



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

KANSAS CORPORATION COMMISSION 1322149
OIL & GAS CONSERVATION DIVISION

Form C-1
 March 2010

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

NOTICE OF INTENT TO DRILL

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: _____
 month day year

OPERATOR: License# _____
 Name: _____
 Address 1: _____
 Address 2: _____
 City: _____ State: _____ Zip: _____ + _____
 Contact Person: _____
 Phone: _____

CONTRACTOR: License# _____
 Name: _____

Well Drilled For:	Well Class:	Type Equipment:
<input type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input type="checkbox"/> Infield
<input type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input type="checkbox"/> Mud Rotary
<input type="checkbox"/> Seismic ; _____ # of Holes	<input type="checkbox"/> Disposal	<input type="checkbox"/> Pool Ext.
<input type="checkbox"/> Other: _____	<input type="checkbox"/> Wildcat	<input type="checkbox"/> Air Rotary
	<input type="checkbox"/> Other	<input type="checkbox"/> Cable
<input type="checkbox"/> If OWWO: old well information as follows:		

Operator: _____
 Well Name: _____
 Original Completion Date: _____ Original Total Depth: _____

Directional, Deviated or Horizontal wellbore? Yes No
 If Yes, true vertical depth: _____
 Bottom Hole Location: _____
 KCC DKT #: _____

Spot Description: _____
 _____ - _____ - _____ Sec. _____ Twp. _____ S. R. _____ E W
 (Q/Q/Q/Q) _____ feet from N / S Line of Section
 _____ 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 #: _____

Field Name: _____
 Is this a Prorated / Spaced Field? Yes No

Target Formation(s): _____
 Nearest Lease or unit boundary line (in footage): _____

Ground Surface Elevation: _____ feet MSL
 Water well within one-quarter mile: Yes No

Public water supply well within one mile: Yes No
 Depth to bottom of fresh water: _____

Depth to bottom of usable water: _____
 Surface Pipe by Alternate: I II

Length of Surface Pipe Planned to be set: _____
 Length of Conductor Pipe (if any): _____

Projected Total Depth: _____
 Formation at Total Depth: _____

Water Source for Drilling Operations:
 Well Farm Pond Other: _____

DWR Permit #: _____
 (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 Electronically

<p>For KCC Use ONLY</p> <p>API # 15 - _____</p> <p>Conductor pipe required _____ feet</p> <p>Minimum surface pipe required _____ feet per ALT. <input type="checkbox"/> I <input type="checkbox"/> II</p> <p>Approved by: _____</p> <p>This authorization expires: _____ (This authorization void if drilling not started within 12 months of approval date.)</p> <p>Spud date: _____ Agent: _____</p>

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.

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

E
 W

For KCC Use ONLY

API # 15 - _____

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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

Operator: _____

Lease: _____

Well Number: _____

Field: _____

Number of Acres attributable to well: _____

QTR/QTR/QTR of acreage: _____ - _____ - _____ - _____

Location of Well: County: _____

_____ feet from N / S Line of Section

_____ feet from E / W Line of Section

Sec. _____ Twp. _____ S. R. _____ E W

Is Section: Regular or Irregular

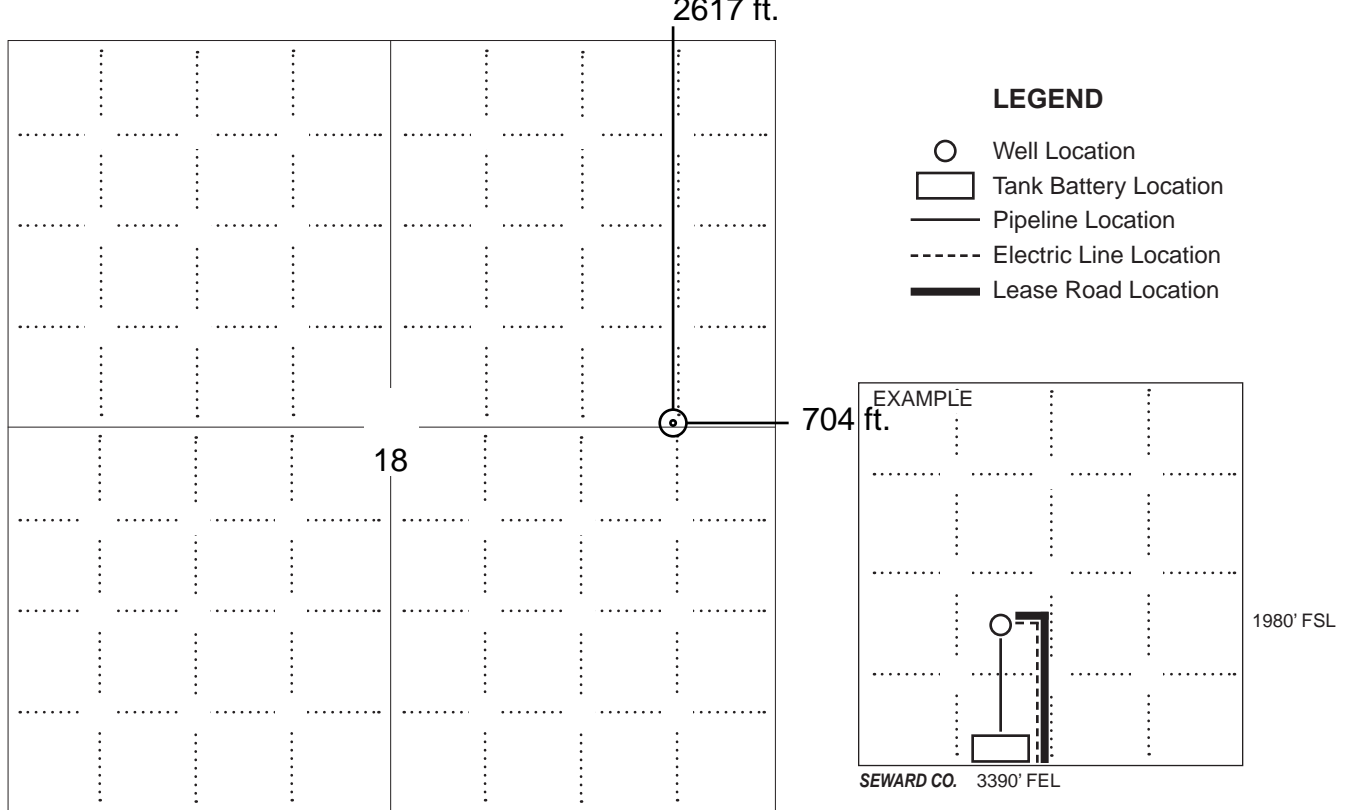
If Section is Irregular, locate well from nearest corner boundary.

