For KCC Use:

Eff	e	ct	iv	е	Date:

District	#	

Yes No SGA?

## 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

NOTICE	<b>OF INTEN</b>	T TO DRILL
--------	-----------------	------------

	<i>(5) days prior to commencing well urface Owner Notification Act, MUST be submitted with this form.</i>
Expected Spud Date:	Spot Description:
month day year	Sec Twp S. R E 🗌 W
	(a/a/a/a) feet from N / S Line of Section
OPERATOR: License#	
Name:	Is SECTION: Regular Irregular?
Address 1:	
Address 2:	(Note: Locate well on the Section Plat on reverse side)
Contact Person: State 2/p +	County:
Phone:	Lease Name: Well #:
- Hono	Field Name:
CONTRACTOR: License#	Is this a Prorated / Spaced Field?
Name:	Target Formation(s):
Well Drilled For: Well Class: Type Equipment:	Nearest Lease or unit boundary line (in footage):
Oil Enh Rec Infield Mud Rotary	Ground Surface Elevation:feet MSL
Gas Storage Pool Ext. Air Rotary	Water well within one-quarter mile:
Disposal Wildcat Cable	Public water supply well within one mile:
Seismic : # of Holes Other	Depth to bottom of fresh water:
	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:	( <b>Note:</b> 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 Electronically

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

#### 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:



For KCC Use ONLY

API # 15 - .

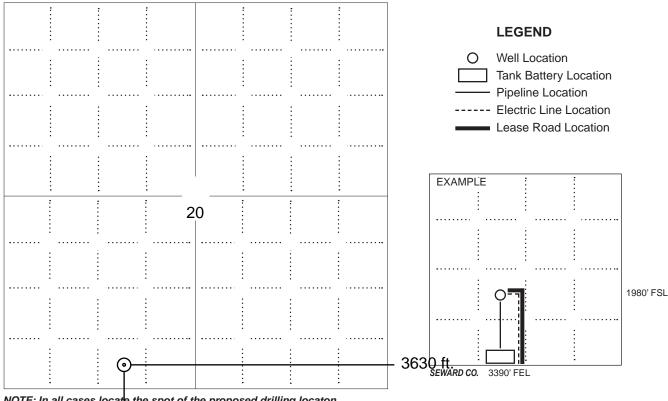
#### IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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.



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

#### 330 ft.

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

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

Side Two



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

Form CDP-1 Form must be Typed

May 2010

### **APPLICATION FOR SURFACE PIT**

Submit in Duplicate **Operator Name:** License Number: **Operator Address:** Contact Person: Phone Number: Lease Name & Well No.: Pit Location (QQQQ): Type of Pit: \_\_\_\_\_- - \_\_\_\_\_\_ - \_\_\_\_\_ Pit is: **Emergency Pit** Burn Pit Proposed Existing Sec. Twp. R. East West Settling Pit **Drilling Pit** If Existing, date constructed: Feet from North / South Line of Section Haul-Off Pit Workover Pit \_Feet from East / West Line of Section Pit capacity: (If WP Supply API No. or Year Drilled) County (bbls) Is the pit located in a Sensitive Ground Water Area? Yes No Chloride concentration: mg/l (For Emergency Pits and Settling Pits only) Is the bottom below ground level? Artificial Liner? How is the pit lined if a plastic liner is not used? Yes Yes No No Pit dimensions (all but working pits): \_\_\_Length (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 Describe procedures for periodic maintenance and determining material, thickness and installation procedure. liner integrity, including any special monitoring. Depth to shallowest fresh water\_ Distance to nearest water well within one-mile of pit: feet. Source of information: KDWR measured well owner electric log feet Depth of water well \_ feet **Emergency, Settling and Burn Pits ONLY:** Drilling, Workover and Haul-Off Pits ONLY: Producing Formation: Type of material utilized in drilling/workover:\_ Number of producing wells on lease: Number of working pits to be utilized: \_ Barrels of fluid produced daily: 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. Submitted Electronically

		KCC OFFICE USE ONLY	Liner	Steel Pit	RFAC RFAS
Date Received:	Permit Number:	Permit Date:		Lease Inspe	ection: 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

