

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

KANSAS CORPORATION COMMISSION 1372659
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

For KCC Use ONLY

API # 15 - _____

Conductor pipe required _____ feet

Minimum surface pipe required _____ feet per ALT. I II

Approved by: _____

This authorization expires: _____
(This authorization void if drilling not started within 12 months of approval date.)

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.

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

E
 W

For KCC Use ONLY

API # 15 - _____

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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

Operator: _____

Lease: _____

Well Number: _____

Field: _____

Number of Acres attributable to well: _____

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

Location of Well: County: _____

_____ feet from N / S Line of Section

_____ feet from E / W Line of Section

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

Is Section: Regular or Irregular

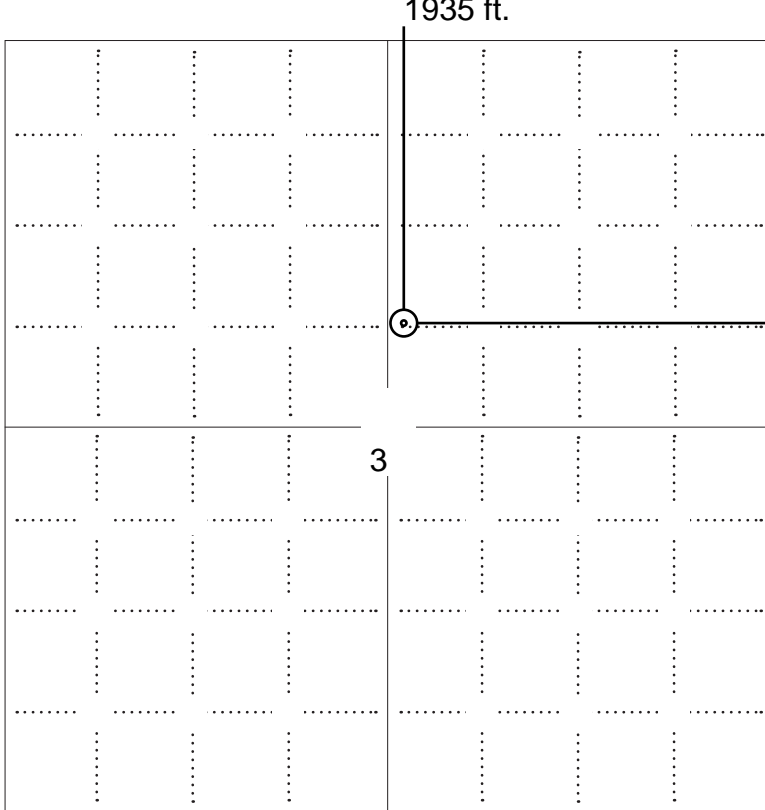
If Section is Irregular, locate well from nearest corner boundary.

Section corner used: NE NW SE SW

PLAT

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

You may attach a separate plat if desired.



LEGEND

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



1980' FSL

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

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

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

APPLICATION FOR SURFACE PIT

Submit in Duplicate

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

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

CERTIFICATION OF COMPLIANCE WITH THE KANSAS SURFACE OWNER NOTIFICATION ACT

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

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

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

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

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

Surface Owner Information:

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

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

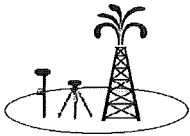
If this form is being submitted with a Form C-1 (Intent) or CB-1 (Cathodic Protection Borehole Intent), you must supply the surface owners and the KCC with a plat showing the predicted locations of lease roads, tank batteries, pipelines, and electrical lines. The locations shown on the plat are preliminary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

Select one of the following:

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

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

I Submitted Electronically



35-08s-35w L-999
CRD NO.

00-08s-35w
DMT NO.

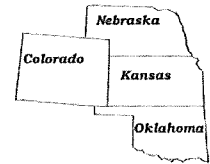
PRO-STAKE

LLC

Construction Site Staking

13585

INVOICE NO.



