Form CP-111 June 2011 Form must be Typed Form must be signed

### TEMPORARY ABANDONMENT WELL APPLICATION All blanks must be complete

| OPERATOR: License#   |   |                     |            | API No. 15.            |              |  |             |                     |           |  |  |  |  |  |  |
|--|---|---------------------|------------|------------------------|--------------|--|-------------|---------------------|-----------|--|--|--|--|--|--|
| Name:  |   |                     |            |                        |              |  |             |                     |           |  |  |  |  |  |  |
| Address 1:   |   |                     |            |                        | •            | Twp  |             |                     | E NW      |  |  |  |  |  |  |
| Address 2:   |   |                     |            |                        |              | feet from                                  | n           | S Line of           | f Section |  |  |  |  |  |  |
| City:  |   |                     |            |                        |              | feet from                                  |             |                     | Section   |  |  |  |  |  |  |
| Contact Person:  |   |                     |            | GPS Locat              | ion: Lat:    | xx.xxxxx) , Long                           | j:          | gxxx.xxxxx)         |           |  |  |  |  |  |  |
| Phone:( )  |   |                     |            | Datum:                 |              | □ KB                                       |             |                     |           |  |  |  |  |  |  |
| Contact Person Email:  |   |                     |            | Mall #                 |              |  |             |                     |           |  |  |  |  |  |  |
| Field Contact Person:  |   |                     |            |                        |              | Gas OG V                                   |             |                     |           |  |  |  |  |  |  |
| Field Contact Person Phone:  |   |                     |            |                        |              | ENI  |             |                     |           |  |  |  |  |  |  |
| riela Contact Ferson Frione.   | ( )   |                     |            |                        |              |  |             |                     |           |  |  |  |  |  |  |
|  |   |                     |            | Spud Date:             |              | Date Shu                                   | t-In:       |                     |           |  |  |  |  |  |  |
|  | Conductor                                     | Surface             | Pr         | oduction               | Intermediate | Line                                       | er          | Tubing              |           |  |  |  |  |  |  |
| Size   |   |                     |            |                        |              |  |             |                     |           |  |  |  |  |  |  |
| Setting Depth  |   |                     |            |                        |              |  |             |                     |           |  |  |  |  |  |  |
| Amount of Cement   |   |                     |            |                        |              |  |             |                     |           |  |  |  |  |  |  |
| Top of Cement  |   |                     |            |                        |              |  |             |                     |           |  |  |  |  |  |  |
| Bottom of Cement   |   |                     |            |                        |              |  |             |                     |           |  |  |  |  |  |  |
| Casing Squeeze(s):  (top)  Do you have a valid Oil & Gas  Depth and Type:  Junk in  Type Completion:  ALT. I | S Lease? Yes Hole at (depth) ALT. II Depth of | No Tools in Hole at | Caw /w /w  | asing Leaks: [<br>sack | Yes No D     | epth of casing leak(s) ort Collar: (depth) | ):          |                     |           |  |  |  |  |  |  |
|  |   |                     |            |                        |              |  |             |                     |           |  |  |  |  |  |  |
| Total Depth:   | Plug Ba                                       | ck Depth:           |            | Plug Back Meth         | nod:         |  |             |                     |           |  |  |  |  |  |  |
| Geological Date:   |   |                     |            |                        |              |  |             |                     |           |  |  |  |  |  |  |
| Formation Name   | Formation                                     | Top Formation Ba    | se         |                        | Comple       | etion Information                          |             |                     |           |  |  |  |  |  |  |
| l  | At:   | to                  | Feet Perfo | oration Interval       | to           | _ Feet or Open Hole                        | e Interval  | to                  | Feet      |  |  |  |  |  |  |
| 2  | At:   | to                  | Feet Perfo | oration Interval       | to           | _ Feet or Open Hole                        | e Interval  | to                  | Feet      |  |  |  |  |  |  |
| INDED BENALTY OF BED I   | HIDV I LIEDEDV ATTE                           | _                   | mitted Ele |                        |              | COBBECTTOTUE                               | DECT OF MAN | / VAIONNI E         | DOE       |  |  |  |  |  |  |
| Do NOT Write in This<br>Space - KCC USE ONLY   | Date Tested:                                  |                     | Results:   |                        | Date Plugged | : Date Repaired:                           | Date Put F  | e Put Back in Servi |           |  |  |  |  |  |  |
| Review Completed by:   |   |                     | Comi       | ments:                 |              |  |             |                     |           |  |  |  |  |  |  |
| TA Approved: Yes   | Denied Date:                                  |                     |            |                        |              |  |             |                     |           |  |  |  |  |  |  |
| ipprovou 163   |   |                     |            |                        |              |  |             |                     |           |  |  |  |  |  |  |

