For KCC Use:

Eff	e	ct	iv	е	Date

District	±	
DISTINCT	TT .	

SGA?	Yes	No

## KANSAS CORPORATION COMMISSION **OIL & GAS CONSERVATION DIVISION**

March 2010 Form must be Typed Form must be Signed All blanks must be Filled

Form C-1

1266600

## NOTICE OF INTENT TO DRILL

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

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

Expected Spud Date:	Spot Description:
month day year	
OPERATOR: License#	feet from N / S Line of Section
Name:	feet from L E / W Line of Section
Address 1:	Is SECTION: Regular Irregular?
Address 2:	(Note: Locate well on the Section Plat on reverse side)
City: State: Zip: +	County:
Contact Person:	Lease Name: Well #:
Phone:	Field Name:
CONTRACTOR: License#	Is this a Prorated / Spaced Field?
Name:	
Humo	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:
Seismic ; # of Holes Other	Depth to bottom of fresh water:
Other:	Depth to bottom of usable water:
	Surface Pipe by Alternate:
If OWWO: old well information as follows:	Length of Surface Pipe Planned to be set:
Operator:	Length of Conductor Pipe (if any):
Well Name:	Projected Total Depth:
Original Completion Date: Original Total Depth:	Formation at Total Depth:
	Water Source for Drilling Operations:
Directional, Deviated or Horizontal wellbore?	Well Farm Pond Other:
If Yes, true vertical depth:	DWR Permit #:
Bottom Hole Location:	(Note: Apply for Permit with DWR )
KCC DKT #:	Will Cores be taken?
	If Yes, proposed zone:

#### **AFFIDAVIT**

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 et. seq.

It is agreed that the following minimum requirements will be met:

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

Submitted E	Electronically
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For KCC Use ONLY	
API # 15	
Conductor pipe required	feet
Minimum surface pipe required	feet per ALT.
Approved by:	
This authorization expires:	
Spud date: Agent:	

#### Remember to:

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

ш

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

Mail to: KCC - Conservation Division,	Signa
130 S. Market - Room 2078, Wichita, Kansas 67202	



For KCC Use ONLY

API # 15 - \_\_\_\_

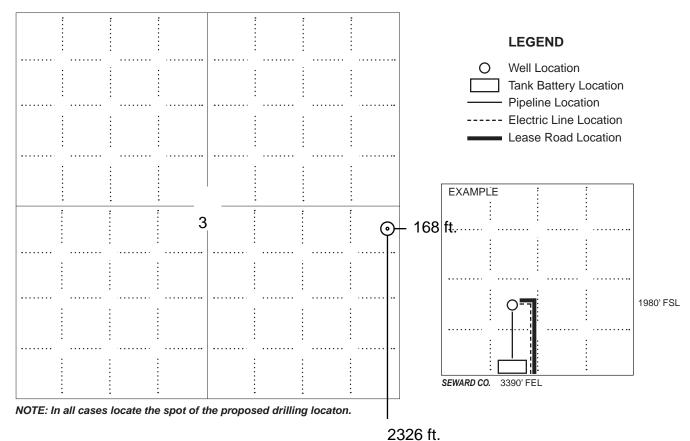
#### IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

In all cases, please fully complete this side of the form. Include items 1 through 5 at the bottom of this page.

Operator:	Location of Well: County:
Lease:	feet from N / S Line of Section
Well Number:	feet from E / W Line of Section
Field:	Sec Twp S. R E 📃 W
Number of Acres attributable to well: QTR/QTR/QTR/QTR of acreage:	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.



#### 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.

Side Two



KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION 1266600

Form CDP-1 May 2010 Form must be Typed

## **APPLICATION FOR SURFACE PIT**

Submit in Duplicate

Settling Pit       Drilling Pit       If Existing, date constructed:      Feet fromNorth /South Line of Sectors			1	
Lease Name & Well No.:       Pit Location (QQQQ):         Type of Pit:       Pit is:         Emergency Pit       Burn Pit         Proposed       Existing         Settling Pit       Drilling Pit         If Existing, date constructed:	:			
Type of Pit:       Pit is:			Phone Number:	
Image: Section price       Image: Section price <td< td=""><td>Well No.:</td><td></td><td>Pit Location (QQQQ):</td></td<>	Well No.:		Pit Location (QQQQ):	
Settling Pit       Drilling Pit       If Existing, date constructed:      Feet fromNorth /South Line of Sectors	Pit is:		1 · · · ·	
	y Pit 🔄 Burn Pit 🔄 F	oposed Existing	SecTwpR East West	
	Drilling Pit If Exist	g, date constructed:	Feet from North / South Line of Section	
Feet from   East / West Line of Sec			Feet from East / West Line of Section	
(If WP Supply API No. or Year Drilled) Pit capacity:(bbls)	No. or Year Drilled)		County	
Is the pit located in a Sensitive Ground Water Area? Yes No Chloride concentration: n (For Emergency Pits and Settling Pits only)	d in a Sensitive Ground Water Area?	/es 🗌 No		
Is the bottom below ground level?     Artificial Liner?     How is the pit lined if a plastic liner is not used?       Yes     No     Yes     No			How is the pit lined if a plastic liner is not used?	
Pit dimensions (all but working pits):Length (feet)Width (feet)Width (feet)	(all but working pits):	ength (feet)	Width (feet)N/A: Steel Pits	
Depth from ground level to deepest point: (feet) 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: Depth to shallowest fresh water feet. Source of information:	rest water well within one-mile of pit:			
feet Depth of water wellfeetmeasuredwell ownerelectric logKDWR	feet Depth of water well			
Emergency, Settling and Burn Pits ONLY: Drilling, Workover and Haul-Off Pits ONLY:	Emergency, Settling and Burn Pits ONLY:		Drilling, Workover and Haul-Off Pits ONLY:	
Producing Formation: Type of material utilized in drilling/workover:	Producing Formation:		Type of material utilized in drilling/workover:	
Number of producing wells on lease:	Number of producing wells on lease:		Number of working pits to be utilized:	
			Abandonment procedure:	
Does the slope from the tank battery allow all spilled fluids to         flow into the pit?       Yes         No         Drill pits must be closed within 365 days of spud date.	Does the slope from the tank battery allow all spilled fluids to flow into the pit? Yes No		Drill pits must be closed within 365 days of spud date.	
Submitted Electronically		· · · ·	· · · · · · · ·	
KCC OFFICE USE ONLY		KCC OFFICE USE C		
Date Received: Permit Number: Permit Date: Lease Inspection: Yes	Permit Number:	Perm	it Date: Lease Inspection: Yes No	

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202



KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

CERTIFICATION OF COMPLIANCE WITH THE KANSAS SURFACE OWNER NOTIFICATION ACT Form KSONA-1 January 2014 Form Must Be Typed Form must be Signed All blanks must be Filled

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:	County:
Address 2:	Lease Name: Well #:
City: State: Zip:+	If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:
Contact Person:	
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 tax records of the county treasurer.
City: State: Zip:+	

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.

#### Submitted Electronically

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(Kev. 2004 CRI) 0.50 FORM 88 - (PRODUCERS SPECIAL)

## OIL & GAS LEASE

husband and wife, hereinafter called Lessee: (whether one or more), and SHELBY RESOURCES, LLC, 445 Union Boulevard, Suite 208, Lakewood, CO 80228, hereinafter called Lessee: ACREEMENT, Made and entered into the 28th day of October, 2014, by and between DAVID C. BUSTER AND CAROL BUSTER,

Lessor, in constant of rein and more tronue (2000) in main paio, receipt of which is hereby acknowledged and of the forget from commendation in the former and of the purpose of investigating, exploring, prospecting, drilling, minimg and operating propose of investigating, exploring, prospecting, drilling, minimg and operating propose of investigating, exploring, prospecting, drilling, minimg and operating propose of investigating, exploring, prospecting, drilling, minimg and operating propose of investigating, exploring, prospecting, drilling, minimg and operating propose of investigating, exploring, prospecting, drilling, and substructures and freir respective constituent products, injecting gas, water, other fluids and air into a substructures and their respective constituent products, injecting gas, water, other fluids and air into a substructures and their respective constituent products, injecting, there in an into a metodynes, since and oil, liquid hydrocarbons, gases and their respective constituent products and other produce, sure, take cure of, and observes and officer with any reversionary rights and after summation, therein an and other produces any interventing and other produces and their respective constituent products and other produces and interform. Country of fluids of the following described land, together with any reversionary rights and after-acquired interestorm. Lessor, in consideration of Ten and more Dollars (\$10.00) in hand paid, receipt of which is hereby acknowledged and of the royalties herein provided and of

## Section 3: Lots 6, 7, D and the SMSEM, NEMSEM TOWNSHIP 22 SOUTH, RANGE 16 WEST OF THE 6TH PRINCIPAL MERIDIAN

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

acres, more or less, and all accretions thereto. 00.002 gaining 200.00

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 as long thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, or any of them, is produced from said fand or land with which said land is pooled.

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

To deliver to the credit of Lessor, firse of cost, in the pipe line to which Lessee may connect wells on said land, the equal fifteen and one-half percent (15.50%) part of all oil produced and saved from the lessed premises.

2<sup>m</sup> To pay Lessor for gas of whitsoever nature or kind produced and sold, or used off the premises, or used in the manufacture of any products therefrom. Bifteen and one-half percent(15.50%), of the proceed received by Lessor for gas of whitsoever nature or kind produced and sold, or used off the premises, or used in the manufacture of any products need to the filtern and one-half percent(15.50%), of the proceed received by Lessor form a well producing gas only it not sold, used off the premises, or in the manufacture of products made one-half payments to be manufacture of produced fractions, suid products the filtern and producting gas only it not sold or used. Lessor may pay or tender as royalty One Dollar (51.00) per year or not manufacture of any tender is novally One Dollar (51.00) per year or not mercan acre retained hereunder, and it such payment or tender is more than gas is being produced written the manufacture of the preceding paragraph meneral acre retained hereunder, and it such payment or tender is made it will be considered that gas is being produced written the manufacture of the preceding paragraph or areal, Lessor's ability to retain the lesse by payment of such "abut in" (oyalities is not indefinite and if no actual actio retaining to retain the premises, or in the meaning of the preceding paragraph meneral acre retained heremeter, indoit such payment or tender is made it will be considered that gas is being produced written the presenting of the preceding paragraph or areal, then this lesse shall (erminate and or such action the indefinite and if no actual action the indexed by actual or tender is more than indexed written the meaning of the preceding paragraph or areal, then this lesse shall (erminate and or such actual action to tender as royalty is not sold to used to indefinite and if no actual action or tender is reacted by a produced by a second and action actual action the lesse by payment or tender is more than actual to tender actual actual tender actual the actual actual tendes

This lease may be maintained during the primary term hareof without further payment or drilling operations. If the Lease shall commence to drill a well a well as if the case of any extension thereof, the Lease shall commence to drill a well the oright of the reasonable diligence and dispatch, and if oil of gas, or either of them, be found in paying quantifies, this lease shall continue and to oright to fill a well the completion with reasonable diligence and dispatch, and if oil of the case of the case of any extension thereof. Use Lease shall continue and have the right to drill such well to completion with reasonable diligence and dispatch, and if oil of the case of them of the case of any extension the form of years are completed within the terms of the terms of years are different for the found in paying quantifies, this lease shall continue and be in force with like effect as if such well had been completed within the term of years for any is a strain of the different of the terms of years are different.

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

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

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

Lesses and pay for damages caused by Lesses's operations and yard flank sesses.

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.

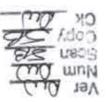
If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, associator successor or assignation of the land or assignment of rentals or royalties shall be binding on the Lessee antil after the Lessee has been furnished with a written transfer or assignment or a true copy thereof. In case Lessee assigns this fease, in whole or in part, Lessee aball be releved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment. It is agreed and understood by and between Lessee and Lessee, and their successors and assigned portion or portions arising subsequent to the date of assignment. It is agreed and understood by the terms therein.

premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered except those obligations relating to any plugging of wells or restoration of the portion surrendered. bedrases or place of the second of place of record a release or release covering any portion or portions of the above described

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 linble in damages, for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any luck Law, Order, Rule as Regulation.

Leasor, by payment any mortgages, taxes or all have the right at any time to redeem for Lessor, by payment any mortgages, taxes or other liens on the above described lands, in the event of default of payment by Lessor, and be subrogated to the rights of the holder thereof, and the undersigned Lessors, for themselves and their heirs, successors and assigns, hereby nurrender and release all right of dower and homestead in the premises described herein, in so far as said 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.

Lesses in the immediate vicinity thereof, when in Lesser, may post or combute the acreage covered by thus tease or any portion thereof with outer tand, tease or any portion thereof, when in Lesser, audject to the provide and the immediate vicinity thereof, when in Lesser's judgment it is necessary or advisable to do so in order to properly develop and operate said lease premises so are to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises, and pooling to be of tracts contiguous to one another and to be into a unit or units not exceeding 40 acres each in the event of an oil well, or into a unit or units not exceeding 160 acres each in the event of an oil well. Lessers and to be into a unit or units not exceeding 40 acres each in the event of an oil well. Lessers and being the pooled in writing and record in the conveyance records of the county in which the land herein lease is situated an intrument identifying and describing the pooled acreage. Lessor's written consent to pooling will not be unreasonably withheld. The entite acreage is pooled into a tracts or unit shall be treated, describing the pooled acreage. Lessor's written consent to pooling will not be unreasonably withheld. The entite acreage is found and the pooled acreage, is a protection is found on the pooled acreage, it is average accept the payment of royalties on protection is found on the pooled acreage, it is write accept the payment of royalties on protection is found on the pooled acreage, it is a protection for a state of the payment of royalties on protection from the pooled unit, as if it were included in this lense. If production is found on the pooled acreage, it is are accept the payment of royalties on protect acreage of tented. Lessee, subject to the prior written consent of Lessor, may pool or combine the acreage covered by this lease or any portion thereof with other land, lease or



00'07\$ (see) (etc)

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E :aged 25 LM :Noo8 STATE OF KANSAS, PAWNEE COUNTY, SS DOLORES WIGH, RECEPTER OF DEEDS

+ pepiosey seded

9/EIV # Jdiasay

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shall be treated as if production is hud from this lease, whether the well or wells be located on the premises covered by this lease or not. In licu of the royables elsewhere herein specified, Lessor shall receive an production from a unit so pooled only such portion of the royably stipulated herein as the amount of his acreage placed in the unit or his royably interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.