I

James P. Williams Enterprises Inc. Russ #1 (owwo) SWSESW of SZO-TBS-RITW Rooks County, Ks 5280 4950 4620 4290 3960 3630 2310 2640 1980 3300 2970 1650 320 990 660 330 0 FHL O J 5280 330 NY RY RU NE RU MU AN RE EN RE ME TH NU RE RE -----NE NY KE NE HE .HE 4950 1 660 HU 湯臣 赏い 第七 WW ЖĘ STL. 4620 RE 990~ SV HU HV SE MU MU SW.NE HU SE RE MY -IN BU RE SE NV HE SV. RE RE SE HE HE 4290 1320 24/4 REIL 3960 1650 NY SV RU RE SV RV I BY SE HW NE SE RU HW SW BE ME SW NE RM SE HE HE SE HE 3630 ł 1980 51 SE XV sų RV SE RE 3300 XE 2310 SV SV HY SU NU SE SV SE NY SE SE IN SU SU BE SE SV NE SV SE HE SE SE RE 2970 2:640 640 ACRES 2640 2970 ku ku su AE BY SY THE STE XE HE SY TH TH SE KE RV SE HY RE SE HE HE SE 2310 3300 RU RE sų HW Se SU re Se 1980 3630 SV RV SV SE NY SY SV BE SV. SE HE SY SW NY JE SE HV SE Month. SV RE SE SE HE SE 1650 3960 surt SE/4 1320 4290 HW SW SW RE SN SN API . NE SE SW NY SY SE HE SY SE **WWW** HU SE SE KE SE SE 15-163-20478 0002 990 4620 211 211 SE su SE SE Russt SE **NOON** -660

County Road

4950

5280

SV SV SV

1-330

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yo

660

> existing lead line

2640

~ 1

1980

SE SE SU

2310

1320

en de an

D

1658

se sv sv

066

If production is made, oil will go to old TB site in SBO-TBS-RITW through existing lead line

SV SW SE.

2970

3300

SE SU SE

3630

3960

SN SE SE

4290

3

4620

SE SE SE

4950

330

5280

0

FSL

#### OIL AND GAS LEASE

## AGREEMENT, made and entered into the 1st day of May, 2015, by and between John H. Russ, Jr., a single person, hereinafter called Lessor (whether one or more), and James P. Williams Enterprises, Inc., hereinafter called Lessee.

Lessor, in consideration of Ten Dollars (\$10.00) in hand paid, receipt of which is here acknowledged and of the royalties herem provided and of the agreements of the Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring by geophysical and other means, prospecting, drilling, mining, and operating for and producing oil, liquid hydrocarbons, all gases, and their respective constituent products, injecting gas, water, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, power stations, telephone lines, and other structures and their respective constituent products and other products manufacture, process, store and transport said oil, liquid hydrocarbons, gases and their respective constituent products and other products manufactured there from, and housing and otherwise caring for its employees, the following described land, together with any reversionary rights and after-acquired interest, therein situated in the County of Rooks, State of Kansas, described as follows to-wit:

The Southeast Quarter of the Southwest Quarter (SE/4 SW/4) except the West 15 acres of The Southeast Quarter of the Southwest Quarter (SE4 SW/4) of Section 20, Township 8, Range 17, Rooks County, Kansas

and containing approximately 25 acres, more or less, and all accretions thereto.

Subject to the provisions herein contained, this lease shall remain in force for a term of there (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 land with which said land is pooled.

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

1<sup>st</sup> To deliver to the credit of Lessor, free of cost, in the pipe line to which Lessee may connect wells on said land, the equal one-eighth (1/8<sup>th</sup>) part of all oil produced and saved from the leased premises.

 $2^{nd}$  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 there from, one-eighth (1/8<sup>th</sup>), at the market price at the well, (but, as to gas sold by Lessee, in no event more than one-eighth (1/8<sup>th</sup>) of the proceeds received by the Lessee from such sales), for the gas sold, used off the premises, or in the manufacture of products there from, said payments to be made monthly. Where gas from a well producing gas only is not sold or used, Lessee may pay or tender as royalty One Dollar (\$1.00) per year per net mineral acre retained hereunder, and if such payment or tender is made it will be considered that gas is being produced within the meaning of the preceding paragraph.

This lease may be maintained during the primary term hereof without further payment or drilling operations If the Lessee shall commence to drill a well within the term of this lease or any extension thereof, the Lessee shall have the right to drill such well to completion with reasonable diligence and dispatch, and if oil or gas, or either of them, be found in paying quantities, the 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 then the entire and undivided fee sumple 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 or costs, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

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

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

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

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

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

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

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

Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the Lessee shall have the right at any time to redeem for 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 in 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.

