

Well will not be drilled or Permit Expired Date: \_

Signature of Operator or Agent:

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

SGA?

## KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

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

## **NOTICE OF INTENT TO DRILL**

month         day         year           OPERATOR: License#	feet from E / W Line of Section
Name:  Address 1:  Address 2:  City: State: Zip: +  Contact Person: Phone:	feet from N / S Line of Section feet from E / W Line of Section
Name:	feet from E / W Line of Section
Address 2:	Is SECTION: Regular Irregular?
Address 2:	
City: State: Zip: +         Contact Person: +         Phone:	
Phone:	
	Lease Name: Well #:
CONTRACTOR: Linear !!	Field Name:
CONTRACTOR: License#	
Name:	
	Target Formation(s):
Well Drilled For: Well Class: Type Equipment:	Nearest Lease or unit boundary line (in footage):
Oil Enh Rec Infield Mud Rotary	Ground Surface Elevation:feet MSL
Gas Storage Pool Ext. Air Rotary	Water well within one-quarter mile:
Disposal Wildcat Cable	Public water supply well within one mile: Yes No
Seismic ;# of Holes Other	Depth to bottom of fresh water:
Other:	Depth to bottom of usable water:
If OWWO: old well information as follows:	Surface Pipe by Alternate: III
II OVVVO. did well illiditilation as follows.	Length of Surface Pipe Planned to be set:
Operator:	
Well Name:	
Original Completion Date: Original Total Depth:	
	Water Source for Drilling Operations:
	No Well Farm Pond Other:
If Yes, true vertical depth:	DWK Fellill #
Bottom Hole Location:	(Note: Apply for Fernit with DWT)
KCC DKT #:	Will Cores be taken?
	If Yes, proposed zone:
	AFFIDAVIT
The undersigned hereby affirms that the drilling, completion and eve	ntual plugging of this well will comply with K.S.A. 55 et. seg.
It is agreed that the following minimum requirements will be met:	1 33 3
<ol> <li>Notify the appropriate district office <i>prior</i> to spudding of well;</li> <li>A copy of the approved notice of intent to drill <i>shall be</i> posted</li> </ol>	on each drilling rig:
	I 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 fee	, , , , , , , , , , , , , , , , , , , ,
	the district office on plug length and placement is necessary <i>prior to plugging</i> ;
5. The appropriate district office will be notified before well is eith	er plugged or production casing is cemented in;
	semented from below any usable water to surface within 120 DAYS of spud date.
	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 of the well	shall be plugged. <i>In all cases, NOTIFY district office</i> prior to any cementing.
o Lordon LELordon Portil	
ubmitted Electronically	
E KOOLL ONLY	Remember to:
For KCC Use ONLY	- File Certification of Compliance with the Kansas Surface Owner Notification
API # 15	Act (KSONA-1) with Intent to Drill;
Conductor pipe requiredfeet	- File Drill Pit Application (form CDP-1) with Intent to Drill;
Minimum surface pipe required feet per ALT.	- File Completion Form ACO-1 within 120 days of spud date;
	- File acreage attribution plat according to field profation orders,
Approved by:	Notify appropriate district office 48 hours prior to workover or re-entry;  Submit plugging report (CR 4) office plugging is completed (within 60 development).
This authorization expires:	<ul> <li>Submit plugging report (CP-4) after plugging is completed (within 60 days);</li> <li>Obtain written approval before disposing or injecting salt water.</li> </ul>
(This authorization void if drilling not started within 12 months of approval da	te.)  - Obtain written approval before disposing of injecting salt water.  - If well will not be drilled or permit has expired (See: authorized expiration date)
l de la companya de	

Side Two



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: _						_ Lo	cation of W	ell: Coun	ty:			
Lease:									fee	t from	N / S	Line of Section
Well Numb	er:								fee	t from	E / W	Line of Section
Field:						_ Se	C	Twp	S	i. R	E	W
						13 1	Section:	Regul	ar or	Irregular		
							Section is I		locate wel	I from near	est corner b	oundary.
			inalinas an	d alactrica	al lines as	required h		as Surface		redicted loca otice Act (Ho	ations of ouse Bill 2032	2).
			1	837 ft.								
		: : :				:	:			LEGEN	D	
		 · · · · · · · · · · · · · · · · · · ·	:	•••••	:	:	:		0	Well Loc Tank Bat Pipeline	ttery Locatio	on
:495 ft										- Electric I	Line Location oad Locatio	
		 :	:	••••	:	:		Г	EXAMPLE	:		
		:	: 8		: : :	<u>:</u> :	:		EXAMILE :			
	······	 :	: :	••••	:  :	: :	: 			•	i	
		 : :		•••••	: :	: :				<b>?</b>		1980' FSL
		 	: 	•••••	: 	· · · · · · · · · · · · · · · · · · ·						, <b></b>
		:	:		•	:		S	EWARD CO.	3390' FEL	•	

### 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.

NOTE: In all cases locate the spot of the proposed drilling locaton.

- 3. The distance to the nearest lease or unit boundary line (in footage).
- 4. If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (C0-7 for oil wells; CG-8 for gas wells).
- 5. The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.



## KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

1262062

Form CDP-1
May 2010
Form must be Typed

## **APPLICATION FOR SURFACE PIT**

Submit in Duplicate

Operator Name:		License Number:			
Operator Address:					
Contact Person:			Phone Number:		
Lease Name & Well No.:			Pit Location (QQQQ):		
Type of Pit:  Emergency Pit  Burn Pit  Settling Pit  Drilling Pit  Haul-Off Pit  (If WP Supply API No. or Year Drilled)  Is the pit located in a Sensitive Ground Water A	Pit is:  Proposed  If Existing, date col  Pit capacity:  urea?  Yes	Existing nstructed: (bbls)	SecTwp R East WestFeet from North / South Line of SectionFeet from East / West Line of Section County Chloride concentration: mg/l mg/l mg/l reference from		
Is the bottom below ground level?  Yes No	Artificial Liner?	No	How is the pit lined if a plastic liner is not used?		
Pit dimensions (all but working pits):	Length (fee				
If the pit is lined give a brief description of the li material, thickness and installation procedure.			dures for periodic maintenance and determining acluding any special monitoring.		
Distance to nearest water well within one-mile of	of pit:	Depth to shallo Source of infor	west fresh water feet. nation:		
feet Depth of water well	feet	measured	well owner electric log 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 s		Type of materia	over and Haul-Off Pits ONLY:  all utilized in drilling/workover:  king pits to be utilized:  procedure:		
flow into the pit? Yes No Drill pits must be closed within 365 days of spud date.  Submitted Electronically					
	KCC	OFFICE USE O	NLY  Liner Steel Pit RFAC RFAS		
Date Received: Permit Num	ber:	Permi	t Date: Lease Inspection: Yes No		



## Kansas Corporation Commission Oil & Gas Conservation Division

1262062

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

# CERTIFICATION OF COMPLIANCE WITH THE KANSAS SURFACE OWNER NOTIFICATION ACT

This form must be submitted with all Forms C-1 (Notice of Intent to Drill); CB-1 (Cathodic Protection Borehole Intent); T-1 (Request for Change of Operator Transfer of Injection or Surface Pit Permit); and CP-1 (Well Plugging Application).

Any such form submitted without an accompanying Form KSONA-1 will be returned.