Val Energy, Inc.
OPERATOR

Thomas County, KS
COUNTY

Tole Miller Unit
LEASE NAME

1935' FNL - 2538' FEL
LOCATION SPOT

3299.7'
GR ELEVATION

39.390122246
NAD 83 LAT

101.213181008
NAD 83 LONG

03 08s 35w
Sec. Twp. Rng.

SCALE: 1" = 1000'
DATE STAKED: Oct 31st, 2017
MEASURED BY: Bryen M.
DRAWN BY: Bryen M.
AUTHORIZED BY: Todd A.
DATE REVISED:

P.O. Box 2324 Garden City, Kansas 67846
Office/Fax: (620) 276-6159 - Cell: (620) 272-1499
burt@prostakellc.com

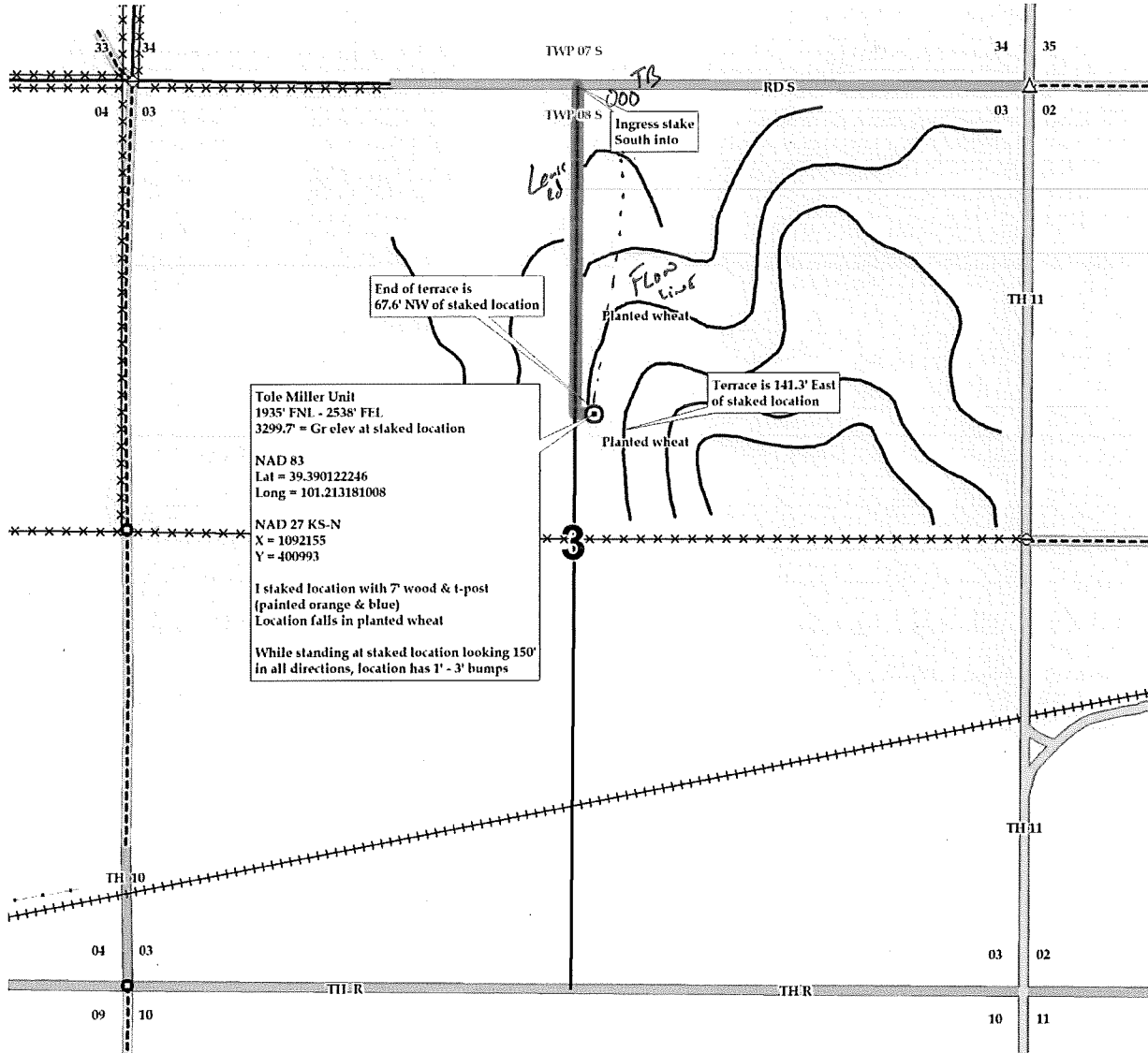
LEGEND

- ⊙ 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
- fence
- gravel/sand rd.
- gravel trail/lease rd.
- dir. rd.
- dir. trail/lease rd.
- Hwy/blacktop rd.



DIRECTIONS: From the West side of Levant, KS and the SE corner of section 03-08s-35w at the intersection of TH 11 & TH R - Now go 1 mile North on TH 11 - Now go 0.5 mile West on TH S to ingress stake South into - Now go 0.4 mile South through planted wheat to ingress stake East into - Now go approximately 100' East through planted wheat 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.*

LANDOWNER/CONTACT: Willard (Bill) Miller (NE/4) - 785-462-0117 David Tole (NW/4) - 785-462-0747



63U (Rev. 1993)

9825

OIL AND GAS LEASE

AGREEMENT Made and entered into the 9th day of January 2015 by and between the Williard W. Miller Trust dated May 3rd, 2013 by: (Willard W. Miller and Peggy J. Miller), Trustees AND the Peggy J. Miller Trust dated May 3rd, 2013 by: (Peggy J. Miller and Willard W. Miller), Trustees

whose mailing address is 2 Lee Circle Colby KS 67701 hereinafter called Lessor (whether one or more), Val Energy, Inc. 125 N. Market Ave., Ste 1710 Wichita, KS 67202 hereinafter called Lessee;

Lessor, in consideration of ten and more Dollars (\$ 10.00 +) in hand paid, receipt of which is here acknowledged and of the royalties herein provided and of the agreements of the Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring by geophysical and other means, prospecting, drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases, and their respective constituent products, injecting gas, water, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, power stations, telephone lines, and other structures and things thereon to produce, save, take care of, treat, manufacture, process, store and transport said oil, liquid hydrocarbons, gases and their respective constituent products and other products manufactured 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 the County of Thomas State of Kansas described as follows, to-wit:

*See 'Exhibit A' attached hereto and made a part hereof;

In Section XXX Township XXX Range XXX and containing 295.58 acres, more or less, and all accretions thereto.

Subject to the provisions herein contained, this lease shall remain in force for a term of three(3) years from this date (called "primary term"), and as long thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, or any of them, is produced from said land 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 produced and saved from the leased premises.

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

This Lease may be maintained during the primary term hereof without further payment or drilling operations. If the lessee shall commence to drill a well within the term of this lease or any extension thereof, the lessee shall have the right to drill such well to completion with reasonable diligence and dispatch, and if oil or gas, or either of them, be found in paying quantities, this lease shall continue and be in force with like effect as if such well had been completed within the term of years first mentioned.

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein provided for shall be paid the said lessor only in the proportion which lessor's interest bears to the whole and undivided fee.

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

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

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

Lessee shall pay for damages caused by lessee's operations to growing crops on said land.