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

2106, 21 VON seriers missimmod via
BEFORE ME, the undersigned, a Notary Public, in and for David C. Buster and Carol Buster, husband and wife.
COUNTY OF Stated
5
STATE OF Katuga
BY: Carol Buster

NVILE OLLO REALEY PUBLIC - State of Kaness

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## "AN TIBIHX3

## between David C. Buster and Carol Buster, husband and wife, as Lessor and Shelby Resources, LLC, as Attached to and made a part of that certain Oil and Gas Lease dated October 28, 2014 by and

- Lessee,
- The provisions of this lease are hereby amended to include in the granting clause, helium and other extractions. 7
- The royalty clause is hereby amended to include a royalty payment on helium and other extractions at the mouth of the '7
- Lessor would otherwise receive from oil and/or gas production from this lease. production payments, contract buy outs or contract buy downs, which directly reduce the amount of royalty revenue including any premiums, rebates and refunds of any kind or nature paid to Lessee and any take or pay payments, proportionate royaity share of all monies received by Lessee for oil and/or gas production attributable to this lease, lease by Lessee in its operations thereon after the point of diversion. It is further agreed that Lessor shall receive their the Lessor shall bear no costs of gas treatment, dehydration, compression, transportation or water hauling charged to this It is agreed that if the Lessee owns any interest in the pipeline to which is delivered the gas produced from this premises, ٦ε
- from wells located upon the above-described real estate or from the real estate unitized therewith. gas which the Lessor may purchase hereunder shall be limited to one-eighth (1/8) of the entire amount of gas produced selling gas from the gas well on the above-described real estate or any unitized real estate to a third party. The amount of irrigation purposes in the amount per MCF equal to the price then in effect under any contract under which Lessee is engineering specifications of Lessee's production department. Lessor shall pay Lessee for any gas purchased for shall make all connections for these purposes at their sole cost, expense and liability, and Lessor shall contorm to the located on the above-described real estate or from any real estate unitized with the above-described real estate. Lessor Lessor reserves the right to purchase gas for farm purposes, including but not limited to irrigation purposes from wells <u>ال</u>
- Lessee agrees to return the land as nearly as possible to its present condition after any drilling operations. '\$
- Any tanks or gunbarrels shall be placed by mutual agreement of Lessor and Lessee. .9
- constructed and roads shall not obstruct the natural or established flow of water. Before building any roads, Lessee and Lessor shall mutually agree as to the site for the roads. No road ditches shall be ۰2
- consumption or livestock consumption. other fluid and air into any subsurface stratum which contains water suitable for irrigation purposes or for domestic The Lessee shall not, notwithstanding the provisions of paragraph 1 of this Oil and Gas Lease, inject any gas, water or '8
- salt water from wells drilled on the real estate described in paragraph 1 of this lease. of the Lessor being first obtained, provided Lessee shall have the right to drill a salt water disposal well for disposition of Lessee shall not drill any salt water disposal well upon the above-described real estate without the express written consent 6
- to any other persons or entities. below the base of the deepest fresh water formation. This obligation shall continue even if this lease is assigned by Lessee If lessee drills a well on the leased premises, Lessee shall, at the option of Lessor, set the surface pipe from the surface to 01
- deficiency or said lease shall terminate. perpetuate this lease. Lessee shall have thirty (30) days after notification by Lessor of insufficient royaity to tender said In the event of gas production hereunder in commercial quantities and said well is not shut-in. Lessor is to receive a Ή
- subject to damages and for any attorney's fees incurred by Lessors in obtaining such release. year period following the primary term hereof. If such release is not filed within said 60-day period, Lessee shall be the Register of Deeds a release of such lower zones or formations within sixty (60) days after the expiration of the twotherewith. Upon the written request of the Lessor the Lesses shall be obligated to file of record in the applicable office of deepest test drilled by the lessee or its assigns on the above-described premises or on any lands unitized or pooled primary term hereof, insofar, and only insofar, as to all of the formations lying below 100 feet below the total depth of the contained in this lease, it is expressly agreed that this lease shall terminate as of two (2) years after expiration of the If the primary term of this lease is perpetuated by production of oil or gas, notwithstanding anything to the contrary :21
- Lessee shall bury all pipelines at least forty (40) inches below the surface of the above-described real estate. 13'
- Lessee shall hard trash to the landfill and shall dump no trash in any pits. 71
- secondary recovery by water flood, pressure maintenance or other similar operations. The Lessee shall not have the right to use fresh water produced from the above-described real estate for the purpose of '\$1

16. Before commencing any drilling operations upon portions of the above-described real estate, the Lessee shall pay the sum of one thousand dollars (\$1,000.00) to the Lessor as a deposit to be applied against damages to land and crops caused by the operations of the Lessee. If the described real estate, is damaged (physical and/or loss to crop production capability or loss to grazing rights) to an amount greater than the amount paid prior to drilling operations, then Lessee shall promptly or pay Lessor such additional damages.

17. In the event of production of only gas in commercial quantities and in the further event said gas well is shut-in, the Lessee shall pay shut-in gas royalities of three hundred twenty dollars (\$320,00) per year for the three (3) year period after such gas well is completed and thereafter, the shut-in royality payments shall be one thousand dollars (\$1,000.00) per year. If gas has not been sold from said premises within six (6) years from completion of said gas well, this lease shall expire six (6) years from the date of completion of said gas well.

- 18. The Lessee agrees that in connection with its operations upon the above-described real estate, the shale and reserve pits will be dug in such a manner as to remove and preserve the Lessor's topsoil and to segregate the topsoil from the subsoil and after use, said pits will be backfilled by Lessee pursuant to this lease at such time as the Lessor shall direct.
- 19. The Lessee agrees to comply with all rules and regulations of the United States Department of Agriculture, Natural Resources Conservation Services and appropriate Farm Service Agency with respect to any conservation Reserve Program covering the above-described real estate. In particular, when drilling and operations have terminated, the Lessee shall restore the surface to its present condition, including the reseeding of grass acceptable to the Natural Resources Conservation Services and Farm Service Agency.
- 20. Lessee shall not enter or attempt to enter onto the leased land during muddy conditions, except as may be agreed by Lessor. In the event Lessee shall atready be on and conducting seismic or drilling operations when muddy conditions develop, then Lessee shall use reasonable efforts to minimize damage to land, but Lessee shall not be required to stop operations due to muddy conditions.
- 21. Notwithstanding any other provision of this lease, the Lessor and Lessee agree that this lease does not provide Lessee with a pipeline right of way and/or easement for carrying on the leased land or on land to which the leased land is unitized, that are solely produced from locations not originating on the leased land or on land to which the leased land is unitized.
- 22. The Lessee upon request shall allow Lessor or Lessor's representative(s) to view copies of any logs in its possession or under its control relative to the geologic structure of the above-described real estate. Such information shall be kept strictly confidential by the Lessor.
- 23. Notwithstanding anything herein contained to the contrary, all assignees of Lessee shall be responsible for restoring the surface as near as practicable to its original condition within one-hundred eighty (180) days after oil or gas ceases to be produced from a producing well. The obligation to restore the surface shall continue even if this lease is assigned by Lessee to any other persons or entities.
- 24, In the event a well producing oil in commercial quantities is drilled under the provisions of Paragraph 27 of this lease, in the number of a real may be established by pooling ten (10) acres in a square form around the well bore whether located on the property covered by this lease or on the contiguous property. The royalty payable herewith shall consist of a total of ten (10) acres from this lease and from the contiguous property. The royalty payable berewith shall be apportioned according to the number of acres from this lease, and from the contiguous property. The royalty payable berewith shall be apportioned according to the number of acres from this lease, and from the contiguous property. The royalty payable estate contained in said unit.
- 25. In the event a well, producing gas in commercial quantities is drilled under the provisions of Paragraph 27 of this lease, then and in that event, the Lessee may establish a gas unit of one hundred sixty (160) acres, consisting of eighty (80) acres in a square or rectangular form on the contiguous real estate and eighty (80) acres in a square or rectangular form on the real estate covered by this lease. Said gas unit shall consist of one hundred sixty (160) contiguous acres in square or rectangular form.
- 26. The lessee agrees that no geo-physical seismic testing shall be conducted on the described real estate, except by separate written agreement and for such consideration as shall be agreed to by Lessor.
- 27. Notwithstanding the provisions of this lease to the contrary, if the Lessee determines that the appropriate drill site for a well on either a contiguous tract or on the real estate covered by this lease is closer than three hundred thirty feet (330°) to the property line between the two (2) real estate tracts, the Lessee is hereby authorized to drill such well within three hundred thirty feet (330°) of the property line between the two (2) real estate tracts, the Lessee is closer than three to drill such well within three hundred thirty feet (330°) of the property line between the two (2) real estate tracts, the Lessee is closer than three hundred thirty feet (330°) to be the property line between the two (2) real estate tracts after providing written notice to the hundred thirty feet (330°) of the property line between the two (2) real estate tracts after providing written notice to the hundred thirty feet (330°) of the property line between the two (2) real estate tracts after providing written notice to the hundred thirty feet (330°) of the property line between the two (2) real estate tracts after providing written notice to the hundred thirty feet (330°) of the property line between the two (2) real estate tracts after providing written notice to the hundred thirty feet (330°) of the property line between the two (2) real estate tracts after providing written notice to the hundred thirty feet (330°) of the property line between the two (2) real estate tracts after providing written notice to the hundred thirty feet (330°) of the property line between the two (2) real estate tracts after providing written notice to the hundred thirty feet (330°) of the property line between the two (2) real estate tracts after providing written notice to the hundred thirty feet (330°).
- 28. In the event this lease is extended beyond the primary term solely by production from a well in a unit which comprises a portion of the lands covered hereby and other lands. Lessee agrees to release all lands not included in any such unit one (1) year subsequent to the end of the primary term when so requested by Lessor in writing.

## SIGNED FOR IDENTIFICATION

Carol Buster 107 ary

David C, Buster



(Rev. 2004 CRI) 029 FORM 88 - (PRODUCERS SPECIAL)

## OIL & GAS LEASE

RESOURCES, LLC, 445 Union Boulevard, Suite 208, Lakewood, CO 80228, hereinafter called Lessee busband and wife, whose mailing address is 22677 W. 1834 Sr., Olathe, KS 66062, hereinafter called Lessor (whether one or more), and SHELBY AGREEMENT, Made and entered into the 28th day of October, 2014, by and between ALAN J. BUSTER AND PAMELA K. BUSTER,

County of Parameters of Parameters and none county (510.00) in that paid, receipt of which is nerrory increased and of the foreneous former, increased and of the losses berein contained, hereby guints, learers and lets exclusively unto Lesses for the purpose of investigating, exploring, prospecting, drilling, mining and operating for and producing of inquid hydrocarbons, all gases and their respective constituent products, injecting gas, water, other fluids and an intro autorating and operating in and intergenting of and interpret process, store and transport and oil, liquid hydrocarbons, gases and their respective constituent products, ingeting gas, water, other fluids and an intro autorating and other structures and three process, store and transport and oil, liquid hydrocarbons, gases and their respective constituent products, ingeting thereon to produce anyor, take care of, and housing and otherwise caring in an intro and investigating for the purpose of and other structures and three process, store and transport and oil, liquid hydrocarbons, gases and their respective constituent products and other products mane, take care of, and housing and otherwise caring for the purpose is and other structures and three products and three foreation of the products mane, therein and three interview care of the purpose of the products and three interview care of the course is a different fluid hydrocarbons. The course is a structure and three interview care of the products and other products and three interview care of the product and other products and three interview care of the distribution. Lessor, in consideration of Ten and more Dollars (\$10.00) in hand paid, receipt of which is hereby acknowledged and of the royalties herein provided and of

# Section 3: Lots 6, 7, D and the SWSEN, NEWSEN



acres, more or less, and all accretions thereto. containing 200,00

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. 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 as long

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

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 fifteen and one-half percent (15.50%) part of all oil produced and surved from the leaned premises.

2<sup>34</sup>. To pay Lesson for gas of whatsoever nature or kind produced and sold, or used off the premises, or used in the manufacture of any products therefrom, fifteen and one-half percent(15.50%), at the market price at the well, (but, as to gas sold by Lessec, in no event more than fifteen and one-half percent(15.50%), at the market price at the well, (but, as to gas sold by Lessec, in no event more than fifteen and one-half percent(15.50%), at the market price at the well, (but, as to gas sold by Lessec, in no event more than fifteen and one-half percent(15.50%), of the proceed are received by Lessec from a well producing gas only is not asid or used. Lessee may pay or tenders as revealty One Dollar (51.00) per year per net minetial error from a well producing gas only is not asid or used. Lessee may pay or tenders as notative (61.00) per year per net minetial error from the from a well producing gas only is not asid or used. Lessee may pay or tender as notative (51.00) per year per net minetial error from the from a well producing gas only is not asid, used off the premises, or in the manufacture of produces the prevented and one-half minetime to tender the mature of the prevented in the loss of the prevented mature of the prevented metally to retain the lesse by payment or tender is made it will be considered that gas is being produced within the meaning of the preceding paragraph. However, Lessee's ability to retain the lesse by payment of such "attuat in" royalties is not indefinite and if no actual sale of gas is made within five years of completion of a gas well, then this lesse that and explore.

This lease may be maintained during the primury term bereof without further payment or drilling operations. If the Lessee shall commence to drill a well a within the term of this lease or any extension thereof, the Lessee shall have the right to drill such with the 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 officit as if such well had been completed within the term of years.

on the state state of the state If said Lessor owns a less interest in the above described land than the entire and undivided for simple estate therein, then the royalties berein provided for

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

Lessor.

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Lesses attall bury Lesses's pipe lines below plow depth.

No well shall be drilled nearcr than 200 feet to the house or barn now located on and promises 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 my 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, auccessors or assigns, but no change in the ownership of the iand 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, I essee 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, I essee and the relation of all be intered to an end or an end or a true copy thereof. In case Lessee assigns this lease, in whole or in part, I essee and the relation of an ability of the second or an interest or assignment or an ender the lesse.

Lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment. It is agreed and understood by and hetween Lessor and Lessee, and the subject lease is subject lease is subject to a side lefter agreement and any successors or assignee will be bound by

to any plugging of wells or restoration of the portion surrandered Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described

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, Ordert, Rule or Regulation.

Lessor hereby agrees that the Lesser shall have the right at any time to redeem for Lessor, by payment any mortgages, taxes or other tiens on the above described lands, in the event of default of payment by Lessor, and be subrogated to the right of the holder thereof, and the undersigned Lessors, for themselves and there above their, successors and assigns, hereby aurender and release all right of dower and homestead in the premises described herein, in so far as said right of dower and homestead in the premises described herein, in so far as said right of dower and homestead in the premises described herein, in so far as said right of dower and homestead in the premises described herein, in so far as said right of dower and homestead in the premises described herein, in so far as said right of dower and homestead in the premises described herein, in so far as said right of dower and homestead in the premises described herein, in so far as said right of dower and homestead in the premises described herein, in so far as said right of dower and homestead in the premises described herein, in so far as said right of dower and homestead in the premises described herein, in so far as said right of dower and homestead in the premises described herein, in so far as said right of dower and homestead in the premises described herein, in so far as said right of dower and homestead in the premises described herein, in so far as said right of dower and homestead in the premises described herein, in so far as said right of dower and homestead in the premises described herein, in so far as said right of dower and homestead in the premises described herein, in so far as said right of dower and homestead in the premises described herein.

describing the pooled acreage. Lessor's written consent to pooling will not be unreasonably withheld. The entire acreage so pooled into a tract or unit aball be treated, Lessee, subject to the prior written consent of Lessee, may pool or combine the acreage covered by this lense or any pertion thereof with other land, lesse or lesses 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 lense premises so are to promote the conservation of oil, gas or other minerals in and under and mit may be produced from said premises, such pooling to be of iracts contiguous to one are 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 iracts contiguous to one moder and to be into a unit or units not exceeding 40 acres each in the event of an oil well, or into a unit or units not exceeding 160 acres each in the event of a gas woll. Lessee shall execute in writing and record in the conveyance records of the county in which the land bretin leased is situated an instrument identifying and tecord in the conveyance records of the county in which the land bretin leased is situated an instrument identifying and tecord in the conveyance records of the county in which the land bretin leased is situated an instrument identifying and tecord in the conveyance records of the county in which the land bretin leased is situated an instrument identifying and tecord in the conveyance records of the county in which the land bretin leased is situated an instrument identifying and tecord in the conveyance records of the county in which the land bretin leased is situated an instrument identifying and tecord in the conveyance records of the county in which the land bretin leased is situated an instrument identifying and tecord in the conveyance records of the county in which the land pretin leased is situated an instrument identifying and tecord in the conveyance interacts and the probled into a time acreage so probled into a time acreage. Lessof's write acreage is an interact an instrument identifying interact action is accerdance acting i



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for all purposes except the payment of royalities on protoction from the pooled unit, as if it were included in this lease. If production is found on the pooled acreage, it and be been by this lease or not. In the pooled acreage, it were included in this lease of not. In the pooled acreage, it is set the treated on the production is found on the provides events by this lease or not. In the provides events been acreage elsewhere herein specified, Lessor shall receive on production from a unit so pooled only such portion of the royalty substated herein as the amount of his acreage elsewhere herein appendix interest therein on an acreage basis beaus to the total acreage so pooled in the particular unit involved.

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

THE WAY ANY EN VANA DELGADO STATE OF SERVER N NOTARY PUBLIC - - State of Kansas Alan J. Buster Pamela K. Buster Jonal BA SM BAS

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Address 2000 E Souther FC

To yeb

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11-30-3014

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BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this Atm J. Buster and Panela K. Buster, husband and wife.

My Commission Expires:

COUNTY OF

## W. LIBIHX3

#### Attached to and made a part of that certain Oil and Gas Lease dated October 28, 2014 by and between Alan J. Buster and Pamela K. Buster, husband and wife, as Lessor and Shelby Resources, LLC, as Lessee.