Section corner used: NE NW SE SW

PLAT

Show location of the well. Show footage to the nearest lease or unit boundary line. Show the predicted locations of lease roads, tank batteries, pipelines and electrical lines, as required by the Kansas Surface Owner Notice Act (House Bill 2032).

You may attach a separate plat if desired.



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

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.



APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name: _____		License Number: _____	
Operator Address: _____			
Contact Person: _____		Phone Number: _____	
Lease Name & Well No.: _____		Pit Location (QQQQ): _____-_____-_____-_____	
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input type="checkbox"/> Drilling Pit <input type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit <i>(If WP Supply API No. or Year Drilled)</i>		Pit is: <input type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: _____ (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input type="checkbox"/> No		Chloride concentration: _____ mg/l <i>(For Emergency Pits and Settling Pits only)</i>	
Is the bottom below ground level? <input type="checkbox"/> Yes <input type="checkbox"/> No		Artificial Liner? <input type="checkbox"/> Yes <input type="checkbox"/> No	
How is the pit lined if a plastic liner is not used? _____			
Pit dimensions (all but working pits): _____ Length (feet) _____ Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: _____ (feet) <input type="checkbox"/> No Pit			
If the pit is lined give a brief description of the liner material, thickness and installation procedure.		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring.	
Distance to nearest water well within one-mile of pit: _____ feet Depth of water well _____ feet		Depth to shallowest fresh water _____ feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input type="checkbox"/> KDWR	
Emergency, Settling and Burn Pits ONLY: Producing Formation: _____ Number of producing wells on lease: _____ Barrels of fluid produced daily: _____ Does the slope from the tank battery allow all spilled fluids to flow into the pit? <input type="checkbox"/> Yes <input type="checkbox"/> No		Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: _____ Number of working pits to be utilized: _____ Abandonment procedure: _____ Drill pits must be closed within 365 days of spud date.	
Submitted Electronically			

KCC OFFICE USE ONLY			
		<input type="checkbox"/> Liner <input type="checkbox"/> Steel Pit <input type="checkbox"/> RFAC <input type="checkbox"/> RFAS	
Date Received: _____		Permit Number: _____	
		Permit Date: _____ Lease Inspection: <input type="checkbox"/> Yes <input type="checkbox"/> No	



CERTIFICATION OF COMPLIANCE WITH THE KANSAS SURFACE OWNER NOTIFICATION ACT

This form must be submitted with all Forms C-1 (Notice of Intent to Drill); CB-1 (Cathodic Protection Borehole Intent); T-1 (Request for Change of Operator Transfer of Injection or Surface Pit Permit); and CP-1 (Well Plugging Application). Any such form submitted without an accompanying Form KSONA-1 will be returned.

Select the corresponding form being filed: C-1 (Intent) CB-1 (Cathodic Protection Borehole Intent) T-1 (Transfer) CP-1 (Plugging Application)

OPERATOR: License # _____
Name: _____
Address 1: _____
Address 2: _____
City: _____ State: _____ Zip: _____ + _____
Contact Person: _____
Phone: (_____) _____ Fax: (_____) _____
Email Address: _____

Well Location:
____ - ____ - ____ - ____ Sec. ____ Twp. ____ S. R. ____ East West
County: _____
Lease Name: _____ Well #: _____

If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:

Surface Owner Information:

Name: _____
Address 1: _____
Address 2: _____
City: _____ State: _____ Zip: _____ + _____

When filing a Form T-1 involving multiple surface owners, attach an additional sheet listing all of the information to the left for each surface owner. Surface owner information can be found in the records of the register of deeds for the county, and in the real estate property tax records of the county treasurer.

