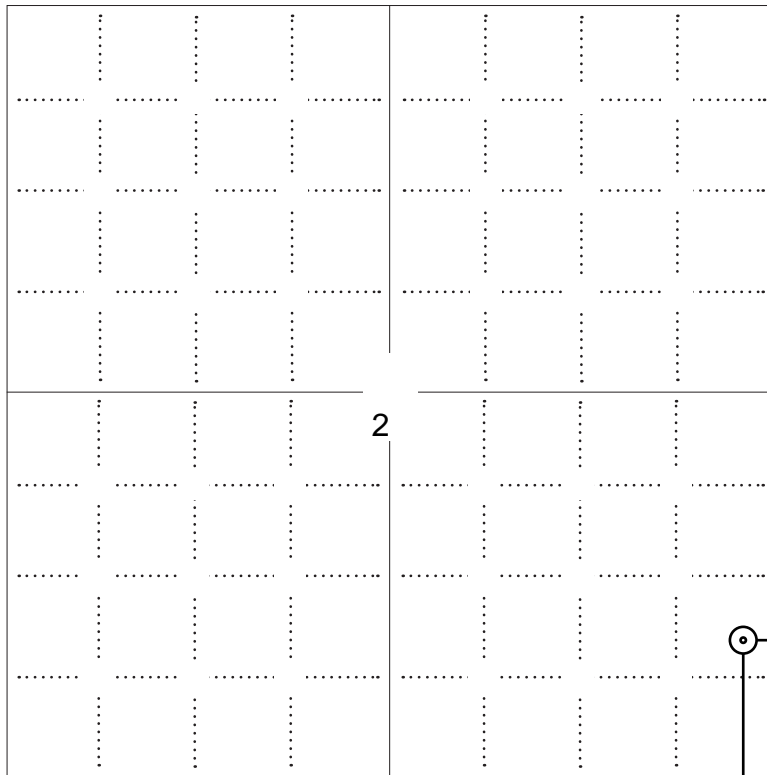
Is Section: Regular or Irregular

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

Section corner used: NE NW SE SW

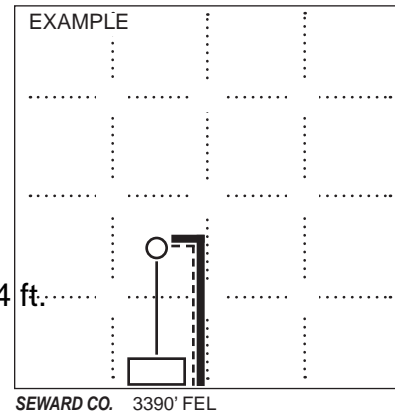
PLAT

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 1240853
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

Sec. 2, T18s-R14W
Barton County

941' FSL
Janice Unit #1-2

214' FEL

Google earth

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

63U (Rev. 2004 CRI)

OIL & GAS LEASE



Index N
Numerical SW
Cross _____
DC Book _____
Plat Book _____
Military Book _____
Art of Inc Book _____
Scanned SW

AGREEMENT, Made and entered into the 10th day of February, 2014 by and between JACK SCHLESSIGER AND JANICE SCHLESSIGER, HUSBAND AND WIFE whose mailing address is 1266 NE 120 Road, Claflin, KS 67525 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 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 Barton, State of Kansas described as follows, to-wit:

TOWNSHIP 18 SOUTH, RANGE 14 WEST OF THE 6TH PRINCIPAL MERIDIAN
Section 2: E $\frac{1}{2}$ SE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$

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

containing 120.00 acres, more or less.

Subject to the provisions herein contained, this lease shall remain in force for a term ending December 31, 2014 (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, 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.

This lease may be maintained during the primary term hereof without further payment or drilling operations. If the Lessee shall commence to drill a well within the term of this lease or any extension thereof, the Lessee shall have the right to drill such well to completion with reasonable diligence and dispatch, and if oil or gas, or either of them, be found in paying quantities, this lease shall continue and be in force with like effect as if such well had been completed within the term of years first mentioned.

If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein provided for shall be paid the said Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operations thereon, except water from the wells of Lessor.

When requested by Lessor, Lessee shall bury Lessee's pipe lines below plow depth.

No well shall be drilled nearer than 200 feet to the house or barn now located on said premises without written consent of Lessor.