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

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

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

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

Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the lessee shall have the right at any time to redeem for lessor, by payment, any mortgage, taxes or other liens on the above described lands, in the event of default of payment by the lessor, and be subrogated to the rights of the holder thereof, and the undersigned lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, in so far as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

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

*See "Addendum" attached hereto and made a part hereof;

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

Witnesses:

X: [Signature] (Peggy J. Miller), Trustee of the Williard W. Miller Trust dated May 3rd, 2013 AND Trustee of the Peggy J. Miller Trust dated May 3rd, 2013
X: [Signature] (Willard W. Miller), Trustee of the Williard W. Miller Trust dated May 3rd, 2013 AND Trustee of the Peggy J. Miller Trust dated May 3rd, 2013

X: _____

X: _____

Attached to and made a part hereof an Oil and Gas Lease dated January 9th, 2015, by and between, the Williard W. Miller Trust dated May 3rd, 2013 by: (Willard W. Miller and Peggy J. Miller), Trustees AND the Peggy J. Miller Trust dated May 3rd, 2013 by: (Peggy J. Miller and Willard W. Miller), Trustees, as Lessors, and Val Energy, Inc., as Lessee, covering the following described property in Thomas County, Kansas to wit:

Exhibit 'A'


Township 08 South – Range 35 West


Section 03/Lots #1 (36.69 ac), #2 (39.64), and the S/2 NE 4 and S/2, LESS AND EXCEPT A tract of land in the SE/4 described as Beginning at the NE/C thence West on the Quarter Section line a distance of 423" thence South a distance of 1,074' to the North line of the Railroad right-of-way thence Easterly on the said Right-of-way a distance of 398' to the East Section line thence North on said line a distance of 997' to the point of beginning. Said tract contains 9.75 acres more or less. ALSO LESS AND EXCEPT A tract of land in the S/2 described as: Beginning at a point on the North Quarter Section Line of said South-half which is 423' West of the NE/C of said One Half Section, thence West on said line a distance of 4,857' to the West Section line thence South on the West Section line a distance of 2,050' to the North Right-of-Way Line of the Railroad thence Easterly on said Right-of-Way line a distance of 4,964' thence a distance of 1,074' to the point of beginning. Said tract contains 174 acres more or less.

Attached to and made a part hereof an Oil and Gas Lease dated January 9th, 2015, by and between, the Willard W. Miller Trust dated May 3rd, 2013 by: (Willard W. Miller and Peggy J. Miller), Trustees AND the Peggy J. Miller Trust dated May 3rd, 2013 by: (Peggy J. Miller and Willard W. Miller), Trustees, as Lessors, and Val Energy, Inc., as Lessee, covering the aforementioned property in Thomas County, Kansas to wit:

Addendum

1. A sufficient dike shall be placed around tank batteries. Also tank batteries and pumping equipment units shall be fenced to restrain cattle in pastures or on ground that Lessor grazes cattle on Milo stalks or wheat. Lessee or assigns agrees to comply with all applicable Federal, State and Local laws and regulations
2. It is the intention of the parties hereto to cause as little interference with farming operations on said land as possible, including but not limited to the operation of pivotal irrigation sprinklers, or other irrigation methods. In the event of production and continued use of the surface, Lessee, or his assigns, will restore or prepare the surface and situate and install all equipment needed in connection therewith, so that Lessee's use thereof will not interfere with the passage of said over-head sprinkler irrigation system. Any production equipment, including but not limited to pump jacks, hydraulic lifting or other equipment necessary to produce any oil or gas well on said land shall use low profile equipment and/or recess equipment to such depths as to permit the use by Lessor of circular irrigation sprinkler system. Should any alterations to the surface contours be caused by Lessee's operations, Lessee, his heirs, or his assigns, shall restore said surface contours to their former condition as nearly as is practicable.
3. Lessee shall consult with Lessor and obtain consent as to routes of ingress/egress as well as road and equipment placement on said premises for the purpose of drilling and production. Consent will not be unreasonably withheld.
4. In the event of drilling operations on said land, Lessee or assigns agree to backfill all dry slush pits, level the location and restore the surface as nearly as is practicable, within (1) year after the completion date or as soon as pit dries sufficiently to fill and cover properly. This requirement applies whether said drilling results in production or not.
5. In the event Lessor owns a surface interest in a tract covered under this lease and such surface tract is the actual surface location for a well Lessee drills under the terms of this lease, Lessee shall pay Lessor a one-time sum of \$1,500.00 prior to drilling, proportionately reduced to the amount of surface interest Lessor actually owns, for any and all damages to roads, fences, improvements, growing crops and ground caused by Lessee's drilling operations hereunder.
6. Lessor does hereby grant to Lessee, its successors and/or assigns, the option to extend the primary term of this Lease and all rights hereunder for an additional two (2) years. Lessee shall exercise this option by tendering to Lessor an additional bonus payment equal to \$35.00 per Lessor's net mineral acre covered by this Lease on or prior to the expiration date of the initial primary term of this Lease. This additional bonus payment shall be considered tendered by Lessee when deposited with the U.S. Postal Service for delivery to the Lessor by certified mail addressed to Lessor at Lessor's address stated anywhere in this Lease, or such other address provided to Lessee by Lessor shall be effective until actual receipt of such notice by the Lessee. Further, Lessee shall have no obligation hereunder to tender additional payment to Lessor if Lessee has tendered payment to the last known address of Lessor prior to its receipt of a notice of change of address. This option to extend the primary term of the Lease shall be binding on Lessor's heirs, successors, and/or assigns.
7. FENCES: Lessee agrees not to cut or go over any fence at any time or in connection with any operation on the leased premises without first obtaining the consent of the surface owner. Lessee agrees to completely close all gates and properly maintain all gates and cattle guards which Lessee and Lessee's agents, servants and/or employees may use in Lessee's operations on the leased premises to prevent the escape of cattle or stock of the surface owner or tenant through any open gates.
8. NOTICE OF IMMEDIATE ACTIVITY: Before any drill-site or location is staked and Lessee moves on to the leased premises, Lessee will give advance notice to Lessor of said activity.
9. It is hereby agreed, by and between Lessor and Lessee; that Lessee or its assigns, shall be permitted to use any wellbore located on the leased premises, as a salt water disposal well, to dispose of water or brines produced from the leased premises or any surrounding lands owned by Lessor. No outside water or brines produced from lands or leases, not owned by Lessor, in the surrounding area, may be disposed of, without the written consent of Lessor and without compensating Lessor for the use thereof.

X: 
 (Peggy J. Miller), Trustee of the Willard W.
 Miller Trust dated May 3rd, 2013 AND Trustee of
 the Peggy J. Miller Trust dated May 3rd, 2013

X: 
 (Willard W. Miller), Trustee of the Willard W.
 Miller Trust dated May 3rd, 2013 AND Trustee of
 the Peggy J. Miller Trust dated May 3rd, 2013

AFFIDAVIT BY TRUSTEES

COME NOW the undersigned. Of lawful age and upon his oath being duly sworn, and states as follows:

1. That this affidavit is made in connection with the following lands in Thomas County, Kansas. to-wit:

***See 'Exhibit A' attached hereto and made a part hereof;**

2. That we are the presently-existing Trustees of the trust known as the



the Williard W. Miller Trust AND

the Peggy J. Miller Trust

Both dated, 5/3/2013 to which the above-described property was conveyed by deed recorded in Book _____ at page _____ of the records of the Register of Deeds of said County.

3. That said trusts are revocable and presently in existence.
4. We are authorized, without limitation, to execute and deliver to Val Energy, Inc., as lessee, an Oil and Gas lease or leases covering the above-described lands for a primary term of three (3) years.
5. That the original grantor-settlers of said trust were Williard W. Miller and Peggy J. Miller
6. Said grantor-settlers are living and presently married.