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

Select one of the following:

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

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

I Submitted Electronically

I



REGISTER OF DEEDS
 MORNING BARTON COUNTY, KS
 Book: 618 Page: 7481
 Receipt #: 129968 Total Fees: \$28.00
 Pages Recorded: 3
 Date Recorded: 3/12/2015 3:31:55 PM

FORM 88 - (PRODUCERS SPECIAL)
 (PAID-UP)
 63U (Rev. 2004 CRD)



OIL & GAS LEASE

THIS AGREEMENT, made and entered into the 3rd day of FEBRUARY, 2015

by and between: **Norbert J. Schneider and Terry L. Schneider, his wife**
502 W. 15th Street
Hoisington, Kansas 67541 hereinafter called Lessor (whether one or more)

and: **SHELBY RESOURCES, 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, 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 an reversionary rights and after-acquired interest, therein situated in County of **BARTON**, State of Kansas described as follows, to-wit:

Township 18-South, Range 14-West
Section 18: The East 60 acres of the SE¼ (E60aSE¼)

Index
 Numerical
 Cross
 DC Book
 Plat Book
 Military Book
 Art of Inc Book
 Scanned

containing 60 acres, more or less.

Subject to the provisions herein contained, this lease shall remain in force for a term of **Two (2) years** from the date above first written, (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:

- 1st To deliver to the credit of Lessor, free of cost the equal one eighth (1/8th) part of all oil produced and saved from the leased premises.
- 2nd To pay Lessor for gas of whatsoever nature or kind produced and sold, or used off the premises, or used in the manufacture of any products therefrom, one-eighth (1/8th), at the market price at the well, (but, as to gas sold by Lessee, in no event more than one-eighth (1/8th) 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.

This is a Paid-Up lease and may be maintained during the Two Year primary term described herein, without further payments 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 pipelines below plow depth.

No well shall be drilled nearer than 300 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.

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 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.

Lessee 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 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 the Lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises, such pooling to be of tract contiguous to one another and to be in 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, 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 acreage, as if it were included in this lease. If production is realized from the pooled acreage, it shall be treated as if production is from this lease, whether the or well are located on the premises covered by this lease or not. In lieu of royalties elsewhere herein specified, Lessor shall receive from production, royalties from acreage so pooled, in only such portion of the royalty stipulated herein as to the amount of Lessor's acreage placed in such unit as this acreage bears to the total acreage so pooled in the particular unit involved.

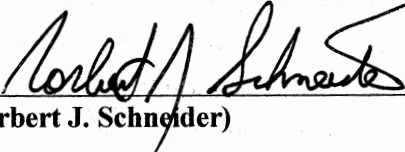
In the event this lease is extended beyond the primary term, or any extension thereof, solely by production from a well in a unit which comprises a portion of the lands covered herein and with other lands, Lessee agrees to release all lands described on this lease that are not included in any such unit,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

It is further agreed by and between Lessor and Lessee, that in the event a unit well producing oil in commercial quantities is drill under the provisions of this lease, then in that event, Lessee and Lessor agree the oil unit established by Lessee shall be by pooling said lands in a unit that is square in form around the well bore on the property covered by this lease and lands pooled therewith, unless otherwise agreed to with Lessor's written consent.

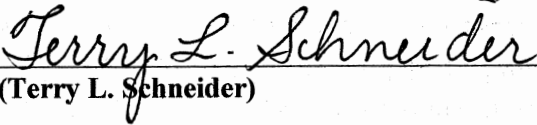
It is further agreed by and between Lessor and Lessee, that in the event a unit well producing gas in commercial quantities is drill under the provisions of this lease, then in that event, Lessee and Lessor agree that Lessee may establish a gas unit of One Hundred Sixty (160) acres. Said gas unit shall consist of no more than One Hundred Sixty (160) contiguous acres of the lands described herein, unless otherwise agreed to by the written consent of all Lessors. The 160 acre gas unit that may be formed hereunder, shall not be unitized or pooled with any other land if said gas well is not less than 330 feet from any boundary line of lands covered by this lease.

See Exhibit "A" attached hereto and made a part hereof.

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



(Norbert J. Schneider)



(Terry L. Schneider)

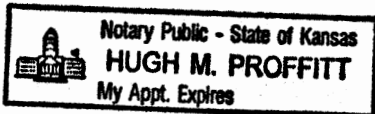
STATE OF KANSAS)
)
COUNTY OF BARTON)

§ ACKNOWLEDGMENT FOR INDIVIDUAL

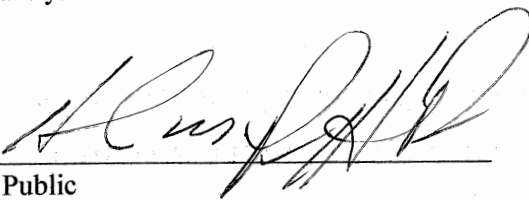
Before me, the undersigned, a Notary Public, on this 11th day of FEBRUARY, 2015,
personally appeared: **Norbert J. Schneider and Terry L. Schneider, his wife**

to me personally known to be the identical persons who executed the within and foregoing **Oil and Gas Lease** and acknowledged to me that they executed the same as a free and voluntary act and deed for the uses and purpose 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: June 28, 2016



Notary Public
Printed Name: Hugh M. Proffitt
Address: Wichita, Kansas
(City and State)

EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas lease dated FEBRUARY 3, 2015,
by and between *Norbert J. Schneider and Terry L. Schneider, his wife* as LESSOR and
SHELBY RESOURCES, LLC, Lakewood, Colorado as LESSEE.

