For KCC Use:

| E | ffeo | ctive | Date: |
|---|------|-------|-------|
| | | | |

| District | # | |
|----------|---|--|

| SGA? | Yes | No |
|------|-----|----|
| | | |

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

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

Form C-1

1324758

NOTICE OF INTENT TO DRILL

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

| Form KSONA-1, Certification of Com | pliance with | the Kansas | Surface Owner No | otification Act, MUST | be submitted with this form |
|------------------------------------|--------------|------------|------------------|-----------------------|-----------------------------|

| Expected Spud Date: | Spot Description: |
|-----------------------------------------------------------------|---------------------------------------------------------|
| month day year | (<u>a/a/a/a)</u> Sec Twp S. R E W |
| OPERATOR: License# | feet from N / S Line of Section |
| Name: | feet from L E / W Line of Section |
| Address 1: | Is SECTION: Regular Irregular? |
| Address 2: | (Note: Locate well on the Section Plat on reverse side) |
| City: State: Zip: + | County: |
| Contact Person: | Lease Name: Well #: |
| Phone: | Field Name: |
| CONTRACTOR: License# | Is this a Prorated / Spaced Field? |
| Name: | Target Formation(s): |
| Well Drilled For: Well Class: Type Equipment: | Nearest Lease or unit boundary line (in footage): |
| | Ground Surface Elevation:feet MSL |
| Oil Enh Rec Infield Mud Rotary Gas Storage Pool Ext. Air Rotary | Water well within one-quarter mile: |
| Disposal Wildcat Cable | Public water supply well within one mile: |
| Seismic ; # of Holes Other | Depth to bottom of fresh water: |
| Other: | Depth to bottom of usable water: |
| | Surface Pipe by Alternate: |
| If OWWO: old well information as follows: | Length of Surface Pipe Planned to be set: |
| Operator: | Length of Conductor Pipe (if any): |
| Well Name: | Projected Total Depth: |
| Original Completion Date: Original Total Depth: | Formation at Total Depth: |
| | Water Source for Drilling Operations: |
| Directional, Deviated or Horizontal wellbore? | Well Farm Pond Other: |
| If Yes, true vertical depth: | DWR Permit #: |
| Bottom Hole Location: | (Note: Apply for Permit with DWR) |
| KCC DKT #: | Will Cores be taken? |
| | If Yes, proposed zone: |

AFFIDAVIT

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

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

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

| Submitted E | Electronically |
|-------------|----------------|
|-------------|----------------|

| 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 - ____

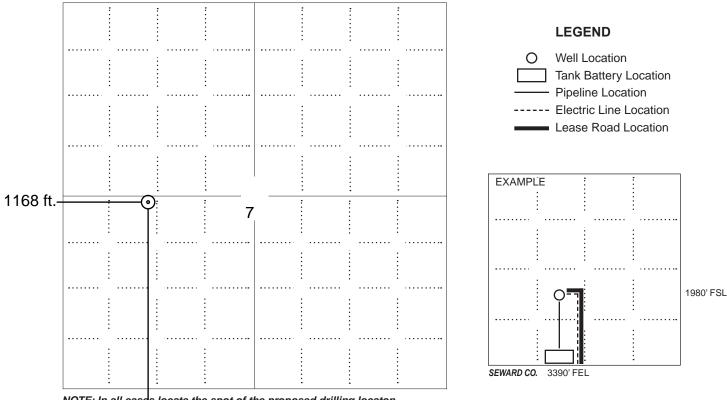
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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: 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.

2552 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 1324758

Form CDP-1 May 2010 Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

| Operator Name: | | bmit in Duplicat | 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 | SecTwpR East West | |
| Settling Pit Drilling Pit | If Existing, date co | nstructed: | Feet from North / South Line of Section | |
| Workover Pit Haul-Off Pit (<i>If WP Supply API No. or Year Drilled</i>) | Pit capacity: | (bbls) | Feet from East / West Line of Section | |
| | | ~ / | | |
| Is the pit located in a Sensitive Ground Water A | vrea? | No | Chloride concentration: mg/l (For Emergency Pits and Settling Pits only) | |
| Is the bottom below ground level? | Artificial Liner? | ٩o | 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 Pits | |
| Depth fro | om ground level to dee | epest point: | (feet) No Pit | |
| Distance to nearest water well within one-mile of mater well | | Depth to shallor Source of inforr | west fresh water feet. nation: well owner electric log KDWR | |
| Emergency, Settling and Burn Pits ONLY: | | Drilling, Worko | over 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 D | | Drill pits must be closed within 365 days of spud date. | | |
| Submitted Electronically | | | | |
| | KCC | OFFICE USE OI | NLY | |
| | | | | |

| 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 T-1 (Request for Change of Operator Transfer of Injection of Any such form submitted without an acconsistent the corresponding form being filed: | Surface Pit Permit); and CP-1 (Well Plugging Application). npanying Form KSONA-1 will be returned. |
| OPERATOR: License # | Well Location: |
| Surface Owner Information: Name: Address 1: Address 2: City: State: | 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.

