

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

KANSAS CORPORATION COMMISSION 1348216  
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"/> Pool Ext.
	<input type="checkbox"/> Disposal	<input type="checkbox"/> Wildcat
<input type="checkbox"/> Seismic ; _____ # of Holes	<input type="checkbox"/> Other	<input type="checkbox"/> Mud Rotary
<input type="checkbox"/> Other: _____		<input type="checkbox"/> Air Rotary
		<input type="checkbox"/> Cable

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><b>For KCC Use ONLY</b></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><b>This authorization expires:</b> _____ (This authorization void if drilling not started within 12 months of approval date.)</p> <p>Spud date: _____ Agent: _____</p>
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**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/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

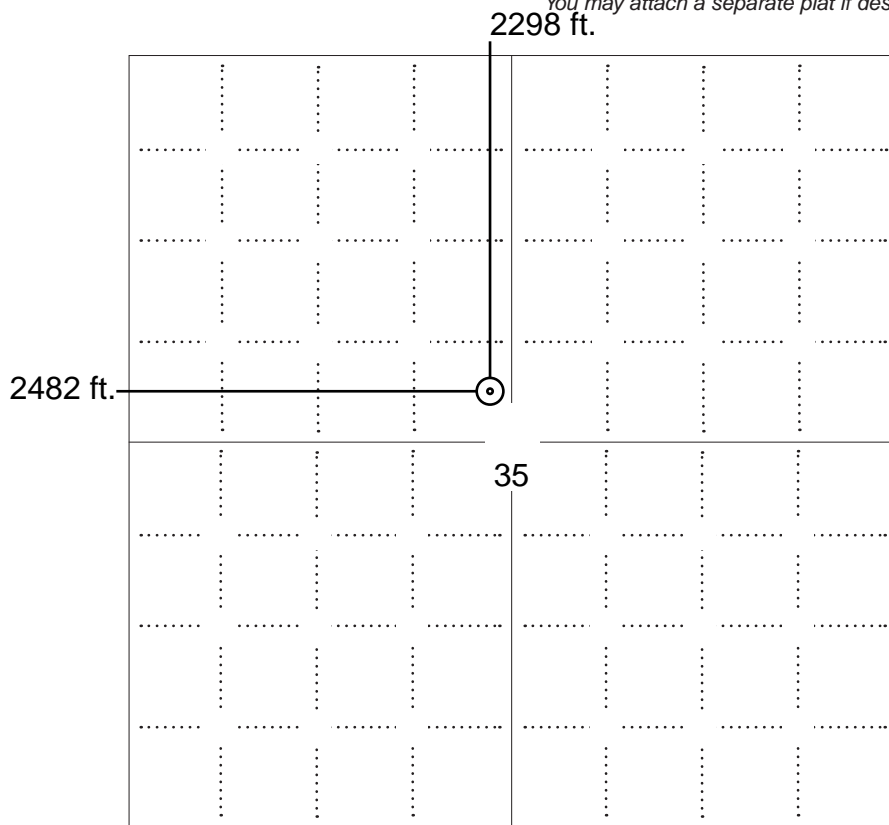
**If Section is Irregular, locate well from nearest corner boundary.**

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.*



**LEGEND**

- Well Location
- Tank Battery Location
- Pipeline Location
- Electric Line Location
- Lease Road Location



**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	
<b>Emergency, Settling and Burn Pits ONLY:</b> 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		<b>Drilling, Workover and Haul-Off Pits ONLY:</b> 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			

<b>KCC OFFICE USE ONLY</b>			
<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



STATE OF KANSAS, SCOTT COUNTY, SS

This instrument was filed for record on the  
10 day of January, A.D. 2013  
10 o'clock A.M., and duly recorded in book  
258 page 64

COMPUTER  
NUMERICAL

LL88-1  
Form 88 (Producers) Rev. 1-83 (Paid-up)  
Kans. - Okla. - Colo.