### Mail to the Appropriate KCC Conservation Office:

| There had been the tab to a fact that the bear that the table  | KCC District Office #1 - 210 E. Frontview, Suite A, Dodge City, KS 67801                      | Phone 620.225.8888 |
|--|---|--------------------|
| 100  | KCC District Office #2 / UPGS - 3450 N. Rock Road, Building 600, Suite 601, Wichita, KS 67226 | Phone 316.630.4000 |
| The second of th | KCC District Office #3 - 1500 SW Seventh Steet, Chanute, KS 66720                             | Phone 620.432.2300 |
| Size State S | KCC District Office #4 - 2301 E. 13th Street, Hays, KS 67601-2651                             | Phone 785.625.0550 |

PRECISION WIRELINE and TESTING P.O. BOX 560 LIBERAL, KANSAS 67905-0560 316-624-4505

| PB GL KB TO  | ICE RESERVOIR |
|--|---------------|
| SET @ TD SET @ SN TO SN  | (@ CALL ORIF  |
| CSG WT TBG WT PERFS TO METERS TO MET | 3G API        |
| ADAMS AFPILIATES  RECTOR 2-23  23-25S-40W  HAMILTON STATE KS   |               |
| PRODUCER WELL NAME LOCATION COUNTY   |               |

| TYPE INITIAL SPEICAL ENDING | ANNUAL RETEST  | ALEGATION OF THE PAIR QUALITY | ASSUME AVG. JT. LENGTH = 31.50: | CONDUCT LIQUID LEVEL DETERMINATION TEST | SHOT JTS. TO DISTANCE | # FLUID TO FLUID |   | 2 51.0 1607 |   |   |   | Andrew Control of the |      | 100000000000000000000000000000000000000 | 1,000 | *************************************** | 7-0-0-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1- |  | 17/4 |  |  | TAKE THE TAK |               | - Andrews - Andr |   |   |   |  |
|-----------------------------|----------------|-------------------------------|---------------------------------|---|-----------------------|------------------|---|-------------|---|---|---|--|------|---|-------|---|--|--|------|--|--|--|---------------|--|---|---|---|--|
| riquids                     | WATER<br>BBLS. |                               |                                 |   |                       |                  |   |             |   |   |   |  |      |   |       |   |  |  |      |  |  |  |               |  |   |   |   |  |
| רונ                         | COND<br>BBLS.  |                               |                                 |   |                       |                  |   |             |   |   |   |  |      |   |       |   |  |  |      |  |  |  |               |  |   |   |   |  |
| , A                         | 0<br>MCFD      |                               |                                 |   |                       |                  |   |             |   |   |   |  |      |   |       |   |  |  |      |  |  |  |               |  |   |   |   |  |
| ENT DAT                     | TEMP           |                               |                                 |   |                       |                  |   |             |   | - |   |  |      |   |       |   |  |  |      |  |  |  |               |  |   |   |   |  |
| MEASUREMENT DATA            | DIFF.          |                               |                                 |   |                       |                  |   |             |   |   |   |  |      |   |       |   |  |  |      |  |  |  |               |  |   |   |   |  |
| M                           | PRESS<br>PSIG  |                               |                                 |   |                       |                  |   |             |   |   |   |  |      |   |       |   |  |  |      |  |  |  |               |  |   |   |   |  |
|                             | A P<br>BHP     |                               |                                 |   |                       |                  |   |             |   |   |   |  | <br> |   |       |   |  |  |      |  |  |  |               |  |   |   | + |  |
| DATA                        | BHP<br>PSIG    |                               |                                 |   |                       |                  |   |             |   |   |   |  |      |   |       |   |  |  |      |  |  |  |               |  |   |   |   |  |
| WELLHEAD PRESSURE DATA      | ∆ P<br>TBG     |                               |                                 |   |                       |                  |   |             |   |   |   |  |      |   |       |   |  |  |      |  |  |  |               |  |   |   |   |  |
| HEAD PR                     | TBG            |                               |                                 | 0.5                                     |                       |                  |   |             |   |   |   |  |      |   | <br>  |   |  |  |      |  |  |  |               |  |   |   |   |  |
| WELI                        | A P<br>CSG     |                               |                                 |   |                       |                  |   |             |   |   | - |  |      |   |       |   |  |  |      |  |  |  |               |  |   | 1 |   |  |
|                             | CSG<br>PSIG    |                               |                                 | 0.4                                     |                       |                  | + |             |   |   |   |  |      |   |       |   |  |  |      |  |  | -  | $\frac{1}{1}$ |  | + |   | - |  |
|                             | TIME           |                               |                                 |   |                       |                  |   |             | + |   |   |  |      |   |       |   |  |  | +    |  |  |  |               |  |   |   |   |  |
|                             |                | WEDNESDAY                     | 2-4-15                          | 0060                                    |                       |                  |   |             |   |   |   |  |      |   |       |   |  |  |      |  |  |  |               |  |   |   |   |  |