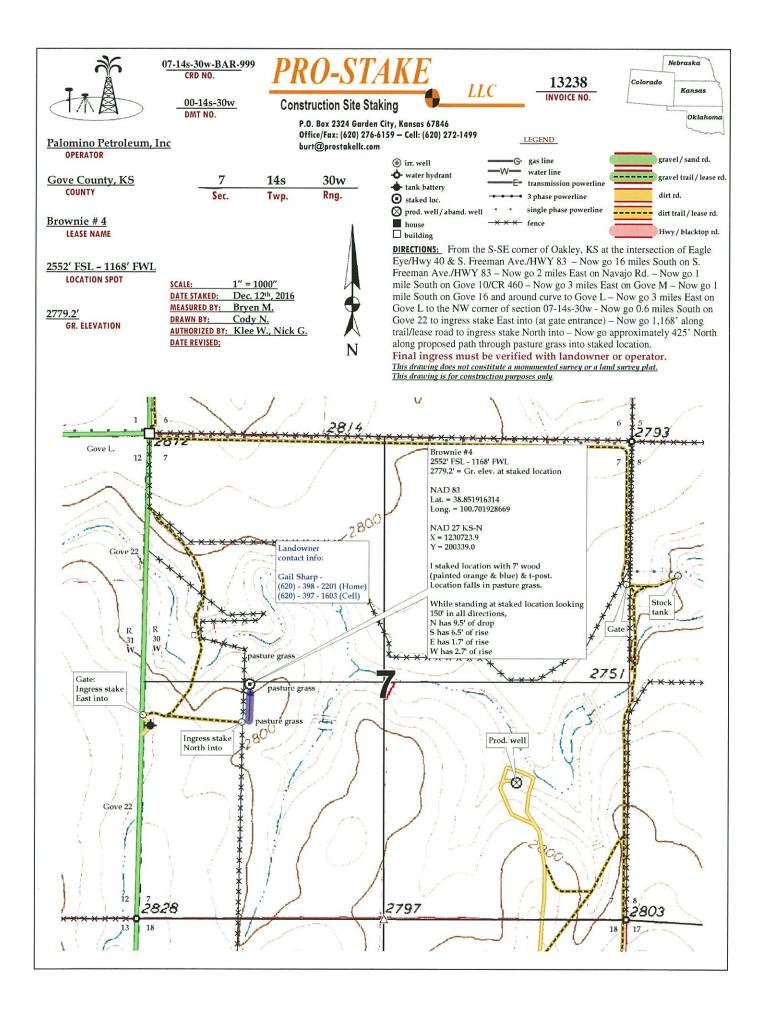
Select one of the following:

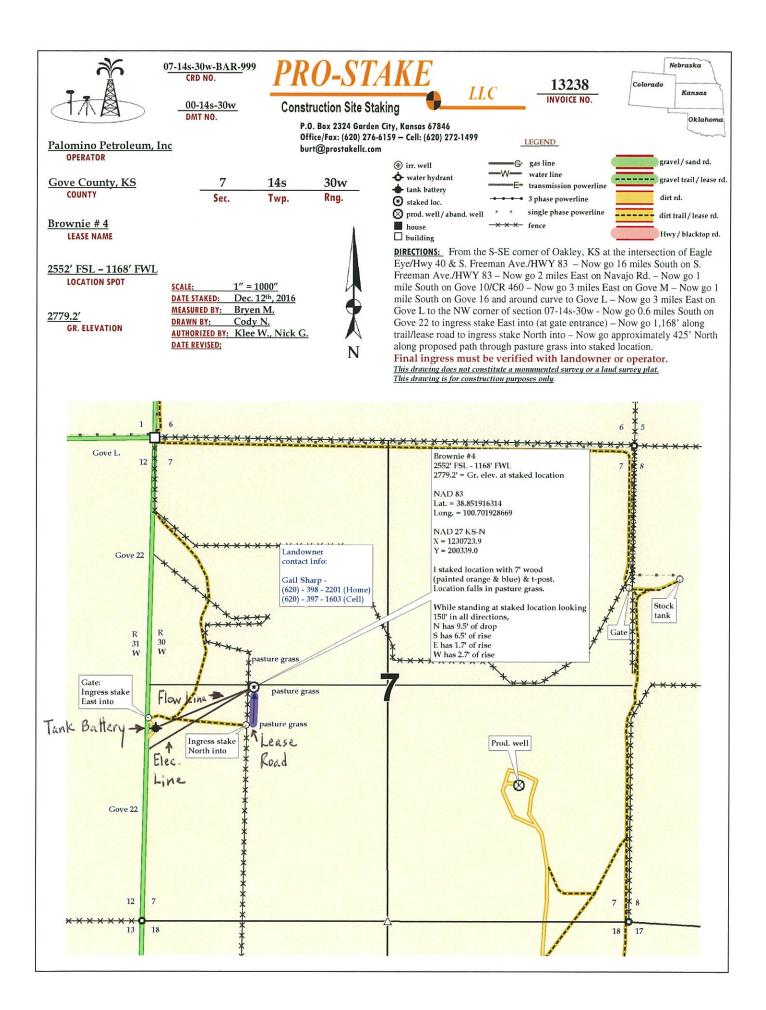
- I certify that, pursuant to the Kansas Surface Owner Notice Act (House Bill 2032), I have provided the following to the surface owner(s) of the land upon which the subject well is or will be located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form CP-1 that I am filing in connection with this 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

I





AGREEMENT, Made and entered into the _____5TH___ day of _____ JANUARY 19 98

GAIL E. SHARP AND MILDRED J. SHARP, HUSBAND AND WIFE by and between

whose multing address is _____ 3009. N. COTTONWOOD HEALY, KANSAS 67850 _hereinafter called Lessor (whether one or more), and RHEEM RESOURCES, INC.

100 SOUTH MAIN, SUITE 505 WICHITA, KANSAS 67202-3738 hereinafter colled Lessee:

Lessar, in consideration of ______ ONE AND OTHER (+/-)-----Dallars (\$1.00(+/-)----) in hand paid, receipt of which is here acknowledged and of the rayadies herein provided and of the agreements of the lessee herein contained, hereby grants, lease and lets exclusively unto lessee for the purpose of investigating, exploring by geophysical and other meana, prospecting drilling, mining and operating for and producing oil, liquid hydrocarbons, all guees, and their respective constituent products, injecting gas, water, other fluids, and atir into subsurface strata, laying pipe Incas, storing oil, building tanks, new restations, telephone lines, and other structures and things theronto produce, save, take care of, treat, manufacture, process, store and transport said oil, liquid hydroenroons, gases and their respective constituent produces and other produces manufactured therefrom, and housing and othervise caring for its employees, the following described land, together with any reversionary rights and after acquired interest, therein situated in County of_____ GOVE _Sinte of ____ KANSAS _ described as follows to wit:

AS SHOWN ON SCHEDULE "A" ATTACHED HERETO AND MADE APART HEREOF

In Section , Township_ Range , and containing acres, more or less, and all accretions thereto.

Subject to the provisions herein contained, this lease shall remain in force for a term of _______ (2) years from this date (called "primary form", and as long thereafter as oil, liquid hydrocarbone, gas or other respective constituent products, or any of them, is produced from said land or hund with which unid land is pooled. In consideration of the premises the sold lessee covenants and agrees:

1st. To deliver to the credit of lesser overlatits and perces: 1st. To deliver to the credit of lesser, free of cost, in the pipe line to which lessee may connect wells on said land, the equal one-eighth (1/8) part of all all produced and saved from the leased promises.

part of all on produced and saved from the leasen promises. 2nd. To pay lessor for gas of whatsoover 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, suid payments to be made monthly. Where gas from a well producing gas only is not sold or used, lessee muy pay or tender as rayalty One Dollar (\$1.00) per year per net mineral monthly. Where gas from a well producing gas only is not sold or used, lessee muy pay or tender as rayalty One Dollar (\$1.00) per year per net mineral are relained bereander, and if such payment or tender is made it will be considered that gas is being produced within the meaning of the preceding រពពរម្មរហង់.

This lease may be minimizined during the primary term hereof without further payment or drilling operations. If the lesses shall commence to drill a welt within the term of this lease or any extension thereof, the lesses shall have the right to drill such well to completion with reasonable diligence and diapatch, and if oil ar gos, 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 then the entire and undivided for simple estate therein, then the revolties herein provided for shall be paid the said lessor only in the proportion which lessor's interest bears to the whole and undivided for.