- '33553/T SP
- The provisions of this lease are hereby amended to include in the granting clause, helium and other extractions.
- The royalty clause is hereby amended to include a royalty payment on helium and other extractions at the mouth of the well.
- 3. It is agreed that if the Lessee owns any interest in the pipeline to which is delivered the gas produced from this premises, the Lesser shall bear no costs of gas treatment, dehydration, compression, transportation or water hauling charged to this lease by Lessee in its operations thereon after the point of diversion. It is further agreed that Lessor shall receive their proportionate royalty share of all monies received by Lessee for oil and/or gas production attributable to this lease, production payments, contract buy outs or contract buy downs, which directly reduce the amount of royalty revenue production payments, contract buy outs or contract buy downs, which directly reduce the amount of royalty revenue broduction payments, contract buy outs or contract buy downs, which directly reduce the amount of royalty revenue broduction payments, contract buy outs or contract buy downs, which directly reduce the amount of royalty revenue broduction payments, contract buy outs or contract buy downs, which directly reduce the amount of royalty revenue broduction payments, contract buy outs or contract buy downs, which directly reduce the amount of royalty revenue broduction payments, contract buy outs or contract buy downs, which directly reduce the amount of royalty revenue broduction payments, contract buy outs or contract buy downs.
- 4. Lessor reserves the right to purchase gas for farm purposes, including but not limited to irrigation purposes from wells located on the above-described real estate or from any real estate unitized with the above-described real estate. Lessor shall conform to the shove-described real estate or from any real estate unitized with the above-described real estate. Lessor shall conform to the engineering specifications of Lessee's production department. Lessor shall pay Lessee for any gas purchased for integation purposes in the amount per MCF equal to the price then in effect under any contract under which Lesser is selling gas from the gas well on the above-described real estate or any unitized real estate to a third party. The amount of gas which the Lessor may purchase hereunder shall be limited to one-eighth (1/8) of the entire amount of gas produced is which the Lessor may purchase hereunder shall be limited to one-eighth (1/8) of the entire amount of gas produced item wells located upon the above-described real estate or from the real estate unitized transmut of from wells located upon the above-described real estate or from the real estate unitized there with.
- Lessee agrees to return the land as nearly as possible to its present condition after any drilling operations.
- Any tanks or gunbarrels shall be placed by mutual agreement of Lessor and Lessee.
- Before building any roads, Lessee and Lessor shall mutually agree as to the site for the roads. No road ditches shall be constructed and roads shall not obstruct the natural or established flow of water.
- 8. The Lessee shall not, notwithstanding the provisions of paragraph 1 of this Oil and Gas Lease, inject any gas, water or other fluid and air into any subsurface stratum which contains water suitable for irrigation purposes or for domestic consumption.
- 9. Lessee shall not drill any safe water disposal well upon the above-described real estate without the express written consent of the Lesser being first obtained, provided Lessee shall have the right to drill a saft water disposal well for disposition of saft water from wells drilled on the real estate described in paragraph 1 of this lease.
- 10. If lessee drills a well on the leased premises, Lessee shall, at the option of Lessor, set the surface pipe from the surface to below the base of the deepest fresh water formation. This obligation shall continue even if this lease is assigned by Lessee to any other persons or emitties.
- 11. In the event of gas production hereunder in commercial quantities and said well is not shut-in. Lessor is to receive a minimum of five dollars (\$5.00) per net mineral acre per year royalty for entire acreage covered by this lease in order to perpetuate this lease. Lessee shall have thirty (30) days after notification by Lessor of insufficient royalty to tender said deficiency or said lease shall terminate.
- 12. If the primary term of this lease is perpetuated by production of oil or gas, notwithstanding anything to the contrary contained in this lease, it is expressly agreed that this lease shall terminate as of two (2) years after expiration of the primary term hereof, insofar, and only insofar, as to all of the formations lying below 100 feet below the total depth of the deepest test drilled by the lessee or its assigns on the above-described premises or on any lands unitized or pooled the therewith. Upon the written request of the Lessee shall be obligated to file of record in the applicable office of the Register of Deeds a release of such lower zones or formations within sixty (60) days after the expiration of the two-year period following the primary term hereof. If such release is not filed within asid 60-day period, Lessee shall be updeed to file within a subject to damages and for any attorney's fees incurred by Lessors in obtaining such release.
- Lessee shall bury all pipelines at least forty (40) inches below the surface of the above-described real estate.
- 14. Lessee shall have it to the landfill and shall dump no trash in any pits.
- 15. The Lessee shall not have the right to use fresh water produced from the above-described real estate for the purpose of secondary recovery by water flood, pressure maintenance or other similar operations.

- 16. Before commencing any drilling operations upon portions of the above-described real estate, the Lessee shall pay the sum of one thousand dollars (\$1,000.00) to the Lessor as a deposit to be applied against damages to land and crops caused by the operations of the Lessee. If the described real estate, is damaged (physical and/or loss to crop production capability or loss to grazing rights) to an amount greater than the amount paid prior to drilling operations, then Lessee shall promptly pay Lessor such additional damages.
- 17. In the event of production of only gas in commercial quantities and in the further event said gas well is shut-in, the Lessee shall pay shut-in gas royalties of three hundred twenty dollars (\$320.00) per year for the three (3) year period after such gas well is completed and thereafter, the shut-in royalty payments shall be one thousand dollars (\$1,000.00) per year. If gas has not been sold from said premises within six (6) years from completion of said gas well, this lease shall expire six (6) years from completion of said gas well.
- 18. The Lessee agrees that in connection with its operations upon the above-described real estate, the shale and reserve pits will be dug in such a manner as to remove and preserve the Lessor's topsoil and to segregate the topsoil from the subsoil and after use, said pits will be backfilled by Lessee pursuant to this lease at such time as the Lessor shall direct.
- 19. The Lessee agrees to comply with all rules and regulations of the United States Department of Agriculture, Natural Resources Conservation Services and appropriate Farm Service Agency with respect to any conservation Reserve Program covering the above-described real estate. In particular, when drilling and operations have terminated, the Lessee shall restore the surface to its present condition, including the reseeding of grass acceptable to the Natural Resources Conservation Services and Farm Service Agency.
- 20. Lessee shall not enter or attempt to enter onto the leased land during muddy conditions, except as may be agreed by Lessor. In the event Lessee shall already be on and conducting seismic of drilling operations when muddy conditions develop, then Lessee shall use reasonable efforts to minimize damage to land, but Lessee shall not be required to stop operations due to muddy conditions.
- 21. Notwithstanding any other provision of this lease, the Lessor and Lessee agree that this lease does not provide Lessee with a pipeline right of way and/or easement for carrying or transporting gas, oil, or other oil and gas related materials that are solely produced from locations not originating on the leased land or on land to which the leased land is unitized.
- 22. The Lessee upon request shall allow Lessor or Lessor's representative(s) to view copies of any logs in its possession or under its control relative to the geologic structure of the above-described real estate. Such information shall be kept strictly confidential by the Lessor.
- 23. Notwithstanding anything herein contained to the contrary, all assignees of Lessee shall be responsible for restoring the surface as near as practicable to its original condition within one-hundred eighty (180) days after completion of a dry hole or within one-hundred eighty (180) days after oil or gas ceases to be produced from a producing well. The obligation to restore the surface shall continue even if this lease is assigned by Lessee to any other persons or entities.
- 24. In the event a well producing oil in commercial quantities is drilled under the provisions of Paragraph 27 of this lease, in then and in such event, the Lessors agree that an oil unit of ten (10) acres may be established by pooling ten (10) acres in a square form around the well bore whether located on the property covered by this lease or on the contiguous property. The unit shall consist of a total of ten (10) acres from this lease and from the contiguous property. The royalty payable herewith shall be apportioned according to the number of acres from this lease, and from the contiguous property. The royalty payable estate contained in said unit.
- 25. In the event a well, producing gas in commercial quantities is drilled under the provisions of Paragraph 27 of this lease, then and in that event, the Lessee may establish a gas unit of one hundred sixty (160) acres, consisting of eighty (80) acres in a square or rectangular form on the contiguous real estate and eighty (80) acres in a square or rectangular form on the real estate covered by this lease. Said gas unit shall consist of one hundred sixty (160) contiguous acres in square or rectangular form.
- 26. The lessee agrees that no geo-physical seismic testing shall be conducted on the described real estate, except by separate written agreement and for such consideration as shall be agreed to by Lessor.
- 27. Notwithstanding the provisions of this lease to the contrary, if the Lessee determines that the appropriate drill site for a well on either a compguous tract or on the real estate covered by this lease is closer than three hundred thirty feet (330°) to the property line between the two (2) real estate tracts, the Lessee is hereby authorized to drill such well within three hundred thirty feet (330°) of the property line between the two (2) real estate tracts, the Lessee is hereby authorized to drill such well within three hundred thirty feet (330°) of the property line between the two (2) real estate tracts, the Lessee is hereby authorized to drill such well within three hundred thirty feet (330°) of the property line between the two (2) real estate tracts.
- 28. In the event this lease is extended beyond the primary term solely by production from a well in a unit which comprises a portion of the lands covered hereby and other lands. Lessee agrees to release all lands not included in any such unit one (1) year subsequent to the end of the primary term when so requested by Lessor in writing.

## SIGNED FOR IDENTIFICATION

paster Pamela K.

Alan J. Buster



(Kev, 2004 CRI) 059 FORM 88 - (PRODUCERS SPECIAL)

## OIL & GAS LEASE

mailing address (s. 15225 S. One Elm Road, Olambe, KS 66061, hereinafter called Lesser (whether one or more), and SHELBY RESOURCES, LLC, 445 Union Boulevard, Suite 208, Lakewood, CO 80228, hereinafter called Lesser AGREEMENT, Made and entered into the 28th day of October, 2014, by and between ELSIE I., BUSTER, AS LIFE TENENT, whose

County of Pawnee, State of Kansas described as following described and, receipt of which is hereby acknowledged and of the royables herein provided and of the royables herein of the royables herein of the robables for and polacing, drafting, coploring, prospecting, drilling, mining and operating pipe lines, storing oil, building timis, power stations, telephone lines, and obser structures and things thereon to producing and an and at man products, injecting gas, water, other fluids and at into another provided and of the respective consistent products, injecting gas, water, other fluids and at into another and their respective consistent products, injecting gas, water, other fluids and at into a subsurface state, interactions, interacting and other structures and their respective consistent products, injecting and at manufacture, interacting and other fluids and at into a state state of. Incut, process, store and oil, liquid hydrocarbons, gases and their respective consistent products into produces manufacture, process, store and tangent and oil, liquid hydrocarbons, gases and their respective consistent products and offer produces interaction, interaction, process, store and the angle of the following detertion, tespective consistent products, injecting and and thereftom, and hours and other produces, store and the arguing hydrocarbons, gases and their respective consistent products and other produces interaction. County of Pawnee, State of States described as following detertions, to be and the respective constituent products and affect area interaction. Lessor, in consideration of Ten and more Dollars (\$10,00) in hand paid, receipt of which is hereby acknowledged and of the royalties herein provided and of

## Section 3: Lots 6, 7, D and the SMSEM, NEWSEW TOWNSHIP 22 SOUTH, RANGE 16 WEST OF THE 6TH PRINCIPAL MERIDIAN



acres, more or less, and all accretions thereto. 90,005 grinteanoa

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. 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 as long

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

To deliver to the credit of Lesson, free of cost, in the pipe line to which Lessee may connect wells on said land, the equal fifteen and one-half percent (15.50%) part of all oil produced and saved from the lessed premises.

2<sup>nd</sup> 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 and one-ball percent(15.50%), at the matter price at the well, (but, as to gas sold by Lesser, in no event more than fifteen and one-ball percent(15.50%), at the matter price at the well, (but, as to gas sold by Lesser, in no event more than fifteen and one-ball percent(15.50%), at the matter price at the well, (but, as to gas sold by Lesser, in no event more than fifteen and one-ball percent(15.50%), of the proceeds received by Lesser from a well producing gas only is not only as sold, used off the premises, or in the manufacture of products therefore, suit and more than fifteen and it such payment or tender is made it will be considered that gas is being produced within the meaning of the preceding paragraph. However, Lesser's ability to retain the lease by payment of such "while it made it will be considered that gas is being produced within the meaning of the preceding paragraph. However, Lesser's ability to retain the lease by payment of such "hut in" royables is not indefinite and if no actual sale of gas took of the preceding paragraph. of a gas well, then this lease shall terminate and expire.

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 commence to drill a well account 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 that more the term of the term of the set of the term of the term of the term of years.

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

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Lesses shall bury Lesses's pipe lines below plow depth.

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

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

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

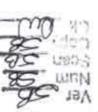
If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to theirs, executors, administrators, auccessors or assigned, and the privilege of assignment of the land or assignment of rentals or royalties shall be binding on the Lessee assigns that necessors or assigned portion or portions arising subsequent to the date of rail obligations with respect to the assigned portion or portions arising subsequent to the date of rail obligations with respect to the assigned portion or portions arising subsequent to the date of rail obligations with respect to the assigned portion or portions arising subsequent to the date of assignment. It is agreed and understood by the totween Lessee assigned their successors and assignment of assignment of assignment of the date of Lessee assignment. It is agreed and understood by the totween Lessee assignment is successors and assignment of the assigned portion or portions arising subsequent to the date of assignment. It is agreed and understood by the totween Lessee assignment of and assigned portion or portions arising subsequent to the date of assignment of assignment of an understood by the totween Lessee assignment and any successors and and extend to the tenner therein.

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

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. All express or implied covenants of this icase shall be subject to all Federal and State Laws. Executive Orders, Rules or Regulations, and this lease shall not

Lessor hereby agrees that the Lessee shall have the right at any time to redeem for Lessor, by payment any mortgages, taxes or other itens on the above described lands, in the event of default of payment by Lessors, tand be subrogated to the rights of the holder thereof, and the undersigned Lessors, for themselves and their heirs, successors and assigns, hereby surrender and refeace all right of dower and homestead in the premises described herein, in so far as and right of dower and homestead in the premises described herein, in so far as and right of dower and homestead in the premises described herein, in so far as and right of dower and homestead in the premises described herein, in so far as and right of dower and homestead in the premises described herein, in so far as and right of dower and homestead in the premises described herein, in so far as and right of dower and homestead in the premises described herein, in so far as and right of dower and homestead in the premises described herein, in so far as and right of dower and homestead in the premises described herein, in so far as and right of dower and homestead in the premises described herein, in so far as and right of dower and the homestead in the premises described herein, in so far as an intervention.

Leases, subject to the prior written consent of Lessor, may pool or combine the acreage covered by this lease or any portion thereof with other land, lease or locate 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 another much the conservation of oil, gas or other minerals in and under and that may be produced from said premises, such pooling to be of tracts contiguous to one unother and to be into a units not exceeding 40 acres each in the event of an oil well, or into a unit or units not exceeding to be of tracts contiguous to one unother and to be into a units not exceeding to be of tracts contiguous to one unother and to be into a unit or units not exceeding 40 acres each in the event of an oil well, or into a unit or units not exceeding to be of tracts contiguous to one unother and to be into a unit or units not exceeding to be of tracts contiguous to one unother and to be into a unit or units not exceeding to prove the event of an oil well, or into a unit or units not exceeding to be of tracts contiguous to one well. Lessee shall exceeding to be of tracts contigueus to a describing the pooled acreage. Lessor's written conserts of an oil well, or into a unit or units not exceeding to be of tracts and the acreage in describing the pooled acreage. Lessor's written conserts to pooled acreage is tracted to the event of an oil well, written to a units and percease is structed in the event of a gas and the acreage to pooled acreage. Lessor's written consert to pooled written to a tract or unit shall be treated, for all provide acreage is provide and event of an oil well. The entit acreage is provide into a tract or unit shall be treated.



Total Fees: \$20,00

Date Recorded: 11/7/2014 9:30:03 AM

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shall be treated as it production is had from this lease. Whether the well or wells be located on the premises covered by this lease or not. In licu of the royalites 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 particular unit involved.

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

91-21-6

My Commission Expires:

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	DAPHNE PIPPITT	SESSIEN HO HTATS
10	Klaie L. Buster, as Life Tena	

High & Cold 24 High KG 66030

## W, LIBIHX3

## Attached to and made a part of that certain Oil and Gas Lease dated October 28, 2014 by and between Elsie L. Buster, Life Tenant, as Lessor and Shelby Resources, LLC, as Lessee.