age of

### OIL AND GAS LEASE

TRUST DATED JANUARY 13, 2012, whose address is 7700 E. 13<sup>TH</sup> ST N UNIT 55, WICHITA, KS 67206 Party of RECTOR AND LINDA S. RECTOR TRUSTEES OF THE ARBY L. AND LINDA S. RECTOR REVOCABLE the first part, hereinafter called Lessor (whether one or more), and COTTONWOOD MINERALS, LLC, whose address THIS AGREEMENT, made and entered into this 12th day of February, 2015, by and between ARBY L. is 1437 S. BOULDER, SUITE 930, TULSA, OK 74119, party of the second part, hereinafter called Lessee.

paid, receipt of which is hereby acknowledged, and of the covenants and agreements hereinafter contained on the part of Lessee to be paid, kept and performed, has granted, demised, Leased and let and by these presents does grant, demise, Lease and let unto the said Lessee, for the sole and only purpose of carrying on geological, geophysical and other exploratory work thereon, including 3D seismic operations, core drilling and the drilling, mining and operating for oil (including but not limited to distillate and condensate), gas (including casinghead gas and helium and all other constituents), and for laying pipe WITNESSETH, That the said Lessor, for and in consideration of TEN and MORE DOLLARS (\$10.00), in hand certain tract of land, together with any reversionary rights therein, situated in the County of Hamilton, State of Kansas, described as follows, to-wit: lines, and building tanks, power stations and structures thereon, to produce, save and take care of said products,

# Township 25 South, Range 40 West,

### Section 23: E/2

This Lease shall remain in full force for a term of Three (3) years, (herein called "Primary Term"), and so long thereafter as oil or gas, or any of the substances covered by this Lease, is produced from said land by Lessee in paying quantities, or the premises are being developed.

In consideration of the premises the said Lessee covenants and agrees:

To deliver to the credit of Lessor free of cost, in the pipeline to which it may connect its wells, the 1/8<sup>th</sup> of the net proceeds received on all oil (including but not limited to condensate and distillate) produced and saved from the Leased

impurities in the gas, processing, compressing, or otherwise making such gas merchantable. During any period (whether before or after expiration of the primary term hereof) when gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or operations on said Leased premises sufficient to keep this Lease in force, Lessee shall pay or tender a royalty of Two Dollars (\$2.00) per year per net royalty acre retained hereunder, such payment or tender to be made, on or before the anniversary date of this Lease during the period such well is shut in, to the royalty owners. To pay Lessor for gas (including casinghead gas) and all other substances covered hereby, a royalty of 1/8th of the net proceeds realized by Lessee for the gas sold, such net proceeds to be less a proportionate part of the production, severance and other excise taxes and the cost incurred by Lessee in delivering, treating for the removal of nitrogen, helium or other When such payment or tender is made it will be considered that gas is being produced within the meaning of the entire Lease.

If, at the expiration of the primary term, Lessee is conducting operations for drilling, completing or reworking a well, this Lease nevertheless shall continue as long as such operations are prosecuted or additional operations are commenced and prosecuted (whether on the same or successive wells) with no cessation of more than ninety (90) days, and if production is discovered, this Lease shall continue as long thereafter as oil or gas are produced.