Lussee shall have the right to use, free of cost, gas, oil and water produced on sold 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 hu house or burn now on snid premises without written consent of lessor. Lessee shall pay for damages caused by lessee's operations to growing crops on said land.

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

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 shull be binding on the lessee until after the less has been furnished with a written transfer or assignment or a true copy thereof. In case lessee assigns this lense, in whole or in part. Lessee shall be relieved of all obligations with respect to the assignment or a true copy thereon. In case subsequent to the dute of assignment.

Lessee may at any time execute and deliver to lessar or place of record a release or releases covaring any partien or partiens of the allove described premises and thereby in surrender this lease as to such portion or portions and bo relieved of all obligations as to the acronge 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 lease hell halle in damages, for follure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Luw, Order, Rule or Regulation,

Lessar hereby warrants and agrees to defend the title to the lands herein described, and agrees that the lessee shall have the right at any the to redeen for lessor, by payment any mortgoges, taxes or other liens on the above described lands, in the event of default of payment by lessor, and be asbrogated 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 lesse 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 lesse or any portion thereof with other level lesser in the immediate visibility thereast when he hower to pool or combine the acreage covered by this lesse or any portion thereof with

other lond, lense or lenses in the immediate vicinity thereof, when in lessed's judgment it is necessary or advisable to do so in order to properly develop and operate said lease promises as one to promote vicinity intriou, when in leases gaugaments it is necessary or auvisuate to up so in order to property develop and operate said lease promises as one to promote the conservation of oil, gas or other minerols in and under that may be produced from said premises, such pooling to be af tracts contiguous to one nactiver and to be into a unit or units not exceeding 160 neres each in the event of a gas well. Lease shall execute in writing and record in the conveyance records of the county in which the land herein lensed is situated an instrument identifying and describing the pooled acrenge. 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 lense. If production is found on the pooled accente, it shall be treated as if production is had from this lease, whether the well or wells be located on the promises covered by this lease or not. In lieu of the royalties cleawhere herein specified, lesser shall receive on production from one unit so pooled only such parties 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 porticular unit involved.

THIS LEASE IS SUBJECT TO A LETTER AGREEMENT DATED JANUARY 5, 1998 BETWEEN RHEEM RESOURCES, INC. AND GAIL AND MILDRED SHARP.

IN WITNESSWHERFOF, the undersigned execute this instrument as of the day and year first above whitten

Hea GAIL E. SHARP

thank 1 Jepd. MILDREI^h J. SHARP

127 623

| AGREEME | ENT, Made and entered into the | <u>5TH</u> day of | | JANUARY | , 19 <u>_98</u> |
|----------------------|--------------------------------|-------------------|------------|--------------------------|--------------------------|
| by and between | BRENDA SHARP O'BRIE | | | | |
| whose mailing addres | ss ia <u>P.O. BOX 4276 WO</u> | ODLAND PARE | . CO 80866 | hereinoRer called Lessor | : (whether one or more), |
| und F | HEEM RESOURCES. INC | }. | | | |

100 SOUTH MAIN, SUITE 505 WICHITA, KANSAS 67202-3738

hereinafter called Lessee:

Lessor, in consideration of ___ONE AND OTHER (+/-)-----Dollars (\$1.00(+/-)-----) 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 lasses for the purposes of investigating, exploring by geophysical and other means, prospection containty, takey gentes, takes init jets exclusively due liquid hydracarkons, all gases, and their respective constituent products, injecting gas, water, other fluids, and air into subsurface stratu, having pipe lines, storing oil, building trucks, power stutions, telephone lines, and other structures and things thereatt produce, save, take care of, treat, manufacture, process, store and transport said oil, liquid hydrocarbons, gases and their respective constituent products and other products manufactured therefrom, and housing and otherwise caring for its employees, the following described land, together with any reversionary rights and after acquired interest, therein situated in County of <u>GOVE</u> State of KANSAS described as follows to-wit:

AS SHOWN ON SCHEDULE "A" ATTACHED HERETO AND MADE A PART HEREOF

In Section . Township , Range , and containing neres, more or less, and all accretions therato.

Subject to the provisions berein contained, this lense shall remain in force for a term of _ 1WO (2) years from this date (called "primary term"), and as long thereafter as oil, liquid hydroearbons, gas or other respective constituent products, or any of them, is produced from said land or land with which said hand is pooled.

