



1255033

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

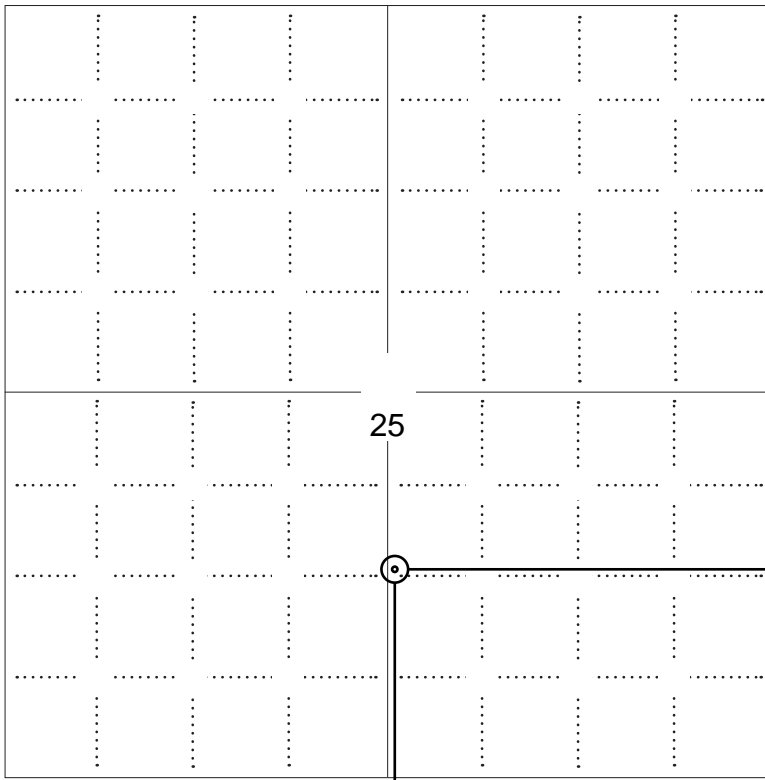
Is Section: Regular or Irregular

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

Section corner used: NE NW SE SW

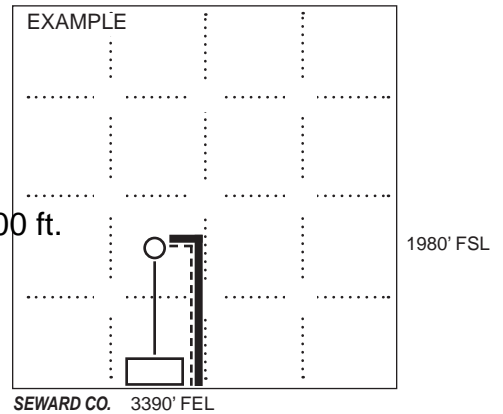
PLAT

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.

1425 ft.

In plotting the proposed location of the well, you must show:

1. The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, 4 sections, etc.
2. The distance of the proposed drilling location from the south / north and east / west outside section lines.
3. The distance to the nearest lease or unit boundary line (in footage).
4. If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (C0-7 for oil wells; CG-8 for gas wells).
5. The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.



KANSAS CORPORATION COMMISSION 1255033
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.	
Submitted Electronically			

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

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: Downing Nelson Oil Company, Inc.