Lessee is hereby granted the right at any time and from time to time to unitize the Leased premises or any portion or portions thereof, as to all strata or any stratum or strata, with any other lands as to all strata or any stratum or strata, for the production primarily of oil or primarily of gas with or without distillate. However, no unit for the production primarily of oil shall embrace more than 160 acres, or for the production primarily of gas with or without distillate more than 640 acres, plus a tolerance of ten percent (10%) to conform to Governmental Survey quarter sections; provided that if any governmental regulation shall permit or prescribe a spacing pattern for the development of the field or allocate a producing allowable based on acreage per well, then any such unit may embrace as much additional acreage as may be so permitted or prescribed or as may be used in such allocation of allowable. Should a horizontal well be drilled, a unit or units of necessary size and standard to the industry, may be formed to allow for proper development of the field and shall include the land covered by this Lease, any portion thereof, with other land covered by another Lease or Leases, or unitization of oil and/or gas. Lessee shall file written unit designations in the county in which the Leased premises are located. Operations upon and production from the unit shall be treated as if such operations were upon or such production were from the Leased premises whether or not the well or wells are located thereon. The entire acreage within a unit shall be treated for all purposes as if it were covered by and included in this Lease except that the royalty on production from the unit shall be as below provided, and except that in calculating the amount of any shut in gas royalties, only the part of the acreage originally Leased and then actually embraced by this Lease shall be counted. In respect to production from the unit, Lessee shall pay Lessor, in lieu of other royalties thereon, only such proportion of the royalties 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 in the unit.

then the royalties herein provided shall be paid to the Lessor only in the proportion which his interest bears to the whole and If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, undivided fee. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for its operations thereon, except water from wells of Lessor.

Lessee shall bury his pipelines below plow depth.

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

Lessee shall pay for all damages caused by its 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. However, no change or division in ownership of the land or royalties shall enlarge the obligations or diminish the rights of Lessee. No change in the ownership of the land 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. express or implied covenants of this Lease shall be subject to all Federal and State Laws, Executive Orders, Rules and 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 such failure is the result of any such Law, Order, Rule or Regulation.

This Lease shall be effective as to each Lessor on execution hereof as to his or her interest and shall be binding on those signing, notwithstanding some of the Lessors above named may not join in the execution hereof. The vused in this Lease means the party or parties who execute this Lease as Lessor, although not named above. essee may at any time and from time to time surrender this Lease as to any part or parts of the Leased premises by delivering or mailing a release thereof to Lessor, or by placing a release of record in the proper county Lessor hereby warrants and agrees to defend the title to the lands herein described and agrees that the Lessee shall have the right at any time to redeem for Lessor by payment any mortgages, taxes or other liens on the above described lands, in the event of default of payment by Lessor, and be subrogated to the rights of the holder thereof. The bonus consideration for this lease shall be paid as follows: Upon execution of the lease ½ of the lease bonus of \$6.00 (six dollars) per net mineral acre owned shall be paid within 30 (thirty) days of the return of all properly executed leases. On or before August 12, 2016 an additional lease bonus payment in the amount of \$6.00 (six dollars) per net mineral Payment shall be deemed made upon Lessee's tendering of such payment by certified mail to Lessor at the address shown on this lease. acre owned shall be tendered.

This lease may, at Lessee's option, be extended as to all or part of the lands covered hereby for an additional primary term of 2 years commencing on the date that the lease would have expired. Lessee may exercise its option by paying or tendering to Lessor an extension payment of \$12.00 per net mineral acre for the land then covered by the extended lease, said bonus to be paid or tendered to Lessor on or before the expiration date of the primary term. If Lessee exercises this option, the primary term of this lease shall be considered to be continuous, commencing on the date of the lease and continuing from that date to the end of the extended primary term. Lessee's option shall expire at expiration of the initial primary term of this

DAY OF FEBRUARY £\_ EXECUTED THIS LESSOR(S)

Ishy & Reclar ARBY L. RECTOR, TRUSTEE

INDA S. RECTOR, TRUSTER

STATE OF Kanaaa } (m)

Individual Acknowledgment)

Before me, the undersigned, a Notary Public, in and for said County and State, on this  $\frac{1}{12}$  day of  $\frac{1}{12}$ the within and foregoing instrument, and acknowledged to me that they executed the same as their free and voluntary act S. RECTOR REVOCABLE TRUST DATED JANUARY 13, 2012, to me known to be the identical person(s) who executed 2015 personally appeared ARBY L. RECTOR AND LINDA S. RECTOR AS TRUSTEES OF THE ARBY L. AND LINDA and deed for the uses and purposes therein set forth

Given under my hand and seal the day and year last above written.

