For KCC Use:

E	ffe	ctive	Date

District	#	

Yes No SGA?

Form

# 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

1312300

NOTICE	<b>OF INT</b>	ENT .	to dr	ILL
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Must be approved by KCC five (5) days prior to commencing well

Expected Spud Date:	Spot Description:		
month     day     year       OPERATOR:     License#			
Name:	feet from E / W Line of Section Is SECTION: Regular Irregular? (Note: Locate well on the Section Plat on reverse side) County: Lease Name: Well #:		
Phone: CONTRACTOR: License# Name:	Field Name:		
Well Drilled For:       Well Class:       Type Equipment:         Oil       Enh Rec       Infield       Mud Rotary         Gas       Storage       Pool Ext.       Air Rotary         Disposal       Wildcat       Cable         Seismic ;       # of Holes       Other	Nearest Lease or unit boundary line (in footage):		
If OWWO: old well information as follows:     Operator:	Surface Pipe by Alternate: I II Length of Surface Pipe Planned to be set: Length of Conductor Pipe (if any):		
Well Name:	Projected Total Depth: Formation at Total Depth: Water Source for Drilling Operations:		
Directional, Deviated or Horizontal wellbore?	Well Farm Pond Other:		
KCC DKT #:	(Note: Apply for Permit with DWR ) Will Cores be taken? Yes No 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:



For KCC Use ONLY

API # 15 -\_

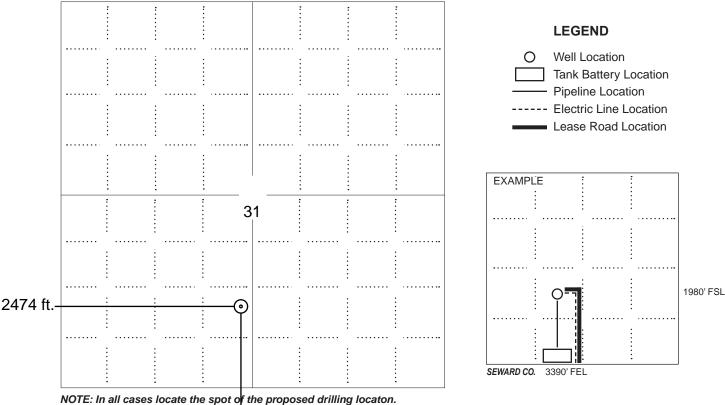
## IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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:	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.



### 1114 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

1312300

## **APPLICATION FOR SURFACE PIT**

Submit in Dunlicate

Operator Name:			License Number:	
Operator Address:				
Contact Person:			Phone Number:	
Lease Name & Well No.:			Pit Location (QQQQ):	
Type of Pit:         Emergency Pit       Burn Pit         Settling Pit       Drilling Pit         Workover Pit       Haul-Off Pit         (If WP Supply API No. or Year Drilled)	Pit is: Proposed If Existing, date con Pit capacity:	Existing		
		(bbls)		County
Is the pit located in a Sensitive Ground Water A	Area? Yes	No	Chloride concentration: (For Emergency Pits and Settling Pits only)	mg/l
Is the bottom below ground level?	Artificial Liner?	No	How is the pit lined if a plastic liner is not used?	
Pit dimensions (all but working pits):	Length (fee	et)	Width (feet)N/A: Steel F	Pits
Depth fro	om ground level to dee	epest point:	(feet) No Pit	
Distance to nearest water well within one-mile of pit:     Depth to shallowest fresh water feet. Source of information:				
feet Depth of water well	feet	Drilling Works		N/R
Emergency, Settling and Burn Pits ONLY: Producing Formation:		Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover:		
Number of producing wells on lease:		Number of working pits to be utilized:		
5			king bits to be utilized:	
Barrels of fluid produced daily:				
Barrels of fluid produced daily: Does the slope from the tank battery allow all s flow into the pit? Yes No		Abandonment p	be closed within 365 days of spud date.	
Does the slope from the tank battery allow all s		Abandonment p  Drill pits must b	procedure:	
Does the slope from the tank battery allow all s flow into the pit? Yes No	spilled fluids to	Abandonment p  Drill pits must b	brocedure:	

Kansas Corpora Oil & Gas Conse CERTIFICATION OF CO KANSAS SURFACE OWN	RVATION DIVISION       January 2014         Form Must Be Typed       Form must be Signed         All blanks must be Filled       Form must be Filled
This form must be submitted with all Forms C-1 (Notice of I T-1 (Request for Change of Operator Transfer of Injection or Any such form submitted without an accorr Select the corresponding form being filed: C-1 (Intent) CB-1 (Ca	Surface Pit Permit); and CP-1 (Well Plugging Application). Appanying Form KSONA-1 will be returned.
OPERATOR:       License #	Well Location:
Surface Owner Information:         Name:         Address 1:         Address 2:         City:	When filing a Form T-1 involving multiple surface owners, attach an additional sheet listing all of the information to the left for each surface owner. Surface owner information can be found in the records of the register of deeds for the county, and in the real estate property tax records of the county treasurer.