Select the corresponding form being filed: C-1 (Intent) CB-	-1 (Cathodic Protection Borehole Intent) T-1 (Transfer) CP-1 (Plugging Application)
OPERATOR: License #	_ Well Location:
Name:	
Address 1:	
Address 2:	Lease Name: Well #:
City: State: Zip:+	_ If filing a Form T-1 for multiple wells on a lease, enter the legal description or
Contact Person:	the lease helow:
Phone: ( ) Fax: ( )	_
Email Address:	_
Surface Owner Information:	
Name:	_ When filing a Form T-1 involving multiple surface owners, attach an additional
Address 1:	sheet listing all of the information to the left for each surface owner. Surface owner information can be found in the records of the register of deeds for the
Address 2:	county, and in the real estate property toy records of the county traceurer
City:	_
	thodic Protection Borehole Intent), you must supply the surface owners and
	ank batteries, pipelines, and electrical lines. The locations shown on the plat d on the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted.
Select one of the following:	
owner(s) of the land upon which the subject well is or will b	e Act (House Bill 2032), I have provided the following to the surface e located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form m being filed is a Form C-1 or Form CB-1, the plat(s) required by this x, and email address.
KCC will be required to send this information to the surface	I acknowledge that, because I have not provided this information, the owner(s). To mitigate the additional cost of the KCC performing this ess of the surface owner by filling out the top section of this form and the KCC, which is enclosed with this form.
If choosing the second option, submit payment of the \$30.00 handli form and the associated Form C-1, Form CB-1, Form T-1, or Form C	ing fee with this form. If the fee is not received with this form, the KSONA-1 CP-1 will be returned.
Submitted Electronically	
I	

8-13S-31W 1837' FNL 2495' FWL 2969 Elev. Flow Line Gove County #1 Parsons					
Tank Battery Flow Line					
Tank Battery Flow Line					
Tank Battery Flow Line				Road	
Tank Battery Flow Line		ctric Line	cation	Lease	
~ >	**	Ele	Lo	<b>Y</b>	
± >	·		4		
~ >		nk Batter	v Line		
8-13S-31V 1837' FNL 2495' FWI 2969 Elev #1 Parsor			Flov	nty IS	
GO GO #1		3S-31V 37' FNL 95' FWI 39 Elev.		ve Cou Parson	
		8-1 186 244 296		Go #1	

## S TOF KANSAS, GOVE COUNTY SS REGISTER OF DEEDS

Book: 182 Page: 586-590

Receipt #: 16414 Pages Recorded: 5

Recording Fee: \$24.00

Date Recorded: 12/28/2012 11:24:57 AM

LL88-1 Form 88 (producers) Paid-up Kansas -Citalhoma	OIL AND GAS LE	EASE	٠
THIS AGREEMENT, Er Glennis G. Parsons, Trus	ntered into this 7th day of December stee of the Revocable Inter Vivos Trust of Glennis G. Pa	arsons, dated April 25th, 2002;	
and Glennis G. Parsons,	a single person, individually, 804 East 5th, Oakley, Kansas 67748	herein after called lessor	
That lessor, for a covenants and agreemer presents does hereby gr therein, for the purpose drilling, mining, and oper their respective constitue and substances into the stations, electrical lines.	nts hereinafter contained to be performed by the lessent, lease, and let exclusively unto the lessee the fof carrying on geological, geophysical and other exating for, producing and saving all of the oil, gas, gint vapors, and all other gases, found thereon, the esubsurface strata, and for constructing roads, laying and other structures thereon necessary or convening lands, to produce, save, take care of, and mai ubstances into the subsurface strata, saki tract of la	1) and more——Dollars in hand paid and of the see, has this day granted, leased, and let and by these hereinafter described land, with any reversionary rights exploratory work thereon, including core drilling and the as condensate, gas distillate, casinghead gasoline and exclusive right of injecting water, brine, and other fluids up pipe lines, building tanks, storing oil, building power ient for the economical operation of said land alone or nufacture all of such substances, and the injection of and being situated in the County of	
Township 13 South, Ra Section 8: NW/4	ange 31 West		
containing 160	acres, more or less 11157 y (30) nn0174725 11157 years-(called 'primary tarm	SSP 17 and as long thereafter as oil, gas, casingheed gas, casingheed gasoline	000
or any of the products covered b	y this lease is er combe produced.		ds) LEST
The lesses shall deliver to the lesses and careful produced and seven from the lesses of the careful produced and careful provided	a teasor as royally, free of cost, on the lease, or the leasor for a rased premises, or at the teasee's option may pay to the leasor for a the day such oil is run into the pipe line or into storage tanks.	which lessee may connect its wells the equal area eighth (449) part of all oil such area eighth (449) part of all one eighth (449) part of all	32nds) LAP
gas is being produced in paying	quantities. The first yearly period during which such gas is not sold	ner constanting parts, produced from the fact of copyright, whether one or paid or tendered, it will be considered under all provisions of this fease that shall begin on the date the first well is completed for production of gas.	
	eas and may be maintained during the primary term without further p		
shall be paid to said lessor only revert to lessor, or his heirs, or h	y in the proportion which his knames bears to an whole and citizen his or their grantee, this lease shall cover such reversion.	d undivided fee simple satate therein then the royalties herein provided for ided fee, however, in the event the title to any interest in said land should	
diffied nearer then 200 feet to emiration of this lease to remove	that bury is pipe when now on said premises without written consent of the house or burn now on said premises without written consent of all machinery, fodures, houses, buildings, and other structures plea-	to operations thereon, except weter from existing wells of the leasor. When caused by its operations to growing crops on said land. No well shall be of the leasor. Lesses shall have the right at cry time during, or after the cod on said promises, including the right to draw and remove all casing.	
devisees, executors, administrative obligations or diminish the rises been furnished with either probate thereof, or cartified on with all original recorded instruand all edvance payments of negative or help of lessor.	itors, accessors, and no charge of ownership in the land of in the roy fights of lesses, and no charge of ownership in the land of in the roy the original recorded instrument of conveyance or a duty cartifad or by of the proceedings showing the appointment of an administration ments of corresponse or duty cartified copies thereof necessary in entals made hereunder before receipt of said documents shall be bif	a part is expressly allowed), the coverants harred shall extend to the helic, also of the lend, or royalism, however accomplished, shall operate to enlarge malkes or any sum due under this lisses shall be binding on the lesses until it spy thereof, or a cartified copy of the will of any deceased owner and of for the setate of any deceased owner, whichever is appropriate, together showing a complete chain of title back to lessor of the full interest claimed, nding on any direct or indirect assignee, grantee, devisee, or administrator,	
and all royalties accruing here entire leased acreage. There he divided by sale, devises, de	under that he owners among an part of the leases to offset wells on set shall be no obligation on the part of the leases to offset wells on set secunity of otherwise, or to furnish separate measuring or receiving ten	s, the premises may nonetheless be developed and operated as one leave the proportion that the acrespe owned by each separate owner bears to the perate tracts into which the fand covered by this lesse may now or hereafte les.	¢ .
10. Lessor hereby warrants any laxes, mortgages, or other the rights of any holder or hold	and agrees to defend the life to the land herein described and agr filens edsting, levied, or assessed on or against the above describe for thoreof and may reknburse likely by applying to the discharge of t	ses that the lesses, at its option, may pay and discharge in whole or in par ad lands and, in the event it exercises such options it shall be subrogated to any such mortgage, tax or other lien, any royally accruing hereunder.	
<ol> <li>If after the expiration of reworking operations within on then engaged in dritting or rew any other well thereafter commonwhich in effect so long therea.</li> </ol>	the primary term, production of oil or gas should casse from any cal- be hundred-hersity (120) days thersate, or if at the expiration of its providing operations thereon, then in either event, this tasse shall rem- nenced, with no casseston of more than one hundred thersity (120) or fair as there is production of oil or gas under any provisions of the fair as there is production of oil or gas under any provisions of the	use, this lease that not forminate if leases commences additional drilling or is primary larm, oil or gae is not being produced on said land, but leases it ain in force so long as operations are prosecuted either on the same well of prescutive days, and if they result in production of oil or gas, this lease sha seco.	xr ♣
12. Lessee may et any time	surrender or cancel this lease in whole or in part by delivering or n	naling such release to the isssor, or by placing same of record in the prope and thereby, then all payments and liabilities thereafter accruing under th the acrospe not released the terms and provisions of this lease shall continu	3F 100 108

13. All provisions hereof, express or implied, shell be subject to all federal and state laws and the orders, rules, or regulations (and interpretations thereof) of all povernmental agencies administering the same, and this lease shell not be in any say terminated wholly or partially nor shall the leave be liable in damages for failure to comply with any of the express or implied provisions hereof if such failure accords with any such laws, orders, rules or regulations (or interpretations thereof). If sexes expended from difficult and the private that have accords with any such laws, orders, rules or regulations (or interpretations thereof). If sexes expended is well have ordered any constituted suffortly having jurisdiction thereover, the primary term have a law order to support the contract of the lease shall confirm until six months after said order is suspended.