Notary Public: July Hole Wese

LOUISE F. BRINEGAR MY COMMISSION EXPIRES October 19, 2016

Printed Name: LOLLISE F. BRINEGAR

My Commission Expires:  $\bigcirc$ )  $\bigcirc$   $\downarrow$   $\bigcirc$   $\bigcirc$   $\bigcirc$   $\bigcirc$ 

### OIL AND GAS LEASE

REVOCABLE TRUST DATED JANUARY 19, 2012, whose address is 7700 E. 13<sup>TH</sup> ST N UNIT 70, WICHITA, KS RECTOR AND SANDRA L. RECTOR TRUSTEES OF THE DUANE E. AND SANDRA L. RECTOR 67206 Party of the first part, hereinafter called Lessor (whether one or more), and COTTONWOOD MINERALS, LLC, whose address is 1437 S. BOULDER, SUITE 930, TULSA, OK 74119, party of the second part, hereinafter called AGREEMENT, made and entered into this 12th day of February, 2015, by and between DUANE E.

paid, receipt of which is hereby acknowledged, and of the covenants and agreements hereinafter contained on the part of Lessee to be paid, kept and performed, has granted, demised, Leased and let and by these presents does grant, demise, Lease and let who the said Lessee, for the sole and only purpose of carrying on geological, geophysical and other exploratory work thereon, including 3D seismic operations, core drilling and the drilling, mining and operating for oil (including but not limited to distillate and condensate), gas (including casinghead gas and helium and all other constituents), and for laying pipe WITNESSETH, That the said Lessor, for and in consideration of TEN and MORE DOLLARS (\$10.00), in hand lines, and building tanks, power stations and structures thereon, to produce, save and take care of said products, all that certain tract of land, together with any reversionary rights therein, situated in the County of Hamilton, State of Kansas, described as follows, to-wit:

# Township 25 South, Range 40 West,

Section 23: E/2

This Lease shall remain in full force for a term of Three (3) years, (herein called "Primary Term"), and so long thereafter as oil or gas, or any of the substances covered by this Lease, is produced from said land by Lessee in paying quantities, or the premises are being developed.

In consideration of the premises the said Lessee covenants and agrees:

To deliver to the credit of Lessor free of cost, in the pipeline to which it may connect its wells, the 1/8th of the net proceeds received on all oil (including but not limited to condensate and distillate) produced and saved from the Leased premises.

impurities in the gas, processing, compressing, or otherwise making such gas merchantable. During any period (whether before or after expiration of the primary term hereof) when gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or operations on said Leased premises sufficient to keep this Lease in force, Lessee shall pay or tender a royalty of Two Dollars (\$2.00) per year per net royalty acre retained hereunder, such payment or tender to be made, on or before the anniversary date of this Lease during the period such well is shut in, to the royalty owners. When such payment or tender is made it will be considered that gas is being produced within the meaning of the entire Lease. To pay Lessor for gas (including casinghead gas) and all other substances covered hereby, a royalty of 1/8th of the net proceeds realized by Lessee for the gas sold, such net proceeds to be less a proportionate part of the production, severance and other excise taxes and the cost incurred by Lessee in delivering, treating for the removal of nitrogen, helium or other

If, at the expiration of the primary term, Lessee is conducting operations for drilling, completing or reworking a well, this Lease nevertheless shall continue as long as such operations are prosecuted or additional operations are commenced and prosecuted (whether on the same or successive wells) with no cessation of more than ninety (90) days, and if production is discovered, this Lease shall continue as long thereafter as oil or gas are produced.

unit shall be treated as if such operations were upon or such production were from the Leased premises whether or not the well or wells are located thereon. The entire acreage within a unit shall be treated for all purposes as if it were covered by and included in this Lease except that the royalty on production from the unit shall be as below provided, and except that in Lessee is hereby granted the right at any time and from time to time to unitize the Leased premises or any portion or portions thereof, as to all strata or any stratum or strata, with any other lands as to all strata or any stratum or strata, for the production primarily of oil or primarily of gas with or without distillate. However, no unit for the production primarily of oil shall embrace more than 160 acres, or for the production primarily of gas with or without distillate more than 640 acres, plus regulation shall permit or prescribe a spacing pattern for the development of the field or allocate a producing allowable based on acreage per well, then any such unit may embrace as much additional acreage as may be so permitted or prescribed or as may be used in such allocation of allowable. Should a horizontal well be drilled, a unit or units of necessary size and standard to the industry, may be formed to allow for proper development of the field and shall include the land covered by this Lease, or any portion thereof, with other land covered by another Lease or Leases, or unitization of oil and/or gas. Lessee shall file written unit designations in the county in which the Leased premises are located. Operations upon and production from the calculating the amount of any shut in gas royalties, only the part of the acreage originally Leased and then actually embraced by this Lease shall be counted. In respect to production from the unit, Lessee shall pay Lessor, in lieu of other royalties thereon, only such proportion of the royalties stipulated herein as the amount of his acreage placed in the unit, or his royalty a tolerance of ten percent (10%) to conform to Governmental Survey quarter sections; provided that if any governmental an acreage basis bears to the total acreage in the unit. interest therein on