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

their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, m so far as said right of dower and homestead may in any way "fect the purposes for which this lease is made, as recited herein.

Lessee, at its option, is hereby given the right and where to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicm, by 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 publing 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 640 acres each in the event of a pais well. Lessee shall execute in writing and record in the conveyance records of the county in which the land herein leased is situated an instrument identifying and describing the pooled acreage. The entire acreage so 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 the lease or not. In lieu of the royalties elsewhere herein specified, Lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.

At the expiration of the primary term, in the event Lessee is not convinced operation is on said property, Lessor hereby grants a one year extension of said lease by payment from Lessee of an amount equal to the consideration originally paid for the execution of the lease

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

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Russ, Jr

ACKNOWLEDGMENT

STATE OF KANSAS COUNTY OF Korks ) 55:

The foregoing instrument was acknowledged before me this 4 day of April 2015, by John H. Russ, Jr., a single person.

TIFFANI M. BACON State of Kansas My Appt. Exp. Dec. 15, 2018 aumbalon

STATE OF KANSAS ROOKS COUNTY This instrument was filed for record in may office at <u>3:45</u> o'clock <u>P. M. en this</u> <u>Y day of \_\_\_\_\_\_2015</u> and is duly recorded in Book <u>Y68 of</u> <u>records at page 332</u> <u>Rootester of Dance</u>

#### RIDER

Attached to and made a part of that certain Oil and Gas Lease dated May 1, 2015, by and between John H. Russ, Jr., a single person, as Lessor, to James P. Williams Enterprises, Inc., as Lessee, covering the following land in Rooks County, Kansas:

The Southeast Quarter of the Southwest Quarter (SE/4 SW/4) except the West 15 acres of the Southeast Quarter of the Southwest Quarter (SE4 SW/4) of Section 20, Township 8, Range 17, Rooks County, Kansas

In the event of conflict between the Lease provisions and the provisions provided in this Rider, the provisions of the Rider shall be binding.

1. Lessee shall consult Lessor as to location of lease roads, tank batteries, utility poles, and other production facilities. Lessee shall maintain all lease roads in good condition and keep all potholes filled, and Lessee shall keep all lease roads, tank batteries and other facilities maintained and free of weed growth.

2. It is agreed by Lessor and Lessee that settlement of location damages for any drill site or tank battery location shall be based on a \$\_\_\_\_\_\_ minimum payment per location unless actual damages incurred are larger per location.

3. All pipelines or electric lines shall be buried below 36".

4. When preparing development locations the topsoil shall be segregated to be replaced on the surface upon completion of drilling activities. Any terraces driven over or altered for drilling or tank locations shall be restored to original height.

5. The drilling site shall be returned to its original surface topography.

6. A sufficient dike shall be placed around tank batteries. Also all tank batteries and pumping units shall be fenced to restrain cattle in pastures or on ground that Lessor grazes cattle on milo stalks or wheat.

7. If this lease is extended past the primary term by production, then Lessee's failure to produce and sell oil for a six month period shall be considered termination of production and this lease. Upon the termination of production on the lease, all equipment shall be removed within six months and all sites shall be restored to their original condition.

8. Lessee shall not have the right to dispose of off-lease water or inject off-lease water for secondary recovery purposes on this property without the written consent of Lessor.

9. In the event that a part of the base lease should be included in a unit producing oil and/or gas, it is understood and agreed that the unit will become a separate lease and that production on the unitized acreage will not hold the base oil and gas lease beyond the primary term without production on the non-unitized area.

malp John H. Russ

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

#### OIL AND GAS LEASE

AGREEMENT, made and entered into the 1st day of May, 2015, by and between Kenneth Hrabe and Betty J. Hrabe, husband and wife., hereinafter called Lessor (whether one or more), and James P. Williams Enterprises, Inc., hereinafter called Lessoe.

Lessor, in consideration of Ten Dollars (\$10.00) in hand paid, receipt of which is here 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 nvestigating, exploring by geophysical and other means, prospecting, drilling, mining, and operating for and producing oil, liquid hydrocarbons, all gases, and their respective constituent products, injecting gas, water, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, power stations, telephone lines, and other structures and things thereon to produce, save, take care of, treat, manufacture, process, store and transport said oil, liquid hydrocarbons, gases and their respective constituent products and other products manufactured there from, and housing and otherwise caring for its employees, the following described land, together with any reversionary rights and after-acquired interest, therein situated in the County of Rooks, State of Kansas, described as follows to-wit:

> The West 15 acres of the Southeast Quarter of the Southwest Quarter (SE/4 SW/4) of Section 20, Township 8, Range 17, Rooks County, Kansas

and containing approximately 15 acres, more or less, and all accretions thereto.