FURTHER AFFIANTS SAITH NAUGHT:

X:  X: 
(Peggy J. Miller), Trustee of the Williard W. Miller Trust dated May 3rd, 2013 AND Trustee of the Peggy J. Miller Trust dated May 3rd, 2013
(Willard W. Miller), Trustee of the Williard W. Miller Trust dated May 3rd, 2013 AND Trustee of the Peggy J. Miller Trust dated May 3rd, 2013

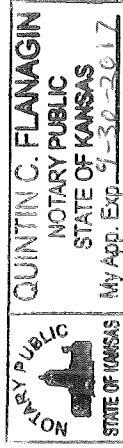
State of Kansas }
County of Thomas }

SS. ACKNOWLEDGMENT FOR INDIVIDUALS
(KsOkCoNe)

Before me, the undersigned, a Notary Public, within and for said County and State on this 15th day of January, 2015, personally appeared (Willard W. Miller and Peggy J. Miller), Trustees of the Williard W. Miller Trust dated May 3rd, 2013 AND Trustees of the Peggy J. Miller Trust dated May 3rd, 2013, to me personally known to be the identical person who executed the within and forgoing instrument and acknowledged to me that he executed the same as a free and voluntary act and deed for the uses and purposes therein set forth, and the same time the affiant was by me duly sworn to the forgoing Affidavit by Trustees.

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

My commission expires: 9-30-2017 Quentin C. Flanagan, Notary Public



Attached to and made a part hereof an Affidavit by Trustees, by and between, the Williard W. Miller Trust dated May 3rd, 2013 by: (Willard W. Miller and Peggy J. Miller), Trustees AND the Peggy J. Miller Trust dated May 3rd, 2013 by: (Peggy J. Miller and Willard W. Miller), Trustees, as Lessors, and Val Energy, Inc., as Lessee, covering the following described property in Thomas County, Kansas to wit:

Exhibit 'A'

Township 08 South – Range 35 West

Section 03: Lots #1 (36.69 ac), #2 (39.64), and the S/2 NE 4 and S/2, LESS AND EXCEPT A tract of land in the SE/4 described as Beginning at the NE/C thence West on the Quarter Section line a distance of 423" thence South a distance of 1,074' to the North line of the Railroad right-of-way thence Easterly on the said Right-of-way a distance of 398' to the East Section line thence North on said line a distance of 997' to the point of beginning. Said tract contains 9.75 acres more or less. ALSO LESS AND EXCEPT A tract of land in the S/2 described as: Beginning at a point on the North Quarter Section Line of said South-half which is 423' West of the NE/C of said One Half Section, thence West on said line a distance of 4,857' to the West Section line thence South on the West Section line a distance of 2,050' to the North Right-of-Way Line of the Railroad thence Easterly on said Right-of-Way line a distance of 4,964' thence a distance of 1,074' to the point of beginning. Said tract contains 174 acres more or less.

OIL AND GAS LEASE

9986

AGREEMENT, Made and entered into the 29th day of May 2015 by and between, David P. Tole, a single person

whose mailing address is 1028 CR 5 Levant, KS 67743

and, VAL Energy, Inc. 125 N. Market Ave., Suite 1710 Wichita, KS 67202, hereinafter called Lessor (whether one or more),

hereinafter called Lessee: Lessor, in consideration of ten and more Dollars (\$ 10.00+) in hand paid, receipt of which is here acknowledged and of the royalties herein prospecting, drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases, and their respective constituent products, injecting gas, water, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, power stations, telephone lines, and other structures and things thereon to produce, save, take care of, treat, manufacture, process, store and transport said oil, liquid hydrocarbons, gases and their respective constituent products and other products manufactured therefrom, and housing and other buildings for its employees; the following described land, together with any reversionary rights and after-acquired interest,

therein situated in the County of Thomas State of Kansas described as follows, to-wit:

Township 08 South - Range 35 West (Tract 1) Section 03: LOT 3, 4, & S/2NW/4 a/d/a NW/4 (Tract 2) Section 04: LOTS 1, 2, 3, 4 a/d/a N/2N/2 (Tract 3) Section 04: S/2N/2

In Section XXX Township XXX Range XXX and containing 480 acres, more or less, and all accretions thereto.

Subject to the provisions herein contained, this lease shall remain in force for a term of three (3) years from this date (called "primary term"), and as long thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, or any of them, is produced from said land 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 produced and saved from the leased premises.