then the royalties herein provided shall be paid to the Lessor only in the proportion which his interest bears to the whole and If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therem, undivided fee. essee shall have the right to use, free of cost, gas, oil and water produced on said land for its operations thereon, except water from wells of Lessor.

Lessee shall bury his pipelines below plow depth.

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

Lessee shall pay for all damages caused by its operations to growing crops on said land.

essee 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.

However, no change or essee. No change in the 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. However, no change or division in ownership of the land or royalties shall enlarge the obligations or diminish the rights of Lessee. No change in the ownership of the land 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. All express or implied covenants of this Lease shall be subject to all Federal and State Laws, Executive Orders, Rules and 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 such failure is the result of any such Law, Order, Rule or Regulation. This Lease shall be effective as to each Lessor on execution hereof as to his or her interest and shall be binding on those signing, notwithstanding some of the Lessors above named may not join in the execution hereof. The word "Lessor" as used in this Lease means the party or parties who execute this Lease as Lessor, although not named above.

Lessee may at any time and from time to time surrender this Lease as to any part or parts of the Leased premises by delivering or mailing a release thereof to Lessor, or by placing a release of record in the proper county.

-essor hereby warrants and agrees to defend the title to the lands herein described and agrees that the Lessee shall have the right at any time to redeem for Lessor by payment any mortgages, taxes or other liens on the above described lands, in the event of default of payment by Lessor, and be subrogated to the rights of the holder thereof. The bonus consideration for this lease shall be paid as follows: Upon execution of the lease ½ of the lease bonus of \$6.00 (six dollars) per net mineral acre owned shall be paid within 30 (thirty) days of the return of all properly executed leases. On or before August 12, 2016 an additional lease bonus payment in the amount of \$6.00 (six dollars) per net mineral acre owned shall be tendered. Payment shall be deemed made upon Lessee's tendering of such payment by certified mail to Lessor at the address shown on this leas This lease may, at Lessee's option, be extended as to all or part of the lands covered hereby for an additional primary term of 2 years commencing on the date that the lease would have expired. Lessee may exercise its option by paying or tendering to Lessor an extension payment of \$12.00 per net mineral acre for the land then covered by the extended lease, said bonus to be paid or tendered to Lessor on or before the expiration date of the primary term. If Lessee exercises this option, the primary term of this lease shall be considered to be continuous, commencing on the date of the lease and continuing from that date to the end of the extended primary term. Lessee's option shall expire at expiration of the initial primary term of this

, 2015 February DAY OF 35 EXECUTED THIS LESSOR(S):

DUANE E. RECTOR, TRUSTEE

SANDRA L. RECTOR, TRUSTEE

STATE OF KANDOO }

County of Stagin of

(Individual Acknowledgment)

Before me, the undersigned, a Notary Public, in and for said County and State, on this 13—day of FeDELLARY who executed the within and foregoing instrument, and acknowledged to me that they executed the same as their free and 2015 personally appeared DUANE E. RECTOR AND SANDRA L. RECTOR AS TRUSTEES OF THE DUANE E. AND SANDRA L. RECTOR REVOCABLE TRUST DATED JANUARY 19, 2012, to me known to be the identical person(s) voluntary act and deed for the uses and purposes therein set forth

Given under my hand and seal the day and year last above written.