Subject to the provisions herein contained, this lease shall remain in force for a term of there (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 land with which said land is pooled.

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

1<sup>st</sup> To deliver to the credit of Lessor, free of cost, in the pipe line to which Lessee may connect wells on said land, the equal one-eighth (1/8<sup>th</sup>) part of all oil produced and saved from the leased premises.

 $2^{nd}$  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 there from, one-eighth (1/8<sup>th</sup>), at the market price at the well, (but, as to gas sold by Lessee, in no event more than one-eighth (1/8<sup>th</sup>) of the proceeds received by the Lessee from such sales), for the gas sold, used off the premises, or in the manufacture of products there from, 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 royalt O ne Dollar (\$1.00) per year per net mineral acre retained hereunder, and if such payment or tender is made it will be considered that gas is being produced within the meaning of the preceding paragraph.

This lease may be maintained during the primary term hereof without further payment or drilling operations. If the Lessee shall commence to drill a well within the term of this lease or any extension thereof, the Lessee shall have the right to drill such well to completion with reasonable diligence and dispatch, and if oil or gas, or either of them, be found in paying quantities, the 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 then 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 or costs, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

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

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

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

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

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

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

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

Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the Lessee shall have the right at any time to redeem for 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 in the undersigned Lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

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

Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, when in Lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises, such pooling to be of tracts contiguous to one another and to be into a unit or units not excoeeding 40 acres each in the event of an oil well, or into a unit or units not exceeding 640 acres each in the event of a gas well. Lessee shall execute in writing and record in the conveyance records of the county in which the land herein leased is situated an instrument identifying and describing the pooled acreage. The entire acreage so 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 the lease or not In heu of the royalties elsewhere herein specified, Lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.

At the expiration of the primary term, in the event Lessee is not convinced operation is on said property, Lessors hereby grant a one year extension of said lease by payment from Lessee of an amount equal to the consideration originally paid for the execution of the lease.

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

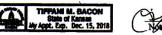
Dennet Ideabe

Setty J. Hicke

ACKNOWLEDGMENT

STATE OF KANSAS ) COUNTY OF ACOLS ) 55:

The foregoing instrument was acknowledged before me this <u>4</u> day of April, 2015, by Kenneth Hrabe and Betty J. Hrabe, husband and wife.



Man MBacon

STATE OF KANSAS ROOKS COUNTY This instrument was filed for recent in any office at 3:45 o'clock P. M. en this y day of room 20/5 and is duly recorded in Books y 62 of records at page 335 Roo Lee Sociel Register of Deeds

#### BK 0 4 6 8 PG 3 3 7

#### RIDER

Attached to and made a part of that certain Oil and Gas Lease dated May 1, 2015, by and between Kenneth Hrabe and Betty J. Hrabe, husband and wife, as Lessor, to James P. Williams Enterprises, Inc., as Lessee, covering the following land in Rooks County, Kansas:

The West 15 acres of the Southeast Quarter of the Southwest Quarter (SE/4 SW/4) of Section 20, Township 8, Range 17, Rooks County, Kansas

In the event of conflict between the Lease provisions and the provisions provided in this Rider, the provisions of the Rider shall be binding.

1. Lessee shall consult Lessor as to location of lease roads, tank batteries, utility poles, and other production facilities. Lessee shall maintain all lease roads in good condition and keep all potholes filled, and Lessee shall keep all lease roads, tank batteries and other facilities maintained and free of weed growth.

2. It is agreed by Lessor and Lessee that settlement of location damages for any drill site or tank battery location shall be based on a \$300, minimum payment per location unless actual damages incurred are larger per location.

3. All pipelines or electric lines shall be buried below 36".

4. When preparing development locations the topsoil shall be segregated to be replaced on the surface upon completion of drilling activities. Any terraces driven over or altered for drilling or tank locations shall be restored to original height.

5. The drilling site shall be returned to its original surface topography.

6. A sufficient dike shall be placed around tank batteries. Also all tank batteries and pumping units shall be fenced to restrain cattle in pastures or on ground that Lessor grazes cattle on milo stalks or wheat.