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

This lease may be maintained during the primary term hereof without further payment or drilling operations. If the lessee shall commence to drill a well within the term of this lease or any extension thereof, the lessee shall have the right to drill such well to completion with reasonable diligence and dispatch, and if oil or gas, or either of them, be found in paying quantities, this lease shall continue and be in force with like effect as if such well had been completed within the term of years first mentioned.

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein provided for shall be paid the said lessor only in the proportion which lessor's interest bears to the whole and undivided fee.

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

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

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

Lessee shall pay for damages caused by lessee's operations to growing crops on said land.

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

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

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

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

Lessor hereby warrants and agrees to defend the title to the lands herein described and agrees that the lessee shall have the right at any time to redeem for lessor, by payment, any mortgage, taxes or other liens on the above described lands, in the event of default of payment by the lessor, and be subrogated to the rights of the holder thereof, and the undersigned lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, in so far as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

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

*See 'Addendum' attached hereto and made a part hereof;

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

Witnesses:

X: [Signature] X: [Signature]



X: _____

X: _____



FILE NUMBER 24600105 BK 246 PG 105 - 108 RECORDED 6/5/2015 at 10:15 AM Thomas County, KANSAS LORA L. VOLK, REGISTER OF DEEDS SUZANNE HERSCHBERGER, DEPUTY

Attached to and made a part hereof an Oil and Gas Lease dated May 29th, 2015, by and between, David P. Tole, a single person, as Lessors, and VAL Energy, Inc., as Lessee, covering the aforementioned property in Thomas County, Kansas to wit:

Addendum

The terms and conditions of this Addendum shall take precedence and priority over all terms and conditions in the lease.