Lease: Befort-Pfannenstiel Unit

Well Number: 1-25

Field: Wildcat

Number of Acres attributable to well: _____

QTR/QTR/QTR/QTR of acreage: SW - SW - NW - SE

Location of Well: County: Ellis

1,425 feet from N / S Line of Section

2,600 feet from E / W Line of Section

Sec. 25 Twp. 14 S. R. 19 E W

Is Section: Regular or Irregular

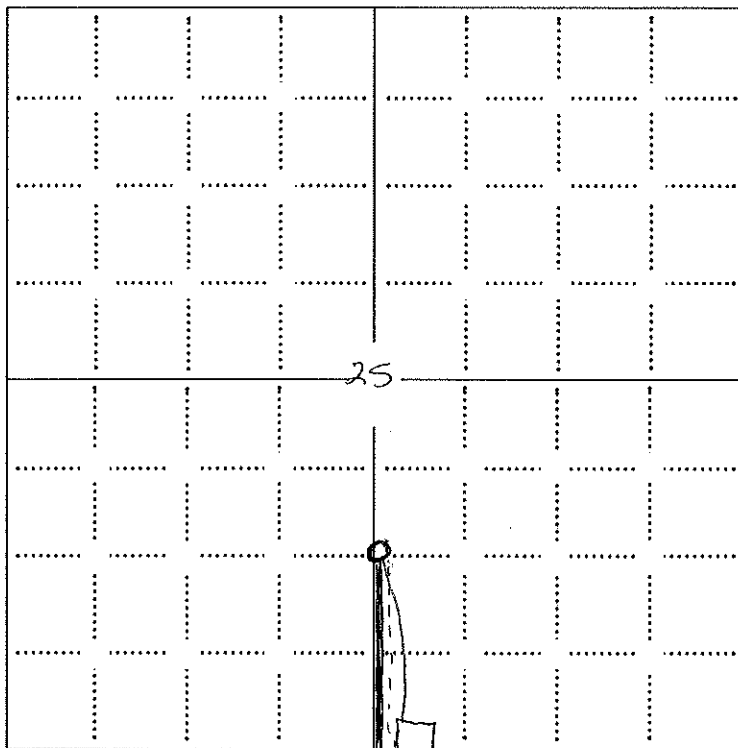
If Section is Irregular, locate well from nearest corner boundary.

Section corner used: NE NW SE SW

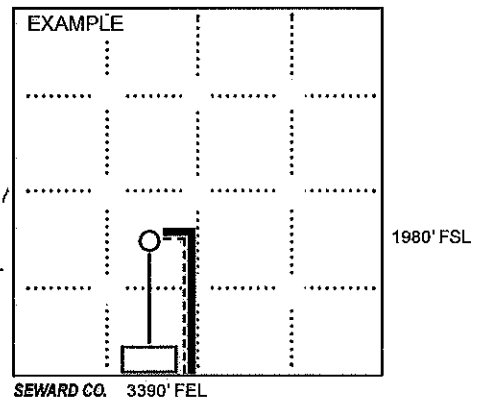
PLAT

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 location.

1425' FSL

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.

OIL AND GAS LEASE

Record No.
09-116

Kansas Blue Print
Production Office
PO Box 703
Wichita, Kansas
316-24-0344 284-5165 fax
www.kbp.com kbp@kbp.com

THIS AGREEMENT, Entered into this the 25th day of January 2010 between

Darin L. Pfannenstiel and Laurie A. Pfannenstiel, his wife

and Downing-Nelson Oil Company, Inc. hereinafter called lessor,

1. That lessor, for and in consideration of the sum of One (\$1.00) & O.V.C. 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, together with any revenues, royalties or any part thereof, and other exploratory, producing, mining and operating rights therein, and with the right to utilize this lease or any part thereof and condensate) and gas leases as to all or any part of the lands covered thereby (hereinafter provided for the purpose of carrying on geological, geophysical and laying pipe lines, building tanks, storing oil, building powers, stations, telephone and electric transmission 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, said tract of land being situated in the County of Ellis, State of Kansas and described as follows:

In Section 25 Township 14 South Range 19 West and containing 240 acres, more or less, The South Half of the Northwest Quarter (S/2NW/4) and The Southwest Quarter (SW/4) and

any of the substances covered by this lease is or can be produced.

2. The lessee shall deliver as royalty, free of cost, to lessor at the wells, or to the credit of lessor into the pipe line to which lessee may connect its wells, the equal one-eighth (1/8) part of all oil (including but not limited to distillate and condensate) produced and saved from the leased premises, or at the lessee's option oil is run into the pipe line or into storage tanks.

4. The lessee shall pay to lessor for gas of whatsoever nature or kind (with all of its constituents) produced and used by the lessee for the manufacture of gasoline or any other product, as royalty, one-eighth (1/8) of the market value of such gas at the mouth of the well; if said gas is sold by the lessee then as royalty one-eighth (1/8) of the proceeds of the sale thereof at the mouth of the well; said payments to be made monthly. 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, lessor shall pay or tender a royalty of One Dollar (\$1.00) per acre per net royalty acre obtained here- upon, 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 or to the rental depository bank hereinafter designated. When such payment or tender is made it will be considered that gas is being produced within the meaning of the entire lease. Out of any surplus not needed for operations hereunder, the lessor may have, free of charge, gas from any well which may be designated as depository shall in inside lights in the principal dwelling house on said land by making his own connections with the well, the use of such gas to be at the lessor's sole risk and expense.