7. If this lease is extended past the primary term by production, then Lessee's failure to produce and sell oil for a six month period shall be considered termination of production and this lease. Upon the termination of production on the lease, all equipment shall be removed within six months and all sites shall be restored to their original condition.

8. Lessee shall not have the right to dispose of off-lease water or inject off-lease water for secondary recovery purposes on this property without the written consent of Lessor.

9. In the event that a part of the base lease should be included in a unit producing oil and/or gas, it is understood and agreed that the unit will become a separate lease and that production on the unitized acreage will not hold the base oil and gas lease beyond the primary term without production on the non-unitized area.

10. If there is a well drilled on this property that is not a unit well, or if a well is drilled on lessors property that is a unit well, lessors reserve an additional 1.5% net revenue overriding royalty interest that is not proportionally reduced by the size of the unit in relation to lessors ownership percentage. In the event a unit well is drilled on adjoining property involving a tract covered by this lease, then lessor reserves a 1.5% net revenue overriding royalty interest proportionally reduced by the unit acreage percentage of lessors land to the total unit size.

Kenneth Hrahe

Betty J. Thate

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

#### OIL AND GAS LEASE

AGREEMENT, made and entered into the 1st day of May 2015, by and between Joan Marie Hull, Trustee of the Joan Marie Hull Revocable Trust, dated August 25, 1992, hereinafter called Lessor (whether one or more), and James P. Williams Enterprises, Inc., hereinafter called Lessee.

Lessor, in consideration of Ten Dollars (\$10.00) in hand paid, receipt of which is here 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 by geophysical and other means, prospecting, drilling, mining, and operating for and producing oil, liquid hydrocarbons, all gases, and their respective constituent products, injecting gas, water, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, power stations, telephone lines, and other structures and things thereon to produce, save, take care of, treat, manufacture, process, store and transport said oil, liquid hydrocarbons, gases and their respective constituent products and other products manufactured there from, and housing and otherwise caring for its employees, the following described land, together with any reversionary rights and after-acquired interest, there in situated in the County of Rooks, State of Kansas, described as follows to-wit:

Tract 1: The West 15 acres of the Southeast Quarter of the Southwest Quarter (SE/4 SW/4) of

- Section 20, Township 8, Range 17, Rooks County, Kansas
- Tract 2: The Southeast Quarter of the Southwest Quarter (SE/4 SW/4) except the West 15 acres of the Southeast Quarter of the Southwest Quarter (SE/4 SW/4) of Section 20,
  - Township 8, Range 17, Rooks County Kansas

and containing approximately 25 acres, more or less, and all accretions thereto.

Subject to the provisions herein contained, this lease shall remain in force for a term of there (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 land with which said land is pooled.

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

1<sup>st</sup> To deliver to the credit of Lessor, free of cost, in the pipe line to which Lessee may connect wells on said land, the equal one-eighth (1/8<sup>th</sup>) part of all oil produced and saved from the leased premises.

 $2^{cd}$  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 there from, one-eighth (1/8<sup>th</sup>), at the market price at the well, (but, as to gas sold by Lessee, in no event more than one-eighth (1/8<sup>th</sup>) of the proceeds received by the Lessee from such sales), for the gas sold, used off the premises, or in the manufacture of products there from, said payments to be made monthly. Where gas from a well producing gas only is not sold or used, Lessee may pay or tender as royalty One Dollar (\$1.00) per year per net mineral acre retained hereunder, and if such payment or tender is made it will be considered that gas is being produced within the meaning of the preceding paragraph.

This lease may be maintained during the primary term hereof without further payment or drilling operations. If the Lessee shall commence to drill a well within the term of this lease or any extension thereof, the Lessee shall have the right to drill such well to completion with reasonable diligence and dispatch, and if oil or gas, or either of them, be found in paying quantities, the 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 then 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 costs, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

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

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

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

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

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

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

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

Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the Lessee shall have the right at any time to redeem for 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 in the undersigned Lessors, for themselves and

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

their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, in so far as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, when in Lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises, such pooling to be of tracts contiguous to one another and to be into a unit or units not exceeding 40 acres each in the event of an oil well, or into a unit or units not exceeding 640 acres each in the event of a gas well. Lessee shall execute in writing and record in the conveyance records of the county in which the land herein leased is situated an instrument identifying and describing the pooled acreage. The entire acreage so 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 the lease or not. In lieu of the royalties elsewhere herein specified, Lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.