- The provisions of this lease are hereby amended to include in the granting clause, helium and other extractions.
- The royality clause is hereby amended to include a royality payment on helium and other extractions at the mouth of the well.
- 3. It is agreed that if the Lessee owns any interest in the pipeline to which is delivered the gas produced from this premises, the Lesser shall bear no costs of gas treatment, dehydration, compression, transportation or water hauling charged to this lease, proportionate royalty share of all monies received by Lessee for oil and/or gas production attributable to this lease, production payments, contract buy outs or contract buy downs, which directly reduce the amount of royalty revenue production payments, contract buy outs or contract buy downs, which directly reduce the amount of royalty revenue broduction payments, contract buy outs or contract buy downs, which directly reduce the amount of royalty revenue broduction payments, contract buy outs or contract buy downs, which directly reduce the amount of royalty revenue broduction payments, contract buy outs or contract buy downs, which directly reduce the amount of royalty revenue broduction payments, contract buy outs or contract buy downs, which directly reduce the amount of royalty revenue broduction payments, contract buy outs or contract buy downs, which directly reduce the amount of royalty revenue broduction payments, contract buy outs or contract buy downs, which directly reduce the amount of royalty revenue broduction payments.
- 4. Lessor reserves the right to purchase gas for farm purposes, including but not limited to irrigation purposes from wells located on the above-described real estate or from any real estate unitized with the above-described real estate or from any real estate unitized with the above-described real estate or from any real estate unitized with the above-described real estate or from any real estate unitized with the above-described real estate or from any real estate unitized with the above-described real estate or from the price disen in effect under any contract under which Lessee is indigation purposes in the amount per MCF equal to the price then in effect under any contract under which Lessee is indigation purposes in the amount per MCF equal to the price then in effect under any contract under which Lessee is indigation purposes in the amount per MCF equal to the price then in effect under any contract under which Lessee is indigation purposes in the amount per MCF equal to the price then in effect under any contract under which Lessee is engine which the Lessor may purchase hereunder shall be limited to one-eighth (1/8) of the entire amount of gas produced from wells located upon the above-described real estate or from the real estate to a third party. The amount of from wells located upon the above-described real estate or from the real estate to a third party. The amount of from wells located upon the above-described real estate or from the real estate to a third party. The amount of from wells located upon the above-described real estate or from the real estate to an intervent.
- Lessee agrees to return the land as nearly as possible to its present condition after any drilling operations.
- Any tanks or gunbarrels shall be placed by mutual agreement of Lessor and Lessee.
- Before building any roads, Lessee and Lessor shall mutually agree as to the site for the roads. No road ditches shall be constructed and roads shall not obstruct the natural or established flow of water.
- 8. The Lessee shall not, notwithstanding the provisions of paragraph 1 of this Oil and Gas Lease, inject any gas, water or other fluid and air into any subsurface stratum which contains water suitable for irrigation purposes or for domestic consumption.
- 9. Lessee shall not drill any salt water disposal well upon the above-described real estate without the express written consent of the Lessor being first obtained, provided Lessee shall have the right to drill a salt water disposal well for disposition of salt water from wells drilled on the real estate described in paragraph 1 of this lease.
- 10. If lessee drills a well on the leased premises, Lessee shall, at the option of Lessor, set the surface pipe from the surface to below the base of the deepest fresh water formation. This obligation shall continue even if this lease is assigned by Lessee to any other persons or entities.
- 11. In the event of gas production hereunder in commercial quantities and said well is not shut-in, Lessor is to receive a minimum of five dollars (\$5.00) per net mineral acre per year royalty for entire acreage covered by this lease in order to perpetuate this lease. Lesses shall have thirty (30) days after notification by Lessor of insufficient royalty to tender said deficiency or said lease shall terminate.
- 12. If the primary term of this lease is perpetuated by production of oil or gas, notwithstanding anything to the contrary contained in this lease, it is expressly agreed that this lease shall terminate as of two (2) years after expiration of the primary term hereof, insofar, and only insofar, as to all of the formations lying below 100 feet below the total depth of the deepest test drilled by the lesses or its assigns on the above-described premises or on any lands unitized or pooled therewith. Upon the written request of the Lesser the Lesser shall be obligated to file of record in the applicable office of the Register of Deeds a release of such lower zones or formations within sixty (60) days after the expiration of the two-year period following the primary term hereof. If such release is not filed within said 60-day period, Lesser shall be subject to damages and for any attorney's fees incurred by Lessors in obtaining such release.
- 13. Lessee shall bury all pipelines at least forty (40) inches below the surface of the above-described real estate.
- 14. Lessee shall haul trash to the landfill and shall dump no trash in any pits.
- 15. The Lessee shall not have the right to use fresh water produced from the above-described real estate for the purpose of secondary recovery by water flood, pressure maintenance or other similar operations.

- 16. Before commencing any drilling operations upon portions of the above-described real estate, the Lessee shall pay the sum of one thousand dollars (\$1,000.00) to the Lessor as a deposit to be applied against damages to land and crops caused by the operations of the Lessee. If the described real estate, is damaged (physical and/or loss to crop production capability or loss to grazing rights) to an amount greater than the amount paid prior to drilling operations, then Lessee shall promptly pay Lessor such additional damages.
- 17. In the event of production of only gas in commercial quantities and in the further event said gas well is shut-in, the Lessee shall pay shut-in gas royalties of three hundred twenty dollars (\$320.00) per year for the three (3) year period after such gas well is completed and thereafter, the shut-in royalty payments shall be one thousand dollars (\$1,000.00) per year. If gas has not been sold from said premises within six (6) years from completion of said gas well, this lease shall expire six (6) years from the date of completion of said gas well.
- 18. The Lessee agrees that in connection with its operations upon the above-described real estate, the shale and reserve pits will be dug in such a manner as to remove and preserve the Lessor's topsoil and to segregate the topsoil from the subsoil and after use, said pits will be backfilled by Lessee pursuant to this lease at such time as the Lessor shall direct.
- 19. The Lessee agrees to comply with all rules and regulations of the United States Department of Agriculture, Natural Resources Conservation Services and appropriate Farm Service Agency with respect to any conservation Reserve Program covering the above-described real estate. In particular, when drilling and operations have terminated, the Lessee shall restore the surface to its present condition, including the reseeding of grass acceptable to the Natural Resources Conservation Services and Farm Service Agency.
- 20. Lessee shall not enter or attempt to enter onto the leased land during muddy conditions, except as may be agreed by Lessor. In the event Lessee shall already be on and conducting seismic or drilling operations when muddy conditions develop, then Lessee shall use reasonable efforts to minimize damage to land, but Lessee shall not be required to stop operations due to muddy conditions.
- 21. Notwithstanding any other provision of this lease, the Lessor and Lessee agree that this lease does not provide Lessee with a pipeline right of way and/or easement for carrying or transporting gas, oil, or other oil and gas related materials that are solely produced from locations not originating on the leased land or on land to which the leased land is unitized.
- 22. The Lessee upon request shall allow Lessor or Lessor's representative(s) to view copies of any logs in its possession or under its control relative to the geologic structure of the above-described real estate. Such information shall be kept strictly confidential by the Lessor.
- 23. Notwithstanding anything herein contained to the contrary, all assignees of Lessee shall be responsible for restoring the surface as near as practicable to its original condition within one-hundred eighty (180) days after completion of a dry hole or within one-hundred eighty (180) days after oil or gas ceases to be produced from a producing well. The obligation to restore the surface shall continue even if this lease is assigned by Lessee to any other persons or entities.
- 24. In the event a well producing oil in commercial quantities is drilled under the provisions of Paragraph 27 of this lease, in the event a well producing oil in commercial quantities is drilled under the provisions of Paragraph 27 of this lease, in a square form around the well bore whether located on the property covered by this lease or on the contiguous property. The unit shall consist of a total of ten (10) acres from this lease and from the contiguous property. The royalty payable herewith shall be apportioned according to the number of acres from this lease, and from the contiguous property. The royalty payable herewith shall be apportioned according to the number of acres from this lease, and from the contiguous property. The royalty payable herewith shall be apportioned according to the number of acres from this lease, and from the contiguous property. The royalty payable herewith shall be apportioned according to the number of acres from this lease, and from the contiguous property. The royalty payable herewith shall be apportioned according to the number of acres from this lease, and from the contiguous property. The royalty payable herewith shall be apportioned according to the number of acres from this lease, and from the contiguous property.
- 25. In the event a well, producing gas in commercial quantities is drilled under the provisions of Paragraph 27 of this lease, then and in that event, the Lessee may establish a gas unit of one hundred sixty (160) acres, consisting of eighty (80) acres in a square or rectangular form on the configuous real estate and eighty (80) acres in a square or rectangular form on the real estate covered by this lease. Said gas unit shall consist of one hundred sixty (160) configuous acres in square or rectangular form.
- 26. The lessee agrees that no geo-physical seismic testing shall be conducted on the described real estate, except by separate written agreement and for such consideration as shall be agreed to by Lessor.
- 27. Notwithstanding the provisions of this lease to the contrary, if the Lessee determines that the appropriate drill site for a well on either a contiguous tract or on the real estate covered by this lease is closer than three hundred thirty feet (330') to the property line between the two (2) real estate tracts, the Lessee is hereby authorized to drill such well within three hundred thirty feet (330') of the property line between the two (2) real estate tracts, the Lessee is estate tracts after providing written notice to the hundred thirty feet (330') of the property line between the two (2) real estate tracts.
- 28. In the event this lease is extended beyond the primary term solely by production from a well in a unit which comprises a portion of the lands covered hereby and other lands, Lessee agrees to release all lands not included in any such unit one (1) year subsequent to the end of the primary term when so requested by Lessor in writing.

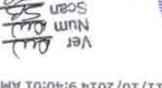
### SIGNED FOR IDENTIFICATION

Elsie L. Buster, as Life Tenant "AJ

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(Kev. 2004 CRI) 0169 FORM 88 - (PRODUCERS SPECIAL)

## OIL & GAS LEASE

husband and wife, hereinafter called Lessor (whether one or more), and SHELBY RESOURCES, LLC, 445 Union Boulevard, Suite 208, Lakewood, CO 80228, hereinafter called Lessee. AGREEMENT, Made and entered into the 28th day of October, 2914, by and between BRYCE G. BUSTER AND JAN M. BUSTER,

subsurface strate, laying pipe lines, storing oil, building tanks, power stations, telephone lines, and other structures and things thereon to produce, save, lake cure of, treat, manufacture, process, store and transport and oil, liquid hydrocurboris, 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 reversionary rights and after-sequired interst, therein situated in County of Pawnee, State of Kansas described as follows, to-wit: the agreements of the Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases and their respective constituent products, injecting gas, water, other fluids and an into Lessor, in consideration of Ten and more Dollars (\$10.00) in hand paid, receipt of which is hereby acknowledged and of the royalties herein provided and of

## Section 3: Lots 6, 7, D and the SWSEN, NEWSEN TOWNSHIP 22 SOUTH, RANGE 16 WEST OF THE 6TH PRINCIPAL MERIDIAN

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

acres, more or less, and all accretions thereto. 00'00Z Sammanoo

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. 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 as long

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

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 fifteen and one-half percent (1.5.50%) part of all oil produced and saved from the leased premises.

2<sup>34</sup> 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 producta therefront, fifteen and one-half percent(15.50%), at the matket price at the well, (but, as to gas sold by Lessec, in no event more than fifteen and one-half percent(15.50%), of the proceeds received by Lessec from such sales), for the gas sold, used off the promises, or in the manufacture of products thereinon, said products for the proceeds received by Lessec from such sales), for the gas sold, used off the promises, or in the manufacture of products thereinon, said products for the first from a well producting gas only is not sold on used. Lessec in my pry or tender as royalty One Joliar (51.00) per year per net allowerset, Lessec's ability to retain the lesse by payment or tender is made it will be considered that gas it being produced within the meaning of the preceding paragraph towerver, Lessec's ability to retain the lesse by payment of such "but in" royalites is not sold on actual sale of gas is not sold the produced within the meaning of the preceding paragraph towerver, Lessec's ability to retain the lesse by payment of such "but in" royalites is not sold the meaning of the preceding paragraph of a gas well, then this lesse shall terminate and expire.

This leave may be maintained during the primary term bereof 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 with the 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 membrane.

ash babivibun ban alodw adt of ensat features i fores. I daidw maitrogorg adt ni vitor rozza. I bise adt bisg ad ilsde 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

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

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

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

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

If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigned, and the privilege of assignment of the land or assignment of rentals or royalites shall be bluding on the Leasee and after the Lessee has been furnished with a written transfer or assignment or a true copy thereof. In case Lessee stands or and before of all be bluding on the Lessee shall be releved of all obligations with respect to the assignment or a true copy thereof. In case Lessee stands on the mat, Lessee shall be releved of all obligations with respect to the assignment or a true copy thereof. In case Lessee as a whole or in part, Lessee shall be releved of all obligations with respect to the assignment or a true copy thereof. In case Lessee assignment, it is agreed and understood by Lessee shall be releved of all obligations with respect to the assignment or a true copy thereof. In case Lessee, and understood by Lessee shall be releved of all obligations with respect to the assignment or a true copy thereof. In case Lessee, and understood by Lessee shall be releved of all obligations with respect to the assignment or a true copy thereof. In case Lessee, and understood by the forwer Lesser and Lesser, and their successors and assigns that subject lesse is subject to a subject to a subject to assignment of the formet.

Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portion surrendered except those obligations relating to any plugging of wells or restoration of the portion 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, not 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 Laws, Order, Rule or Regulation.

Lessor hereby agrees that the Lessee shall have the right at any time to redeem for Lessor, by payment any mortgages, taxes or other Hens 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 being successors and assigns, hereby surrendet and rejease all right of dower and homestead in the premises described herein, in any first section, in so far as said right of dower and homestead in the premises described herein, in so far as said right of dower and homestead in the premises described herein, in so far as said 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

as to promote the contervation of or, gas or other intertain in and much and the round of on oil well, or into a unit on intervation of or, gas or other intervation of or, gas or other intervation of the control and to be into a unit or units not exceeding 40 acres each in the event of an gas amount and to be into a unit or units not exceeding 40 acres each in the control and well, or into a unit or units not exceeding 160 acres each in the control and other and to be into a unit or units not exceeding 160 acres each in the control and the find forth leased is situated an instrument identifying and describing the pooled acreage. Leasor's written context to pooling will not be unreasonably withheld. The entite acreage so pooled into a tract or unit shall be treated, describing the pooled acreage. Leasor's written context in pooling will not be unreasonably withheld. The entite acreage so pooled into a tract or unit shall be treated, if an another acreage so pooled into a tract or unit shall be treated, and acreage is a substant of the pooled acreage. If production is found on the pooled acreage, it is a provided in this lease. If production is found on the pooled acreage, it founds of the interval in the pooled acreage is found on the pooled acreage. Lessee, subject to the prior written consent of Lessor, may pool or combine the acreage covered by this lease or any portion thereof with other land, lease or lease 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 such lease premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises, such pooling to be of tracts configuous to one amounter the tother other produced from said premises, such pooling to be of tracts configuous to one amounter to be into a under and and may be produced from said premises, such pooling to be of tracts configuous to one amounter the tother other oth

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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 berein 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 passes in the total acreage and the royalty stipulated berein as the amount of his acreage placed in the particular unit involved.

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

Nosnhol TO ALMADO \* STREET, STATE OF Bryce G. Buster Jan M. Buster :Ya with BA

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 15t day of NUVCMNN 2014, personally appeared Bryce G. Buster & Jan M. Buster, husband and wite.

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My Commission Expires.

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#### Attached to and made a part of that certain Oil and Gas Lease dated October 28, 2014 by and between Bryce G. Buster and Jan M. Buster, husband and wife, as Lessor and Shelby Resources, LLC, as Lessee.