Covering lands in Barton County, Kansas, to-wit:

Township 18-South, Range 14-West
Section 18: The East 60 acres of the SE¼ (E60aSE¼)

NOTIFICATION BY LESSEE (All operations/activities conducted under rights granted or provided for in this lease. Lessee agrees to contact Lessor prior to entry upon described lands for the purpose of conducting drilling, seismic or other exploration operations. In the event Lessee or his agents desire to conduct any type or kind of seismic operations, Lessee will first obtain written permission, in the form of a "seismic permit", from Lessor prior to the conduct of such seismic operations. *No seismic activity will be conducted within 300 feet of any water well located on the leased premises without the written consent of the Lessor.* Lessee will consult with Lessor and/or Lessor's tenant with regards to acceptable routes of ingress/egress to and from lands covered by this lease. Lessor agrees not to un-reasonably restrict or withhold access to described lands for the intended purpose(s) of this lease agreement.

PIPELINES & UTILITY LINES DEPTH

Lessee shall bury and maintain pipelines and utility lines to a depth of not less than thirty-six (36) inches below the surface and so laid so as not to interfere with farming or ranching operations.


RESTORATION OF SURFACE


Lessee shall restore the surface of the lands described herein to its original contour and condition as nearly as is practicable upon completion of exploration, seismic, drilling, re-working or other operations conducted by Lessee. Further, such surface restoration shall include the rebuilding of any terrace damaged by Lessee, Lessee's assigns or agents. Top soil will be kept apart from other soil disturbed by drilling operations. When the well has been completed, the top soil will be returned to the surface of the well site. In the event there is no production in paying quantities found by any operations undertaken by Lessee during the primary term of the lease and there is an abandonment of said lease, Lessee shall fill all pits, ponds, remove all structures and reasonably restore the premises to the condition existing at the time the lease is executed. Within 6 months after the expiration of the lease by its terms, Lessee shall have the obligation to restore, as nearly as practicable, the leased premises to the same condition as received; natural wear and tear and damages by the elements excepted.

DRILL SITE AND CROP DAMAGES

It is understood and agreed that the Lessee agrees to pay for damage to property, growing crops, livestock, fences or other personal property caused by the drilling of any well or placing of any pipes, pipelines, pumps and tank batteries relating to such well, which may be placed on said property. Land damages, separate from property damage, will be paid to the surface owner at the start of drilling operations and shall be \$2,000.00. This amount will cover one well site of not more than three acres and road totaling not over one acre. Any land damages or use in excess of such four acres shall be paid for separately immediately after completion of drilling operations.

Lessors Initials:


(NJS)


(TLS)

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

OIL & GAS LEASE

THIS AGREEMENT, made and entered into the 3rd day of FEBRUARY, 2015
by and between: **SCHNEIDER FAMILY FARM LLC – a Kansas Ltd Liability Company**
502 West 15th Street
Hoisington, Kansas 67541 hereinafter called Lessor (whether one or more)
and: **LAND SERVICE COMPANY – 3454 N. Sandplum Ct. – Wichita, Kansas 67205-2553** 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, 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 an reversionary rights and after-acquired interest, therein situated in County of **BARTON**, State of Kansas described as follows, to-wit:

Township 18-South, Range 14-West
Section 18: The NE $\frac{1}{4}$



Index _____
Numerical 11
Cross _____
DC Book _____
Plat Book _____
Military Book _____
Art of Inc Book _____
Scanned _____

containing 160 acres, more or less.

Subject to the provisions herein contained, this lease shall remain in force for a term of **Two (2) years** from the date above first written, (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:

- 1st To deliver to the credit of Lessor, free of cost the equal one eighth (1/8th) part of all oil produced and saved from the leased premises.
- 2nd To pay Lessor for gas of whatsoever nature or kind produced and sold, or used off the premises, or used in the manufacture of any products therefrom, one-eighth (1/8th), at the market price at the well, (but, as to gas sold by Lessee, in no event more than one-eighth (1/8th) 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.

This is a Paid-Up lease and may be maintained during the Two Year primary term described herein, without further payments 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.

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 pipelines below plow depth.

No well shall be drilled nearer than 300 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.

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 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.

Lessee 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 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 the Lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises, such pooling to be of tract contiguous to one another and to be in 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, 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 acreage, as if it were included in this lease. If production is realized from the pooled acreage, it shall be treated as if production is from this lease, whether the or well are located on the premises covered by this lease or not. In lieu of royalties elsewhere herein specified, Lessor shall receive from production, royalties from acreage so pooled, in only such portion of the royalty stipulated herein as to the amount of Lessor's acreage placed in such unit as this acreage bears to the total acreage so pooled in the particular unit involved.

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

It is further agreed by and between Lessor and Lessee, that in the event a unit well producing oil in commercial quantities is drill under the provisions of this lease, then in that event, Lessee and Lessor agree the oil unit established by Lessee shall be by pooling said lands in a unit that is square in form around the well bore on the property covered by this lease and lands pooled therewith, unless otherwise agreed to with Lessor's written consent.