Lessee shall pay for damages caused by Lessee's operations to growing crops on said land.

Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment of rentals or royalties shall be binding on the Lessee until after the Lessee has been furnished with a written transfer or assignment or a true copy thereof. In case Lessee assigns this lease, in whole or in part, Lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment.

Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated in whole or in part, nor lessee held liable in damages, for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.

Lessor shall have the right at any time to redeem for Lessor, by payment any mortgages, taxes or other liens on the above described lands, in the event of default of payment by Lessor, and be subrogated to the rights of the holder thereof, and the undersigned Lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, in so far as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, when in Lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises, such pooling to be of tracts contiguous to one another and to be into a unit or units not exceeding 40 acres each in the event of an oil well, or into a unit or units not exceeding 40 acres each in the event of a gas well. Lessee shall execute in writing and record in the conveyance records of the county in which the land herein leased is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit shall be treated, for all purposes except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on the pooled acreage, it shall be treated as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere herein specified, Lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.

The lands covered by this Oil and Gas Lease shall not be pooled with any other lands unless Lessee obtains prior written consent from Lessor.

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.

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

x Janice Schlessiger x Jack Schlessiger
Janice Schlessiger Jack Schlessiger

STATE OF Kansas

§.

COUNTY OF ~~Barton~~ Ellsworth

BEFORE ME, the undersigned, a Notary Public, in and from said County and State, on this 15th day of February, 2014, personally appeared Jack Schlessiger and Janice Schlessiger, husband and wife.

My Commission Expires: September 07, 2014

Bobbie Jo Rogers
Notary Public:
Address: 100 S. Main, PO Box 128
Holyrood, KS 67450

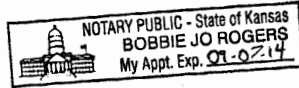


EXHIBIT "A"

Attached to and by reference made a part of that Oil and Gas Lease dated February 10, 2014, by and between Jack Schlessiger and Janice Schlessiger, husband and wife, Lessors, and Shelby Resources, LLC, Lessee, covering land situated in Barton County, Kansas.

ADDITIONAL PROVISIONS

In the event of a conflict or inconsistency, the terms and provisions set forth on this Exhibit "A" shall control and be deemed to supersede the printed terms of the Oil and Gas Lease.

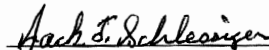
1. Lessee shall notify Lessor prior to commencing any operations on the leased premises. Such notification shall be made by registered mail, or phone call to Lessor. Messages or postcards will not be considered proper notice.
2. Lessee shall conduct all its operations in such a manner that causes the least inconvenience and interference with Lessor's use of the surface. All surface locations selected by Lessee, including without limitation locations of tank batteries, roads, and pipelines, shall be at locations approved by Lessor, which approval shall not be unreasonably withheld.
3. Lessee shall fence all oil operations (tank batteries, oil pumping units, pits, etc.) to the satisfaction of Lessor so as to prevent problems with livestock. Lessor must agree on the location of any cut in a fence prior to the fence being cut. Lessee shall construct proper and sufficient braces at any point where a fence is to be cut, prior to cutting and braces shall be constructed so that slack will not develop in existing fences. Lessor must agree on the location and type of cattle guards and gates installed by Lessee (which installation shall be at the sole cost of Lessee) in each fence that is crossed by Lessee. Cattle guards and gates shall remain on the leased premises following termination of this lease and shall become the property of Lessor. During the term of this lease all cattle guards and gates installed or used by Lessee shall be cleaned, maintained, repaired, and/or replaced as needed, by Lessee, at its sole cost and expense.
4. Lessee shall not interfere with operations of any irrigation systems located on the leased premises. Any interference by Lessee shall be at its risk and shall subject Lessee to payment of damages specified by Lessor.
5. Lessee shall keep all drill sites, well locations, tank battery areas, and other portions of the surface of the leased premises used by Lessee free of weeds, noxious vegetation, and debris, and Lessee shall keep the entire surface free of debris generated by or resulting from Lessee's operations. While debris may be temporarily stored in pits, Lessee shall not leave, abandon, or cover over any debris at the termination of operations or this lease, but shall remove all such debris from the leased premises.
6. All pipelines, flow line, power lines, and other lines which Lessee may place on cultivated land shall be buried so that the top of the line is more than 36 inches below the surface of the ground. All lines laid on uncultivated land shall be buried so that the top of the line is more than 24 inches below the surface of the ground. When any such lines are buried or any pits are dug, Lessee shall keep the topsoil separated so that the topsoil is replaced at the surface. Parts of the surface disturbed for pipelines, pits, and the like shall be restored as soon as possible.
7. Lessee shall not use any fresh water from the leased premises for water flooding and/or secondary recovery operations.
8. All surface pits constructed by Lessee shall be lined with plastic or other impermeable material to prevent contamination of the soil and waters in, on, and under the leased premises.
9. Lessee shall, in the event of a salt water or oil spill, commence and complete containment and cleanup operations as soon as possible after discovery of such spill.
10. Upon the completion of a producing well, Lessee shall remove the contents of and fill in any pits not necessary for the operation of the well, remove all debris, and restore the surface around the well to its original condition, including grading and leveling, leaving the land suitable for its previous agricultural use.
11. Upon the termination of this lease or upon the abandonment of any well site, tank battery location, road, or other facility, Lessee shall promptly remove its machinery, equipment, and fixtures, plug the well, remove the contents of and fill in any pits, remove all debris, remove all gravel or other substance which may have been placed at the site, and restore the surface to its original condition as near as practicable, including grading and leveling, leaving the land suitable for its previous agricultural use.