5. If drilling operations or mining operations are not commenced on the leased premises on or before Three (3) years from this date, this lease shall then terminate as to both parties unless lessee on or before the expiration of said period shall pay or tender to lessor, or to the credit of lessor in Bank at Two Hundred Dollars (s. 200.00) or any successor bank, the sum of Two Hundred Dollars (s. 200.00) hereinafter called 'rental', which shall extend for twelve months

the time within which drilling operations or mining operations may be commenced. Thereafter, in like manner and upon like payments or tenders the commencement of drilling operations or mining operations may be further deferred for periods of twelve months each during the primary term. Payment or tender of rental may be made by check or draft of lessee, delivered or mailed to the authorized depository bank or tender of rental may be made by check or draft of other bank which may be hereinafter provided, have been designated as depository) should fail or be liquidated or omitted. If said named or successor bank (or any other bank) fails or fails to make such payment or tender of rental until thirty days after other bank which may be designated as depository shall be named, and all advance payments of rentals made hereunder before receipt of said documents shall be binding on any and all direct or indirect assignees, grantees, devisees, administrators, executors, or heirs of lessor. In the event this lease shall be assigned as to a part or as to parts of the above described land, and the holder or holders of the lease as to any such part or parts shall make default in the payment of the proportionate part of the rent due from him or them, such default shall not operate to defeat or affect this lease insofar as it covers a part or parts of said land upon which the lessee or any assignee hereof shall make due payment of said rentals.

6. If at any time prior to the discovery of oil or gas on this land and during the primary term of this lease, the lessee shall drill a dry hole or dry holes on this land, this lease shall not terminate if the lessee commences further drilling operations or commences or resumes the payment of rentals in the manner and in the amount hereinabove provided by the rental paying date, if any, next ensuing after thirty (30) days following the completion of the dry hole, or if there be no such rental paying date, commence such further operations before the expiration of the primary term.

7. In case said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein then the royalties and rentals increased at the next succeeding rental anniversary after any reversion occurs to cover the interest so acquired.

8. The lessee shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of the lessor. When required by lessor the lessee shall bury its pipe lines below plow depth and shall pay for damage caused by its operations to growing crops 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 but lessee shall be under no obligation to do so, nor shall lessee be under any obligation to restore the surface to its original condition, where any alterations or changes were due to operations reasonably necessary under this lease.

9. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to their heirs, devisees, executors, administrators, successors and assigns. However, no change of ownership in ownership of the lands, rentals, 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 duly 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 to the full interest claimed, and all advance payments of rentals made hereunder before receipt of said documents shall be binding on any and all direct or indirect assignees, grantees, devisees, administrators, executors, or heirs of lessor. In the event this lease shall be assigned as to a part or as to parts of the above described land, and the holder or holders of the lease as to any such part or parts shall make default in the payment of the proportionate part of the rent due from him or them, such default shall not operate to defeat or affect this lease insofar as it covers a part or parts of said land upon which the lessee or any assignee hereof shall make due payment of said rentals.

10. If the leased premises are now or shall hereafter be owned in severalty or in separate tracts, the premises may nevertheless 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 receiving or measuring tanks or devices.

11. Lessor hereby warrants and agrees to defend the title to the land herein described 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 event it exercises such option, 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 or rentals accruing hereunder.

12. Notwithstanding anything in this lease contained to the contrary, it is expressly agreed that if lessee shall commence to drill a well or commence re- working operations on an existing well at any time while this lease is in force, this lease shall remain in force and its terms shall continue so long as such opera- tions are prosecuted and, if production results therefrom, then as long as production continues.

13. Lessee may at any time and from time to 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 pay- ments and liabilities thereafter accruing under the terms of said lease as to the portion surrendered shall cease and determine and any rentals thereafter paid shall be reduced in the proportion that the acreage covered hereby is reduced by each such release, 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.

14. 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) having jurisdiction thereover, or if lessee should be unable during said period to drill a well hereunder due to equipment necessary, in the order of any constituted au- thority being available on account of any cause, the primary term of this lease shall continue until six months after said order is suspended and/or said equipment is avail- able, but the lessee shall pay delay rentals herein provided during such extended time.

15. Lessee is hereby granted the right at any time and from time to time, either before or after production is obtained, to form or reform a unit or units covering the leased premises or any portion or portions thereof, as to all strata or strata with any other lands as to all strata or any stratum or units thereof 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 640 acres (plus such tolerance as may be appropriate by reason of oversize legal subdivisions), or for the production primarily of gas with or without distillate more than 640 acres (plus such tolerance as may be appropriate by reason of oversize legal subdivisions); provided that if any governmental regulation shall 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 prescribed or as may be used in such allocation of allowable. Lessee shall file written designations in the county in which the leased premises are located in order to form, to reform, or to dissolve a unit or units. Operations upon and production from the unit shall be treated as if such operations were upon or are located in order to form, to reform, or to dissolve a unit or units. The entire acreage within a unit shall be treated as if such operations were upon or are located in order to form, to reform, or to dissolve a unit or units. Operations upon and production from the unit shall be as below provided, and except that in par- ticular the amount of any rentals or shut in gas royalties, only that 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.