- The provisions of this lease are hereby amended to include in the granting clause, helium and other extractions.
- The royalty clause is hereby amended to include a royalty payment on helium and other extractions at the mouth of the well.
- 3. It is agreed that if the Lessee owns any interest in the pipeline to which is delivered the gas produced from this premises, the Lessor shall bear no costs of gas treatment, dehydration, compression, transportation or water hauling charged to this lease by Lessee in its operations thereon after the point of diversion. It is further agreed that Lessor shall receive their proportionate royalty share of all monies received by Lessee for oil and/or gas production attributable to this lease, production payments, contract buy outs or contract buy downs, which directly reduce the amount of royalty revenue broken would otherwise receive from oil and/or gas production attributable to this lease, location payments, contract buy outs or contract buy downs, which directly reduce the amount of royalty revenue Lessor would otherwise receive from oil and/or gas production from this lease.
- Lessor reserves the right to purchase gas for farm purposes, including but not limited to irrigation purposes from wells located on the above-described real estate or from any real estate unitized with the above-described real estate. Lessor shall make all connections for these purposes at their sole cost, expense and liability, and Lessor shall conform to the engineering specifications of Lessee's production department. Lessor shall pay Lessee for any gas purchased for irrigation purposes in the amount per MCF equal to the price then in effect under any contract under which Lessee is selling gas from the gas well on the above-described real estate or any unitized real estate to a third party. The amount of from wells located upon the above-described real estate or any unitized real estate to a third party. The amount of from wells located upon the above-described real estate or the more eligith (1/8) of the entire amount of gas produced from wells located upon the above-described real estate or from the real estate unitized the entire amount of gas produced from wells located upon the above-described real estate or from the real estate unitized the entire amount of gas produced from wells located upon the above-described real estate or from the real estate unitized therewith.
- Lessee agrees to return the land as nearly as possible to its present condition after any drilling operations.
- Any tanks or gunbarrels shall be placed by mutual agreement of Lessor and Lessee.

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- Before building any roads, Lessee and Lessor shall mutually agree as to the site for the roads. No road ditches shall be constructed and roads shall not obstruct the natural or established flow of water.
- The Lessee shall not, notwithstanding the provisions of paragraph I of this Oil and Gas Lease, inject any gas, water or other fluid and air into any subsurface stratum which contains water suitable for irrigation purposes or for domestic consumption or livestock consumption.
- 9. Lessee shall not drill any salt water disposal well upon the above-described real estate without the express written consent of the Lessor being first obtained, provided Lessee shall have the right to drill a salt water disposal well for disposition of salt water from wells drilled on the real estate described in paragraph 1 of this lease.
- 10. If lessee drills a well on the leased premises, Lessee shall, at the option of Lessor, set the surface pipe from the surface to below the base of the deepest fresh water formation. This obligation shall continue even if this lease is assigned by Lessee to any other persons or entities.
- 11. In the event of gas production hereunder in commercial quantities and said well is not shut-in, Lessor is to receive a minimum of five dollars (\$5.00) per net mineral acre per year royalty for entire acreage covered by this lease in order to perpetuate this lease. Lesses shall have thirty (30) days after notification by Lessor of insufficient royalty to tender said deficiency or said lease shall terminate.
- 12. If the primary term of this lease is perpetuated by production of oil or gas, notwithstanding anything to the contrary contained in this lease, it is expressly agreed that this lease shall terminate as of two (2) years after expiration of the primary term hereof, insofar, and only insofar, as to all of the formations lying below 100 feet below the total depth of the deepest test drilled by the lease or its assigns on the above-described premises or on any lands unitized or pooled therewith. Upon the written request of the Lessor the Lessee shall be obligated to file of record in the applicable office of the Register of Deeds a release of such lower zones or formations within sixty (60) days after the expiration of the two-year period following the primary term hereof. If such release is not filed within said 60-day period, Lessee shall be upiled to the expiration of the two-year period following the primary term hereof. If such release is not filed within said 60-day period, Lessee shall be upiled to the expiration of the two-year period following the primary term hereof. If such release is not filed within said 60-day period, Lessee shall be upiled to the expiration of the two-year period following the primary term hereof. If such release is not filed within said 60-day period, Lessee shall be upiled to the expiration of the two-year period following the primary term hereof. If such release is not filed within said 60-day period, Lessee shall be upiled to the expiration of the two-year period following the primary term hereof. If such release is not filed within said 60-day period, Lessee shall be upiled to the expiration of the two-year period following the primary term hereof. If such release is not filed within said 60-day period, Lessee shall be upiled to the two-year period following the primary term hereof. If such release is not filed within a such terms and the two-year period following the primary term hereof. If such release is not filed within thereof.
- 13. Lessee shall bury all pipelines at least forty (40) inches below the surface of the above-described real estate.
- Lessee shall have trash to the landfill and shall dump no trash in any pits.
- 15. The Lessee shall not have the right to use fresh water produced from the above-described real estate for the purpose of secondary recovery by water flood, pressure maintenance or other similar operations.

- 16. Before commencing any drilling operations upon portions of the above-described real estate, the Lessee shall pay the sum of one thousand dollars (\$1,000.00) to the Lessor as a deposit to be applied against damages to land and crops caused by the operations of the Lessee. If the described real estate, is damaged (physical and/or loss to crop production capability or loss to grazing rights) to an amount greater than the amount paid prior to drilling operations, then Lessee shall promptly pay Lessor such additional damages.
- 17. In the event of production of only gas in commercial quantities and in the further event said gas well is shurt-in, the Lessee shall pay shurt-in gas royalties of three hundred twenty dollars (\$320.00) per year for the three (3) year period after such gas well is completed and thereafter, the shurt-in royalty payments shall be one thousand dollars (\$1,000.00) per year. If gas has not been sold from said premises within six (6) years from completion of said gas well, this lease shall expire six (6) years from the date of completion of said gas well.
- 18. The Lessee agrees that in connection with its operations upon the above-described real estate, the shale and reserve pits will be dug in such a manner as to remove and preserve the Lessor's topsoil and to segregate the topsoil from the subsoil and after use, said pits will be backfilled by Lessee pursuant to this lease at such time as the Lessor shall direct.
- 19. The Lessee agrees to comply with all rules and regulations of the United States Department of Agriculture, Natural Resources Conservation Services and appropriate Farm Service Agency with respect to any conservation Reserve Program covering the above-described real estate. In particular, when drilling and operations have terminated, the Lessee shall restore the surface to its present condition, including the reseeding of grass acceptable to the Natural Resources Conservation Service Agency.
- 20. Lessee shall not enter or attempt to enter onto the leased land during muddy conditions, except as may be agreed by Lessor. In the event Lessee shall already be on and conducting seismic or drilling operations when muddy conditions develop, then Lessee shall use reasonable efforts to minimize damage to land, but Lessee shall not be required to stop operations due to muddy conditions.
- 21. Notwithstanding any other provision of this lease, the Lessor and Lessee agree that this lease does not provide Lessee with a pipeline right of way and/or easement for carrying on the leased land or on land to which the leased land is unitized. that are solely produced from locations not originating on the leased land or on land to which the leased land is unitized.
- 22. The Lessee upon request shall allow Lessor or Lessor's representative(s) to view copies of any logs in its possession or under its control relative to the geologic structure of the above-described real estate. Such information shall be kept strictly confidential by the Lessor.
- 23. Notwithstanding anything herein contained to the contrary, all assignees of Lessee shall be responsible for restoring the surface as mean as practicable to its original condition within one-hundred eighty (180) days after completion of a dry hole or within one-hundred eighty (180) days after completion of a dry hole or within one-hundred eighty (180) days after oil or gas ceases to be produced from a producing well. The obligation to restore the surface shall continue even if this lease is assigned by Lessee to any other persons or emitties.
- 24. In the event a well producing oil in commercial quantities is drilled under the provisions of Paragraph 27 of this lease, then and in such event, the Lessors agree that an oil unit of ten (10) acres may be established by pooling ten (10) acres in a square form around the well bore whether located on the property covered by this lease or on the contiguous property. The unit shall consist of a total of ten (10) acres from this lease and from the contiguous property. The royalty payable herewith shall be apportioned according to the number of acres from this lease, and from the acres from the contiguous real estate contained in said unit.
- 25. In the event a well, producing gas in commercial quantities is drilled under the provisions of Paragraph 27 of this lease, then and in that event, the Lessee may establish a gas unit of one hundred sixty (160) acres, consisting of eighty (80) acres in a square or rectangular form on the configuous real estate and eighty (80) acres in a square or rectangular form on the configuous real estate and eighty (160) acres in a square or rectangular form on the configuous real estate and eighty (80) acres in a square or rectangular form on the configuous real estate and eighty (160) acres in a square or rectangular form on the configuous real estate and eighty (160) acres in a square or rectangular form on the configuous real estate and eighty (160) acres in a square or rectangular form on the configuous real estate and eighty (160) acres in a square or rectangular form on the real estate and eighty (160) acres in a square or rectangular form on the configuous real estate and eighty (160) acres in a square or rectangular form on the configuous real estate and eighty (160) acres in a square or rectangular form.
- 26. The lessee agrees that no geo-physical seismic testing shall be conducted on the described real estate, except by separate written agreement and for such consideration as shall be agreed to by Lessor.
- 27. Notwithstanding the provisions of this lease to the contrary, if the Lessee determines that the appropriate drill site for a well on either a contiguous tract or on the real estate covered by this lease is closer than three hundred thirty feet (330') of the property line between the two (2) real estate tracts, the Lessee is hereby authorized to drill such well within three hundred thirty feet (330') of the property line between the two (2) real estate tracts, the Lessee is closer than three hundred thirty feet (330') of the property line between the two (2) real estate tracts after tracts after providing written notice to the Lesser.
- 28. In the event this lease is extended beyond the primary term solely by production from a well in a unit which comprises a portion of the lands covered hereby and other lands, Lessee agrees to release all lands not included in any such unit one (1) year subsequent to the end of the primary term when so requested by Lessor in writing.

#### SIGNED FOR IDENTIFICATION

Taten M. Buster Deve

Bryce G., Buster

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(Kev. 2004 CRI) 0.69 FORM 88 - (PRODUCERS SPECIAL)

## OIL & GAS LEASE

Boulevard, Suite 208, Lakewood, CO 80228, hereinafter called Leaser (whether one or more), and SHELBY RESOURCES, LLC, 445 Union AOREEMENT, Made and entered into the 28th day of October, 2014, by and between JANIS MARY LINDBERG AND ROCER

Lessor, in consideration of Ten and more Dollars (\$10.00) in hand paid, receipt of which is hereby acknowledged and of the royalties berein provided and of the transformer. It is a consideration of Ten and more Dollars (\$10.00) in hand paid, receipt of which is hereby acknowledged and of the royalties berein provided and in the more Dollars (\$10.00) in hand paid, receipt of which is hereby acknowledged and of the royalties berein goil, liquid hydrocarbons, all gases and lets exclusively unto Lessee for the purpose of investigating, carring for and producing oil, building unds, power stations, telephone lines, and other structures and things thereon to produce, save, inke care of, and houring und other structures and things thereon to produce, save, inke care of, the monitoring und other structures and things thereon to produce, save, inke care of, the monitoring und other structures and things thereon to produce, save, inke care of, and houring und other structures and things thereon to produce, save, inke care of, the fourther manufacture, process, store and ransport and oil, hiquid hydrocarbons, gases and their respective constituent products and other produce, save, inke care of, the fourther and transport and oil, highed bydrocarbons, tases and their respective constituent products and other produces, save, inke care of, and houring und other structures and their respective constituent produces and other produces, save, inke care of, and houring und other structures and their respective constituent products and other produces, save, inke care of, and houring und other structures and their respective constituent produces and other produces, save, inke care of, and houring und proves.

### Section 3: Lots 6, 7, D and the SMSEM, NEMSEM TOWNSHIP 22 SOUTH, RANGE 16 WEST OF THE 6TH PRINCIPAL MERIDIAN

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

merces, more or less, and all accretions thereto. 00.005 guimmoo

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. Subject to the provisions herein contained, this lease shall remain in force for a term of Two (Z) years from this date (called "primary term"), and as long

To consideration of the premises the said Lessee covenants and agrees.

To deliver to the credit of Leson, free of cost, in the pipe line to which Lessee may connect wells on said tand, the equal fifteen and one-tast percent (15,50%) part of all oil produced and saved from the leased premises.

2<sup>ad</sup>. To pay Lessor for gas of whitsoever nature or kind produced and sold, or used off the premises, or used in the manufacture of any products therefrom, fifteen and one-half percent(15.50%), at the market price at the well, (but, as to gas sold by Lessee, in no event more than fifteen and one-half percent(15.50%), of the proceeds received by Lessee from a well producing gas only is not sold or used. Lessee may pay or tender, and if such payment or tender is make and sold, used off the promises, or in the manufacture of products therefrom, said one-half percent(15.50%), of the proceeds received by Lessee from a such sales), for the gas sold, used off the promises, or in the manufacture of products therefrom, and more than if you can a well producing gas only is not sold or used. Lessee may pay or tender as royalty One Dollar (51.00) per year per net minetial acro retained forcunder, and if such payment or tender is male it will be considered that gas is being produced within the manufacture of products thereinon, such acronetal seco retained for the proceeding pars only is not sold or used, Lessee may pay or tender as royalty One Dollar (51.00) per year per net minetial acro retained forcunder, and if such producing gas only is not sold or used. Lessee may pay or tender as royalty One Dollar (51.00) per year per net minetial acro retained forcunder.

This lease may be maintained during the primary term bereof without further payment or drilling operations. If the Lessee shall commence to drill a well within the tenn of during the may be marked during 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 commune and be in force with like effect as if and peed completed within the term of years. If them, be found in paying quantities, this lease shall continue and be in force with like effect as if such well her 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.

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

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

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

Lond bins no sqorp griworg of another operations to growing crops on said had.

Lesses 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

In the source of an initializations, administrators, successors or assignation and the printing on the land or assignment of rentals or royathes shall be binding on the lastee and initializations, administrators, seconders, administrators, seconders, administrators, seconders, and initializations, administrators, seconders, and the lastee accessors or assignment or an compare or any successors and understood by lastee and be relieved of all obligations with respect to the assignment or a true copy thereof. In case Lessee assignment, it is agreed and understood by lastee and be concerned to the date of assignment or a non-copy thereof. In case Lessee assigns this lease, in whole or in part, Lessee shall be relieved of all obligations with respect to the assignment or portions arising subsequent to the date of assignment. It is agreed and understood by and be relieved of all obligations with respect to the assignment or portion or portions arising subsequent to the date of assignment. It is agreed and understood by and be relieved to the laster assigns that subject to a subject to a side lefter agreed and understood by and be bound by and be bound by and the transforment theorem. if the estate of either party hereto is assigned, and the privilege of assigning in whole of in part is expressly allowed, the covenants hereof shall estend to

Lessee may at my time execute and deliver to Lessor or place of record a release or releases covering my portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and he relieved of all obligations as to the acreage surrendered except those obligations relating to my plugging of wells or restoration of the portion 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 linble 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 Regulations.

Lessor hereby agrees that the Lessee shall have the right at any time to redeem for Lessor, by payment any mortgages, taxes or other liens on the above described lands, in the event of default of payment by Lessor, and be subrogated to the rights of the holder thereof, and the undersigned Lessor, for themselves and their here, successors and assigns, hereby surrender and refere all right of dower and homestead in the premises described herein, in so far as said right of dower and homestead in the premises described herein, in so far as said right of dower and homestead in the premises described herein, in so far as said 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.

Lesses in the immediate vicinity thereaf, when in Lesses's judgment it is necessary or advisable to do so in order to properly develop and operate said lesse premises so an order to properly develop and operate said lesse premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises, such pooling to be of tracts contiguous to one as to promote the conservation of oil, gas or other minerals in and under and to be into a unit or units not exceeding 160 acres each in the event of an oil well, or into a unit or units not exceeding 160 acres each in the conveyance records of the county in which the land herein lessed is simulated an instrument identifying and describing the pooled acreates. Lessor's written conserts of pooling will not be unreasonably withheld. The entite acreage so pooled into a tract or unit shall be treated, it were included in this lesse is situated an instrument identifying and describing the pooled acreage. Lessor's written consert to pooling will not be unreasonably withheld. The entite acreage so pooled into a tract or unit shall be treated, if a submediate the pooled acreage. Lessor's written consert to pooling will not be unreasonably withheld. The entite acreage so pooled into a tract or unit shall be treated, if an approximation acreage is not exceeding in the pooled acreage. Lessor's written consert to pooling will not be unreasonably withheld. The entite acreage so pooled into a tract or unit shall be treated, if an an accease except the payment of nortang the pooled acreage, it is a state of nortang the pooled acreage, it is not exceeding in the pooled acreage, it are accepted acreage. Lessor's written consert the pooled acreage, it is a state except the payment of nortang the pooled acreage, it is a state except the payment of nortang the pooled acreage, it is a state except the payment of nortang the pooled acreage, it is a state except the payment of nortang treated in the pooled acreage, it is produced in the pool Lessee, subject to the prior written consent of Lessor, may pool or combine the acreage covered by this lesse or any portion thereof with other hand, lease or

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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 licu of the royalties elsewhere herein appecified, Lessor shall receive on production from a unit so pooled only such portion of the royalty supulated herein as the amount of his acroage basis bears to the total acceage on pooled in the particular unit involved.