If upon the termination of this Lease, the machinery, equipment and fixtures are not removed within 180 days of the lease termination, then such machinery, equipment and fixtures shall be deemed abandoned and Lessor may dispose of them as in any way Lessor deems appropriate. Provided, however, the removal and disposal of such machinery, equipment and/or fixtures by Lessor after they have been abandoned, shall in no way obligate Lessor to plug any well or otherwise relieve Lessee of its obligations provided for hereunder or by law.

12. In the event a well has been drilled upon the leased premises within the primary term of the Oil and Gas Lease and such well is capable of producing oil and/or gas in commercial quantities so as to extend the term of the Oil and Gas Lease, Lessee shall then have three years, from the date of completion of such well, to drill and complete an additional well on the leased premises that is capable of producing oil and/or gas in commercial quantities. If Lessee does not drill a second well that is capable of producing oil and/or gas in commercial quantities within the time specified, then Lessee shall immediately execute and file of record a Partial Release of the subject Oil and Gas Lease covering the Leased Premises except for the ten acres upon which the current producing well is located.

End of Exhibit "A"

LESSOR:



Jack Schlessiger, Lessor



Janice Schlessiger, Lessor

LESSEE:

SHELBY RESOURCES, LLC



George O. Mallon, III, Attorney-in-Fact



EXTENSION OF OIL & GAS LEASE

WHEREAS, SHELBY RESOURCES, LLC is an owner and holder of an oil and gas lease dated February 10, 2014, which was executed by Jack Schlessiger and Janice Schlessiger, husband and wife to Shelby Resources, LLC as Lessee, covering the following described lands in Barton County, State of Kansas, to-wit:

TOWNSHIP 18 SOUTH, RANGE 14 WEST, 6TH P.M.

Section 2: NW $\frac{1}{4}$ SE $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$

such lease having been recorded in Book 618, at Page 1996 of the records of said county; and,

WHEREAS, the primary term of said lease expires on December 31, 2014, and it is the desire of the said owners and holders and of the undersigned that the term of said lease be extended.

NOW, THEREFORE, the undersigned, for and in consideration of Ten Dollars, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, do hereby agree that the original term of said lease be and is hereby extended, with the same force and effect as if such term had been originally expressed in such lease, for a term ending February 28, 2015 and for as long thereafter as oil, gas or other hydrocarbons is produced as provided in said lease; subject, however, in all other respects, to the provisions and conditions of said lease and/or terms of any modification or amendment; provided, however, that the consideration for this extension includes the delay rental, if any, which would become payable on said original expiration date because of this extension.

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

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

IN WITNESS WHEREOF, this instrument is executed on this 31 day of October, 2014.

BY: Janice Schlessiger
Janice Schlessiger

BY: Jack Schlessiger
Jack Schlessiger

State of KANSAS

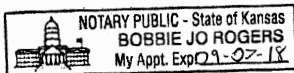
County of Barton Ellsworth §

The foregoing instrument was acknowledged before me this 31st day of October, 2014, by Jack Schlessiger and Janice Schlessiger, husband and wife.