14. Lasses, at its option, is hereby given the right and power to pool or combine into one or more units the lend covered by this lease, or any portion thereof, with other land covered by another lease, or leases when, in leases'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 seld land, such pooling to be in a unit or units not exceeding 80 acres each in the event of any and in an advise to promote the conservation of such minerals in and under seld land, such pooling to be in a unit or units not exceeding 80 acres each in the event of a gas ender condensate or distillate wall, plus a tolerance of tan persent (10%) to conform to Governmental Survey or units not exceeding 840 acres each in the event of a gas ender condensate or distillate wall, plus a tolerance of tan persent (10%) to conform to Governmental Survey quarter sendions. Lesses shall execute in writing and fife for moroid in the county in which the land is alknown in Instrument identifying and describing the pooled acresge, acres the payment of royalties on production from the pooled unit, as if it were included in the self-overed by this lease. If production is found on any part of the pooled acresge it chall be treated as if production is the late that the treated as if production is the late of the royalt in the late of the royalt is also whether havin specified leasor shall necessive on production from its road as pooled only such portion of the royalty sipulated havin as the amount of his not royalty interest therein on an acresge basis bears to the total mineral acresge as pooled in the particular unit involved.

This lease and all its terms, conditions, and aliquiations shall extend to and be binding on all successors of said leaser and leas

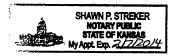
SEE ADDENDUM ATTACHED HERETO AND MADE A PART HEREOF.

IN WITNESS HEREOF, we sign the day and year first above written.

tarsons Glennis G. Parsons, Trustee of the Revocable Inter Vivos Trust of Glennis G. Parsons, dated April 25th, 2002

Glennis G. Parsons, a single person, individually

STATE OF Kansas	
COUNTY OF LOGAN ) ss. A	ACKNOWLEDGMENT FOR INDIVIDUAL
	o me on this / STH day of December, 2012, by Glennis G. Parsons Hennis G. Parsons, dated April 25th, 2002; and Glennis G. Parsons, a single person
individually.	M ASS
My Commission Expires:	Notary Public



#### **ADDENDUM**

This Addendum is a part of that certain oil and gas lease, identified above by date and parties, covering the NW/4 of Section 8, Township 13 South, Range 31 West, Gove County, Kansas, to the same extent as if the provisions hereof had originally been written in said lease. In the event of conflict between the lease provisions and the provisions provided in this Addendum, the provisions of this Addendum shall be binding.

- 1. If, at the expiration of the primary term or any time thereafter, there is any well(s) on the lease or lands pooled therewith that is capable of producing gas and such well(s) is shut-in, and this lease is not being maintained in force by any other provision of this lease, this lease shall nevertheless continue in force as though operations were being conducted on the leased premises for so long as such well(s) is shut-in, provided however, that this lease shall not be maintained in force for more than twelve (12) consecutive months at any one time solely by a shut-in well(s). If there is a shut-in well(s) at a time when this lease is not being maintained in force by any other provision of this lease, lessee shall pay or tender at or before the end of the one year anniversary of when the lease began to be maintained in force solely by the shut-in well(s), as a shut-in royalty, an amount equal to one dollar per net mineral acre subject to the lease at the time of payment.
- 2. 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 existing wells or stream. Lessee hereby is granted the right to use water from the springs located on the premises. Notwithstanding the foregoing, Lessee shall pay Lessor \$1,500 in the event of Lessee's use of Lessor's fresh water in drilling operations for an oil and/or gas well.
- 3. Three (3) years following the expiration of the primary term of this lease, if this lease is being maintained in force only by virtue of a portion or portions thereof being pooled or unitized with other lands, operations on such unit or units will not maintain this lease in force as to the land not included in such unit or units.
- 4. When requested by Lessor all pipelines which shall be constructed under this lease shall be buried to a depth of 32 inches and so laid as not to interfere with farming and ranching operations and, should the contours of the land be changed for farming practices, then and in that event the Lessee shall lower any lines laid by it to maintain the minimum depth of 32 inches at its sole cost and expense. Nothing herein shall be interpreted as prohibiting Lessor's location and construction of fences, temporary structure, irrigation water and/or gas pipelines or ditches over, under or alongside any pipeline of the Lessee and the easement area herein granted.
- 5. Lessee agrees to pay Lessor for any damages caused by its operations to Lessor's land and growing crops. Lessee shall pay Lessor a reasonable amount, but no less than \$1,000 damages, per well drilled by Lessee on the above described land.
- 6. The installation of any salt water disposal equipment by Lessee in the operation of the lease shall be for the disposal of salt water from this lease only, and the disposal of water from any other lease shall not be permitted on the leased premises without the written consent of Lessor.

- 7. Lessee covenants and agrees that at all times he shall drill, develop and produce and plug all oil wells on the leased premises in compliance with all state and federal regulations relating to production of oil and/or gas. The Lessors or their agents shall have the rights at any time to inspect all of the drilling or production operations of the Lessee or their assigns for the primary purpose of inspecting to see that the Lessee has complied with all state and federal regulations.
- 8. Upon the completion of drilling operations, Lessee agrees to backfill the pits when dry, restore the surface to its original condition, as near as practicable, and pay for all damages.
- 9. Lessee shall fence all slush pits and areas containing equipment, chemicals or other substances which may be harmful to livestock of Lessor and/or Lessor's surface tenant.
- 10. 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, a pool or unit formed by such pooling for a vertical oil well shall not exceed 40 acres plus a maximum acreage tolerance of 10%, and for a horizontal well or a directional well which is either an oil or gas well or for a vertical gas well the pool or unit shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that Lessee has the right, but not the obligation, to form larger units for an oil well or gas well, whether or not a horizontal well, as permitted by the well spacing, density or allowable regulations of the governmental authority having jurisdiction over such matters. The terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or by regulations of the governmental authority, which has jurisdiction over such matters. 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. Production, drilling or reworking operations anywhere on a pool or unit which includes all or any part of this lease, regardless of whether such production was obtained or such drilling or reworking operations were commenced before or after the execution of this lease or the instrument designating the pooled unit, shall be treated for all purposes (except the payment of royalties on production from the pooled unit) as if there were production, drilling or reworking operations on this lease and references herein to production from or operations on this lease shall be deemed to include production from or operations on any portion of such pooled unit, regardless of whether the well or wells are 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.

11. If at the end of the primary term, this lease is not otherwise continued in force under the provisions hereof, this lease shall expire, unless Lessee on or before the end of the primary term shall pay or tender to Lessor, the sum of \$35.00 multiplied by the number of net mineral acres owned by Lessor in the land above described and then subject to this lease; and subject to the other provisions of this lease, the primary term shall be extended for an additional term of one (1) year from the end of the primary term hereof.