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

COUNTY OF JEWELL 18 20800 X NOTION BY: Jane Many Lyndberg-BY: Roger Lindberg

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this Srd day or MOVE MODEL. 2014, personally appeared lants Mary Limberg & Roger Lindberg, wife and inaband.

Molling Public Many Public Support Lo K. Rd Support Lo Colog42



L102-11-6

My Commission Expires:

## EXHIBIL "A"

#### Attached to and made a part of that certain Oil and Gas Lease dated October 28, 2014 by and between Janis Mary Lindberg & Roger Lindberg, husband and wife, as Lessor and Shelby Resources, LLC, as Lessee.

- The provisions of this lease are hereby amended to include in the granting clause, helium and other extractions.
- The royalty clause is hereby amended to include a royalty payment on helium and other extractions at the mouth of the well.
- 3. It is agreed that if the Lessee owns any interest in the pipeline to which is delivered the gas produced from this premises, the Lessor shall bear no costs of gas treatment, dehydration, compression, transportation or water hauling charged to this lease by Lessee in its operations thereon after the point of diversion. It is further agreed that Lessor shall receive their proportionate royalty share of all monies received by Lessee for oil and/or gas production attributable to this lease, production payments, contract buy outs or contract buy downs, which directly reduce the amount of royalty revenue to the unit of the mount of the directly reduce the amount of royalty revenue. Lessor would otherwise receive from oil and/or gas production from this lease.
- 4. Lessor reserves the right to purchase gas for farm purposes, including but not limited to irrigation purposes from wells located on the above-described real estate or from any real estate unitized with the above-described real estate. Lessor shall connections for these purposes at their sole cost, expense and limitity, and Lessor shall conform to the engineering specifications of Lessee's production department. Lessor shall pay Lessee for any gas purchased for infigation purposes in the amount per MCF equal to the price then in effect under any contract under which Lessee is selling gas from the gas well on the above-described real estate or any unitized real estate to a third party. The amount of gas which the Lessor may purchase hereunder shall be limited to one-eighth (1/8) of the entire amount of gas produced is which the Lessor may purchase hereunder shall be limited to one-eighth (1/8) of the entire amount of gas produced is which the Lessor may purchase hereunder shall be limited to one-eighth (1/8) of the entire amount of gas produced from wells located upon the above-described real estate or from the real estate to a third party. The amount of from wells located upon the above-described real estate or from the real estate unitized therewith.
- Lessee agrees to return the land as nearly as possible to its present condition after any drilling operations.
- Any tanks or gunbarrels shall be placed by mutual agreement of Lessor and Lessee.
- 7. Before building any roads, Lessee and Lessor shall mutually agree as to the site for the roads. No road ditches shall be constructed and roads shall not obstruct the natural or established flow of water.
- The Lessee shall not, notwithstanding the provisions of paragraph 1 of this Oil and Gas Lesse, inject any gas, water or other fluid and air into any subsurface stratum which contains water suitable for irrigation purposes or for domestic consumption or livestock consumption.
- 9. Lessee shall not drill any salt water disposal well upon the above-described real estate without the express written consent of the Lessor being first obtained, provided Lessee shall have the right to drill a salt water disposal well for disposition of salt water from wells drilled on the real estate described in paragraph 1 of this lease.
- 10. If lessee drills a well on the leased premises, Lessee shall, at the option of Lessor, set the surface pipe from the surface to below the base of the deepest fresh water formation. This obligation shall continue even if this lease is assigned by Lessee to any other persons or emitties.
- 11. In the event of gas production hereunder in commercial quantities and said well is not shut-in, Lessor is to receive a minimum of five dollars (\$5.00) per net mineral acre per year royalty for entire acreage covered by this lease in order to perpetuate this lease. Lessee shall have thirty (30) days after notification by Lessor of insufficient royalty to tender said deficiency or said lease shall terminate.
- 12. If the primary term of this lease is perpetuated by production of oil or gas, notwithstanding anything to the contrary contained in this lease, it is expressly agreed that this lease shall terminate as of two (2) years after expiration of the primary term hereof, insofar, and only insofar, as to all of the formations lying below to 0 feet below the total depth of the deepest test drilled by the lessee or its assigns on the above-described premises or on any lands unitized or pooled therewith. Upon the written request of the Lesser the Lesser the above-described premises or on any lands unitized or pooled the Register of Deeds a release of such lower somes or formations within sizty (60) days after the expiration of the two-year period following the primary term hereof. If such release is not filed within said 60-day period, Lessee shall be updeed to filed within said 60-day period, Lessee shall be updeed to filed within said 60-day period. Lessee shall be updeed to filed within said 60-day period, Lessee shall be updeed to filed within said 60-day period. Lessee shall be updeed to filed within said 60-day period. Lessee shall be updeed to filed within said 60-day period. Lessee shall be updeed to file within said 60-day period. Lessee shall be updeed to file within said 60-day period. Lessee shall be updeed to file within said 60-day period. Lessee shall be updeed to file within said 60-day period. Lessee shall be updeed to file within the explication of the two-primery is updated to file within a better in the explication of the two-primery is the primery term bereof. If such release is not filed within said 60-day period. Lessee shall be updated to file with the explication of the two-primery is updated to file within the explication of the two-primery is the such release in the explication of the two-primery is the two to the file within the two to the two to the two to the two to the file within the two to the two
- 13. Lessee shall bury all pipelines at least forty (40) inches below the surface of the above-described real estate.
- 14. Lessee shall have treach to the landfill and shall dump no trach in any pits.
- 15. The Lessee shall not have the right to use fresh water produced from the above-described real estate for the purpose of secondary recovery by water flood, pressure maintenance or other similar operations.

- 16. Before commencing any drilling operations upon portions of the above-described real estate, the Lessee shall pay the sum of one thousand dollars (\$1,000,00) to the Lessor as a deposit to be applied against damages to land and crops caused by the operations of the Lessee. If the described real estate, is damaged (physical and/or loss to crop production capability or loss to grazing rights) to an amount greater than the amount paid prior to drilling operations, then Lessee shall promptly pay Lessor such additional damages.
- 17. In the event of production of only gas in commercial quantities and in the further event said gas well is shur-in, the Lessee shall pay shur-in gas royalties of three hundred twenty dollars (\$320.00) per year for the three (3) year period after such gas well is completed and thereafter, the shur-in royalty payments shall be one thousand dollars (\$1,000.00) per year. If gas has not been sold from said premises within six (6) years from completion of said gas well, this lease shall expire six (6) years from completion of said gas well, this lease shall expire six (6) years from the date of completion of said gas well.
- 18. The Lessee agrees that in connection with its operations upon the above-described real estate, the shale and reserve pits will be dug in such a manner as to remove and preserve the Lessor's topsoil and to segregate the topsoil from the subsoil and after use, said pits will be backfilled by Lessee pursuant to this lease at such time as the Lessor shall direct.
- 19. The Lessee agrees to comply with all rules and regulations of the United States Department of Agriculture, Natural Resources Conservation Services and appropriate Farm Service Agency with respect to any conservation Reserve Program covering the above-described real estate. In particular, when drilling and operations have terminated, the Lessee shall restore the surface to its present condition, including the reseeding of grass acceptable to the Natural Resources Conservation Services and Farm Service Agency.
- 20. Lessee shall not enter or attempt to enter onto the leased land during muddy conditions, except as may be agreed by Lessor. In the event Lessee shall already be on and conducing seismic or drilling operations when muddy conditions develop, then Lessee shall use reasonable efforts to minimize damage to land, but Lessee shall not be required to stop operations due to muddy conditions.
- 21. Notwithstanding any other provision of this lease, the Lessor and Lessee agree that this lease does not provide Lessee with a pipeline right of way and/or easement for carrying or transporting gas, oil, or other oil and gas related materials that are solely produced from locations not originating on the leased land or on land to which the leased land is unitized.
- 22. The Lessee upon request shall allow Lessor or Lessor's representative(s) to view copies of any logs in its possession or under its control relative to the geologic structure of the above-described real estate. Such information shall be kept strictly confidential by the Lessor.
- 23. Notwithstanding anything herein contained to the contrary, all assignees of Lessee shall be responsible for restoring the surface as near as practicable to its original condition within one-hundred eighty (180) days after completion of a dry hole or within one-hundred eighty (180) days after oil or gas ceases to be produced from a producing well. The obligation to restore the surface shall continue even if this lease is assigned by Lessee to any other persons or entities.
- 24. In the event a well producing oil in commercial quantities is drilled under the provisions of Paragraph 27 of this lease, in the number of a vent, the Lessors agree that an oil unit of ten (10) acres may be established by pooling ten (10) acres in a square form around the well bore whether located on the property covered by this lease or on the contiguous property. The myable a square form around the well bore whether located on the property covered by this lease or on the contiguous property. The myable a square form and in shall consist of a total of ten (10) acres from this lease and from the contiguous property. The myable herewith shall be apportioned according to the number of acres from this lease, and from the contiguous property. The royalty payable berewith shall be apportioned according to the number of acres from this lease, and from the contiguous property. The royalty payable berewith shall be apportioned according to the number of acres from this lease, and from the contiguous property. The royalty payable berewith shall be apportioned according to the number of acres from this lease, and from the contiguous property. The royalty payable berewith shall be apportioned according to the number of acres from this lease, and the acres from the contiguous real betweet the contiguous real betweet and unit.
- 25. In the event a well, producing gas in commercial quantities is drilled under the provisions of Paragraph 27 of this lease, then and in that event, the Lessee may establish a gas unit of one hundred sixty (160) acres, consisting of eighty (80) acres in a square or rectangular form on the contiguous real estate and eighty (80) acres in a square or rectangular form on the contiguous real estate and eighty (80) acres in a square or rectangular form on the contiguous real estate and eighty (80) acres in a square or rectangular form on the contiguous real estate and eighty (80) acres in a square or rectangular form on the contiguous real estate and eighty (80) acres in a square or rectangular form.
- 26. The lessee agrees that no geo-physical seismic testing shall be conducted on the described real estate, except by separate written agreement and for such consideration as shall be agreed to by Lessor.
- 27. Notwithstanding the provisions of this lease to the contrary, if the Lessee determines that the appropriate drill site for a well on either a contiguous tract or on the real estate covered by this lease is closer than three hundred thirty feet (330') to the property line between the two (2) real estate tracts, the Lessee is hereby authorized to drill such well within three hundred thirty feet (330') of the property line between the two (2) real estate tracts, the Lessee is hereby authorized to drill such well within three hundred thirty feet (330') of the property line between the two (2) real estate tracts after providing written notice to the hundred thirty feet (330') of the property line between the two (2) real estate tracts after providing written notice to the hundred thirty feet (330').
- 28. In the event this lease is extended beyond the primary term solely by production from a well in a unit which comprises a portion of the lands covered hereby and other lands, Lessee agrees to release all lands not included in any such unit one (1) year subsequent to the end of the primary term when so requested by Lessor in writing.

## SIGNED FOR IDENTIFICATION

Jamis Mary Lindberg

Pages Recorded; 4 Receipt # 148093 Book: ML25 Page: L2 STATE OF KANSAS, PRAVIEE COUNTY, 55 "OLORES WREN, REGISTER OF DEEDS

Date Recorded: 11/10/2014 9:40:00 AM 00102\$ 15000 (820)

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(Rev. 2004 CRI) 059 FORM 88 - (PRODUCERS SPECIAL)

## OIL & GAS LEASE

Lakewood, CO 80228, hereinafter called Lessee: husband and wife, hereinalter called Lessor (whether one or more), and SHELBY RESOURCES, LLC, 445 Union Boulevard, Suite 208, AGREEMENT, Made and cotared iono the 25th day of October, 2014, by and between KENT M, BUSTER AND GITTA BANKS,

County of Pawnee, State of Kanasis described its follows, to-wit: the agreements of the Lewee herein contained, hereby grants, leases and lots exclusively unto Lessee for the purpose of an ordering, exploring, prospecting, drilling, and operating for and potenting of logical hydrocarbiens, all gases and lots exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling, autoing and operating for and poducing oil. Inquid hydrocarbiens, all gases and lots exclusively unto Lessee for the purpose of myosing the respective constituent products, injecting gas, water, other fluids and air into autoing and operating, hydrocarbiens, all gases and liter tespective constituent products, injecting gas, water, other fluids and air into autoing and housing and an extentions, gases and their respective constituent products and other produce, save, take care of, und housing and housing and housing and an extentions, gases and their respective constituent products and other produces, save, take care of and housing and housing and housing and housing and the house power stations, together with any reversionary rights and other produces, save, take care of county of housing oil, liquid hydrocarbone, gases and their respective constituent products and other produces, save, take care of the housing and housing and observaces, store and oil, liquid hydrocarbone, lines, and their respective constituent produces and other produces, save, take care of constructions and an extensionary rights and affine and other produces, save, take care of county of Pawaee constituent produces and other produces, save, take care of county of Pawaee care of the following described land, together with any reversionary rights and affare-acquined interval described in following described land, together with any reversionary rights and affare-acquined interval described in following described land, together with any reversionary rights and affared interval described in following described land, together with any reversionary rights and other equined interval described in following described l Lesson, in canaideration of Ten and more Dollara (\$10.00) in hand paid, receipt of which is hereby asknowledged and of the royalties herein provided and of

## Section 3: Lots 6, 7, D and the SMSEM, NEWSEM TOWNSHIP 22 SOUTH, RANGE 16 WEST OF THE 6711 PRINCIPAL MERIDIAN

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

serves, more or less, and all accentons thereto. containing 200.00

thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, or any of them, is produced from said land with which and land is pooled. Subject to the provisions herein contained, this leave shall remain in force for a term of Two (2) years from this date (called "primary term"), and as long

in consideration of the premises the said Lessee covernmes and agrees.

To deliver to the credit of Lessor, free of cost, in the pipe line to which Lessee may connect wells on suid land, the equal filteen and one-half percent (15.50%) part of all oil produced and saved from the lessed premises.

2<sup>mil</sup>. To pay Lesson for gas of whatserver nature or kind produced and sold, or used off the premises, or used in the manufacture of any products therefrom. Effects and one-built percent(15.50%), at the market price at the well, (but, as to gas sold by Lessec, in no event more than (fifter) and one-built percent(15.50%), at the market price at the well, (but, as to gas sold by Lessec, in no event more than (fifter) and provents in the manufacture of produced therefrom, and percent(15.50%), of the proceeds received by Lessec from such sales), for the gas sold, used off the premises, or in the manufacture of produced therefrom, and percentiles, or in the manufacture of produced therefrom, and percent(15.50%), of the proceeds received by Lessec from such sales), for the gas sold, used off the premises, or in the manufacture of produced therefrom, and percentiles, and if such produced there are well, in a cost of the proceeds received by Lessec from a well produced that gas only is not sold or used, Lessec may pay or tender as royalty (5ne Dollar (51.00) per year per net manufacture in the premised to the proceeds received by Lessec from a well produced that gas only is not sold or used, Lessec may provide the monthly. Where gas from a well produced that in "oyalities is not sold or used, Lessec may provide the monthly to retain the premise of a used, Lessec may provide the monthly to retain the premise of an used in the considered that from scale to the preceding produced within the meaning of the preceding parameters and if such payment of such "such of and "oyalices is not sold or used, law is sold to used, the section of the premises, or in the meaning of the preceding panet. of a gas well, then this lease shall terminate and expire.

bomulation trail This fease may be maintained during the primury 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 sectarision thereof, the Lessee shall have the right to drill such with the completion with reasonable diligence and dispatch, and if oil or given or drilling operations with the near of any extension thereof, the Lessee shall have the right to drill such well to completion with reasonable diligence and dispatch, and if oil or gives or either of them, be found in paying quantities, this lease shall continue and have the right to drill such with the effect as if such with the found in paying quantities, this lease shall continue and be in force with like effect as if such well and been completed within the term of years from the term of years and the effect as if such well and peen completed within the term of years and the second of the term of years and the term of years and the second of the term of years and the second of the term of years and the second of the term of years and term of years and the second of the term of years and the second of the term of years and term of years and the second of the term of years and term of

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Leases a hall have the right to use, free of cost, gas, oil and water produced on said hand fur Lessee's operations thereon, except water from the wells of

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Lesses shall bury Lesses's pipe lines below plow depth.