## OIL AND GAS LEASE

\$ 12.00 Murphy  
Register of Deeds

THIS AGREEMENT, Entered into this the 12th day of December, 2012, Between Carolyn L. Janzen as Trustee of the Keith A. Janzen and Carolyn L. Janzen Revocable Trust Share A, 9991 North Eagle Road, Scott City, KS 67871, hereinafter called lessor, and Shakespeare Oil Company, Inc., 202 W. Main St., Salem, IL 62881, hereinafter called lessee, does witness:

1. That lessor, for and in consideration of the sum of Ten (10) and more Dollars in hand paid and of the covenants and agreements, hereinafter contained to be performed by the lessee, has this day granted, leased, and let and by these presents does hereby grant, lease, and let exclusively unto the lessee the hereinafter described land, with any reversionary rights therein, and with the right to unitize this lease or any part thereof with other oil and gas leases as to all or any part of the lands covered thereby as hereinafter provided, for the purpose of carrying on geological, geophysical and other exploratory work thereon, including core drilling and the drilling, mining, and operating for, producing and saving all of the oil, gas, gas condensate, gas distillate, casinghead gasoline and their respective constituent vapors, and all other gases, found thereon, the exclusive right of injecting water, brine, and other fluids and substances into the subsurface strata, and for constructing roads, laying pipe lines, building tanks, storing oil, building power stations, electrical lines and other structures thereon necessary or convenient for the economical operation of said land alone or conjointly with neighboring lands; to produce, save, take care of, and manufacture all of such substances and the injection of water, brine, and other substances into subsurface strata, said tract of land being situated in the County of Scott, State of Kansas and described as follows:

Township 16 South, Range 34 West  
Section 25: SE/4  
Section 26: SW/4  
Section 27: SE/4  
Section 34: NE/4  
Section 35: N/2  
Section 36: NE/4, NW/4, SE/4, SW/4

containing 1.600 acres, more or less.

**Notwithstanding anything to the contrary contained herein, the royalty fraction provided for in this lease is hereby changed from 1/8 to 15% for both oil and gas.**

2. This lease shall remain in force for a term of Two (2) years (called "primary term") and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of the products covered by this lease is or can be produced.

3. The lessee shall deliver to lessor as royalty, free of cost, on the lease, or into the pipe line to which lessee may connect its wells the equal one-eighth (1/8th) part of all oil produced and saved from the leased premises, or at the lessee's option may pay to the lessor for such one-eighth (1/8th) royalty the market price at the wellhead for oil of like grade and gravity prevailing on the day such oil is run into the pipe line or into storage tanks.

4. The lessee shall pay to the lessor, as royalty, one-eighth (1/8<sup>th</sup>) of the proceeds received by the lessee from the sale of gas, gas condensate, gas distillate, casinghead gas, gas used for the manufacture of gasoline or any other product, and all other gases, including their constituent parts, produced from the land herein leased. If such gas is not sold by the lessee, lessee may pay or tender annually at or before the end of each yearly period during which such gas is not sold, as a shut-in royalty, whether one or more wells, an amount equal to one dollar per net mineral acre, and while said shut in royalty is so paid or tendered, it will be considered under all provisions of this lease that gas is being produced in paying quantities. The first yearly period during which such gas is not sold shall begin on the date the first well is completed for production of gas.

5. This lease is a paid-up lease and may be maintained during the primary term without further payments or drilling operations.

6. In the event said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein then the royalties herein provided for shall be paid to said lessor only in the proportion which his interest bears to the whole and undivided fee; however, in the event the title to any interest in said land should revert to lessor, or his heirs, or his or their grantee, this lease shall cover such reversion.

7. The lessee shall have the right to use free of cost, gas, oil and water found on said land for its operations thereon, except water from existing wells of the lessor. When required by lessor, the lessee shall bury its pipe lines below plow depth and shall pay for damage caused by its operations to growing crops on said land. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of the lessor. Lessee shall have the right at any time during, or after the expiration of this lease to remove all machinery, fixtures, houses, buildings and other structures placed on said premises, including the right to draw and remove all casing.