It is further agreed by and between Lessor and Lessee, that in the event a unit well producing gas in commercial quantities is drill under the provisions of this lease, then in that event, Lessee and Lessor agree that Lessee may establish a gas unit of One Hundred Sixty (160) acres. Said gas unit shall consist of no more than One Hundred Sixty (160) contiguous acres of the lands described herein, unless otherwise agreed to by the written consent of all Lessors. The 160 acre gas unit that may be formed hereunder, shall not be unitized or pooled with any other land if said gas well is not less than 330 feet from any boundary line of lands covered by this lease.

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

SCHNEIDER FAMILY FARM LLC

A Kansas LTD Liability Company

By: *Norbert Joseph Schneider*
(Norbert Joseph Schneider – Registered Agent)

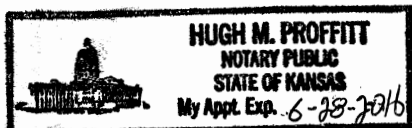
STATE OF KANSAS)
)
COUNTY OF BARTON)

§ ACKNOWLEDGMENT FOR INDIVIDUAL

Before me, the undersigned, a Notary Public, on this 5TH day of FEBRUARY, 2015,
personally appeared: **Norbert Joseph Schneider, also known as Norbert Schneider, Registered Agent for
SCHNEIDER FAMILY FARM LLC – a Kansas LTD Liability Company**

to me personally known to be the identical person who executed the within and foregoing **Oil and Gas Lease** and acknowledged to me that he executed the same as a free and voluntary act and deed for the uses and purpose 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: _____

Hugh M. Proffitt
Notary Public
Printed Name: Hugh M. Proffitt
Address: Wichita, Kansas
(City and State)

EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas lease dated FEBRUARY 3, 2015,

by and between *SCHNEIDER FAMILY FARM LLC* as LESSOR and

LAND SERVICE COMPANY, Wichita, Kansas as LESSEE.

Covering lands in Barton County, Kansas, to-wit:

Township 18-South, Range 14-West
Section 18: The NE¼

NOTIFICATION BY LESSEE (All operations/activities conducted under rights granted or provided for in this lease. Lessee agrees to contact Lessor prior to entry upon described lands for the purpose of conducting drilling, seismic or other exploration operations. In the event Lessee or his agents desire to conduct any type or kind of seismic operations, Lessee will first obtain written permission, in the form of a "seismic permit", from Lessor prior to the conduct of such seismic operations. *No seismic activity will be conducted within 300 feet of any water well located on the leased premises without the written consent of the Lessor.* Lessee will consult with Lessor and/or Lessor's tenant with regards to acceptable routes of ingress/egress to and from lands covered by this lease. Lessor agrees not to un-reasonably restrict or withhold access to described lands for the intended purpose(s) of this lease agreement.

PIPELINES & UTILITY LINES DEPTH

Lessee shall bury and maintain pipelines and utility lines to a depth of not less than thirty-six (36) inches below the surface and so laid so as not to interfere with farming or ranching operations.

RESTORATION OF SURFACE

Lessee shall restore the surface of the lands described herein to its original contour and condition as nearly as is practicable upon completion of exploration, seismic, drilling, re-working or other operations conducted by Lessee. Further, such surface restoration shall include the rebuilding of any terrace damaged by Lessee, Lessee's assigns or agents. Top soil will be kept apart from other soil disturbed by drilling operations. When the well has been completed, the top soil will be returned to the surface of the well site. In the event there is no production in paying quantities found by any operations undertaken by Lessee during the primary term of the lease and there is an abandonment of said lease, Lessee shall fill all pits, ponds, remove all structures and reasonably restore the premises to the condition existing at the time the lease is executed. Within 6 months after the expiration of the lease by its terms, Lessee shall have the obligation to restore, as nearly as practicable, the leased premises to the same condition as received; natural wear and tear and damages by the elements excepted.

DRILL SITE AND CROP DAMAGES


It is understood and agreed that the Lessee agrees to pay for damage to property caused by the drilling of any well or placing of any pipes, pipelines, pumps and tank batteries relating to such well which shall be placed on said property. Damages shall be paid to the surface owner at the start of drilling operations and shall be \$2,000.00, which will cover one well site of not more than three acres and road totaling not over one acre. Any land damages or use in excess of such four acres shall be paid for separately immediately after completion of drilling operations.

Norbert Joseph Schneider
Registered Agent


(NJS)

Index SD
 Numerical MB
 Cross MB
 DC Book _____
 Plat Book _____
 Military Book _____
 Art of Inc Book _____
 Scanned MB

REGISTER OF DEEDS PAM WORNKEY
 BARTON COUNTY, KS
Book: 619 Page: 4593
 Receipt #: 137142 Total Fees: \$15.00
 Pages Recorded: 1
Date Recorded: 8/11/2016 10:47:48 AM



REGISTER OF DEEDS
SEAL
BARTON COUNTY, KANSAS

Reserved for Use By Register of Deeds/Recorder

RATIFICATION OF OIL AND GAS LEASE

KNOW ALL MEN BY THESE PRESENTS:

THAT, WHEREAS, Heretofore under date of the "August 15, 2015" a certain oil and lease was made, executed, and delivered by **Schneider Family Farms, LLC, a Kansas Limited Liability Company**, as Lessor and to **LAND SERVICE COMPANY, Wichita, Kansas**, as Lessee, covering the following-described lands in **Barton County, State of Kansas**, to-wit:

Township 18-South, Range 14-West
Section 18: The NE 1/4

said lease being recorded in Book 618 Page 7479 of the records in the office of the Register of Deeds in and for said County, referenced to said lease and to the record thereof being hereby made for all purposes.