Notary Public: Jallie + Alleregal

Printed Name: LOWISE F. BRINEGAR

CHALL NY COMMISSION EXPIRES

CLALL NY COMMISSION EXPIRES

CCIODER 19, 2016

My Commission Expires: Oct. 19, 2016

## OIL AND GAS LEASE

1995, whose address is 7700 E. 13<sup>TH</sup> ST N UNIT 73, WICHITA, KS 67206 Party of the first part, hereinafter called THIS AGREEMENT, made and entered into this 12th day of February, 2015, by and between LARRY GENE Lessor (whether one or more), and COTTONWOOD MINERALS, LLC, whose address is 1437 S. BOULDER, SUITE RECTOR, TRUSTEE OF THE LARRY GENE RECTOR LIVING TRUST AGREEMENT DATED MAY 23, 930, TULSA, OK 74119, party of the second part, hereinafter called Lessee.

Lessee to be paid, kept and performed, has granted, demised, Leased and let and by these presents does grant, demise, Lease and let unto the said Lessee, for the sole and only purpose of carrying on geological, geophysical and other exploratory work thereon, including 3D seismic operations, core drilling and the drilling, mining and operating for oil (including but not limited to distillate and condensate), gas (including casinghead gas and helium and all other constituents), and for laying pipe lines, and building tanks, power stations and structures thereon, to produce, save and take care of said products, all that WITNESSETH, That the said Lessor, for and in consideration of TEN and MORE DOLLARS (\$10.00), in hand paid, receipt of which is hereby acknowledged, and of the covenants and agreements hereinafter contained on the part of certain tract of land, together with any reversionary rights therein, situated in the County of Hamilton, State of Kansas, described as follows, to-wit:

Township 25 South, Range 40 West,

Section 23: E/2

This Lease shall remain in full force for a term of Three (3) years, (herein called "Primary Term"), and so long thereafter as oil or gas, or any of the substances covered by this Lease, is produced from said land by Lessee in paying quantities, or the premises are being developed.

In consideration of the premises the said Lessee covenants and agrees:

To deliver to the credit of Lessor free of cost, in the pipeline to which it may connect its wells, the 1/8<sup>th</sup> of the net proceeds received on all oil (including but not limited to condensate and distillate) produced and saved from the Leased premises.

To pay Lessor for gas (including casinghead gas) and all other substances covered hereby, a royalty of 1/8<sup>th</sup> of the net proceeds realized by Lessee for the gas sold, such net proceeds to be less a proportionate part of the production, severance and other excise taxes and the cost incurred by Lessee in delivering, treating for the removal of nitrogen, helium or other before or after expiration of the primary term hereof) when gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or operations on said Leased premises sufficient to keep this Lease in force, Lessee impurities in the gas, processing, compressing, or otherwise making such gas merchantable. During any period (whether shall pay or tender a royalty of Two Dollars (\$2.00) per year per net royalty acre retained hereunder, such payment or tender to be made, on or before the anniversary date of this Lease during the period such well is shut in, to the royalty owners. When such payment or tender is made it will be considered that gas is being produced within the meaning of the entire Lease.

If, at the expiration of the primary term, Lessee is conducting operations for drilling, completing or reworking a well, this Lease nevertheless shall continue as long as such operations are prosecuted or additional operations are commenced and prosecuted (whether on the same or successive wells) with no cessation of more than ninety (90) days, and if production is discovered, this Lease shall continue as long thereafter as oil or gas are produced.

a tolerance of ten percent (10%) to conform to Governmental Survey quarter sections; provided that if any governmental regulation shall permit or prescribe a spacing pattern for the development of the field or allocate a producing allowable based on acreage per well, then any such unit may embrace as much additional acreage as may be so permitted or prescribed or as may be used in such allocation of allowable. Should a horizontal well be drilled, a unit or units of necessary size and standard to the industry, may be formed to allow for proper development of the field and shall include the land covered by this Lease, or any portion thereof, with other land covered by another Lease or Leases, or unitization of oil and/or gas. Lessee shall file written unit designations in the county in which the Leased premises are located. Operations upon and production from the unit shall be treated as if such operations were upon or such production were from the Leased premises whether or not the well or wells are located thereon. The entire acreage within a unit shall be treated for all purposes as if it were covered by and included in this Lease except that the royalty on production from the unit shall be as below provided, and except that in Lessee is hereby granted the right at any time and from time to time to unitize the Leased premises or any portion or portions thereof, as to all strata or any stratum or strata, with any other lands as to all strata or any stratum or strata, for the production primarily of oil or primarily of gas with or without distillate. However, no unit for the production primarily of oil shall embrace more than 160 acres, or for the production primarily of gas with or without distillate more than 640 acres, plus calculating the amount of any shut in gas royalties, only the part of the acreage originally Leased and then actually embraced by this Lease shall be counted. In respect to production from the unit, Lessee shall pay Lessor, in lieu of other royalties thereon, only such proportion of the royalties 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 in the unit.