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

1st. 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) part of all oil produced and saved from the leased premises.

2nd. To pay lessor for gus of whotsoover nature or kind produced and sold, or used off the premises, or used in the manufacture of any products therefrom, one-oighth (1/8), at the murket price at the woll, that as to gas sold by lesses, in no event more than one-eighth (1/8) of the proceeds received by lesses from such sales), for the gas sold, used of 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 wold or used, lessee may pay or tender as royalty One Dollar (\$1,00) per year per net mineral acre relationed horeunder, 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 commones 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 eil or gas, or either of them, he found in paying quantities, this lease shall continue and he 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 foo simple estate therein, then the royalties

horein provided for shall be paid the said lessor only in the proportion which lussor's interest hears 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 operation thercon, except water from the wells of leasor.

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 ony for domages 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 cosing.

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 as change in the ownership of the hand ar assignment of rentals or royalties shall be binding on the lessee until after the less has been furnished with a written transfer or assignment or a true copy thereof. In case lessoe 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 allove

described premises and thereby in surrender this lease as to such portion or partions and be relieved of all obligations as to the acroage surrendered. All express or implied covenants of this lease shall be subject to all Pederal and State Laws, Executive Orders, Rules ar Regulations, and this lagan shall not be terminated, in whole or in part, nor lessee held liable in damages, for failure to comply therowith, if compliance is prevented by or if such failure is the result of, any such Law, Order, Role or Regulation.

Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the lesses 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, horeby 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 nereage covered by this lense or any portion thereof with other land, lease or leases in the immediate vicinity thereof, when in leasee's judgmont it is necessary or advisable to do so in order to properly develop and operate said leuse promises so as to promoto the conservation of oil, gas or other minerals in and under 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 160 acres each in the event of an oil well, or into a unit or units not exceeding 640 neres each in the event of a gas well. Lessee shall exceute in writing and record in the conveyance records of the county in which the land herein lensed is situated on instrument identifying and describing the pooled acroage. 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 lense. 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 specificil, lessor shall receive on production from one unit so peoled only such portion of the royalty stipulated herein as the amount of his scrosge placed in the unit or his royalty interest therein on an acreage basis beers to the total acrosses as pooled in the particular unit involved.

THIS LEASE IS SUBJECT TO A LETTER AGREEMENT DATED JANUARY 5, 1998 BETWEEN RHEEM RESOURCES, INC. AND GAIL AND MILDRED SHARP.

| IN WITHESS WHEREOF, the undersigned execute this ins | trument as of the day and year first above written. | | |
|------------------------------------------------------|-----------------------------------------------------|-----|---------------|
| Ande Sur O'bion | Momas A. By. | 127 | _2 0 0 |
| BRENDA SHARP O'BRIEN | THOMAS O'BRIEN | TAI | 0 & 0 |

| AGREEMENT, Made and entered into the5TH day of | JANUARY | . 19 98 . |
|------------------------------------------------------------|-----------------------|-----------------------------|
| by and between JERRY L. SHARP AND ANGELA K. SHARP, HUSBAN | ID AND WIFE | |
| whose mailing address is P.O. BOX 87_HEALY, KANSAS_67850 🗸 | hereinafter colled Le | ssor (whether one or more), |
| andRHEEM RESOURCES, INC. | · | |
| 100 SOUTH MAIN, SUITE 505 WICHITA, KANSAS 67 | 202-3738 h | ereinafter called Lessee: |

manufacture, process, store and transport said oil, liquid hydrocarbons, gases and their respective constituent products and other products manufactured therefrom, and housing and otherwise caring for its employees, the following described hand, together with any reversionary rights and after acquired interest, therein situated in County of _____ GOVE State of KANSAS ____ described as follows to wit;

AS SHOWN ON SCHEDULE "A" ATTACHED HERTO AND MADE A PART HEREOF

In Section , Range _, Township , and containing acres, more or less, and all accretions therato.

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

In consideration of the premises the said lessee covenants and agrees: Ist. 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) part of all oil produced and saved from the leased premises.

2nd. To my lessor for gas of whatsnever nature or kind produced and sold, or used off the premises, or used in the manufacture of any products therefrom, ane-eighth (1/8), at the market price at the well, (but as to gas sold by bessee, 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 minoral 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 managed. paragraph,

This lease may be maintained during the primary term hereof without further payment or drilling operations. If the tesses shall commence to drill a well within the term of this lease or any extension thereof, the lesses 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 for simple estate therein, then the royalties herein provided for shall be puid the said lesser only in the proportion which lessor's interest bears to the whole and undivided for.

Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for lessee's operation therean, except water from the wells of lessor.

When requested by lessor, lessee shall bury lessee's pipe lines below plaw depth.

No well shall be drilled nearer than 200 feet to the house or barn new on said premises without written consent of lessor. Lessee shall pay for damages caused by lessee's operations to grawing crops on said land.

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

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 hoirs, executors, administrators, successors or assigns, but no change in the swarship of the land or assignment of rentals or royalties shall be binding on the lossee until after the less has been furnished with a written transfer or assignment or a true copy thoreof. 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 aubsequent 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 in surrender this lense as to such portion or pertians and be relieved of all obligations as to the acreage surrendered. All express or implied covenants of this lense shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this

lense shall not be terminnted, in whole or in part, nor lesses held liable in damages, for failure to comply therewith, if compliance is prevented by, or if auch failure is the result of, any such Law, Order, Rule or Regulation. Lessor hereby warrants and agrees to defaul the tills to the lands herein described, and agrees that the lesses shall have the right at any

time to reduce for lessor, by payment my mortgages, taxes or other lieus on the above described lands, in the event of default of payment by lessor, and be autorgated to the rights of the holder thereof, and the undersigned lessors, for themselves and their heirs, successors and assigns, hureby surrender and release all right of dower and homestoad in the premises described herein, in so far as sold right of dower and homestead may in any way affect the purposes for which this leave is made, as recited herein.

Way infect the purposes for which this lease is many as recreat herein. Leases, 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 liberof, when in lease's judgment it is necessary or advisable to do so in order to properly develop and operate said lease promises so as to promote the conservation of oil, gas or other minerals in and under 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 160 acres each in the event of an oil well, or into a unit or units not exceeding 640 acres each in the ovent of a gas well. Lessee shall execute in writing and record in the conveyance records of the county in which the innul horein lensed is situated an instrument identifying and describing the pooled acresse. The entire acresses pooled into a tract or which the innul horein lensed is situated an instrument identifying and describing the pooled acresse. The entire acresses a pooled into a tract or unit shall be treated, for all purposes except the payment of regulation on production from the proded unit, as if it were included in this lense, if production is found on the proded normage, it shall be treated as if production is had from this lense, whether the well or wells be boented on the premises covered by this lense or not. In lieu of the royalties alsowhere herein specified, losser shall receive on production from one unit so pooled only such portion of the royalty stipulated hersin as the unsunt 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.

THIS LEASE IS SUBJECT TO A LETTER AGREEMENT DATED JANUARY 5, 1997 BETWEEN RHEEM RESOURCES, INC. AND GAIL AND MILDRED SHARP.

| IN WITNESS WHE | REOF, the undersigned e | xecute this instrument as of the |
|----------------|-------------------------|----------------------------------|
| x Denned. | Ahren-V | · x // |
| JERRY L. SHARP | \$ | ANVIE |

SWARP May 127 629

| AGREEMENT, Made and entered into the <u>5TH</u> day of <u>JANUARY</u> | , 19_98 |
|-----------------------------------------------------------------------|-------------------------------------|
| by and between DANIEL L. SHARP AND LAFONDA K. SHARP, HUSBAND AND WIF | E |
| whose mailing address is P.O. BOX 136 HEALY, KANSAS 67850 hereinnfler | called Lessor (whether one or more) |
| andRHEEM RESOURCES, INC. | _ |
| 100 SOUTH MAIN, SUITE 505 WICHITA, KANSAS 67202-3738 | hurstant a sulful Lusges |

Lessor, in consideration of ONE AND OTHER (+/-)-----Dollars (\$1.00"+/-)-----) in hand paid, receipt of which is here manufacture, process, store and transport said oil, liquid hydrocarbans, gases and their respective constituent products and other products manufactured therefrom, and housing and otherwise caring for its employees, the following described land, together with any reversionary rights and after acquired interest, therein situated in County of <u>GOVE</u> _State of ____KANSAS described as follows to-wit:

AS SHOWN ON SCHEDULE "A" ATTACHED HERETO AND MADE A PART HEREOF

In Section , Township Range , and containing acres, more or less, and all accretions thereto.