16. Should any one or more of the parties above named as lessor fail to execute this lease, it shall nevertheless be binding upon all such parties who do ex- ecute it as lessor. The word "lessor" as used in this lease means the party or parties who execute this lease as lessor, although not named above. See addendum attached hereto and made a part hereof in witness whereof, we sign the day and year first above written.

Darin L. Pfannenstiel

Laurie A. Pfannenstiel

Darin L. Pfannenstiel

Laurie A. Pfannenstiel

ADDENDUM

This Addendum is made and entered into this 25th day of January, 2010, with regard to that certain Oil and Gas Lease dated the date hereto and executed herewith which Oil and Gas Lease cover the following described real property in Ellis County, Kansas, to-wit: The South Half of The Northwest Quarter (S/2NW/4) and The Southwest Quarter (SW/4) of Section Twenty-Five (25), Township Fourteen (14) South Range Nineteen (19) West

In addition to the terms of such Oil and Gas Lease, the parties agree as follows:

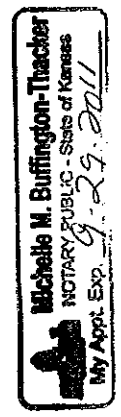
- 1. This Lease is for a term of five (5) years with the first three (3) years being paid-up at the time of granting the Lease. The Lessee may, at it's option, extend the term of this lease for an additional two (2) years by payment of the delay rental called for in paragraph 5 of the Lease. If the Lessor does not specify a depository for the payment of the delay rentals the Lessee may tender to Lessor such delay rental payments at Lessor's last known address or such other address as Lessor may designate to Lessee, in writing. Payment of such delay rental payment shall be deemed to be made by Lessee to Lessor on the date that such payment is deposited in the United States Mail by certified mail from the Lessee to the Lessor.
2. Lessor hereby grants to the Lessee, its successors or assigns, the exclusive right to perform three dimensional seismic exploration on the leased premises for the consideration paid by the Lessee to the Lessor for the granting of this Oil and Gas Lease. Lessee shall pay to Lessor or to Lessor's agricultural tenant, whenever it is appropriate, an additional \$5.00 per acre as liquidated damages for 3-D seismic exploration activities on the property.
3. Lessee acknowledges and agrees that upon abandonment of this Oil and Gas Lease, the Lessee will plug all wells drilled thereon by Lessee according to KCC regulations.
4. The Parties agree that minimum damages in the amount of \$500.00 for pasture ground and \$1,000.00 for tilled ground will be paid for each well drilled on the above described property.
5. FURTHER PROVIDED that it is understood that the damages indicated represent liquidated damages for the activities contemplated on the property which damages are reasonable under the circumstances. It is not intended that this amount of liquidated damages will include unreasonable or unnecessary damages that might be caused to the property as a result of the Lessees activities thereon.

Except for and to the extent of the provisions contained in this Addendum, the Oil and Gas Lease referred to hereinabove shall be in full force and effect and its terms shall control the operations of the Lessee on the leased property.

By: Darin L. Pfannenstiel (signature) Laurie A. Pfannenstiel (signature)
Darin L. Pfannenstiel Laurie A. Pfannenstiel
STATE OF Kansas ss:
COUNTY OF Ellis

BE IT REMEMBERED that on this 8th day of February, 2010, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came Laurie A. Pfannenstiel, who are personally known to me to be the same persons who executed the within instrument of writing and such persons duly acknowledged the execution of the same.