Revocable Inter Vivos Trust of

Glennis G. Parsons dated April 25<sup>th</sup>, 2002

Date Recorded: 12/28/2012 11:24:58 AM

Luse-1 Form 88 (producers) Paid-up Kansas -Okishoma	OIL AND	GAS LEA	SE		
THIS AGREEMENT, Entered into this 7th Mitchell Parsons, a/k/a Mitch Parsons,	day of	December	,	2012, between	
and Angela Parsons, his wife whose mailing address is 3509 Zest, Oakley,	KS 67748		, hereir	after called lessor	
and Empire Energy E&P, LLC, 1900 N. Amido  1. That lessor, for and in consideratio covenants and agreements hereinafter contressents does hereby grant, lease, and let therein, for the purpose of carrying on geo drilling, mining, and operating for, producin, their respective constituent vapors, and all and substances into the subsurface strate, stations, electrical lines and other structure conjointly with neighboring lands, to produwater, brine, and other substances into the of <u>Kansas</u> and described as folio	n of the sum of alned to be perfi- exclusively unto logical, geophys and saving all other gases, fou and for constru- s thereon nece: ce, save, take of subsurface strate	One (1) ormed by the lesse the lesses the hei sical and other expl of the oil, gas, gas and thereon, the ex- cting roads, laying ssary or convenien	and more— e, has this da- reinafter desc- oratory work condensate clusive right c pipe lines, b at for the eco facture all ol	ay granted, leased, and let and by these cribed land, with any reversionary rights thereon, including core drilling and the gas distillate, casinghead gasoline and of injecting water, brine, and other fluids uilding tanks, storing oil, building power nomical operation of said land alone or if such substances, and the injection of	
Township 13 South, Range 31 West Section 8: NW/4					
containing 160 acres, more or is	47	, <sub>β</sub> , β.			
or any of the products covered by this tease is en earths;	produced of 12			after as oil, gas, casinghead gas, casinghead gasoline five thirty-seconds (5/32nd	, 9, 4 m (et
3. The locase shall deliver to teasor as royalty, free or produced and saved from the leased previses, or all the grade and gravity prevailing on the day such of its run hist 4. The leases shall pay to the leaser, as a royalty, or gas, gas used for the manufacture of gasoline or any oth rol sold by the lossoe, leases may pay or tender cansus more wells, an amount equal to one dollar par not inhere as is being produced in paying quantities. The first year 5. This tease is a paid-up lease and may be maintain	instead in option they be the pipe fine or into the pipe fine or into the country seconds (5) of the part of the country second of t	istorage tanks.  [/32nds]  //32nds]  //32nds  //	lesses from the constituent parts during which such or tendered, it will begin on the d	noned its wells the equal one-eighth-(t-49) part of all oil invally the market price at the yealthead for oil of like thirty-seconds (5/32nds) which proceed the process of the produced from the larch herein based. If such pas is to got in not sold, as a shut-in cryally, whether one or the conditional or the produced from the larch herein based. If such pas is to got in not sold, as a shut-in cryally, whether one or the conditional under all provisions of this bases that set the first well is completed for production of gas.	he to
6. In the event said leaser owns a less interest in the	above described in his interest bears to	nd then the entire and us the whole and undivided	مصلم محا لحادث	to extend therein then the covalties becals provided for	
7. The leases shall have the right to use free of cost required by leaser, the leases shall have the right to use free of cost required by leaser, the leases shall have the place of being the dilled nearor than 200 feet to the house or barn now and machinery, fodures,	gas, oil and water for allow plow dapth and on said premises will houses, buildings, ar	xind on said land for its o i shall pay for damage ca hout written consent of the nd other structures placed	perations thereon used by its open no lessor. Lesso on said premise	n, except water from existing wells of the lessor. When stions to growing crops on said land. No well shall be to shall have the right at any time during, or after the s, including the right to draw and remove all casing.	
devises, executors, administrators, successors, and as the obligations or diminish the rights of lesses, and no chas been furtished with either the original recorded interprobate thereof, or cartified copy of the proceedings and with all original recorded instruments of corresponds or and all advance payments of rentals made hereunder b executior, or heir of lessor.	agns, but no change hange of ownership in nument of conveyance owing the appointme duly cartified copies afore receipt of said o	n the land or in the royalid a or a duly cartified copy of of an administrator for thereof necessary in sho documents shall be bindir	es or any sum du fhereof, or a certi r the estate of ar wing a complete ng on any direct o	fled copy of the will of any deceased owner and of the y deceased owner, whichever is appropriate, together token of title back to lessor of the full interest claimed, or indirect assignee, grantee, devisee, or administrator,	
and all royalties accruing herounder shall be divided en entire leased acreage. There shall be no obligation on he divided by sale, davisee, descent or otherwise, or to	the part of the lesses furnish separate mea:	to offset wells on separa suring or receiving tanks.	ele tracis into whi		
any taxes, mortgages, or other liens excurg, seved, or the rights of any holder or holders thereof and may reim	prise great pa abbilit	ng to the discharge of any	euch mortgage,		
11. If after the expiration of the primary term, produc revorking operations within one hundred-termity (120) then engaged in drilling or reworking operations thereo any other well thereafter commenced, with no cassation remain in effect so long thereafter as there is production.	tion of oil or gas shot days thersafter, or if n, then in elliner even n of more than one ha n of oil or gas under a	uid case from any cause at the expiration of the p it, this lease shall remain undred beanty (120) come my provisions of this lease	, this lease shall rimery term, oil o in force so long : scutive days, and s.	not terminate if lessee commences additional drilling or r gas is not being produced on said land, but lessee is as operations are prosecuted either on the same well or If they result in production of oil or gas, this lesse shall	
county. In case said lease is surrandered and carceled thems of said lease as to the portion canceled shall case and effect for all purposes.	se end determine, bu	t as to the portion of the	creage not relea	•	
governmental agencies administering are serie, and of comply with any of the express or implied provisions to prevented during the last aix months of the primary primary term of this lease shall continue until six morths.	reof if such fallure so / lenn hereof from dr s after said order is s	cords with any such laws rilling a well herevander b uspended.	y the order of an	y constituted authority having jurisdiction thereover, the	
land covered by another lease, or leases when, in the promote the conservation of such minerals in and use units not exceeding 640 acres each in the event of quarter sections. Lesses shall execute in whiting and The entire earnage so pooled into sunk or units shall this lease. If production is found on any part of the politic lease, or not. Any wall drilled on such unit shall be from the unit so pooled only such portion of the royally co pooled in the particular unit involved.	hader seld land, such it a gas and/or conde file for record in the betracted for all pur- obtracted for all pur- betracted for all pur- be and constitute a we stipulated heroin as	pooling to be in a unit or a maste or distiliate well, p county in which the tand poses, except the payme be treated as if production of thereunder. In lieu of the the amount of his net roys	inks not exceed the a tolerance of is situated an in at of royalties on his had from this he royalties also alty interest there	covered by this loaze, or any portion thereof, with othe proporly develop and operate said lease premises so at 9.60 acres each in the evant of an oil well, or into a uni- r' (an percent (10%) to conform to Covernmental Survey strument (learlifying and describing the pooled acreage production from the pooled unit, as if it were included it lease whether early well is located on the land covered by where herein specified leasor shall readite on production for on an acreage basis beens to the lotal mineral acreage the control of the c	t / y
15. This lease and all its terms, conditions, and stip	ulations shall extend	a lisa no gnibnid ed bas d	uccessors of sak	l lessor and lessee.	
SEE ADDENDUM ATTACHED HERE	ETO AND MAD	E A PART HERE	OF.		
IN WITNESS HEREOF, we sign the	lay and year fir	rst above written.	Λ		
Mitchell Parsons	rom	Ang	LM G ela Parsons	ela Parsons	
			V		

STATE OF Kansas	ss. ACKNOWLEDGMENT FOR INDIVIDUAL	
COUNTY OF LOGAN	55. ACKNOWEEDGMENT FOR INDIVIDUAL	
This instrument was acknown Mitch Parsons.	wledged to me on this 1774 day of December, 2012, by Mitchell I	Parsons, a/k/a his wife.
My Commission Expires:	Man Pe	lotary Public

SHAWN P. STREKER
MOTARY PUBLIC
STATE OF KANSAS
My Appl. Exp. 2/1/20/14 - Wy Appl. Exp.