If this form is being submitted with a Form C-1 (Intent) or CB-1 (Cathodic Protection Borehole Intent), you must supply the surface owners and the KCC with a plat showing the predicted locations of lease roads, tank batteries, pipelines, and electrical lines. The locations shown on the plat are preliminary non-binding estimates. The locations may be entered on the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted.

### Select one of the following:

- I certify that, pursuant to the Kansas Surface Owner Notice Act (House Bill 2032), I have provided the following to the surface owner(s) of the land upon which the subject well is or will be located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form CP-1 that I am filing in connection with this form; 2) if the form being filed is a Form C-1 or Form CB-1, the plat(s) required by this form; and 3) my operator name, address, phone number, fax, and email address.
- I have not provided this information to the surface owner(s). I acknowledge that, because I have not provided this information, the KCC will be required to send this information to the surface owner(s). To mitigate the additional cost of the KCC performing this task, I acknowledge that I must provide the name and address of the surface owner by filling out the top section of this form and that I am being charged a \$30.00 handling fee, payable to the KCC, which is enclosed with this form.

If choosing the second option, submit payment of the \$30.00 handling fee with this form. If the fee is not received with this form, the KSONA-1 form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-1 will be returned.

## Submitted Electronically

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STATE OF KANSAS } ss. DOC. # <u>736</u> WICHITA COUNTY This Instrument was filed for record on <u>14</u> day of <u>Sept</u> A.D. 20 <u>15</u> At <u>115</u> o'clock <u>P</u> M, and duty recorded in book <u>51</u> on page <u>89</u> Fee \$ <u>20.0000</u> Comprise <u>UNSON</u> Fee \$ <u>20.0000</u> Comprise <u>UNSON</u> Fee Soloute <u>Comprise UNSON</u> By <u>Hordhett</u> commenter Deputy

INDEXED V OF DEED DIRECT V INDIRECT NUMERICAL KANSAS 5

When Recorded, Return To: HOP ENERGIES, LLC P. O. Box 47911 Wichita, KS 67201

## OIL AND GAS LEASE

AGREEMENT, made and entered into this <u>28<sup>th</sup></u> day of <u>August</u>, 2015, by and between <u>Bonnie L. Kysar and</u> <u>Kenneth D. Kysar, wife and husband</u> whose mailing address is <u>801 Thorpe Street</u>, <u>Lakin</u>, <u>KS 67860</u>, hereinafter called lessor (whether one or more), and <u>HOP Energies</u>, <u>LLC</u>, <u>PO Box 47911</u>, <u>Wichita</u>, <u>KS 67201</u>, hereinafter called lessee.

1. Lessor, in consideration of Ten Dollars and more (\$ 10.00 & more) 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 by geophysical and other means, prospecting, drilling, underground 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 temporary 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 <u>Wichita</u>, State of <u>Kansas</u> described as follows, to wit:

#### Township 20 South, Range 35 West Section 31: SW/4

- In Section <u>XX</u>, Township <u>XX</u>, Range <u>XX</u> and containing <u>160.00</u> Acres, more or less, and all accretions thereto. 2. Subject to the provisions herein contained, this lease shall remain in force for a term <u>Three (3)</u> years from this date (called "primary term"), and as long as thereafter as oil, liquid hydrocarbons or gas or other respective constituent products, or any form of them is produced from said land or land with which said land is pooled.
- 3. In consideration of these premises lessee covenants and agrees:
  - a. To deliver to the credit of lessor, free of cost, in the pipeline to which lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.
  - b. To pay lessor for gas of whatsoever nature or kind produced and sold or used off the premises, or used in the manufacture of any products therefrom, one-eighth (1/8), at the market price at the well, (but, as to gas sold by lessee, in no event more than one-eighth (1/8) of the proceeds received by lessee from such sales), for the gas sold, used off the premises, or in the manufacture of products therefrom, said payments to be made monthly. Where gas from a well producing gas only is not sold or used, lessee may pay or tender as royalty One Dollar (\$1.00) per year per net mineral acre retained hereunder, and if such payment or tender is made it will be considered that gas is being produced within the meaning of the preceding paragraph.
- 4. 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.
- 5. 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 to 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 the leased premises for lessee's
  operations thereon, except water from wells of lessor.
- 7. When requested by the lessor, lessee shall bury lessee's pipelines below plow depth.
- 8. No well shall be drilled nearer than 200 feet to a house or barn now on said premises without the written consent of the lessor.
- 9. Lessee shall pay for all damages caused by lessee's operations to growing crops on said land.
- 10. 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.
- 11. 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 its heirs executors, administrators, successors or assigns, but no change in the ownership of the lands or assignment of rentals or royalties shall be binding on lessee until after the lessee has been furnished with a written transfer or assignment or a true copy thereof. In case lessee assigns