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

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

features around the right of the induced for an inducery and frances placed on said promises, including the right of the market of the second for the second

It is the transformer attraining means or many particle strange in the ownership of the hund or assignment, or royalise abuil be binding on the their beix, exceeding the Lessee has been burnished with a written transfer or assignment or in the copy thereof. In case Lessee assignment, it is agreed and understood by Lessee shall be relieved of all obligations with respect to the assigned portion or portions attaing subsequent to the date of assignment. It is agreed and understood by and between Lessor and Lessee, and their successors and assigns that subject lease is subject to a side letter agreedness and and understood by and between Lessor and Lessee, and their successors and assigns that subject lease is subject to a side letter agreedness the and understood by the second device of the subsect of the assigns that subject lease is subject to a side letter agreeoned and and understood by and between Lessor and Lessee, and their successors and assigns that subject lease is subject to a side letter agreeoned and and ender to assign the transfer will be transfered. 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

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

All express or implied covenants of this Jesse 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 leases held liable in damages, for failure to comply therewith, if compliance is prevented by, or if such liable in the result of, any such Law, Order, Rule or Regulation.

Lessor hereby agrees that the Lessee shall have the right at any time to redeem for Lessor, by payment any mortgages, taxes or other liens on the above described hunde, 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, becept surronder and redees all right of dower and humestead in the premises described herein, in any two with the purposes for which this lease is made, as recited herein.

Essess in the immediate violative direct, when in Lesses's judgment if is necessary or advisable to do so in order to properly develop and operate said lease premises so beases in the immediate violative directof, when in Lesses's judgment if 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, ands provided and operate said lease premises so another and to be into a unit or units not exceeding 40 acres each in the event of an oil well, or into a unit or units not exceeding 160 acres cach in the event of a gas well. Lesses shall excert in writing and records of the contray in which the fand herein leased is situation and records of the contragence well. Lesses shall excert in writing and records in the event of an out which the fand herein leased is situated indentifying and describing the pooled intratege. Lessor's written consent to pooling will not be unreasomaby withheld. The entire acreage so pooled into a tract or unit shall be treated, describing the pooled acrease. Lessor's written consent to pooling will not be unreasomably withheld. The entire acreage so pooled into a tract or unit shall be treated, describing the pooled acrease 'Coprobing's written consent to pooling will not be unreasomably withheld. The entire acreage so pooled into a tract or unit shall be treated, describing the pooled acrease. Lessor's written consent to pooling will not be unreasomable with the view of the pooled in this lease. If producing is found to the pooled acrease, if describing the projection is not exceeding the pooled unit, as if it were included in this lease. If producing its found on the pooled acrease, if Lessee, subject to the prior written consent of Lessor, may pool or combine the acceage covered by this lease or any portion thereof with other land, lease of

#### gook: M125 Page: 12

shall be treated as if production is had from this lease, which is the well or wells be located on the premises covered by this lease or not. In lice of the royalities elsewhere herein as the amount of his acreage spooled only such portion of the royality alpulated herein as the amount of his acreage placed in the unit or his royality interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.

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

COUNTY OF HARRIC 1 SUNTE OF TO FILME BY: Kent M. Buster Gitta Banks 32 :78 57 BY

BEFORE ME, the understgned, a Notury Public, in and for said County and State, on this 34 day of Not 2014, personally appeared for Mark Mark and wile.

OINESH GUPTA My Commission Expite November 25, 2018 White Card and the source of t -8106 -16 -11 My Commission Expines;

### EXHIBIL ....

#### Attached to and made a part of that certain Oil and Gas Lease dated October 28, 2014 by and between Kent M. Buster and Gitta Banks, husband and wife, as Lessor and Shelby Resources, LLC, as Lessee.

- The provisions of this lease are hereby amended to include in the granting clause, helium and other extractions.
- The royalty clause is hereby amended to include a royalty payment on helium and other extractions at the mouth of the well.
- 3. It is agreed that if the Lessee owns any interest in the pipeline to which is delivered the gas produced from this premises, the Lesser of an its operations thereon after the point of diversion. It is further agreed that Lesser shall bear no costs of gas treatment, dehydration, compression, transportation or water hauling charged to this lesse, proportionate royalty share of all monies received by Lessee for oil and/or gas production attributable to this lesse, including any premiums, rebates and refunds of any kind or nature paid to Lessee and any take or pay payments, including any premiums, rebates and refunds of any kind or nature paid to Lessee and any take or pay payments, production payments, contract buy outs or contract buy downs, which directly reduce the amount of royalty revenue Lessor would otherwise receive from oil and/or gas production from this lease.
- 4. Lessor reserves the right to purchase gas for farm purposes, including but not limited to irrigation purposes from wells located on the above-described real estate or from any real estate unitized with the above-described real estate. Lessor and limitity, and Lessor shall contorm to the engineering specifications of Lessee's production department. Lessor shall pay Lessee for any gas purchased for inrigation purposes in the amount per MCF equal to the price then in effect under any contract under which Lessee is selling gas from the gas well on the above-described real estate or any unitized real estate to a third party. The amount of select in the amount per MCF equal to the price then in effect under any contract under which Lessee is selling gas from the gas well on the above-described real estate or any unitized real estate to a third party. The amount of final the limited to one-eighth (1/8) of the entire amount of framount of from wells located upon the above-described real estate or from the real estate to a third party. The amount of from wells located upon the above-described real estate or any unitized real estate to a third party. The amount of from wells located upon the above-described real estate or any unitized to one-eighth (1/8) of the entire amount of gas produced in the real estate or any unitized the entire amount of gas produced to more the above-described real estate or any unitized to one-eighth (1/8) of the entire amount of gas produced in wells located upon the above-described real estate or from the real estate unitized there.
- Lessee agrees to return the land as nearly as possible to its present condition after any drilling operations.
- Any tanks or gunbarrels shall be placed by mutual agreement of Lessor and Lessee.
- Before building any roads, Lessee and Lessor shall mutually agree as to the site for the roads. No road ditches shall be constructed and roads shall not obstruct the natural or established flow of water.
- 8. The Lessee shall not, notwithstanding the provisions of paragraph 1 of this Oil and Gas Lease, inject any gas, water or other fluid and air into any subsurface stratum which contains water suitable for irrigation purposes or for domestic consumption.
- 9. Lessee shall not drill any sait water disposal well upon the above-described real estate without the express written consent of the Lessor being first obtained, provided Lessee shall have the right to drill a sait water disposal well for disposition of sait water from wells drilled on the real estate described in paragraph 1 of this lease.
- 10. If lessee drills a well on the leased premises, Lessee shall, at the option of Lessor, set the surface pipe from the surface to below the base of the deepest fresh water formation. This obligation shall continue even if this lease is assigned by Lessee to any other persons or entities.
- 11. In the event of gas production hereunder in commercial quantities and said well is not shut-in, Lessor is to receive a minimum of five dollars (\$5.00) per net mineral acre per year royalty for entire acreage covered by this lease in order to perpetuate this lease. Lessee shall have thirty (30) days after notification by Lessor of insufficient royalty to tender said deficiency or said lease shall terminate.
- 12. If the primary term of this lease is perpetuated by production of oil or gas, notwithstanding anything to the contrary contained in this lease, it is expressly agreed that this lease shall terminate as of two (2) years after expiration of the primary term hereof, insofar, and only insofar, as to all of the formations lying below 100 feet below the total depth of the deepest test drilled by the lessee or its assigns on the above-described premises or on any lands unitized or pooled the Register of Deeds a release of such lower zones or formations within sixty (60) days after the expiration of the two-the Register of Deeds a release of such lower zones or formations within sixty (60) days after the expiration of the two-year period following the primary term hereof. If such release is not filed within said 60-day period, Lessee shall be volged to file of record in the applicable office of year period following the primary term hereof. If such release is not filed within said 60-day period, Lessee shall be volged to day the record in the applicable office of year period following the primary term hereof. If such release is not filed within said 60-day period, Lessee shall be volged to days after the expiration of the two-year period following the primary term hereof. If such release is not filed within said 60-day period, Lessee shall be volged to days after the expiration of the two-year period following the primary term hereof. If such release is not filed within the two-year period following the primary term hereof. If such release is not filed within the such release.
- 13. Lessee shall bury all pipelines at least forty (40) inches below the surface of the above-described real estate.
- .4. Lessee shall have to the landfill and shall dump no trash in any pits.
- 15. The Lessee shall not have the right to use fresh water produced from the above-described real estate for the purpose of secondary recovery by water flood, pressure maintenance or other similar operations.

- 16. Before commencing any drilling operations upon portions of the above-described real estate, the Lessee shall pay the sum of one thousand dollars (\$1,000.00) to the Lessor as a deposit to be applied against damages to land and crops caused by the operations of the Lessee. If the described real estate, is damaged (physical and/or loss to crop production capability or loss to grazing rights) to an amount greater than the amount paid prior to drilling operations, then Lessee shall promptly pay Lessor such additional damages.
- 17. In the event of production of only gas in commercial quantities and in the further event said gas well is shut-in, the Lessee shall pay shut-in gas royalties of three hundred twenty dollars (\$320.00) per year for the three (3) year period after such gas well is completed and thereafter, the shut-in royalty payments shall be one thousand dollars (\$1,000.00) per year. If gas has not been sold from said premises within six (6) years from completion of said gas well, this lease shall expire six (6) years from the date of completion of said gas well.
- 18. The Lessee agrees that in connection with its operations upon the above-described real estate, the shale and reserve pits will be dug in such a manner as to remove and preserve the Lessor's topsoil and to segregate the topsoil from the subsoil and after use, said pits will be backfilled by Lessee pursuant to this lease at such time as the Lessor shall direct.
- 19. The Lessee agrees to comply with all rules and regulations of the United States Department of Agriculture, Natural Resources Conservation Services and appropriate Farm Service Agency with respect to any conservation Reserve Program covering the above-described real estate. In particular, when drilling and operations have terminated, the Lessee shall restore the surface to its present condition, including the reseeding of grass acceptable to the Natural Resources Conservation Services and Earne Service Agency.
- 20. Lessee shall not enter or attempt to enter onto the leased land during muddy conditions, except as may be agreed by Lessor. In the event Lessee shall already be on and conducting seismic or drilling operations when muddy conditions develop, then Lessee shall use reasonable efforts to minimize damage to land, but Lessee shall not be required to stop operations due to muddy conditions.
- 21. Notwithstanding any other provision of this lease, the Lessor and Lessee agree that this lease does not provide Lessee with a pipeline right of way and/or easement for carrying or transporting gas, oil, or other oil and gas related materials that are solely produced from locations not originating on the leased land or on land to which the leased land is unitized.
- 22. The Lessee upon request shall allow Lessor or Lessor's representative(s) to view copies of any logs in its possession or under its control relative to the geologic structure of the above-described real estate. Such information shall be kept strictly confidential by the Lessor.
- 23. Notwithstanding anything herein contained to the contrary, all assignees of Lessee shall be responsible for restoring the surface as near as practicable to its original condition within one-hundred eighty (180) days after completion of a dry hole or within one-hundred eighty (180) days after completion of a dry hole or within one-hundred eighty (180) days after completion of a dry hole or within one-hundred eighty (180) days after oil or gas ceases to be produced from a producing well. The obligation to restore the surface shall continue even if this lease is assigned by Lessee to any other persons or entities.
- 24. In the event a well producing oil in commercial quantities is drilled under the provisions of Paragraph 27 of this lease, in then and in such event, the Lessors agree that an oil unit of ten (10) acres may be established by pooling ten (10) acres in a square form around the well bore whether located on the property covered by this lease or on the contiguous property. The royalty payable The unit shall consist of a total of ten (10) acres from this lease and from the contiguous property. The royalty payable berewith shall be apportioned according to the number of acres from this lease, and from the contiguous property. The royalty payable berewith shall be apportioned according to the number of acres from this lease, and from the contiguous property. The royalty payable berewith shall be apportioned according to the number of acres from this lease, and from the contiguous property. The royalty payable berewith shall be apportioned according to the number of acres from this lease, and from the contiguous property. The royalty payable berewith shall be apportioned according to the number of acres from this lease, and from the contiguous property. The royalty payable berewith shall be apportioned according to the number of acres from this lease, and the acres from the contiguous real berewith shall be apportioned according to the number of acres from this lease, and the acres from the contiguous real berewith acres from the acres from
- 25. In the event a well, producing gas in commercial quantities is drilled under the provisions of Paragraph 27 of this lease, then and in that event, the Lessee may establish a gas unit of one hundred sixty (160) acres, consisting of eighty (80) acres in a square or rectangular form on the configuous real estate and eighty (80) acres in a square or rectangular form on the configuous real estate and eighty (80) acres in a square or rectangular form on the configuous real estate and eighty (80) acres in a square or rectangular form on the real estate and eighty (80) acres in a square or rectangular form on the real estate and eighty (160) acres in a square or rectangular form on the real estate and eighty (160) acres in a square or rectangular form on the real estate and eighty (160) acres in a square or rectangular form on the real estate and eighty (160) acres in a square or rectangular form on the real estate and eighty (160) acres in a square or rectangular form on the real estate and eighty (160) acres in a square or rectangular form on the real estate and eighty (160) acres in a square or rectangular form on the real estate and eighty (160) acres in a square or rectangular form on the real estate and eighty (160) acres in a square or rectangular form on the real estate acres in square or rectangular form.
- 26. The lessee agrees that no geo-physical seismic testing shall be conducted on the described real estate, except by separate written agreement and for such consideration as shall be agreed to by Lessor.
- 27. Notwithstanding the provisions of this lease to the contrary, if the Lessee determines that the appropriate drill site for a well on either a contiguous tract or on the real estate tracts, the Lessee is closer than three hundred thirty feet (330') of the property line between the two (2) real estate tracts, the Lessee is hereby authorized to drill such well within three hundred thirty feet (330') of the property line between the two (2) real estate tracts after tracts after providing written notice to the hundred thirty feet (330') of the property line between the two (2) real estate tracts after tracts after providing written notice to the hundred thirty feet (330') of the property line between the two (2) real estate tracts after providing written notice to the hundred thirty feet (330') of the property line between the two (2) real estate tracts after providing written notice to the hundred thirty feet (330') of the property line between the two (2) real estate tracts after providing written notice to the hundred thirty feet (330') of the property line between the two (2) real estate tracts after providing written notice to the hundred thirty feet (330') of the property line between the two (2) real estate tracts after providing written notice to the hundred thirty feet (330') of the property line between the two (2) real estate tracts after providing written notice to the hundred thirty feet (330') of the property line between the two (2) real estate tracts after providing written notice to the hundred thirty feet (330') of the property line between the two (2) real estate tracts.
- 28. In the event this lease is extended beyond the primary term solely by production from a well in a unit which comprises a portion of the lands covered hereby and other lands, Lessee agrees to release all lands not included in any such unit one (1) year subsequent to the end of the primary term when so requested by Lessor in writing.

## SIGNED FOR IDENTIFICATION

Gitta Banks

Kent M. Buster

STATE OF KANSAS, PAWNEE COUNTY. DOLORES WREN, REGISTER OF DEEDS Book: M125 Page: 191 Total Fees: \$20,00 Receipt: #: 42030 Pages Recorded: 2 Date Recorded: 4/20/2015 10:10:05 AM

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#### FORM 88 - (PRODUCERS SPECIAL) (Rev. 2004 CRI) 63U

## **OIL & GAS LEASE**

AGREEMENT, Made and entered into the 2nd day of April, 2015, by and between WFY OIL & GAS, LLC, whose mailing address is PO Box 1506, Great Bend, KS 67530, hereinafter called Lessor (whether one or more), and SHELBY RESOURCES, LLC, 621 1778 Street, Suite 1155, Denver, CO 80293, hereinafter called Lessee:

Lessor, in consideration of Ten and more Dollars (\$10.00) in hand paid, receipt of which is hereby acknowledged and of the royalties herein provided and of the agreements of the Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling, the agreements of the Lessee herein contained, hereby grants, teases and tets exclusively into Lessee for the purpose of investigating, exploring, prospecting, drifting, 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 reversionary rights and after-acquired interest, therein situated in Combrid Parsers Parsers (Compto Compto). County of Pawnee, State of Kansas described as follows, to-wit:

## TOWNSHIP 22 SOUTH, RANGE 16 WEST OF THE 6TH PRINCIPAL MERIDIAN Section 2: SW1/4

### containing 160.00 acres, more or less, and all accretions thereto.

Subject to the provisions herein contained, this lease shall remain in force for a term of One (1) year from this date (called "primary term"), and as long thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, or any of them, is produced from said land or land with which said land is pooled.