Each separate tract described above shall be treated as a sole and separate lease, Independent from the other, and production on one of the tracts does not hold the remaining tracts.

At the expiration of the primary term, in the event Lessee is not convinced operation is on said property, Lessor hereby grants a one year extension of said lease by payment from Lessee of an amount equal to the consideration originally paid for the execution of the lease.

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

Joan Marie Hull, Trustee of the Joan Marie Hull Joan Marie Hull, Trustee of the Joan Marie Hull Revocable Trust, dated August 25, 1992

ACKNOWLEDGMENT

The foregoing instrument was acknowledged before me this <u>B</u> day of May, 2015, by Joan Marie Hull, Trustee of the Joan Maire Hull Revocable Trust, dated August 25, 1992.

STATE OF <u>Missouri</u>) COUNTY OF <u>(lam</u>) ss:

VANESSA VANDERFORD Notary Public-Notary Seal State of Missouri, Clay County Commission # 14571932 My Commission Expires Jan 27, 2018 Notary Public

STATE OF KANSAS ROOKS COUNTY SS This instrument was filed for record in my cflice at 11000 o'clock A M. on this 12 day of 202444 2015 and is duly recorded in Bosk 16 R of records at page 185.900 Register of Deeds Notice: Fill out COMPLETELY and return to Conservation Division at the address below within 60 days from plugging date.

## **KANSAS CORPORATION COMMISSION**

**OIL & GAS CONSERVATION DIVISION** 

1037840

March 2009 Type or Print on this Form Form must be Signed All blanks must be Filled

Form CP-4

## WELL PLUGGING RECORD K.A.R. 82-3-117

OPERATOR: License #:	API No. 15
Name:	Spot Description:
Address 1:	Sec Twp S. R East West
Address 2:	Feet from North / South Line of Section
City: State: Zip: +	Feet from East / West Line of Section
Contact Person:	Footages Calculated from Nearest Outside Section Corner:
Phone: ( )	NE NW SE SW
Type of Well: (Check one)  Oil Well  Gas Well  OG  D&A  Cathodic    Water Supply Well  Other:  SWD Permit #:  SWD Permit #:  SWD Permit #:    ENHR Permit #:  Gas Storage Permit #:  Gas Storage Permit #:  No    Is ACO-1 filed?  Yes  No  If not, is well log attached?  Yes  No    Producing Formation(s): List All (If needed attach another sheet)	County: Well #: Uell #: Date Well Completed: The plugging proposal was approved on: (Date) by: (KCC District Agent's Name) Plugging Commenced: Plugging Completed:

Show depth and thickness of all water, oil and gas formations.

Oil, Gas or Water Records		Casing Record (Surface, Conductor & Production)			
Formation	Content	Casing Size Setting Depth Pulled Out			

Describe in detail the manner in which the well is plugged, indicating where the mud fluid was placed and the method or methods used in introducing it into the hole. If cement or other plugs were used, state the character of same depth placed from (bottom), to (top) for each plug set.

Plugging Contractor License #:		Name:	
Address 1:		Address 2:	
City:		State:	Zip: +
Phone: ( )			
Name of Party Responsible for Plugging	Fees:		
State of	County,	, SS.	
	(Print Name)		or or Operator on above-described well,
haing first duly sugars an asthe source The	t I have knowledge of the facto at	stamanta, and matters barain contained, and the l	an of the choice described well is as filed and

being first duly sworn on oath, says: That I have knowledge of the facts statements, and matters herein contained, and the log of the above-described well is as filed, and the same are true and correct, so help me God.

#### Submitted Electronically

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

November 16, 2015

James P. Williams James P. Williams Enterprises, Inc. 6320 PLEASANT HILL RD Hackett, AR 72937

Re: Drilling Pit Application Russ 1 SW/4 Sec.20-08S-17W Rooks County, Kansas

Dear James P. Williams:

District staff has inspected the 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. If a plastic liner is to be used it must have a minimum thickness of 12 mil. Integrity of the liner must be maintained at all times.

# 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 free fluids in the reserve pit should be removed as soon as practical after drilling operations have ceased. The fluids should be taken to an authorized disposal well. Please call the District Office at (785) 625-0550 when the fluids have been removed. Please file form CDP-5 (August 2008), Exploration and Production Waste Transfer, through KOLAR within 30 days of fluid removal.

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