### <u>ADDENDUM</u>

This Addendum is a part of that certain oil and gas lease, identified above by date and parties, covering the NW/4 of Section 8, Township 13 South, Range 31 West, Gove County, Kansas, to the same extent as if the provisions hereof had originally been written in said lease. In the event of conflict between the lease provisions and the provisions provided in this Addendum, the provisions of this Addendum shall be binding.

- 1. If, at the expiration of the primary term or any time thereafter, there is any well(s) on the lease or lands pooled therewith that is capable of producing gas and such well(s) is shut-in, and this lease is not being maintained in force by any other provision of this lease, this lease shall nevertheless continue in force as though operations were being conducted on the leased premises for so long as such well(s) is shut-in, provided however, that this lease shall not be maintained in force for more than twelve (12) consecutive months at any one time solely by a shut-in well(s). If there is a shut-in well(s) at a time when this lease is not being maintained in force by any other provision of this lease, lessee shall pay or tender at or before the end of the one year anniversary of when the lease began to be maintained in force solely by the shut-in well(s), as a shut-in royalty, an amount equal to one dollar per net mineral acre subject to the lease at the time of payment.
- 2. 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 existing wells or stream. Lessee hereby is granted the right to use water from the springs located on the premises. Notwithstanding the foregoing, Lessee shall pay Lessor \$1,500 in the event of Lessee's use of Lessor's fresh water in drilling operations for an oil and/or gas well.
- 3. Three (3) years following the expiration of the primary term of this lease, if this lease is being maintained in force only by virtue of a portion or portions thereof being pooled or unitized with other lands, operations on such unit or units will not maintain this lease in force as to the land not included in such unit or units.
- 4. When requested by Lessor all pipelines which shall be constructed under this lease shall be buried to a depth of 32 inches and so laid as not to interfere with farming and ranching operations and, should the contours of the land be changed for farming practices, then and in that event the Lessee shall lower any lines laid by it to maintain the minimum depth of 32 inches at its sole cost and expense. Nothing herein shall be interpreted as prohibiting Lessor's location and construction of fences, temporary structure, irrigation water and/or gas pipelines or ditches over, under or alongside any pipeline of the Lessee and the easement area herein granted.
- 5. Lessee agrees to pay Lessor for any damages caused by its operations to Lessor's land and growing crops. Lessee shall pay Lessor a reasonable amount, but no less than \$1,000 damages, per well drilled by Lessee on the above described land.
- 6. The installation of any salt water disposal equipment by Lessee in the operation of the lease shall be for the disposal of salt water from this lease only, and the disposal of water from any other lease shall not be permitted on the leased premises without the written consent of Lessor.

- 7. Lessee covenants and agrees that at all times he shall drill, develop and produce and plug all oil wells on the leased premises in compliance with all state and federal regulations relating to production of oil and/or gas. The Lessors or their agents shall have the rights at any time to inspect all of the drilling or production operations of the Lessee or their assigns for the primary purpose of inspecting to see that the Lessee has complied with all state and federal regulations.
- 8. Upon the completion of drilling operations, Lessee agrees to backfill the pits when dry, restore the surface to its original condition, as near as practicable, and pay for all damages.
- 9. Lessee shall fence all slush pits and areas containing equipment, chemicals or other substances which may be harmful to livestock of Lessor and/or Lessor's surface tenant.
- 10. 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, a pool or unit formed by such pooling for a vertical oil well shall not exceed 40 acres plus a maximum acreage tolerance of 10%, and for a horizontal well or a directional well which is either an oil or gas well or for a vertical gas well the pool or unit shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that Lessee has the right, but not the obligation, to form larger units for an oil well or gas well, whether or not a horizontal well, as permitted by the well spacing, density or allowable regulations of the governmental authority having jurisdiction over such matters. The terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or by regulations of the governmental authority, which has jurisdiction over such matters. 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. Production, drilling or reworking operations anywhere on a pool or unit which includes all or any part of this lease, regardless of whether such production was obtained or such drilling or reworking operations were commenced before or after the execution of this lease or the instrument designating the pooled unit, shall be treated for all purposes (except the payment of royalties on production from the pooled unit) as if there were production, drilling or reworking operations on this lease and references herein to production from or operations on this lease shall be deemed to include production from or operations on any portion of such pooled unit, regardless of whether the well or wells are 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.

11. If at the end of the primary term, this lease is not otherwise continued in force under the provisions hereof, this lease shall expire, unless Lessee on or before the end of the primary term shall pay or tender to Lessor, the sum of \$35.00 multiplied by the number of net mineral acres owned by Lessor in the land above described and then subject to this lease; and subject to the other provisions of this lease, the primary term shall be extended for an additional term of one (1) year from the end of the primary term hereof.

Mitchell Parsons

Angela Parsons

JF KANSAS, GOVE COUNTY SS REGISTER OF DEEDS Book: 182 Page: 574-579

Receipt #: 16414 Pages Recorded: 6

Recording Fee: \$28.00 Cisty of Tuttle

Date Recorded: 12/28/2012 11:24:55 AM

### OIL AND GAS LEASE

ALTERA COLUMNIA
THIS AGREEMENT, Entered into this 7th day of December 2665, between Patrick Parsons, ark/a Pat Parsons,
and Wendy R. Parsons, his wife
whose mailing address is 406 Mapie Ave., Oakley,KS 67748 , herein after called lessor
and Empire Energy E&P, LLC, 1900 N. Amidon, Suite 210, Wichita, Kansas 67203, hereinafter called lessee, does witness:  1. That lessor, for and in consideration of the sum ofOne (1) and moreDollars in hand paid and of the coverants and agreements hereinafter contained to be performed by the lessee, has this day granted, leased, and let and by these presents does hereby grant, lease, and let exclusively unto the lessee the hereinafter described land, with any reversionary rights therein, for the purpose of carrying on geological, geophysical and other exploratory work thereon, including core drilling and the drilling, mining, and operating for, producing and saving all of the oil, gas, gas condensate, as distiliate, cashinghead gasoline and drilling, mining, and operating for, producing and saving all of the oil, gas, gas condensate, as distiliate, cashinghead gasoline and drilling, mining, and operation of substances into the subsurface strate, and for constructing roads, laying pipe lines, building tanks, storing oil, building power stations, electrical lines and other structures thereon necessary or convenient for the economical operation of said land alone or conjointly with neighboring lands, to produce, save, take care of, and manufacture all of such substances, and the injection of water, brine, and other substances into the subsurface strata, said tract of land being situated in the County ofGove, State of and described as follows:
Township 13 South, Range 31 West Section 8: NW/4
2. This issue shall remain in loros for a term of