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



(Signature)
Notary Public

My Appointment Expires: 9-29-2011

EXTENSION OF OIL AND GAS LEASE

WHEREAS, Downing-Nelson Oil Company, Inc., is the owner and holder of an Oil and Gas Lease on the following described land in Ellis County, State of Kansas:

The South Half of the Northwest Quarter (S/2 NW/4) and The Southwest Quarter (SW/4) of Section Twenty-Five (25), Township Fourteen (14) South, Range Nineteen (19) West of the 6th P.M.,

and recorded on February 9, 2010 in Book 736 of Records at Page 717 in the Office of the Register of Deeds of Ellis County, Kansas, and

WHEREAS, said Lease expires in the absence of drilling operations on January 25, 2015 and the said owner and holder desires to have the term of said Lease extended;

NOW, THEREFORE, the undersigned, for themselves, their heirs, executors, administrators and assigns, for and in consideration of Four Hundred Dollars (\$400.00), in hand paid, the receipt whereof is hereby acknowledged, does hereby agree that the said term of said lease shall be and is hereby extended, with the same tenor and effect as if such extended term has been originally expressed in such lease, for a period of six (6) months from the date of the said expiration hereof and as long thereafter as oil or gas (including casinghead gas) is produced from any well on the land covered by said lease; subject, however, in all other respects, to the provisions and conditions of said lease or said lease as modified, if any modification thereof may have been heretofore executed.

IN WITNESS WHEREOF, this instrument is signed on this the 6th day of January 2015

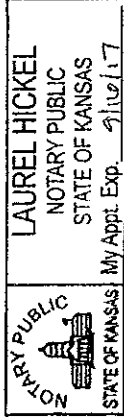
Darin L. Pfannenstiel
DARIN L. PFANNENSTIEL
Laurie A. Pfannenstiel
LAURIE A. PFANNENSTIEL

STATE OF Kansas,
COUNTY OF Ellis, ss:

BE IT REMEMBERED, that on this 6th day of January, 2015, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came Darin L. Pfannenstiel and Laurie A. Pfannenstiel, his wife, who are personally known to me to be the same persons who executed the within instrument of writing and such persons duly acknowledged the execution of the same.

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

My Appointment Expires: 9/16/17 *Laurel Hickel*
Notary Public Laurel Hickel



STATE OF KANSAS, ELLIS COUNTY, SS
Rebecca Herzog, Register of Deeds
Book: 663 Page: 664

Pages Recorded: 1 Total Fees: \$12.00

Register of Deeds: *Rebecca Herzog*

Date Recorded: 2/5/2015 11:02:01 AM



Photo *JR*
Direct *JR*
In Direct *JR*
Numerical *JR*
Checked *JR*

Gregory E. Saindore PA

FORM 88 - (PRODUCER'S SPECIAL) (PAID-UP)

Recorder No. **KBP**
09-115
Kansas Blue Print
700 S. Broadway PO Box 793
Wichita, KS 67201-0793
316-264-2244-264-1101 fax
www.kbp.com - kbp@kbp.com

63U (Rev. 1993) **OIL AND GAS LEASE**

AGREEMENT, Made and entered into the 27th day of April 2015

by and between

Bradley M. Befort and Sarah L. Befort, husband and wife,

whose mailing address is 1684 Smoky Hill River Rd., Hays, KS 67601 hereinafter called Lessor (whether one or more),
and Downing-Nelson Oil Co., Inc. hereinafter called Lessee.

Lessor, in consideration of One & other valuable consideration Dollars (\$ 1.00) to have paid, receipt of which Lessee acknowledges 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 by geophysical and other means, prospecting, drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases, and their respective constituent products, injecting gas, water, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, power stations, telephone lines, and other structures and things thereon to produce, save, take care of, treat, manufacture, process, store and transport said oil, liquid hydrocarbons, gases and their respective constituent products and other products manufactured therefrom, and housing and otherwise caring for its employees, the following described land, together with any revers-conary rights and after-acquired interest, therein situated in County of Ellis State of Kansas described as follows to-wit:

West Half of the Southeast Quarter (W/2 SE/4) ✓

In Section 25 Township 14 South, Range 19 West and containing 80 acres, more or less, and all accretions thereto.

Subject to the provisions herein contained, this lease shall remain in force for a term of two (2) years from this date (called "primary term"), and so 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 lease covenants and agrees:
1st. To deliver to the credit of lessor, free of cost, in the pipe line to which lessee may connect wells on said land, the equal one-eighth (1/8) 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, one-eighth (1/8) at the market price at the well, (but, as to gas sold by lessee, in no event more than one-eighth (1/8) of the proceeds received by lessee from such sales), for the gas sold, used off the premises, or in the manufacture of products therefrom, said payments to be made monthly. Where gas from a well producing gas only is not sold or used, lessee may pay or tender as royalty One Dollar (\$1.00) per year per net mineral acre retained hereunder, and if such payment or tender is made it will be considered that gas is being produced within the meaning of the preceding paragraph.