Subject to the pravisions herein contained, this lease shall remain in force for a term of ___ TWO (2) years from this date (enlied "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 and 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, in the pipe line to which lessee may connect wells on suid land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay lessor for gas of whatsaever 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, that as to gas sold by lesses, in no event more than one-eighth (1/8) of the proceeds required bina internation, one engine true, as the intervent intervent contraction of provided in the engine true of the processor in a very more time one engine true of the processor in a very more time one engine true of the processor in a very more time of products therefrom, and provide the number in a very more time of the provided in the monthly. Where gas from a well producing gas only is not sold or used, lesses may pay or tender as resplity One Dollar (\$1.00) pay year per net mineral monthly. nere retained hereunder, and if such payment or lender is made it will be considered that gas is being produced within the meaning of the preceding paragraph.

This lense 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 nny extension thereof, the lease 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 shaft be pind the said lessor only in the proportion which lessor's interest bears to the whole and undivided fee. Lesses shall have the right to use, free of cost, gas, oil and water produced on said land for lesse's operation thereon, except water from the

wells of lessor.

When requested by lessor, lessee shall bury lesseo's pipe lines below plow depth.

No well shall be drilled nearer than 200 feet to the house or barn new 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 promises, including the right to draw and remove casing.

If the estate of wither 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 nasigns, but no change in the ownership of the land or assignment of realals or royulties shall be binding on the lesses until after the less has been furnished with a written transfer or assignment or a true copy thereof. In case lessee assigns this lense, in whole or in part. Lessee shall he relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment.

Lessue may at any time execute and deliver to lessor or place of recard a release or releases covering any portion or portions of the above described premises and thereby in surrender this lense is to such portion or portions and by related of tollar, into a state of the surrender of this lense 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 lease 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 lussee shall have the right at any

time to reducem 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 subregated to the rights of the holder thereof, and the undersigned lessors, for themselves and their heirs, successors and assigns, hereby way affect the purposes for which this lense is made, as recited herein.

Lessee, at its option, is hereby given the right and nover 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 leases's judgment it is necessary or advisable to do so in order to properly develop and operate said lesse promises so as to promate the conservation of oil, gas or other minerals in and under that may be produced from said premises, and optimized to be of tracts configuous to one another and to be into a unit or units not exceeding 160 acres each in the event of an eil well, or into a unit or units not exceeding 640 acres each in the event of a gas well. Lesse shall usecute in writing and record in the event of act of the county in which the land herein leased is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a truct or unit shall be treated, for all purposes except the moment of rangelies on production from the pooled unit, as if it were included in this lense. If production is found on the pooled acronge, it shall be treated as if production is had from this leuse, whether the well or wells be located on the premises covered by this lense or not. In lieu of the royalties elsewhere herein specified, lessor shall receive on production from one unit so pooled only such portion of the royalty stipulated hervin as the amount of his acreage pluced in the unit or his royalty interest therein on an acreage basic beers to the total acroage so pooled in the particular unit involved.

THIS LEASE IS SUBJECT TO A LETTER AGREEMENT DATED JANUARY 5, 1998 BETWEEN RHEEM RESOURCES, INC. AND GAIL AND MILDRED SHARP.

| IN WITNESS WHIPREOF, the un | dersigned exec | ute this instrum | ent as of the day and year first above writte | n. |
|-----------------------------|----------------|------------------|-----------------------------------------------|--------|
| x WY Ma | n cual. | ~ ~ ~ | ent as of the day and year first above writte | Shar N |
| DANIEL L. SHARP | 127 | 632 | LAFONDA K. SHARP | |

| AGREEMENT, Made and entered into the 5TH day of | JANUARY | . 19 98 |
|--------------------------------------------------------|------------------------------------|------------------------------|
| by and between DAVID E, SHARP, A SINGLE PERSON | | |
| whose mailing address is 2010 46TH AVENUE UNIT D2 GREE | LEY, CO 80684 hereinnfler colled L | essor (whether one or more), |
| and | | |
| 190 SOUTH MAIN, SUITE 505 WICHITA, K/ | INSAS 67202-3738 | erginafter called Lessee: |

Lessor, in consideration of __ONE AND O'THER (+/-)-----Dallars (\$1.00(+/-)-----) 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 lesses for the purpose of investigating, exploring by geophysical and other means, prospecting drilling, mining and operating for and producing oil, liquid hydroenrhona, all gases, and their respective constituent products, injecting gas, water, other fluids, and air into subsurface strain, laying pipe lines, storing oil, building tanks, power stations, telephone lines, and other structures and things therento produce, save, take error of, treat, manufacture, process, store and transport and oil, liquid hydrocarbons, gases and their respective constituent products and other products manufactured therefrom, and heasing and otherwise caring for its employees, the following described land, together with any reversionary rights and after acquired interest, therein situated in County of ____ GOVE ___State of ____KANSAS ___ described as follows to wit:

AS SHOWN ON SCHEDULE "A" ATTACHED HERETO AND MADE A PART HEREOF

_, Townahip ____ , and containing _____ In Section ____ those neres, more or less, and all accrutions thereto.