WHEREIN a scrivener's error incorrectly identified *Norbert Joseph Schneider, the Managing Member of the Schneider Family Farms, LLC (Schneider) as the Registered Agent*, and it is the desire of all parties named herein to correct this error and verify that *Norbert Joseph Schneider as Managing Member* is authorized to execute, among other instruments, the above described oil and gas lease.

NOW THEREFORE, the undersigned, for himself and Schneider Family Farms, LLC, does hereby ratify, adopt and confirm the hereinabove-described oil and gas lease in all of its terms and provisions and do hereby lease, demise and let said land and premises unto the said Lessee hereinabove-named, his assigns and successors in interest.

I hereby agree and declare that said oil and gas lease in all of its terms and provisions is binding and is a valid and subsisting oil and gas lease and that this instrument shall be binding upon the respective heirs, executors, administrators, successors or assigns of the undersigned.

EXECUTED This 15th day of JULY, 2016

SCHNEIDER FAMILY FARMS, LLC

By: Norbert J. Schneider
 (Norbert Joseph Schneider - Managing Member)

STATE OF KANSAS)
)
 COUNTY OF BARTON)

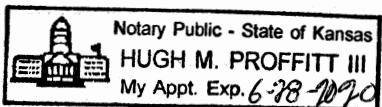
§ ACKNOWLEDGMENT FOR INDIVIDUAL

Before me, in and for said County and State, on this 15th day of JULY, 2016,

personally appeared: **Norbert Joseph Schneider, Managing Member of SCHNEIDER FAMILY FARMS, LLC, a Kansas Limited Liability Company**

to me personally known to be the identical person who executed the within and foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed 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 written above.



Notary Public - State of Kansas
HUGH M. PROFFITT III
 My Appt. Exp. 6-28-2020

Reserved for Notary Stamp

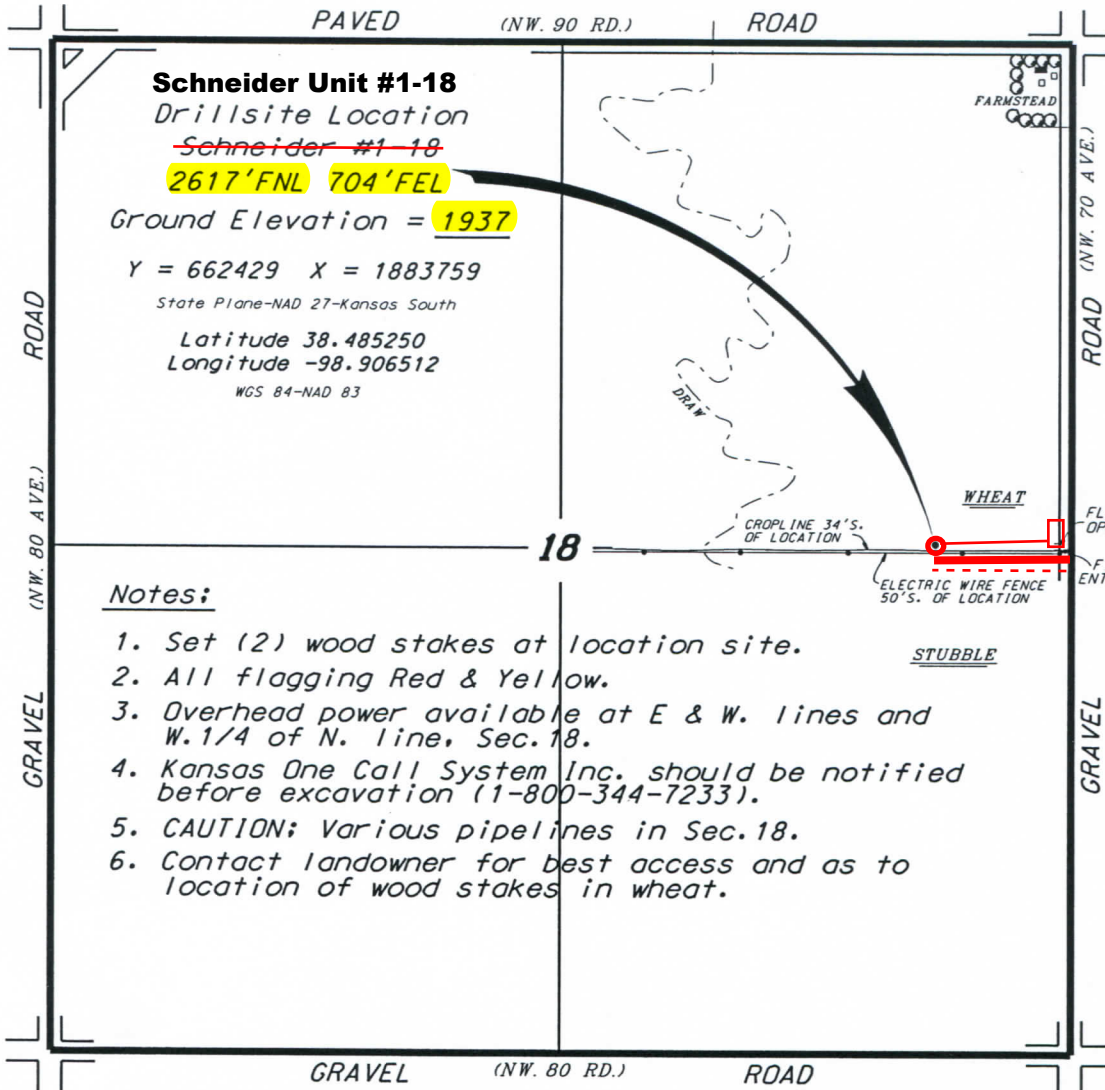
Hugh M. Proffitt III
 Notary Public
Hugh M. Proffitt III
 Printed Name
WICHITA, KANSAS
 Address (CITY & STATE)