WITNESS my hand and official seal.

My commission expires: 09-07-18

Bobbie Jo Rogers
Notary Public



Index SW
Numerical CS
Cross CS
DC Book _____
Plat Book _____
Military Book _____
Art of Inc Book _____
Scanned _____

AMENDMENT TO OIL AND GAS LEASE

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, JAMIE B. ISBELL, TRUSTEE OF THE KATHRYN ANN VAN WINKLE REVOCABLE TRUST, dated the 28th day of July, 2004, hereinafter called "LESSOR", and MARLAW, LLC, hereinafter called "LESSEE", do hereby modify the terms and conditions of a certain oil and gas lease dated July 1, 2005, between Jamie B. Isbell, Trustee of the Kathryn Ann VanWinkle Revocable Trust, dated the 28th day of July, 2004, Lessee, and L. D. Davis, Lessor, recorded in Book 612, page 9244, in the office of the Register of Deeds of Barton County, Kansas, as follows:

1. Lessor does hereby agree that the oil and gas lease dated July 1, 2005, and recorded in Book 612, page 9244, covering the Southwest Quarter (SW/4) of Section One (1), Township Eighteen (18) South, Range Fourteen (14) West, Barton County, Kansas, shall be amended as follows:

The following clause shall be inserted into said lease:

"Lessee, at its option, is hereby given the right and power to pool or combine into one or more units the land covered by this lease, or any portion thereof, with other land covered by another lease, or leases 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 such minerals in and under said land, such pooling to be in a unit or units not exceeding 10 acres each in the event of an oil well. Lessee shall execute in writing and file for record in the county in which the land is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a unit or units shall be treated for all purposes, except the payments of royalties on production from the pooled unit, as if it were included in this lease. Any well drilled on any such unit shall be and constitute a well hereunder. In lieu of the royalties elsewhere herein specified, lessor shall receive on production from the unit so pooled only such portion of the royalty stipulated herein as the amount of his net royalty interest therein on an acreage basis bears to the total mineral acreage so pooled in the particular unit involved."

2. In all other respects said oil and gas lease shall remain unchanged.

Executed this 21 day of January, 2015.

"LESSOR":

Jamie B. Isbell
Jamie B. Isbell, Trustee of the Kathryn Ann VanWinkle Revocable Trust, dated the 28th day of July, 2004

MARLAW, LLC

"LESSEE":

By L. D. Davis
L. D. Davis, Member

STATE OF TEXAS, COUNTY OF Dallas, ss:

The forgoing instrument was acknowledged before me this 21 day of January, 2015, by Jamie B. Isbell, Trustee of the Kathryn Ann VanWinkle Revocable Trust, dated the 28th day of July, 2004.

My appointment expires:

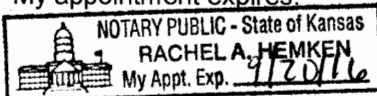
11-21-17

Rebarah Hippert
Notary Public

STATE OF KANSAS, COUNTY OF BARTON, ss:

The forgoing instrument was acknowledged before me this 26th day of January, 2015, by L. D. Davis, Member of Marlaw, LLC.

My appointment expires:



Rachel A. Hemken
Notary Public



index _____
Numerical _____
Cross _____
DC Book _____
Plat Book _____
Military Book _____
Art of Inc Book _____
Scanned _____

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

January 30, 2015

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

Re: Drilling Pit Application
Janice Unit #1-2
SE/4 Sec.02-18S-14W
Barton County, Kansas

Dear Chris Gottschalk:

District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed **without slots**, the bottom shall be flat and reasonably level and the free fluids must be removed. The fluids are to be removed from the reserve pit as soon as the Hutchinson Salt section has been drilled through and displacement of the fluids into the reserve pit has occurred. The fluids should be removed again within 72 hours after drilling operations have ceased.

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

The fluids should be taken to an authorized disposal well. Please call the District Office at (785) 625-0550 when the fluids have been removed. Please file form CDP-5 (August 2008), Exploration and Production Waste Transfer, through KOLAR within 30 days of fluid removal.

A copy of this letter should be posted in the doghouse along with the approved Intent to Drill. If you have any questions or concerns please feel free to contact the District Office at (785) 625-0550.