## PHOTOCOPIED

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.

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- 12. 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.
- 13. 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.
- 14. 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 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 leases is made, as recited herein.
- 15. 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 leases is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit shall be treated, for all purposes except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on the pooled acreage, it shall be treated as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the 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.
- 16. Lessee, or its assigns, will consult with Lessor regarding routes of ingress and egress prior to commencing operations.
- 17. Lessee, or its assigns, will restore surface to original condition as nearly as is practicable upon completion of operations, including backfilling all pits when dried and restoring terraces disturbed by operations.
- 18. In the event some or all of the lands covered by this lease are enrolled in the Conservation Reserve Program (CRP) of the U.S. Department of Agriculture, Lessee shall comply with the rules and notification procedures of that program insofar as the same may apply to operations of Lessee on the enrolled lands, Lessee shall compensate Lessor for CRP penalties or CRP withdrawal reimbursements resulting directly from Lessee's operations hereunder.
- 19. If at the end of the primary term, this lease is not otherwise continued in force under the provisions hereof, this lease shall expire, unless Lessee on or before the end of the primary term shall pay or tender to Lessor, the sum of <u>\$20.00</u> multiplied by the number of net mineral acres owned by Lessor in the land above described and then subject to this lease; and subject to the other provisions of this lease, this lease shall thereby be modified and the primary term shall be extended for an additional term of <u>two (2)</u> year(s) from the end of the primary term hereof. Said payment may be made by check or draft of Lessee or any assignee thereof, mailed or delivered direct to Lessor at the address first provided above, on or before the end of the primary term.

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

Bonnie L. Kysar

ennett DKippa

STATE of Kansas Kearny COUNTY of

) ) ss: .

Acknowledgment for Individual (KS, OK, CO)

Before me, the undersigned, a Notary Public, within and for said County and State, on <u>28th</u> day of <u>August, 2015</u>, personally appeared <u>Bonnie L. Kysar and Kenneth L. Kysar, wife and husband</u>, to me personally known to be the identical person(s) who executed the within foregoing instrument and acknowledged to me that <u>they</u> executed the same as <u>their</u> free and voluntary act(s) and deed(s) for the uses and purposes therein set forth.

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

My commission expires

NOTARY PUBLIC - State of Kansas TRENTON R. HENDERSON My Appt. Expires 10/5/2018

Frenton R. Henderson, Notary Public

63 U (Rev. 1993, ATH 10/2011)

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STATE OF KANSAS } ss. **DOC.** # <u>134</u> WICHITA COUNTY This Instrument was filed for record on <u>445</u> day of <u>Sept. A.D.</u> 2015 At <u>1:05</u> o'clock <u>P. M. and duty</u> recorded in book <u>51</u> on page <u>4-5</u> Fee \$ 20.0001. Compiled Jilloon REGISTER OF DEEDS By <u>Hen Hert Ceimpuller</u> Deeps DIRECT <u>NUMERICALY</u> (KANSAS)

When Recorded, Return To: HOP ENERGIES, LLC P. O. Box 47911 Wichita, KS 67201

## OIL AND GAS LEASE

AGREEMENT, made and entered into this <u>28<sup>th</sup></u> day of <u>August</u>, 2015, by and between <u>Kenneth D. Kysar and</u> <u>Bonnie L. Kysar, husband and wife</u> whose mailing address is <u>801 Thorpe Street</u>, <u>Lakin</u>, <u>KS 67860</u>, hereinafter called lessor (whether one or more), and <u>HOP Energies</u>, <u>LLC</u>, <u>PO Box 47911</u>, <u>Wichita</u>, <u>KS 67201</u>, hereinafter called lessee.