My Appointment Expires: JUNE 28, 2020

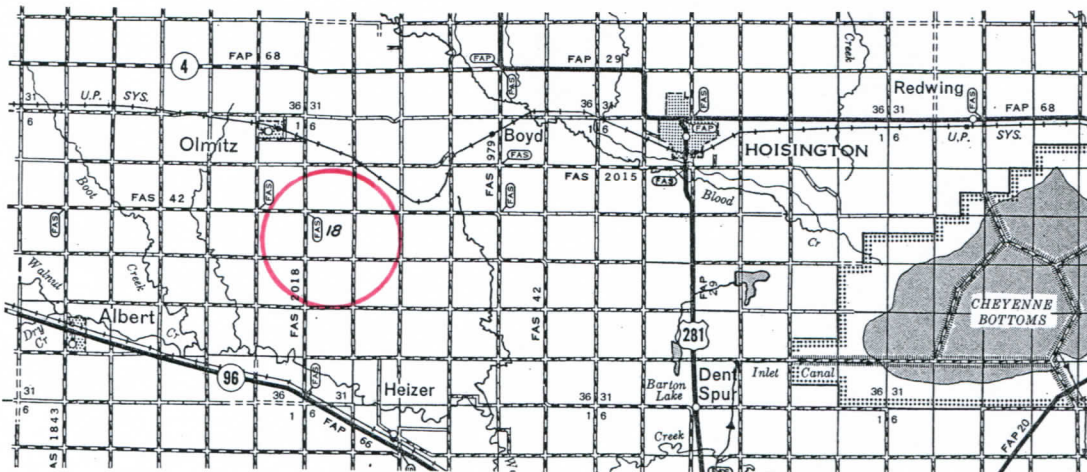
SHELBY RESOURCES, LLC

SCHNEIDER LEASE

NE. 1/4, SECTION 18, T18S, R14W
BARTON COUNTY, KANSAS



*Ingress and egress to location as shown on this plot is per usage only and may not be legally opened for public use. Contact landowner, tenant and county road department for access.



* Controlling data is based upon the best maps and photographs available to us and upon a regular section of land containing 640 acres.
* Approximate section lines were determined using the normal standard of care of oilfield surveyors practicing in the state of Kansas. The section corners, which establish the precise section lines, were not necessarily located, and the exact location of the drillsite location in the section is not guaranteed. Therefore, the operator securing this service and accepting this plot and all other parties relying thereon agree to hold Central Kansas Oilfield Services, Inc., its officers and employees harmless from all losses, costs and expenses and said entities released from any liability from incidental or consequential damages.
* Elevations derived from National Geodetic Vertical Datum.

November 8, 2016

Date

FORM 88 - (PRODUCERS SPECIAL)
(PAID-UP)
63U (Rev 2004 CRI)

OIL & GAS LEASE

THIS AGREEMENT, made and entered into the 3rd day of FEBRUARY, 2015
by and between **SCHNEIDER FAMILY FARM LLC - a Kansas Ltd Liability Company**
502 West 15th Street
Hoisington, Kansas 67541 hereinafter called Lessor (whether one or more)
and **LAND SERVICE COMPANY - 3454 N Sandplum Ct. - Wichita, Kansas 67205-2553** 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, 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 an reversionary rights and after-acquired interest, therein situated in County of BARTON, State of Kansas described as follows, to-wit

Township 18-South, Range 14-West
Section 18: The West 100 acres of the SE 1/4

containing 100 acres, more or less

Index _____
Numerical N
Cross _____
DC Book _____
Plat Book _____
Military Book _____
Art of Inc Book _____
Scanned _____

Subject to the provisions herein contained, this lease shall remain in force for a term of **Two (2) years** from the date above first written, (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

- 1st To deliver to the credit of Lessor, free of cost the equal one eighth (1/8th) part of all oil produced and saved from the leased premises
- 2nd To pay Lessor for gas of whatsoever nature or kind produced and sold, or used off the premises, or used in the manufacture of any products therefrom, one-eighth (1/8th), at the market price at the well, (but, as to gas sold by Lessee, in no event more than one-eighth (1/8th) 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

This is a Paid-Up lease and may be maintained during the Two Year primary term described herein, without further payments 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

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 pipelines below plow depth

No well shall be drilled nearer than 300 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

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 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