- ils lease is a paid-up lease and may be maintained during the primary term without further pays
- In the event said leasor owns a less interest in the above described land than the entire and undivided les single salate therein then the royalities herein provided for be paid to said leasor only in the proportion which his interest bears to the whole and undivided less, however, in the event the title to any interest in said land should to leasor, or his helic, or his or their grantee, this lease shell cover such reversion.
- 8. If the estate of either party hereto is assigned (and the privilege of essigning in whole or in part is expressly attorned), the coverants hereof shall extend to the helps, derives, associating, administrators, auccessors, and essigns, but no change or detains in ownership of the land, or royalities, however excorptioned, chall operate to enlarge the obligations or definitials the injets of lessae, and no change of ownership in the tend or in the crystate or say aum due under this tesses table be brinding on the lessaes and in the same numbered with either the original recorrect instrument of correspond instrument of correspond instrument of correspond particular or property or a cartistic copy of the will of any decassed owner, whichever is appropriate, lopether probate hereof, or certified copy of the proposition excessed in shared, or certified copy of the proposition excessed in shared crists of the cartist of th
- 9. If the leased premises are now or shell hereafter be owned in severally or in expense tracts, the premises may nonetheless be developed and operated as one lot and a royalites accruding hereunder shall be divided among and paid to much expense owners in the proportion that the acreege owned by each separate owner bears to entire leased acreege. There shall be no obligation on the part of the leases to rede wilds on separate tracts into which the land covered by this lease may now or herea be divided by safe, devisee, devised not of observed, or is burntle separate measuring or receiving tanks.
- 10. Leasor hereby warrants and agrees to defend the title to the land herein described and agrees that the leases, at its option, may pay and discharge in whole or any lease, mortgages, or other liens existing, levied, or assessed on or against the above described lands and, in the event it exercises such options it shall be autrog as discharge of any such mortgage, last or other lien, any crystly accruding hereunder.
- 11. If after the expiration of the primary iarm, production of oil or gas should cases from any cause, this lease shall not laminate it leases commences exhibiting or reventing operations within one hundred-twenty (120) days thereafter, or if it this expiration of the primary tarm, oil or gas is not being produced on said land, but leases is then engaged in delling or reventing operations thereon, then in either event, this lesses that mental in force so long as operations are prosecuted either on the same well of any other well thereafter commenced, with no assession of more than one truncated enterly (120) connecutive days, and if they result in production of oil or gas, this lesses shall remain in effect so long thereafter as there is production of oil or gas under any provisions of this lesse.
- 12. Lesses may at any time surrender or cancel this tesse in whole or in part by delivering or malling such release to the lessor, or by placing same of record in the proper county. In case said lesses is surrendered and canceled as to only a partition of the extends covered thereby, then all payments and liabilities thereafter accounty under the terms of said lesses as to the portion canceled what desse and determine, but as to the portion of the excesse not released the terms and provisions of this lesses shall continue and remain in full force and effect for all purposes.
- 13. All provisions hereof, express or implied, shall be subject to all federal and state laws and the orders, rides, or regulations (and interpretations thereof) of all governmental species administrating the same, and this lesses shall not be in any way imminated wholly or partially nor shall be lesses to labeled in damages for islance to comply with any of the express or implied provisions hereoff such failure accords with any such laws, orders, rules or regulations (or interpretations through. It is tesses should be prevented during the less its months of the primary term hereoff from difful as well breaution by the order of any constituted authority having jurisdiction thereover, the primary term hereoff from difful as well breaution to this lease shall confinue until six months after said order is suspended.
- 14. Leasee, at its option, is hereby given the right and power to pool or combine into one or more units the isnd covered by this lease, or any portion thereof, with other land covered by another lease, or control to the land covered by another lease, or control to the land covered by another lease, or lease when, in leaseer's identification, it is necessary or softwatele to do so in ordain to properly develop and operate said lease premises so as land covered by another lease, or lease when, in leaseer's ladder, such pooling to be in a unit or units not exceeding 60 acress each in the event of a quality and control in the country in which the land is shared an injectional identifying and describing the pooled acresse, expert is experienced in the event of a large induction. Leasees that lease souls in writing and the for nexted (in the country in which the land is shared on injectional identifying and describing the pooled acresse. In the event of the country in which the land is shared on injectional in the land of the event of the country in which the land is shared on injection in the form of any pooled or any part of the pooled acresses acress it is experienced in the land or any part of the pooled acresses a land to experience of the pooled acresses, the pooled of the pooled on the pooled on
- This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors of said lessor and lesses.

SEE ADDENDUM ATTACHED HERETO AND MADE A PART HEREOF.

IN WITNESS HEREOF, we sign the day and year first above written.

Patrick Parsons, a/k/a Pat Parsons

atrick targona

STATE OF Kansas )
) ss. ACKNOWLEDGMENT FOR INDIVIDUAL COUNTY OF COGAN )
1274
This instrument was acknowledged to me on this 13 day of December, 2012, by Patrick Parsons, a/k/a Pat Parsons, HUSEAND OF end Wendy R. Parsons.
raisons, 40264400 01- and weiling it raisons,
My Commission Expires:
Notary Public
CUMBIN COTTO

SHAWN P. STREKER
HOTARY PUBLIC
STATE OF KANSAS
My Appl. Exp. 2/7/2014

STATE OF Kansas	
	) ss. ACKNOWLEDGMENT FOR INDIVIDUAL
COUNTY OF Logan	
This instrument was ackr	owledged to me on this 13th day of December, 2012, by
Wendy R. Pars	ns, wife of Pat Parsons, a/k/a Patrick Parsons.
My Commission Expires:	Sha fthe
	Notary Public

SHAWN P. STREKER
NOTARY PUBLIC
STATE OF KANSAS
My Appt. Exp. -2, 27, 20,14

### **ADDENDUM**

This Addendum is a part of that certain oil and gas lease, identified above by date and parties, covering the NW/4 Section 8, Township 13 South, Range 31 West, Gove County, Kansas, to the same extent as if the provisions hereof had originally been written in said lease. In the event of conflict between the lease provisions and the provisions provided in this Addendum, the provisions of this Addendum shall be binding.

- 1. If, at the expiration of the primary term or any time thereafter, there is any well(s) on the lease or lands pooled therewith that is capable of producing gas and such well(s) is shut-in, and this lease is not being maintained in force by any other provision of this lease, this lease shall nevertheless continue in force as though operations were being conducted on the leased premises for so long as such well(s) is shut-in, provided however, that this lease shall not be maintained in force for more than twelve (12) consecutive months at any one time solely by a shut-in well(s). If there is a shut-in well(s) at a time when this lease is not being maintained in force by any other provision of this lease, lessee shall pay or tender at or before the end of the one year anniversary of when the lease began to be maintained in force solely by the shut-in well(s), as a shut-in royalty, an amount equal to one dollar per net mineral acre subject to the lease at the time of payment.
- 2. 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 existing wells or stream. Lessee hereby is granted the right to use water from the springs located on the premises. Notwithstanding the foregoing, Lessee shall pay Lessor \$1,500 in the event of Lessee's use of Lessor's fresh water in drilling operations for an oil and/or gas well.
- 3. Three (3) years following the expiration of the primary term of this lease, if this lease is being maintained in force only by virtue of a portion or portions thereof being pooled or unitized with other lands, operations on such unit or units will not maintain this lease in force as to the land not included in such unit or units.
- 4. When requested by Lessor all pipelines which shall be constructed under this lease shall be buried to a depth of 32 inches and so laid as not to interfere with farming and ranching operations and, should the contours of the land be changed for farming practices, then and in that event the Lessee shall lower any lines laid by it to maintain the minimum depth of 32 inches at its sole cost and expense. Nothing herein shall be interpreted as prohibiting Lessor's location and construction of fences, temporary structure, irrigation water and/or gas pipelines or ditches over, under or alongside any pipeline of the Lessee and the easement area herein granted.
- 5. Lessee agrees to pay Lessor for any damages caused by its operations to Lessor's land and growing crops. Lessee shall pay Lessor a reasonable amount, but no less than \$1,000 damages, per well drilled by Lessee on the above described land.
- 6. The installation of any salt water disposal equipment by Lessee in the operation of the lease shall be for the disposal of salt water from this lease only, and the disposal of water from any other lease shall not be permitted on the leased premises without the written consent of Lessor.