Subject to the provisions herein contained, this lense shall remain in faces for a term of ______ (2) years from this date (called "primary term"), and as long thereafter as oil, liquid hydrocarbous, 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, in the pipe line to which lessee may connect wells on said land, the equal one eighth (1/8) part of all oil preduced and saved from the lessed premises.

and. To pay lessar 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 nurket price at the welf, that us to gas sold by lessee, in no event more than one-eighth (1/8) of the proceeds received by lessee from such such a lend, for the gas sold, used off the premises, or in the manufacture of products therefrom, and 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 nero retained hereander, 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 basece shall commence to drill a well within the term of this lease ar any extension thereof, the lessee shall have the right to drill such well to completion with reasonable diligence and dispatch, and if on or grad or either of them, he found in paying quantities, this lease shall continue and be in force with like offect as if such well had been completed within the term of years first mentioned. If said hesser 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 lesser only in the propertien which lesser's interest hears to the whole and undivided fee.

Lessue shall have the right to use, free of east, gas, oil and water produced on said land for lessee's operation thereon, except water from the wolls of leasor.

When requested by lessor, lessed shall hary 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 enused 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 ensing.

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 livirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment of rentuls or royaltics shall be blading on the lessee until after the less has been furnished with a written transfer or assignment or a true copy thereof. In case lease 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 lesson or place of recard a release or relanses covering any parties or parties of the above described premises and thereby in surrender this lense as to such portion or portions and he relieved of all obligations as to the aeronge surrendered.

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

Lesson hereby warrants and agrees to delend the title to the lands herein described, and agrees that the lessee shall have the right at any time to reducen for lessor, by payment any mortgages, taxes or other liens on the above described lunds, 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 surrander and release all right of dower and homestead in the premises described horein, in so far as said right of dower and homestead may in any

way infect the purposes for which this lense is mude, as recited herein. Lessee, at its option, is hereby given the right and power to pool or comhine the acrenge covered by this lense or any portion thereof with other land, lense or lenses 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 promises as as to promote the conservation of all, gas or other minerats in and under 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 160 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 shull exceute in writing and record in the conveyance records of the county in which the band herein leased is Altanted an instrument identifying and describing the pooled accarge. The entire accage as pooled into a tract or unit shall be (reated, for all purpose) except the payment of royalties on production from the pooled unit, as if it were included in this lense. 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 liou of the royalties elsewhere herein specified, lessor shall receive on production from one unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interfeat therein on an acreage basis bears to the total acreage so pealed in the particular unit involved.

THIS LEASE IS SUBJECT TO A LETTER AGREEMENT DATED JANUARY 5, 1997 BETWEEN RHEEM RESOURCES, INC. AND GAIL AND MILDRED SHARP.

| LA WITNESS WHEREOF In undersigned execute this instrum | ent as of the day ar | nd year first above written. | |
|--------------------------------------------------------|----------------------|------------------------------|-----|
| · · | v | [*] 27 | 635 |
| A strain treat some | A | | 000 |

SCHEDULE "A" Sharp Lease

The Southwest Quarter (SW/4) of Section 20, Township 14 South, Range 30 West, Gove County, Kansas

The Southeast Quarter (SE/4) of Section 19, Township 14 South, Range 30 West, Gove County, Kansas

The Northeast Quarter (NE/4) of Section 19, Township 14 South, Range 30 West, Gove County, Kansas

The North Half of the Northeast Quarter (N/2 NE/4) and the Southeast Quarter of the Northeast Quarter (SE/4 NE/4) of Section 18, Township 14 South, Range 30 West, Gove County, Kansas

The Southwest Quarter of the Northeast Quarter (SW/4 NE/4) and the Northwest Quarter (NW/4) of Section 18, Township 14 South, Range 30 West, Gove County, Kansas

The Southwest Quarter of the Southeast Quarter (SW/4 SE/4) of Section 18, Township 14 South, Range 30 West, Gove County, Kansas

All of Section 7, Township 14 South, Range 30, Gove County, Kansas

The Northwest Quarter (NW/4) of Section 8, Township 14 South, Range 30 West, Gove County, Kansas

Containing 1,640 acres, more or less