Lessee 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 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 the Lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises, such pooling to be of tract contiguous to one another and to be in 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, 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 acreage, as if it were included in this lease If production is realized from the pooled acreage, it shall be treated as if production is from this lease, whether the or well are located on the premises covered by this lease or not In lieu of royalties elsewhere herein specified, Lessor shall receive from production, royalties from acreage so pooled, in only such portion of the royalty stipulated herein as to the amount of Lessor's acreage placed in such unit as this acreage bears to the total acreage so pooled in the particular unit involved

In the event this lease is extended beyond the primary term, or any extension thereof, solely by production from a well in a unit which comprises a portion of the lands covered herein and with other lands, Lessee agrees to release all lands described on this lease that are not included in any such unit, one (1) year subsequent to the end of the primary term or extension thereof, if any

It is further agreed by and between Lessor and Lessee, that in the event a unit well producing oil in commercial quantities is drill under the provisions of this lease, then in that event, Lessee and Lessor agree the oil unit established by Lessee shall be by pooling said lands in a unit that is square in form around the well bore on the property covered by this lease and lands pooled therewith, unless otherwise agreed to with Lessor's written consent

It is further agreed by and between Lessor and Lessee, that in the event a unit well producing gas in commercial quantities is drill under the provisions of this lease, then in that event, Lessee and Lessor agree that Lessee may establish a gas unit of One Hundred Sixty (160) acres Said gas unit shall consist of no more than One Hundred Sixty (160) contiguous acres of the lands described herein, unless otherwise agreed to by the written consent of all Lessors The 160 acre gas unit that may be formed hereunder, shall not be unitized or pooled with any other land if said gas well is not less than 330 feet from any boundary line of lands covered by this lease

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

SCHNEIDER FAMILY FARM LLC
A Kansas LTD Liability Company

By Norbert Joseph Schneider
(Norbert Joseph Schneider - Registered Agent)

STATE OF KANSAS
COUNTY OF BARTON

§ ACKNOWLEDGMENT FOR INDIVIDUAL

Before me, the undersigned, a Notary Public, on this 5th day of FEBRUARY, 2015,
personally appeared **Norbert Joseph Schneider, also known Norbert Schneider, Registered Agent for SCHNEIDER FAMILY FARM, LLC - a Kansas LTD Liability Company**

to me personally known to be the identical person who executed the within and foregoing *Oil and Gas Lease* and acknowledged to me that he executed the same as a free and voluntary act and deed for the uses and purpose 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 _____

Hugh M. Proffitt
Notary Public
Printed Name Hugh M. Proffitt
Address Wichita, Kansas
(City and State)

EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas lease dated FEBRUARY 3, 2015,
by and between *SCHNEIDER FAMILY FARM LLC* as LESSOR and
LAND SERVICE COMPANY, Wichita, Kansas as LESSEE.

Covering lands in Barton County, Kansas, to-wit:

Township 18-South, Range 14-West
Section 18: The West 100 acres of the SE $\frac{1}{4}$

NOTIFICATION BY LESSEE (All operations/activities conducted under rights granted or provided for in this lease. Lessee agrees to contact Lessor prior to entry upon described lands for the purpose of conducting drilling, seismic or other exploration operations. In the event Lessee or his agents desire to conduct any type or kind of seismic operations, Lessee will first obtain written permission, in the form of a "seismic permit", from Lessor prior to the conduct of such seismic operations. *No seismic activity will be conducted within 300 feet of any water well located on the leased premises without the written consent of the Lessor.* Lessee will consult with Lessor and/or Lessor's tenant with regards to acceptable routes of ingress/egress to and from lands covered by this lease. Lessor agrees not to un-reasonably restrict or withhold access to described lands for the intended purpose(s) of this lease agreement.

PIPELINES & UTILITY LINES DEPTH

Lessee shall bury and maintain pipelines and utility lines to a depth of not less than thirty-six (36) inches below the surface and so laid so as not to interfere with farming or ranching operations.

RESTORATION OF SURFACE

Lessee shall restore the surface of the lands described herein to its original contour and condition as nearly as is practicable upon completion of exploration, seismic, drilling, re-working or other operations conducted by Lessee. Further, such surface restoration shall include the rebuilding of any terrace damaged by Lessee, Lessee's assigns or agents. Top soil will be kept apart from other soil disturbed by drilling operations. When the well has been completed, the top soil will be returned to the surface of the well site. In the event there is no production in paying quantities found by any operations undertaken by Lessee during the primary term of the lease and there is an abandonment of said lease, Lessee shall fill all pits, ponds, remove all structures and reasonably restore the premises to the condition existing at the time the lease is executed. Within 6 months after the expiration of the lease by its terms, Lessee shall have the obligation to restore, as nearly as practicable, the leased premises to the same condition as received, natural wear and tear and damages by the elements excepted.

DRILL SITE AND CROP DAMAGES

It is understood and agreed that the Lessee agrees to pay for damage to property caused by the drilling of any well or placing of any pipes, pipelines, pumps and tank batteries relating to such well which shall be placed on said property. Damages shall be paid to the surface owner at the start of drilling operations and shall be \$2,000.00, which will cover one well site of not more than three acres and road totaling not over one acre. Any land damages or use in excess of such four acres shall be paid for separately immediately after completion of drilling operations.

Norbert Joseph Schneider
Registered Agent


(NJS)