- 7. Lessee covenants and agrees that at all times he shall drill, develop and produce and plug all oil wells on the leased premises in compliance with all state and federal regulations relating to production of oil and/or gas. The Lessors or their agents shall have the rights at any time to inspect all of the drilling or production operations of the Lessee or their assigns for the primary purpose of inspecting to see that the Lessee has complied with all state and federal regulations.
- 8. Upon the completion of drilling operations, Lessee agrees to backfill the pits when dry, restore the surface to its original condition, as near as practicable, and pay for all damages.
- 9. Lessee shall fence all slush pits and areas containing equipment, chemicals or other substances which may be harmful to livestock of Lessor and/or Lessor's surface tenant.
- 10. 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, a pool or unit formed by such pooling for a vertical oil well shall not exceed 40 acres plus a maximum acreage tolerance of 10%, and for a horizontal well or a directional well which is either an oil or gas well or for a vertical gas well the pool or unit shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that Lessee has the right, but not the obligation, to form larger units for an oil well or gas well, whether or not a horizontal well, as permitted by the well spacing, density or allowable regulations of the governmental authority having jurisdiction over such matters. The terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or by regulations of the governmental authority, which has jurisdiction over such matters. 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. Production, drilling or reworking operations anywhere on a pool or unit which includes all or any part of this lease, regardless of whether such production was obtained or such drilling or reworking operations were commenced before or after the execution of this lease or the instrument designating the pooled unit, shall be treated for all purposes (except the payment of royalties on production from the pooled unit) as if there were production, drilling or reworking operations on this lease and references herein to production from or operations on this lease shall be deemed to include production from or operations on any portion of such pooled unit, regardless of whether the well or wells are 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.

11. If at the end of the primary term, this lease is not otherwise continued in force under the provisions hereof, this lease shall expire, unless Lessee on or before the end of the primary term shall pay or tender to Lessor, the sum of \$35.00 multiplied by the number of net mineral acres owned by Lessor in the land above described and then subject to this lease; and subject to the other provisions of this lease, the primary term shall be extended for an additional term of one (1) year from the end of the primary term hereof.

Patrick Parsons

Wendy R. Parsons

STATE OF KANSAS, GOVE COUNTY SS
REGISTER OF DEEDS

Book: 182 Page: 580-585

Receipt \*: 16414
Pages Recorded: 6

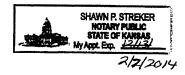
Recording Fee: \$28.00

Date Recorded: 12/28/2012 11:24:56 AM

Form 88 (producers) Paid-up	OIL AND GAS	SIFASE	
Kansas - Oklahoma	OIL AND GA		<del></del>
THIS AGREEMENT, Entered Pat Parsons, a/k/a Patrick Pars	into this 7th day of Decemberons,	er	
and Wendy R. Parsons, his wife whose mailing address is 406 N		, herein after called lessor	
and Empire Energy E&P, LLC, 1: 1. That lessor, for and in covenants and agreements her presents does hereby grant, le	900 N. Amidon, Suite 210, Wichita, Kans consideration of the sum of reinafter contained to be performed by lase, and let exclusively unto the less	nsas 67203, hereinafter called lessee, does witnes  One, (1) and more————————————————————————————————————	and of the nd by these onary rights ing and the
drilling, mining, and operating it and substances into the subsustations, electrical lines and occipiently with neighboring lan water, brine, and other substance Mansas and descriptions.	for, producing and saving all of the oil, oors, and all other gaese, found there inface strata, and for constructing road ther structures thereon necessary of ids, to produce, save, take care of, a coss into the subsurface strata, said to cribed as follows:	in gate, gas commission, gas disconsistent, gas consonate, gas consonate, gas consonate, gas consonate, gas convenient for the economical operation of said is and manufacture all of such substances, and the ract of land being situated in the County of Government.	other fluids iding power and alone or injection of e, State
Tract 1: Section 5: SE/4 Tract 2: Section 8: NE/4	31 West Townshi	stitute separate and individual leases according to th nip 13 South, Range 31 West : Section 17: NE/4	ne terms set nerein:
Tract 3: Section 8: SE/4 Tract 4: Section 8: SW/4	acres, more or leas.		
7. This lease shall remain in force fo	or a term of two (2)	dmary term") and as long thereafter as oil, gas, casinghead gas, casi	
or any of the products covered by this te 3. The lesses shall deliver to lessor produced and saved from the lessed pr grade and gravity prevailing on the day of			econds (5/32nds)  40) part of all oil ead for oil of fixe ty-seconds (5/32nds)
		pipe the to which jease may connect its wells the equal executions in least for point one-eighth-(46) royally the market price at the within least for point one-eighth-(46) royally the market price at the within least for the point of the	liste, casinghead d. If such gas is , whether this it of this lease that uction of gas.
	I may be maintained during the primary term withou	and the state of the state through the state in a state in	arain provided for
shall be paid to said lessor only in the revert to lessor, or his heirs, or his or th	ek Gravies' jus jasto spisj conat anch tantazion		the Instant When
required by lessor, the lesses area out drilled nearer than 200 feet to the hou emiration of this lesses to remove all ma	ree or bern now on said premises without written actionary, fotures, houses, buildings, and other stru	Id band for its operations thereon, occept water from edisting walls of it for demange caused by the operations to growing crops on sold land, on cousen of the least. Lesses that have the right at any time of understand on said prunises, including the right to draw and man	uring or after the
devisees, executors, administrators, as the obligations or diminish the rights of has been furnished with either the origi- probate thereof, or certified copy of the with all original recorded instruments or and all advance payments of rentals measures, or help of leaser.	lessee, and no change of ownership in the land or insi recorded first unent of conveyance or a cuty of a proceedings showing the appointment of an ad- of conveyance or duly cartified copies thereof neo- sade hereunder before receipt of said documents a	whole or in part is expressly allowed), the covernants hereof shall on in ownership of the land, or crystiles, however accomplished, shall on on the crystiles or any sum due under this lease shall be binding or cutified copy thereof, or a cutified copy of the will of any deceased challenshiptor for the eatist of any deceased owner, whichever is approximately creasing in showing a complete chain of title back to lessor of the full shall be binding on any direct or indirect assignee, grantes, devises	the lesses until it is owner and of the amprises, logither is interest claimed, or administrator,
<ol> <li>If the leased premises are now and all royalities accruing harsunder at entire leased acrosses. There shall be the control to make decimal decimal.</li> </ol>	no obligation on the part of the lessee to offset w retherwise, or to furnish separate measuring or rec	parate tracts, the pramises may nonetheless be developed and opera owners in the proportion that the acreage owned by each separate of wells on separate tracts into which the land covered by this lease may activing tester.	A slow or passages
10. Lessor hereby warrants and ag any taxes, mortgages, or other items a the contract any holder or holders ther	rees to defend the title to the land herein describe edeling, levied, or assessed on or against the above regi and may reimburse itself by applying to the dis-	ed and agrees that the lesses, at its option, may pay and discherge ove described lands and, in the event it exercises such options it shall technique of any such mortgage, tax or other lien, any royally according	hamunoer.
<ol> <li>If after the expiration of the prin reworking operations within one hand then engaged in drilling or reworking on any other well thereafter commenced.</li> </ol>	mary term, production of all or gas should cases in tred-twenty (120) days thereafter, or it at the expir operations thereon, then in either event, this lease with no cassation of more than one hundred term have is production of all or gas under any provision	from any cause, this lease shall not learninate if leases commences a finition of the primary term, oil or gas is not being produced on said to shall remain in force so long as operations are presecuted either or only (120) consecutive days, and if they result in production of oil or given of this lease.	dollional driving or land, but lesses is in the same well or as, this lease shall
12. Lessee may at any time surrent county. In case said lease is surrent terms of such lease as to the portion of	der or cancel this lease in whole or in part by deli- tained and canceled as to only a portion of the act anceled shall cases and determine, but as to the p all or mones.	livering or malling such release to the lessor, or by placing same of re creage covered thereby, then all payments and Rabilities thereafter a portion of the acreage not released the terms and provisions of this la	PARC SCRIL CONGRAM
governmental agencies someustoring comply with any of the express or imp be prevented during the last six mon the lease that common that	alled provisions hereof if such failure accords with a situated the primary term hereof from drilling a wall as until six months after said order is suspended.	is state laws and the orders, rules, or rejutations (and interpretati ny terminated wholdy or partially nor shall the leaves be Robe in dan any each laws, orders, rules or regulations (or has president between all horsunder by the order of any constituted authority having jurisdic	r). It lesses snowc ction thereover, the
14. Lessee, at its option, is heretand covered by enother lesse, or les to promote the conservation of such tor units not exceeding 640 acres as quarter sections. Lesses that exceeding the entire acrosses on pooled into a conservation.	by given the right and power to pool or combine to sees when, in beasers logificants, it is necessary or minerals in and under said land, such pooling to to his the event of a gas anxiot condensate or di use in writing and file for necoti in the occupt in the until or units shall be levaled for all purpoless, excluding any post of the pooled accesses it shall be treated in a such unit shall be and consilities a well insecur- tion of the royally stiguisted herein as the security.	Into one or more units the listed covered by this leases, or any portion or solvicable to do so in order to properly develop and operate said is be in a unit or units not exceeding 100 acress each in the event of an of institute well, thus a tolerance of ten percent (10%) to conform to Go which the land is situated in instrument identifying and describing to post the payment of reveales on production from the pooled unit, as is as if production is had from this tissue whether any well is located on the land of the revealed accordance have in specified leason shall re section. In title of the revealed accordance have in specified leason shall re set of his real reyally interest therein on an acreege beats boors to the lot.	il west, or into a unit preminental Survey the gooled screage. If it were included in the land covered by the land covered by
15. This issue and all its terms, co	inditions, and atipulations shall extend to and be bi	binding on all successors of said lessor and lesses.	
SEE ADDENDUM ATTA	CHED HERETO AND MADE A PAR	ART HEREOF.	
IN WITNESS HEREOF,	we sign the day and year first above	ve written.	IC / <b>`</b>
Pat Parsons	16010	Wendy R. Parsons	101000