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 shall be paid to the Lessor only in the proportion which his 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 its operations thereon, except water from wells of Lesson

Lessee shall bury his pipelines below plow depth.

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

Lessee shall pay for all damages caused by its 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

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. However, no change or division in ownership of the land or royalties shall enlarge the obligations or diminish the rights of Lessee. No change in the ownership of the land 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.

All express or implied covenants of this Lease shall be subject to all Federal and State Laws, Executive Orders, Rules and 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 such failure is the result of any such Law, Order, Rule or Regulation.

This Lease shall be effective as to each Lessor on execution hereof as to his or her interest and shall be binding on those signing, notwithstanding some of the Lessors above named may not join in the execution hereof. The word "Lessor used in this Lease means the party or parties who execute this Lease as Lessor, although not named above.

Lessee may at any time and from time to time surrender this Lease as to any part or parts of the Leased premises by delivering or mailing a release thereof to Lessor, or by placing a release of record in the proper county.

Lessor hereby warrants and agrees to defend the title to the lands herein described and agrees that the Lessee shall have the right at any time to redeem for Lessor by payment any mortgages, taxes or other liens on the above described lands, in the event of default of payment by Lessor, and be subrogated to the rights of the holder thereof.

The bonus consideration for this lease shall be paid as follows: Upon execution of the lease ½ of the lease bonus of \$6.00 (six dollars) per net mineral acre owned shall be paid within 30 (thirty) days of the return of all properly executed leases. On or before August 12, 2016 an additional lease bonus payment in the amount of \$6.00 (six dollars) per net mineral acre owned shall be tendered. Payment shall be deemed made upon Lessee's tendering of such payment by certified mail to

This lease may, at Lessee's option, be extended as to all or part of the lands covered hereby for an additional primary term of 2 years commencing on the date that the lease would have expired. Lessee may exercise its option by paying or tendering to Lessor an extension payment of \$12.00 per net mineral acre for the land then covered by the extended lease, said bonus to be paid or tendered to Lessor on or before the expiration date of the primary term. If Lessee exercises this option, the primary term of this lease shall be considered to be continuous, commencing on the date of the lease and continuing from that date to the end of the extended primary term. Lessee's option shall expire at expiration of the initial primary term of this

19th DAY OF February, 2015 EXECUTED THIS LESSOR(S):

A Arry A ent TK ecla LARRY GENE RECTOR, TRUSTEE

Kamao

STATE OF

County of Dedg WICLE

(Individual Acknowledgment)

Before me, the undersigned, a Notary Public, in and for said County and State, on this 13th day of Feberrape 14 2015 personally appeared LARRY GENE RECTOR AS TRUSTEE OF THE LARRY GENE RECTOR LIVING TRUST AGREEMENT DATED MAY 23, 1995, to me known to be the identical person(s) who executed the within and foregoing instrument, and acknowledged to me that they executed the same as their free and voluntary act and deed for the uses and purposes therein set forth

Given under my hand and seal the day and year last above written.

Notary Public: Jauen H Brenesper

Belmisar

Printed Name:

LOUISE F. BRINEGAR
DEFICIAL MY COMMISSION EXPIRES
SEAL.\*\* October 19, 2016

My Commission Expires: Oct. 19, 2016

Conservation Division District Office No. 1 210 E. Frontview, Suite A Dodge City, KS 67801



Phone: 620-225-8888 Fax: 620-225-8885 http://kcc.ks.gov/

Sam Brownback, Governor

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

February 24, 2015

Charles Crawford Adams Affiliates, Inc. 1437 S. BOULDER, STE 930 TULSA, OK 74119

Re: Temporary Abandonment API 15-075-20848-00-00 Rector 2-23 NE/4 Sec.23-25S-40W Hamilton County, Kansas

### Dear Charles Crawford:

- "Your temporary abandonment (TA) application for the well listed above has been approved. In accordance with K.A.R. 82-3-111 the TA status of this well will expire 02/24/2016.
- \* If you return this well to service or plug it, please notify the District Office.
- \* If you sell this well you are required to file a Transfer of Operator form, T-1.
- \* If the well will remain temporarily abandoned, you must submit a new TA application, CP-111, before 02/24/2016.

You may contact me at the number above if you have questions.

Very truly yours,

Michael Maier"