8. 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 the heirs, devisees, executors, administrators, successors, and assigns, but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of lessee, and no change of ownership in the land or in the royalties or any sum due under this lease shall be binding on the lessee until it has been furnished with either the original recorded instrument of conveyance or a duly certified copy thereof, or a certified copy of the will of any deceased owner and of the probate thereof, or certified copy of the proceedings showing the appointment of an administrator for the estate of any deceased owner, whichever is appropriate, together with all original recorded instruments of conveyance or duly certified copies thereof necessary in showing a complete chain of title back to lessor of the full interest claimed, and all advance payments of rentals made hereunder before receipt of said documents shall be binding on any direct or indirect assignee, grantee, devisee, or administrator, executor, or heir of lessor.

9. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the lessee, at its option, may pay and discharge in whole or in part any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands and, in the event it exercises such options it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying to the discharge of any such mortgage, tax or other lien, any royalty accruing hereunder.

10. If after the expiration of the primary term, production of oil or gas should cease from any cause, this lease shall not terminate if lessee commences additional drilling or reworking operations within one hundred-twenty (120) days thereafter, or if at the expiration of the primary term, oil or gas is not being produced on said land, but lessee is then engaged in drilling or reworking operations thereon, then in either event, this lease shall remain in force so long as operations are prosecuted either on the same well or any other well thereafter commenced, with no cessation of more than one hundred-twenty (120) consecutive days, and if they result in production of oil or gas, this lease shall remain in effect so long thereafter as there is production of oil or gas under any provision of this lease.

11. Lessee may at any time surrender or cancel this lease in whole or in part by delivering or mailing such release to the lessor, or by placing same of record in the proper county. In case said lease is surrendered and canceled as to only a portion of the acreage covered thereby, then all payments and liabilities thereafter accruing under the terms of said lease as to the portion canceled shall cease and determine, but as to the portion of the acreage not released the terms and provisions of this lease shall continue and remain in full force and effect for all purposes.

12. All provisions hereof, express or implied, shall be subject to all federal and state laws and the orders, rules, or regulations (and interpretations thereof) of all governmental agencies administering the same, and this lease shall not be in any way terminated wholly or partially nor shall the lessee be liable in damages for failure to comply with any of the express or implied provisions hereof if such failure accords with any such laws, orders, rules or regulations (or interpretations thereof). If lessee should be prevented during the last six months of the primary term hereof from drilling a well here-

under by the order of any constituted authority having jurisdiction thereover, the primary term of this lease shall continue until six months after said order is suspended.

13. Lessee, at its option, is hereby given the right and power to pool or combine into one or more units the land covered by this lease, or any portion thereof, with other land covered by another lease, or leases when, in Lessee's judgment, it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of such minerals in and under said land, such pooling to be in a unit or units not exceeding 80 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 and/or condensate or distillate well, plus a tolerance of ten percent (10%) to conform to Governmental Survey quarter sections. Lessee shall execute in writing and file for record in the county in which the land is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a unit or units shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on any part of the pooled acreage it shall be treated as if production is had from this lease whether any well is located on the land covered by this lease or not. Any well drilled on any such unit shall be and constitute a well hereunder. In lieu of the royalties elsewhere herein specified lessor shall receive on production from the unit so pooled only such portion of the royalty stipulated herein as the amount of his net royalty interest therein on an acreage basis bears to the total mineral acreage so pooled in the particular unit involved.

14. Notwithstanding anything to the contrary contained herein, unless Lessee shall commence the drilling of a well on the leased premises, or lands pooled therewith at the rate of one well during each six (6) month period, beginning with the date of this lease, this lease shall terminate as provided herein. For each well drilled, whether dry or capable of producing oil and/or gas, the primary term of this lease shall be extended an additional four (4) months. It is understood that the purpose of this paragraph is to grant to the Lessee, its successors and assigns, one 4-month extension of the primary term as to the total leasehold for each well drilled to completion, whether dry or capable of producing oil and/or gas.

15. At the expiration of the primary term, this lease shall terminate as to the lands except for the quarter sections in which producing wells have been drilled. It is the intent that each producing well will hold the 160-acre quarter section in which said producing well is located.

16. Lessee or its assigns agree in the event of drilling operations to restore the surface of the land to its original contour and condition as nearly as is reasonably practicable and pay for damages caused by their operations. All top soil shall be piled separately and returned to the surface when the pits are filled. Lessee or its assigns shall consult with Lessor as to route of ingress and egress and location of equipment on the leased premises.