1. Lessor, in consideration of Ten Dollars and more (\$ 10.00 & more) 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 by geophysical and other means, prospecting, drilling, underground 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 temporary 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 Wichita, State of Kansas described as follows, to wit:

#### Township 20 South, Range 35 West Section 31: SE/4

- In Section XX, Township XX, Range XX and 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 Three (3) years from this date (called "primary term"), and as long as thereafter as oil, liquid hydrocarbons or gas or other respective constituent products, or any form of them is produced from said land or land with which said land is pooled.
- 3. In consideration of these premises lessee covenants and agrees:
  - a. To deliver to the credit of lessor, free of cost, in the pipeline to which lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.
  - b. To pay lessor for gas of whatsoever nature or kind produced and sold or used off the premises, or used in the manufacture of any products therefrom, one-eighth (1/8), at the market price at the well, (but, as to gas sold by lessee, in no event more than one-eighth (1/8) of the proceeds received by lessee from such sales), for the gas sold, used off the premises, or in the manufacture of products therefrom, said payments to be made monthly. Where gas from a well producing gas only is not sold or used, lessee may pay or tender as royalty One Dollar (\$1.00) per year per net mineral acre retained hereunder, and if such payment or tender is made it will be considered that gas is being produced within the meaning of the preceding paragraph.
- 4. 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.
- 5. 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 to 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 the leased premises for lessee's
  operations thereon, except water from wells of lessor.
- 7. When requested by the lessor, lessee shall bury lessee's pipelines below plow depth.
- No well shall be drilled nearer than 200 feet to a house or barn now on said premises without the written consent of the lessor.
- 9. Lessee shall pay for all 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.
- 11. 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 its heirs executors, administrators, successors or assigns, but no change in the ownership of the lands or assignment of rentals or royalties shall be binding on lessee until after the lessee has been furnished with a written transfer or assignment or a true copy thereof. In case lessee assigns

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63 U (Rev. 1993, ATH 10/2011)

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.

- 12. 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.
- 13. 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.
- 14. 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 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 leases is made, as recited herein.
- 15. 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 leases is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit shall be treated, for all purposes except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on the pooled acreage, it shall be treated as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere herein 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.
- 16. Lessee, or its assigns, will consult with Lessor regarding routes of ingress and egress prior to commencing operations.
- 17. Lessee, or its assigns, will restore surface to original condition as nearly as is practicable upon completion of operations, including backfilling all pits when dried and restoring terraces disturbed by operations.
- 18. In the event some or all of the lands covered by this lease are enrolled in the Conservation Reserve Program (CRP) of the U.S. Department of Agriculture, Lessee shall comply with the rules and notification procedures of that program insofar as the same may apply to operations of Lessee on the enrolled lands, Lessee shall compensate Lessor for CRP penalties or CRP withdrawal reimbursements resulting directly from Lessee's operations hereunder.
- 19. If at the end of the primary term, this lease is not otherwise continued in force under the provisions hereof, this lease shall expire, unless Lessee on or before the end of the primary term shall pay or tender to Lessor, the sum of <u>\$20.00</u> multiplied by the number of net mineral acres owned by Lessor in the land above described and then subject to this lease; and subject to the other provisions of this lease, this lease shall thereby be modified and the primary term shall be extended for an additional term of <u>two (2)</u> year(s) from the end of the primary term hereof. Said payment may be made by check or draft of Lessee or any assignee thereof, mailed or delivered direct to Lessor at the address first provided above, on or before the end of the primary term.
- IN WITNESS WHEREOF, the undersigned execute this instrument as of the day and year first written above.

Kansas

Kearny

Borinie L. Kysar Bonnie L. Kysar

STATE of .

Acknowledgment for Individual (KS, OK, CO)

Before me, the undersigned, a Notary Public, within and for said County and State, on <u>28th</u> day of <u>August, 2015</u>, personally appeared <u>Kenneth D. Kysar and Bonnie L. Kysar, husband and wife</u>, to me personally known to be the identical person(s) who executed the within foregoing instrument and acknowledged to me that <u>they</u> executed the same as <u>their</u> free and voluntary act(s) and deed(s) for the uses and purposes therein set forth. IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above

SS:

written.

Pooling

My commission expires

NOTARY PUBLIC - State of Kansas TRENTON R. HENDERSON My Appt. Expires 10/5/2017

Frenton R. Henderson, Notary Public

63 U (Rev. 1993, ATH 10/2011)