SHAWN P. STREKER HOTARY PUBLIC STATE OF KANSAS STATE OF KANSAS My Appt. Exp. 2/7/20/4 My Appt. Exp. 2/7/20/4	rouny rubic
My Commission Expires:	Notary Public
This instrument was acknowledged to me on this 13th day of December, 2012, by Wendy R. Parsons, wife of Pat Parsons, a/k/a Patrick Parsons.	·
COUNTY OF Logan	
STATE OF <u>Kansas</u> ) ) ss. ACKNOWLEDGMENT FOR INDIVIDUAL	

STATE	OF Kansas	)					
COLINIT	Y OF LOCAN	) ss.	ACKNOWLE	EDGMENT F	OR INDIVIDUAL		
COUNT	1 Of COST	)					
	This instrument was ac	knowledged	to me on this_	13TH	_day of December, 2012	2, by Pat Par	sons, a/k/a Patrick
Parsons,	HUSBAND C	JE	and Wendy R	. Parsons,		<u></u> 1	u <del>is wife</del> .
	mission Expires:					M.	PAL
My Com	umssion Expires					T.U. Steep!	Notary Public



### **ADDENDUM**

This Addendum is a part of that certain oil and gas lease, identified above by date and parties, covering the SE/4 Section 5, E/2 and SW/4 Section 8 and NE/4 Section 17, all in Township 13 South, Range 31 West, Gove County, Kansas, to the same extent as if the provisions hereof had originally been written in said lease. In the event of conflict between the lease provisions and the provisions provided in this Addendum, the provisions of this Addendum shall be binding.

- 1. If, at the expiration of the primary term or any time thereafter, there is any well(s) on the lease or lands pooled therewith that is capable of producing gas and such well(s) is shut-in, and this lease is not being maintained in force by any other provision of this lease, this lease shall nevertheless continue in force as though operations were being conducted on the leased premises for so long as such well(s) is shut-in, provided however, that this lease shall not be maintained in force for more than twelve (12) consecutive months at any one time solely by a shut-in well(s). If there is a shut-in well(s) at a time when this lease is not being maintained in force by any other provision of this lease, lessee shall pay or tender at or before the end of the one year anniversary of when the lease began to be maintained in force solely by the shut-in well(s), as a shut-in royalty, an amount equal to one dollar per net mineral acre subject to the lease at the time of payment.
- 2. 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 existing wells or stream. Lessee hereby is granted the right to use water from the springs located on the premises. Notwithstanding the foregoing, Lessee shall pay Lessor \$1,500 in the event of Lessee's use of Lessor's fresh water in drilling operations for an oil and/or gas well.
- 3. Three (3) years following the expiration of the primary term of this lease, if this lease is being maintained in force only by virtue of a portion or portions thereof being pooled or unitized with other lands, operations on such unit or units will not maintain this lease in force as to the land not included in such unit or units.
- 4. When requested by Lessor all pipelines which shall be constructed under this lease shall be buried to a depth of 32 inches and so laid as not to interfere with farming and ranching operations and, should the contours of the land be changed for farming practices, then and in that event the Lessee shall lower any lines laid by it to maintain the minimum depth of 32 inches at its sole cost and expense. Nothing herein shall be interpreted as prohibiting Lessor's location and construction of fences, temporary structure, irrigation water and/or gas pipelines or ditches over, under or alongside any pipeline of the Lessee and the easement area herein granted.
- 5. Lessee agrees to pay Lessor for any damages caused by its operations to Lessor's land and growing crops. Lessee shall pay Lessor a reasonable amount, but no less than \$1,000 damages, per well drilled by Lessee on the above described land.
- 6. The installation of any salt water disposal equipment by Lessee in the operation of the lease shall be for the disposal of salt water from this lease only, and the disposal of water from any other lease shall not be permitted on the leased premises without the written consent of Lessor.

- 7. Lessee covenants and agrees that at all times he shall drill, develop and produce and plug all oil wells on the leased premises in compliance with all state and federal regulations relating to production of oil and/or gas. The Lessors or their agents shall have the rights at any time to inspect all of the drilling or production operations of the Lessee or their assigns for the primary purpose of inspecting to see that the Lessee has complied with all state and federal regulations.
- 8. Upon the completion of drilling operations, Lessee agrees to backfill the pits when dry, restore the surface to its original condition, as near as practicable, and pay for all damages.
- 9. Lessee shall fence all slush pits and areas containing equipment, chemicals or other substances which may be harmful to livestock of Lessor and/or Lessor's surface tenant.
- 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, a pool or unit formed by such pooling for a vertical oil well shall not exceed 40 acres plus a maximum acreage tolerance of 10%, and for a horizontal well or a directional well which is either an oil or gas well or for a vertical gas well the pool or unit shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that Lessee has the right, but not the obligation, to form larger units for an oil well or gas well, whether or not a horizontal well, as permitted by the well spacing, density or allowable regulations of the governmental authority having jurisdiction over such matters. The terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or by regulations of the governmental authority, which has jurisdiction over such matters. 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. Production, drilling or reworking operations anywhere on a pool or unit which includes all or any part of this lease, regardless of whether such production was obtained or such drilling or reworking operations were commenced before or after the execution of this lease or the instrument designating the pooled unit, shall be treated for all purposes (except the payment of royalties on production from the pooled unit) as if there were production, drilling or reworking operations on this lease and references herein to production from or operations on this lease shall be deemed to include production from or operations on any portion of such pooled unit, regardless of whether the well or wells are 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.

11. If at the end of the primary term, this lease is not otherwise continued in force under the provisions hereof, this lease shall expire, unless Lessee on or before the end of the primary term shall pay or tender to Lessor, the sum of \$35.00 multiplied by the number of net mineral acres owned by Lessor in the land above described and then subject to this lease; and subject to the other provisions of this lease, the primary term shall be extended for an additional term of one (1) year from the end of the primary term hereof.

Pat Parsons

Wendy R. Parsons