17. Lessee is advised that livestock may be present on the leased premises. Lessee shall conduct all operations in such a manner so as to prevent loss or injury to livestock. In the event of production, all equipment shall be fenced to prevent injury to Lessor's livestock. Fencing shall be steel cattle panels or other quality materials specifically approved by Lessor.

18. All of Lessee's operations shall be conducted in compliance with all applicable local, state and federal environmental regulations. In the event that there is an accidental spillage of petroleum products or salt water, said spillage shall be cleaned up in a workmanlike manner. If it is necessary to remove contaminated soil it shall be replaced with quality top soil.

19. Salt water disposal operations, if any, on the leased premises shall be limited to the disposal of salt water produced on the leased premises, unless the Lessor's written consent is obtained to the contrary.

20. It is understood and agreed that the Lessor shall be held harmless and shall not be liable for injury to personnel or damage to the equipment where such personnel and/or equipment is placed on the leased premises by the Lessee for the purpose of conducting operations under the terms of this lease.

21. Lessee or its assigns shall be obligated to pay for all damages caused by operations conducted on the leased premises, but in no case less than \$1,500.00 for each well drilled, said sum to be paid to Lessor prior to commencing drilling operations.

22. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors of said lessor and lessee.

IN WITNESS WHEREOF, we sign the day and year first above written.

KEITH A. JANZEN AND CAROLYN L. JANZEN  
REVOCABLE TRUST SHARE A

By: Carolyn L. Janzen, Trustee  
Carolyn L. Janzen, Trustee

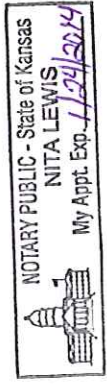
ORIGINAL COMPARED WITH RECORD

STATE OF Kansas )  
COUNTY OF Scott ) ss.

ACKNOWLEDGMENT FOR INDIVIDUAL

This instrument was acknowledged to me on this 26th day of December, 2012, by Carolyn L. Janzen, Trustee.

My commission expires: \_\_\_\_\_



Nita Lewis  
Notary Public



STATE OF KANSAS, SCOTT COUNTY, SS

This instrument was filed for record on the  
10 day of January A.D. 2013  
10 o'clock A.M., and duly recorded in book  
258 page 63Debra Murphy  
Register of Deeds**OIL AND GAS LEASE**

THIS AGREEMENT, Entered into this the 12<sup>th</sup> day of December, 2012, Between Carolyn L. Janzen as Trustee of the Keith A. Janzen and Carolyn L. Janzen Revocable Trust dated January 21, 1986, 9991 North Eagle Road, Scott City, KS 67871, Ann K. Price and Judson P. Price, Jr., 620 N. Main St., Garden City, KS 67846-5431, and Elissa C. Bahm and Danny G. Bahm, 9991 N. Eagle Rd., Scott City, KS 67871 hereinafter called lessors, and Shakespear Oil Company, Inc., 202 W. Main St., Salem, IL 62881, hereinafter called lessee, does

witness:

1. That lessor, for and in consideration of the sum of Ten (10) and more Dollars in hand paid and of the covenants and agreements, hereinafter contained to be performed by the lessee, has this day granted, leased, and let and by these presents does hereby grant, lease, and let exclusively unto the lessee the hereinafter described land, with any reversionary rights therein, and with the right to unitize this lease or any part thereof with other oil and gas leases as to all or any part of the lands covered thereby as hereinafter provided, for the purpose of carrying on geological, geophysical and other exploratory work thereon, including core drilling and the drilling, mining, and operating for, producing and saving all of the oil, gas, gas condensate, gas distillate, casinghead gasoline and their respective constituent vapors, and all other gases, found thereon, the exclusive right of injecting water, brine, and other fluids and substances into the subsurface strata, and for constructing roads, laying pipe lines, building tanks, storing oil, building power stations, electrical lines and other structures thereon necessary or convenient for the economical operation of said land alone or conjointly with neighboring lands, to produce, save, take care of, and manufacture all of such substances and the injection of water, brine, and other substances into subsurface strata, said tract of land being situated in the County of Scott, State of Kansas and described as follows:

**Township 16 South, Range 34 West**

Section 25: SE/4  
Section 26: SW/4  
Section 27: SE/4  
Section 34: NE/4  
Section 35: N/2  
Section 36: NE/4, NW/4, SE/4, SW/4

containing 1.600 acres, more or less.