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 operation 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 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 portions 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 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 lease 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 leases 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 tract contiguous to one another and to be prior to a well or wells not exceeding 40 acres each in the event of an oil well, or into a unit or units not exceeding 640 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.

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, devisee, descent or otherwise, or to furnish separate measuring or receiving tanks.

See Addendum attached hereto and made a part hereof.

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

Witness:
Bradley M. Befort
BRADLEY M. BEFORT

Sarah L. Befort
SARAH L. BEFORT

STATE OF KANSAS ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)
COUNTY OF ELLIS
The foregoing instrument was acknowledged before me this 27 day of APRIL 2015
by Bradley M. Befort and Sarah L. Befort,
husband and wife.

My commission expires 8-30-2017
Chris Dreiling
Chris Dreiling
Notary Public
NOTARY PUBLIC - State of Kansas
Chris A. Dreiling
My Appt. Expires 8-30-2017

STATE OF KANSAS ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)
COUNTY OF ELLIS
The foregoing instrument was acknowledged before me this 27 day of APRIL
by BRADLEY M. BEFORT AND SARAH L. BEFORT. and _____

My commission expires _____
Notary Public

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

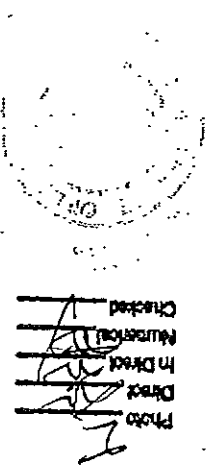
My commission expires _____
Notary Public

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

My commission expires _____
Notary Public

OIL AND GAS LEASE

No. _____ FROM _____ TO _____
Date _____
Section _____ Twp. _____ Rge. _____
No. of Acres _____
County _____
STATE OF Kansas County _____
This instrument was filed for record on the 13 of April 2015
day of _____
at 10:05 o'clock A.M., and duly recorded
in Book 868 Page 885 of
the records of this office.
By Debecca Dreiling Register of Deeds.
When recorded, return to Gregory Saindon, P.A.



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

Notary Public

ADDENDUM

This Addendum is made and entered into this 27 day of April, 2015, with regard to that certain Oil and Gas Lease dated the date hereof and executed herewith which Oil and Gas Lease covers the following described real property located in Ellis County, Kansas, to-wit:

The West Half of the Southeast Quarter (W/2 SE/4) of Section Twenty-Five (25), Township Fourteen (14) South, Range Nineteen (19) West of the 6th P.M.

In addition to the terms of such Oil and Gas Lease the parties agree as follows:

- 1. This Lease is for a term of two (2) years being paid-up at the time of granting the Lease.
- 2. Lessor hereby grants to the Lessee, its successors or assigns, the exclusive right to perform three dimensional seismic exploration on the leased premises for the consideration paid by the Lessee to the Lessor for the granting of this Oil and Gas Lease. Lessee shall pay to Lessor or to Lessor's agricultural tenant, whenever it is appropriate, an additional \$5.00 per acre as liquidated damages for 3-D seismic exploration activities on the property.
- 3. Lessee acknowledges and agrees that upon abandonment of this Oil and Gas Lease the Lessee will plug all wells drilled thereon by Lessee according to KCC regulations.
- 4. The Parties agree that minimum damages in the amount of \$500.00 for pasture ground and \$1,000.00 for tilled ground will be paid for each well drilled on the above described property.

FURTHER PROVIDED that it is understood that the damages indicated represent liquidated damages for the activities contemplated on the property which damages are reasonable under the circumstances. It is not intended that this amount of liquidated damages will include unreasonable or unnecessary damages that might be caused to the property as a result of the Lessees activities thereon.

Except for and to the extent of the provisions contained in this Addendum the Oil and Gas Lease referred to hereinabove shall be in full force and effect and its terms shall control the operations of the Lessee on the leased property.

By: Bradley M. Befort By: Sarah L. Befort
BRADLEY M. BEFORT SARAH L. BEFORT

STATE OF KANSAS,
COUNTY OF ELLIS, ss:

BE IT REMEMBERED, that on this 27 day of APRIL, 2015, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came BRADLEY M. BEFORT and SARAH L. BEFORT, husband and wife, who are personally known to me to be the same persons who executed the within instrument of writing and such persons duly acknowledged the execution of the same.

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

My Appointment Expires: 8-30-2017

Chris Dreiling
Notary Public
Chris J. Dreiling

 **CHRIS A DREILING**
NOTARY PUBLIC - State of Kansas
My Appt. Expires 8-30-2017