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

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 five-thirty seconds 15 (5/32nds) part of all oil produced and saved from the leased premises.

2<sup>nd</sup>. 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, five-thirty seconds (5/32nds), at the market price at the well, (but, as to gas sold by Lessee, in no event more than five-thirty seconds (5/32nds) of the incretion, tive-inity seconds (5/2/nds), at the market price at the well, (but, as to gds sold by Lessee, in the event infore than recently seconds (5/2/nds) 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. However, Lessee's ability to retain the lease by payment of such "shut in" royalties is not indefinite and if no actual sale of gas is made within five years of completion of a gas well, then this lease shall terminate and expire.

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

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

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

Lessor

Lessee shall bury Lessee's pipe lines below plow depth.

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

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

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

If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment of rentals or royalties shall be binding on the Lessee until after the Lessee has been furnished with a written transfer or assignment or a true copy thereof. In case Lessee assigns this lease, in whole or in part, Lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment. It is agreed and understood by and between Lesser and Lesser, and their successors and assigns that subject lease is subject to a side letter agreement and any successor or assignee will be bound by the terms therein.

Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered except those obligations relating to any plugging of wells or restoration of the portion 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 agrees that the Lessee shall have the right at any time to redeem for Lessor, by payment any mortgages, taxes or other liens on the above described lands, in the event of default of payment by Lessor, and be subrogated to the rights of the holder thereof, 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, subject to the prior written consent of Lessor, may pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, when in Lessee's Judgment it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises, such pooling to be of tracts contiguous to one another and to be into a unit or units not exceeding 40 acres each in the event of an oil well, or into a unit or units not exceeding 160 acres each in the event of a gas another and to be this a unit or units has exceeding to acres each in the event of an on well, or into a unit or units has exceeding to acres each in the event of a gat well. Lessee shall exceute 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. Lessor's written consent to pooling will not be unreasonably withheld. 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

Book: M125 Page: 191

eliewhere herein specified, Lessor shall receive on production from a unit so pooled only such portion of the royany 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. In the event this lease is extended beyond the primary term solely by production from a well in a unit which comprises a portion of the lands covered hereby and other lands, Lessee agrees to release all lands not included in any such unit one (1) year subsequent to the end of the primary term

Lessee agrees to consult with Lessor prior to conducting any surface operations so as to cause the least amount of interference to Lessor's irrigation operations on the leased premises, including but not limited to using low profile pumping equipment on any producing well drilled by Lessee. Lessee further agrees not to locate any pits where there are currently tire tracks for Lessor's irrigation system.

In the event production is secured and a tank battery installation is necessary, such tank battery shall be placed at a location mutually agreeable by Lessor and Lessee.

Lessee shall not go upon or conduct any operations upon the irrigated portion of the above-described real estate between April 1<sup>st</sup> and November 1st in any calendar year unless given written permission by the Lessor.

Upon the establishment of a drillsite and the excavation of the reserve pit, all topsoil shall be removed and piled separately and shall be returned to the surface when this pit is filled. Lessee further agrees to clean up the drillsite area and remove all trash and debris and to restore the surface of the land damaged by Lessee's operations to its original contour and condition as nearly as is practicable

Lessee shall pay any actual damages to growing crops, pasture grasses, fences and irrigation systems which may arise from Lessee's maintenance and operation of said drillsite(s) / production operations.

No wells drilled on the leased premises shall be used for saltwater disposal or other waste disposal without the written consent of Lesson. Provided, however, the terms of this paragraph do not apply to the disposal of salt water produced from a well or wells held by production where the minerals are owned by Lesaor or lands pooled therewith,

Lessee shall not have the right to use water from Lessors' pond(s) or water wells for any purpose without Lessors' written consent, and Lessee will not conduct any exploration or drilling operations within 200 feet of any water well on the feased premises and further agrees that any water well damaged by Lessee's operations shall be re-drilled at Lessee's sole expense.

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

WFY ØIL & GAS, LLC BY e Borck. Managing Member

STATE OF Kunsas

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COUNTY OF Barton

> BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this day of April, 2015, personally appeared

Lee Borck, as Managing Member of WFY Oil & Gas, LLC.

LISA FERGUSON And Evolution 1 2519 My Commission Expires: Notary Public: My Appl. Expires Address:



#### STATE OF KANSAS, PAWNEE COUNTY, SS OOLORES WREN, REGISTER OF DEEDS Book: M122 Page: 256 Total Fees: \$12.00 Receipt #: 39960 Pages Recorded: 2 Date Recorded: 12/9/2013 10:15:04 AM

## FORM 88 - (PRODUCERS SPECIAL)

(Rev. 2004 CRI) 63U

## OIL & GAS LEASE

AGREEMENT, Made and entered into the 20th day of November, 2013, by and between WARD FEED YARD OIL & GAS, LLC, whose mailing address is PO Box 1506, Great Bend, KS 67530, hereinafter called Lessor (whether one or more), and Captiva II, LLC, 445 Union Boulevard, Suite 208, Lakewood, CO 80228, hereinafter called Lessee:

Lessor, in consideration of Ten and more Dollars (\$10.00) in hand paid, receipt of which is hereby acknowledged and of the royalties herein provided and of the agreements of the Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases and their respective constituent products, injecting gas, water, other fluids and air into subsurface strata, laying pipe lines, storing oil, building tanks, power stations, telephone lines, and other structures and things thereon to produce, save, take care of, subsurface strata, laying pipe lines, storing oil, miniming tanks, power stations, telephone lines, and outer subsurface and uning tarteen to products manufactured therefrom, 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 reversionary rights and after-acquired interest, therein situated in Num County of Pawnee, State of Kansas described as follows, to-wit:

## TOWNSHIP 22 SOUTH, RANGE 16 WEST OF THE 6TH PRINCIPAL MERIDIAN Section 2: NW1/4



### containing 160.00 acres, more or less, and all accretions thereto.

Subject to the provisions herein contained, this lease shall remain in force for a term of One (1) year from this date (called "primary term"), and as long thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, or any of them, is produced from said land or land with which said land is pooled.

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

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 five-thirty seconds 1\* (5/32nds) part of all oil produced and saved from the leased premises

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, five-thirty seconds (5/32nds), at the market price at the well, (but, as to gas sold by Lessee, in no event more than five-thirty seconds (5/32nds) 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. proceeds received by Lessee from such sales), for the gas sold, used on the premises, or in the manufacture of products increment, sale payments to be made including. 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. However, Lessee's ability to retain the lease by payment of such "shut in" royalties is not indefinite and if no actual sale of gas is made within five years of completion of a gas well, then this lease shall terminate and expire.

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

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

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

Lessor.

Lessee shall bury Lessee's pipe lines below plow depth.

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

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

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

If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their beirs, 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. It is agreed and understood by and between Lessor and Lessee, and their successors and assigns that subject lease is subject to a side letter agreement and any successor or assignee will be bound by the terms therein.

Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered except those obligations relating to any plugging of wells or restoration of the portion 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 agrees that the Lessee shall have the right at any time to redeem for Lessor, by payment any mortgages, taxes or other liens on the above described lands, in the event of default of payment by Lessor, and be subrogated to the rights of the holder thereof, 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, subject to the prior written consent of Lessor, may pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, when in Lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises, such pooling to be of tracts contiguous to one as to promote the conservation of on, gas of other innertias in and under and that may be produced from sain premises, such proving to be or facts configurate to the another and to be into a unit or units not exceeding 40 acres each in the event of an oil well, or into a unit or units not exceeding 160 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. Lessor's written consent to pooling will not be unreasonably withheld. 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

Book: M122 Page: 256

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. In the event this lease is extended beyond the primary term solely by production from a well in a unit which comprises a portion of the lands covered hereby and other lands, Lessee agrees to release all lands not included in any such unit one (1) year subsequent to the end of the primary term

Lessee agrees to consult with Lessor prior to conducting any surface operations so as to cause the least amount of interference to Lessor's irrigation operations on the leased premises, including but not limited to using low profile pumping equipment on any producing well drilled by Lessee. Lessee further agrees not to locate any pits where there are currently tire tracks for Lessor's irrigation system.

In the event production is secured and a tank battery installation is necessary, such tank battery shall be placed at a location mutually agreeable by Lessor and Lessee.

Lessee shall not go upon or conduct any operations upon the irrigated portion of the above-described real estate between April 1<sup>st</sup> and November 1st in any calendar year unless given written permission by the Lessor.

Upon the establishment of a driffsite and the excavation of the reserve pit, all topsoil shall be removed and piled separately and shall be returned to the surface when this pit is filled. Lessee further agrees to clean up the drillsite area and remove all trash and debris and to restore the surface of the land damaged by Lessee's operations to its original contour and condition as nearly as is practicable.

Lessee shall pay any actual damages to growing crops, pasture grasses, fences and irrigation systems which may arise from Lessee's maintenance and operation of said drillsite(s) / production operations.

No wells drilled on the leased premises shall be used for saltwater disposal or other waste disposal without the written consent of Lessons. Provided, however, the terms of this paragraph do not apply to the disposal of salt water produced from a well or wells held by production where the minerals are owned by Lesson or lands pooled therewith.

Lessee shall not have the right to use water from Lessors' pond(s) or water wells for any purpose without Lessors' written consent, and Lessee will not conduct any exploration or drilling operations within 200 feet of any water well on the leased premises and further agrees that any water well damaged by Lessee's operations shall be re-drilled at Lessee's sole expense.

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

WARD-FEED YARD OIL & GAS, LLC BY Lee H. Borck, Managing Member

STATE OF Kansas

COUNTY OF Barton

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 200 day of November, 2013, personally appeared

## Lee H. Borck, as Managing Member of Ward Feed Yard Oil & Gas, LLC.

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My Commission Expires 3- Lo Kristi Mason Notary Public State of Kansas My Apt Expires 3-6-1

Notary Public Address TO Box 1506 Great Bend, KS 151530

## EXTENSION OF OIL & GAS LEASE

WHEREAS, CADDIS RESOURCES, INC. is an owner and holder of an oil and gas lease dated November 20, 2013, which was executed by Ward Feed Yard Oil & Gas, LLC, as Lessor, to Captiva II, LLC as Lessee, covering the following described lands in Pawnee County, State of Kansas, to-wit:

# TOWNSHIP 22 SOUTH, RANGE 16 WEST, 6TH P.M.

Section 2: NW1/4

such lease having been recorded in Book M122, at Page 256 of the records of said county; and,

WHEREAS, the primary term of said lease expires on November 20, 2014, and it is the desire of the said owners and holders and of the undersigned that the term of said lease be extended.

NOW, THEREFORE, the undersigned, for and in consideration of Ten Dollars, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, do hereby agree that the original term of said lease be and is hereby extended, with the same force and effect as if such term had been originally expressed in such lease, for a period ending November 20, 2015, and for as long thereafter as oil, gas or other hydrocarbons is produced as provided in said lease; subject, however, in all other respects, to the provisions and conditions of said lease and/or terms of any modification or amendment; provided, however, that the consideration for this extension includes the delay rental, if any, which would become payable on said original expiration date because of this extension.

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

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

IN WITNESS WHEREOF, this instrument is executed on this  $\prod_{i=1}^{n}$  day of November,

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BY:

2014.

STATE OF KANSAS, PAWNEE COUNTY, 55 DOLORES WREN, RECEISTER OF DEEDS Book: M125 Page: 27 Receipt #: 41457 Total Fises: \$8.00 Pages Recorded: 1 Date Recorded: 11/24/2014 9:30:00 AM

State of Kansas

Ward Feed Yard Oil & Gas, LLC WFY Oil & Gas, LLC

Lee Borck, Managing Member

County of Barton

The foregoing instrument was acknowledged before me this <u>1</u><sup>th</sup> day of November, 2014, by Lee Bork, Managing Member of WFY Oil & Gas, LLC and Ward Feed Yard Oil & Gas, LLC.

WITNESS my hand and official seal.

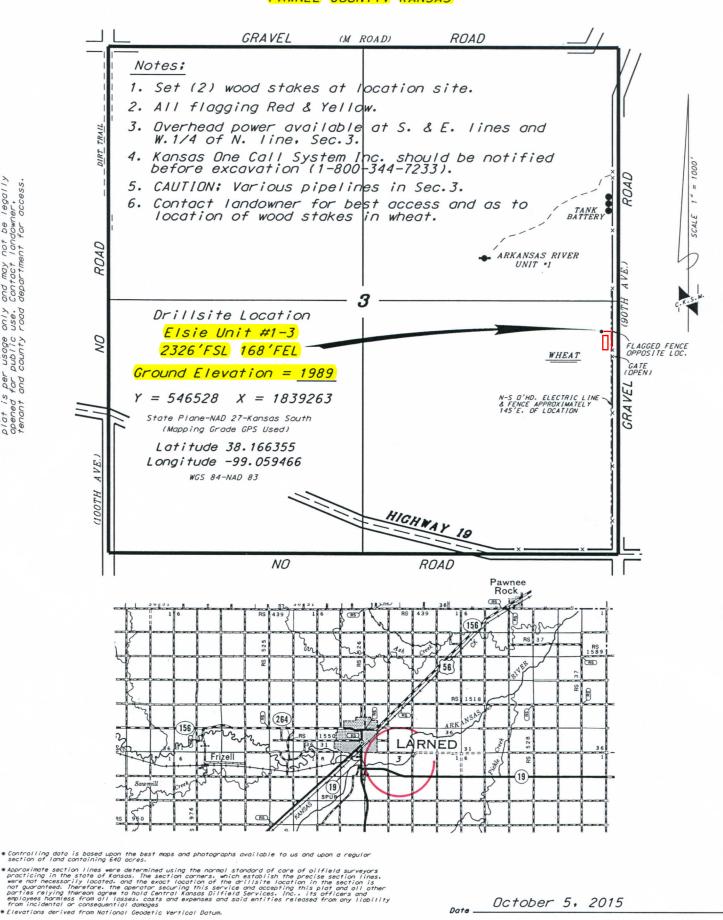
My commission expires: 18515



Notary Public

Ver Num Scan Copy Ck

SHELBY RESOURCES, LLC ELSIE LEASE SE. 1/4, SECTION 3, T22S, R16W PAWNEE COUNTY, KANSAS



ocation as shown on thi and may not be legally Contact landowner, department for access. s to l only use. rood d egress r usage d public u county r per for and \*Ingress plat is opened f tenant a

CENTRAL KANSAS OILFIELD SERVICES, INC. (620)792-1977

Conservation Division 266 N. Main St., Ste. 220 Wichita, KS 67202-1513



Phone: 316-337-6200 Fax: 316-337-6211 http://kcc.ks.gov/

Shari Feist Albrecht, Chair Jay Scott Emler, Commissioner Pat Apple, Commissioner Sam Brownback, Governor

October 16, 2015

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

Re: Drilling Pit Application Elsie Unit 1-3 SE/4 Sec.03-22S-16W Pawnee County, Kansas

Dear Chris Gottschalk:

District staff has inspected the above referenced location and has determined that an unsealed condition will present a pollution threat to water resources.

District staff has recommended that the reserve pit be lined with bentonite or native clay, constructed <u>without slots</u>, the bottom shall be flat and reasonably level and the free fluids must be removed. The fluids are to be removed from the reserve pit as soon as the Hutchinson Salt section has been drilled through and displacement of the fluids into the reserve pit has occurred. The fluids should be removed again after drilling operations have ceased.

Reserve pit should be no deeper than 3 feet.

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

The fluids should be taken to an authorized disposal well. Please call the District Office at (620) 225-8888 when the fluids have been removed. Please file form CDP-5 (August 2008), Exploration and Production Waste Transfer, through KOLAR within 30 days of fluid removal.

A copy of this letter should be posted in the doghouse along with the approved Intent to Drill. If you have any questions or concerns please feel free to contact the District Office at (620) 225-8888.