**Not withstanding anything to the contrary contained herein, the royalty fraction provided for in this lease is hereby changed from 1/8 to 15% for both oil and gas.**

2. This lease shall remain in force for a term of Two (2) years (called "primary term") and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of the products covered by this lease is or can be produced.

3. The lessee shall deliver to lessor as royalty, free of cost, on the lease, or into the pipe line to which lessee may connect its wells the equal one-eighth (1/8th) part of all oil produced and saved from the leased premises, or at the lessee's option may pay to the lessor for such one-eighth (1/8th) royalty the market price at the wellhead for oil of like grade and gravity prevailing on the day such oil is run into the pipe line or into storage tanks.

4. The lessee shall pay to the lessor, as royalty, one-eighth (1/8<sup>th</sup>) of the proceeds received by the lessee from the sale of gas, gas condensate, gas distillate, casinghead gas, gas used for the manufacture of gasoline or any other product, and all other gases, including their constituent parts, produced from the land herein leased. If such gas is not sold by the lessee, lessee may pay or tender annually at or before the end of each yearly period during which such gas is not sold, as a shut-in royalty, whether one or more wells, an amount equal to one dollar per net mineral acre, and while said shut in royalty is so paid or tendered, it will be considered under all provisions of this lease that gas is being produced in paying quantities. The first yearly period during which such gas is not sold shall begin on the date the first well is completed for production of gas.

5. This lease is a paid-up lease and may be maintained during the primary term without further payments or drilling operations.

6. In the event said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein then the royalties herein provided for shall be paid to said lessor only in the proportion which his interest bears to the whole and undivided fee; however, in the event the title to any interest in said land should revert to lessor, or his heirs, or his or their grantee, this lease shall cover such reversion.

7. The lessee shall have the right to use free of cost, gas, oil and water found on said land for its operations thereon, except water from existing wells of the lessor. Lessee shall bury its pipe lines below plow depth and shall pay for damages caused by its operations to growing crops on said land. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of the lessor. Lessee shall have the right at any time during, or after the expiration of this lease to remove all machinery, fixtures, houses, buildings and other structures placed on said premises, including the right to draw and remove all casing.

8. 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 the heirs, devisees, executors, administrators, successors, and assigns, but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of lessee, and no change of ownership in the land or in the royalties or any sum due under this lease shall be binding on the lessee until it has been furnished with either the original recorded instrument of conveyance or a duly certified copy thereof, or a certified copy of the will of any deceased owner and of the probate thereof, or certified copy of the proceedings showing the appointment of an administrator for the estate of any deceased owner, whichever is appropriate, together with all original recorded instruments of conveyance or duly certified copies thereof necessary in showing a complete chain of title back to lessor of the full interest claimed, and all advance payments of rentals made hereunder before receipt of said documents shall be binding on any direct or indirect assignee, grantee, devisee, or administrator, executor, or heir of lessor.

9. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the lessee, at its option, may pay and discharge in whole or in part any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands and, in the event it exercises such options it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying to the discharge of any such mortgage, tax or other lien, any royalty accruing hereunder.

10. If after the expiration of the primary term, production of oil or gas should cease from any cause, this lease shall not terminate if lessee commences additional drilling or reworking operations within one hundred-twenty (120) days thereafter, or if at the expiration of the primary term, oil or gas is not being produced on said land, but lessee is then engaged in drilling or reworking operations thereon, then in either event, this lease shall remain in force so long as operations are prosecuted either on the same well or any other well thereafter commenced, with no cessation of more than one hundred-twenty (120) consecutive days, and if they result in production of oil or gas, this lease shall remain in effect so long thereafter as there is production of oil or gas under any provision of this lease.

11. Lessee may at any time surrender or cancel this lease in whole or in part by delivering or mailing such release to the lessor, or by placing same of record in the proper county. In case said lease is surrendered and canceled as to only a portion of the acreage covered thereby, then all payments and liabilities thereafter accruing under the terms of said lease as to the portion canceled shall cease and determine, but as to the portion of the acreage not released the terms and provisions of this lease shall continue and remain in full force and effect for all purposes.

12. All provisions hereof, express or implied, shall be subject to all federal and state laws and the orders, rules, or regulations (and interpretations thereof) of all governmental agencies administering the same, and this lease shall not be in any way terminated wholly or partially nor shall the lessee

be liable in damages for failure to comply with any of the express or implied provisions hereof if such failure accords with any such laws, orders, rules or regulations (or interpretations thereof). If lessee should be prevented during the last six months of the primary term hereof from drilling a well hereunder by the order of any constituted authority having jurisdiction thereover, the primary term of this lease shall continue until six months after said order is suspended.

13. Lessee, at its option, is hereby given the right and power to pool or combine into one or more units the land covered by this lease, or any portion thereof, with other land covered by another lease, or leases when, in lessee's judgment, it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of such minerals in and under said land, such pooling to be in a unit or units not exceeding 80 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 and/or condensate or distillate well, plus a tolerance of ten percent (10%) to conform to Governmental Survey quarter sections. Lessee shall execute in writing and file for record in the county in which the land is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a unit or units shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on any part of the pooled acreage it shall be treated as if production is had from this lease whether any well is located on the land covered by this lease or not. Any well drilled on any such unit shall be and constitute a well hereunder. In lieu of the royalties elsewhere herein specified lessor shall receive on production from the unit so pooled only such portion of the royalty stipulated herein as the amount of his net royalty interest therein on an acreage basis bears to the total mineral acreage so pooled in the particular unit involved.

14. Notwithstanding anything to the contrary contained herein, unless Lessee shall commence the drilling of a well on the leased premises, or lands pooled therewith at the rate of one well during each six (6) month period, beginning with the date of this lease, this lease shall terminate as provided herein. For each well drilled, whether dry or capable of producing oil and/or gas, the primary term of this lease shall be extended an additional four (4) months. It is understood that the purpose of this paragraph is to grant to the Lessee, its successors and assigns, one 4-month extension of the primary term as to the total leasehold for each well drilled to completion, whether dry or capable of producing oil and/or gas.

15. At the expiration of the primary term, this lease shall terminate as to the lands except for the quarter sections in which producing wells have been drilled. It is the intent that each producing well will hold the 160-acre quarter section in which said producing well is located.

16. Lessee or its assigns agree in the event of drilling operations to restore the surface of the land to its original contour and condition as nearly as is reasonably practicable and pay for damages caused by their operations. All top soil shall be piled separately and returned to the surface when the pits are filled. Lessee or its assigns shall consult with Lessor as to route of ingress and egress and location of equipment on the leased premises.

17. Lessee is advised that livestock may be present on the leased premises. Lessee shall conduct all operations in such a manner so as to prevent loss or injury to livestock. In the event of production, all equipment shall be fenced to prevent injury to Lessor's livestock. Fencing shall be steel cattle panels or other quality materials specifically approved by Lessor.

18. All of Lessee's operations shall be conducted in compliance with all applicable local, state and federal environmental regulations. In the event that there is an accidental spillage of petroleum products or salt water, said spillage shall be cleaned up in a workmanlike manner. If it is necessary to remove contaminated soil it shall be replaced with quality top soil.

19. Salt water disposal operations, if any, on the leased premises shall be limited to the disposal of salt water produced on the leased premises, unless the Lessor's written consent is obtained to the contrary.

20. It is understood and agreed that the Lessor shall be held harmless and shall not be liable for injury to personnel or damage to the equipment where such personnel and/or equipment is placed on the leased premises by the Lessee for the purpose of conducting operations under the terms of this lease.

21. Lessee or its assigns shall be obligated to pay for all damages caused by operations conducted on the leased premises, but in no case less than \$1,500.00 for each well drilled, said sum to be paid to Lessor prior to commencing drilling operations.

22. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors of said lessor and lessee.

IN WITNESS WHEREOF, we sign the day and year first above written.

**KEITH A. JANZEN AND CAROLYN L. JANZEN  
REVOCABLE TRUST DATED JANUARY 21, 1986**

By: *Carolyn L. Janzen, Trustee*  
Carolyn L. Janzen, Trustee

By: *Ann K. Price*  
Ann K. Price

By: *Judson P. Price, Jr.*  
Judson P. Price, Jr.

By: *Elissa C. Bahm*  
Elissa C. Bahm

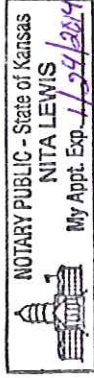
By: *Dann G. Bahm*  
Dann G. Bahm



STATE OF Kansas )  
 ) ss.  
COUNTY OF Scott )

ACKNOWLEDGMENT FOR INDIVIDUAL

This instrument was acknowledged to me on this 26th day of December, 2012, by Carolyn L. Janzen, Trustee.



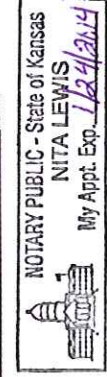
Nita Lewis  
Notary Public

My commission expires: \_\_\_\_\_

STATE OF Kansas )  
 ) ss.  
COUNTY OF Scott )

ACKNOWLEDGMENT FOR INDIVIDUAL

This instrument was acknowledged to me on this 26th day of December, 2012, by Ann K. Drice and Judson P. Drice Jr.



Nita Lewis  
Notary Public

My commission expires: \_\_\_\_\_

STATE OF Kansas )  
 ) ss.  
COUNTY OF Scott )

ACKNOWLEDGMENT FOR INDIVIDUAL

This instrument was acknowledged to me on this 26th day of December, 2012, by Elissa C. Bohn and Dannie G. Bohn



Nita Lewis  
Notary Public

My commission expires: \_\_\_\_\_

STATE OF Kansas )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

ACKNOWLEDGMENT FOR INDIVIDUAL

This instrument was acknowledged to me on this \_\_\_\_\_ day of \_\_\_\_\_, 2012, by \_\_\_\_\_

My commission expires: \_\_\_\_\_

Notary Public

ORIGINAL COMPARED WITH RECORD



26-16s-34w-L-999  
CRD NO.

00-16s-34w  
DMT NO.

# PRO-STAKE

LLC

Construction Site Staking

13345  
INVOICE NO.



Shakespeare Oil Company, INC  
OPERATOR

Scott County, KS  
COUNTY

35 16s 34w  
Sec Twp Rng.

Janzen #1-35  
LEASE NAME

2298' FNL - 2482' FWL - 2791' FEL  
LOCATION SPOT

SCALE: 1" = 1000'  
DATE STAKED: Mar. 7<sup>th</sup>, 2017  
MEASURED BY: Burt W.  
DRAWN BY: Bryen M.  
AUTHORIZED BY: Alex B.  
DATE REVISED:

3111.4'  
GR. ELEVATION



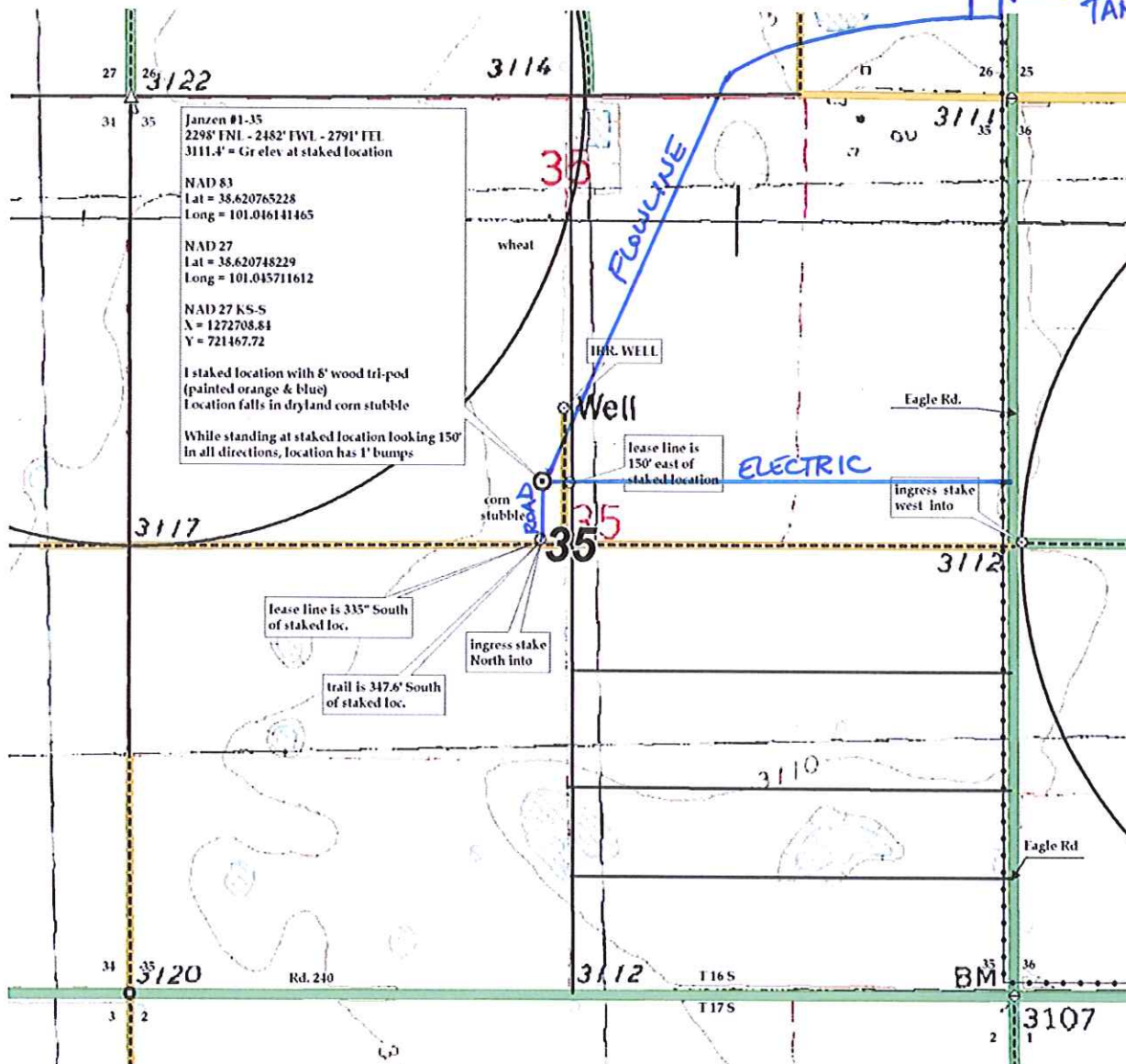
- LEGEND**
- ⊙ irr. well
  - ⊕ water hydrant
  - ⊙ tank battery
  - ⊙ staked loc.
  - ⊙ prod. well / aband. well
  - house
  - building
  - G- gas line
  - W- water line
  - E- transmission powerline
  - 3 phase powerline
  - \* \* \* single phase powerline
  - x-x-x- fence
  - gravel / sand rd.
  - gravel trail / lease rd.
  - dirt rd.
  - dirt trail / lease rd.
  - Hwy / blacktop rd.

**DIRECTIONS:** From the West side of Pence, KS at the intersection of Cherokee Rd & Rd 270 - Now go 2 miles East on Rd 270 - Now go 2 miles South on Eagle Rd to the NE corner of section 35-16s-34w - Now go 0.5 miles South on Eagle Rd to ingress stake West into - Now go 2791' / 0.5 miles West on a trail to ingress stake North into - Now go approx. 335' North through corn stubble into staked location

Final ingress must be verified with landowner or operator.

*This drawing does not constitute a monumented survey or a land survey plat.  
This drawing is for construction purposes only.*

JANZEN 2-26  
TANK BATTERY



Preliminary non-binding estimate of tanks, flowlines & roads