1. After the expiration of the primary term of this lease, or any extension thereof, the payment of shut-in royalties as set out under the terms of this lease shall not perpetuate this lease for any continuous period greater than two (2) consecutive years.
2. A sufficient dike shall be placed around tank batteries. Also tank batteries and pumping equipment units shall be fenced to restrain cattle in pastures or on ground that Lessor grazes cattle on Milo stalks or wheat. Lessee or assigns agrees to comply with all applicable Federal, State and Local laws and regulations
3. It is the intention of the parties hereto to cause as little interference with farming operations on said land as possible, including but not limited to the operation of pivotal irrigation sprinklers, or other irrigation methods. In the event of production and continued use of the surface, Lessee, or his assigns, will restore or prepare the surface and situate and install all equipment needed in connection therewith, so that Lessee's use thereof will not interfere with the passage of said over-head sprinkler irrigation system. Any production equipment, including but not limited to pump jacks, hydraulic lifting or other equipment necessary to produce any oil or gas well on said land shall use low profile equipment and/or recess equipment to such depths as to permit the use by Lessor of circular irrigation sprinkler system. Should any alterations to the surface contours be caused by Lessee's operations, Lessee, his heirs, or his assigns, shall restore said surface contours to their former condition as nearly as is practicable.
4. Lessee shall consult with Lessor and obtain consent as to routes of ingress/egress as well as road and equipment placement on said premises for the purpose of drilling and production. Consent will not be unreasonably withheld.
5. In the event of drilling operations on said land, Lessee or assigns agree to backfill all dry slush pits, level the location and restore the surface as nearly as is practicable, within six (6) months after the completion date or as soon as pit dries sufficiently to fill and cover properly. This requirement applies whether said drilling results in production or not. Lessee further agrees to restrict the production site to as small a dimension as is reasonable and practicable for its operations.
6. When practical, no well shall be located closer than 300 feet to existing dwellings, barns, outbuildings, and irrigation wells on the leased premises without consent of the Lessor.
7. In the event Lessor owns a surface interest in a tract covered under this lease and such surface tract is the actual surface location for a well Lessee drills under the terms of this lease, Lessee agrees to pay to the surface owner of the leased premises a reasonable amount, but not less than \$1,500.00 for each three (3) acre drill site location on the leased premises, proportionately reduced to the amount of surface interest Lessor actually owns, for any and all damages to roads, fences, improvements, growing crops and ground caused by Lessee's drilling operations hereunder. If additional acreage is needed for a drill-site location an additional sum of \$500.00 per acre will be paid to Lessor. It is further understood that if the Lessor feels the damages paid are not sufficient to cover actual damages then Lessee will negotiate with Lessor for additional damages provided such damage can be substantiated. All damages under this paragraph shall be due and payable on or before three (3) months after said damages occur. The owner of the surface shall be responsible for paying his tenant, if applicable, and shall indemnify and hold harmless Lessee from and against any and all such payments. Growing crops shall be valued as of the date of Lessor's harvest at the average price per bushel at commercial elevators with twenty (20) miles of the crop site. Quantity of bushels shall be the Lessor's actual production history (APH) for the tract upon which the damage occurs.
8. Lessor does hereby grant to Lessee, its successors and/or assigns, the option to extend the primary term of this Lease and all rights hereunder for an additional two (2) years. Lessee shall exercise this option by tendering to Lessor \$ 35.00 per acre bonus money per Lessor's net mineral acre covered by this Lease on or prior to the expiration date of the initial primary term of this Lease. This additional bonus payment shall be considered tendered by Lessee when deposited with the U.S. Postal Service for delivery to the Lessor by certified mail addressed to Lessor at Lessor's address stated anywhere in this Lease, or such other address provided to Lessee by Lessor shall be effective until actual receipt of such notice by the Lessee. Further, Lessee shall have no obligation hereunder to tender additional payment to Lessor if Lessee has tendered payment to the last known address of Lessor prior to its receipt of a notice of change of address. This option to extend the primary term of the Lease shall be binding on Lessor's heirs, successors, and/or assigns.
9. All pipelines shall be buried and maintained below three (3) feet of depth.
10. FENCES: Lessee agrees not to cut or go over any fence at any time or in connection with any operation on the leased premises without first obtaining the consent of the surface owner. Lessee agrees to completely close all gates and properly maintain all gates and cattle guards which Lessee and Lessee's agents, servants and/or employees may use in Lessee's operations on the leased premises to prevent the escape of cattle or stock of the surface owner or tenant through any open gates.

11. NOTICE OF IMMINENT ACTIVITY: Before any drill-site or location is staked and Lessee moves on to the leased premises, Lessee will give advance notice to Lessor of said activity.
12. It is hereby agreed, by and between Lessor and Lessee; that Lessee or its assigns, shall be permitted to use any wellbore located on the leased premises, as a salt water disposal well, to dispose of water or brines produced from the leased premises or any surrounding lands owned by Lessor.
13. It is understood and agreed that the aforementioned Tracts shall constitute separate and individual Leases. Production on any single Tract shall not hold any other Tracts on said Lease by said production. It is further understood and agreed that the option to extend may be exercised individually according to the tracts herein described, with no obligation on remaining tracts.
14. If any part of the leased premises are subject to or enrolled in the Conservation Reserve Program, Lessee shall pay a third party to reseed to grass all areas thereof affected by Lessee's operations and hold Lessor harmless from penalties or liquidated damages assessed the Department of Agriculture, the Soil Conservation Service or the Agricultural Stabilization and Conservation Services under the Conservation Reserve Program as a result of Lessee's operations.
15. It understood and agreed that Lessee will commence or complete 3D seismic operations on the leased premises within the primary term of this lease; said date initiating from the effective date of this lease.

X:



David P. Tole

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 29th day of May 2015 by and between, David P. Tole, a single person

whose mailing address is 1028 CR 5 Levant, KS 67743 and, VAL Energy, Inc. 125 N. Market Ave., Suite 1710 Wichita, KS 67202, hereinafter called Lessor (whether one or more), hereinafter called Lessee:

Lessor, in consideration of ten and more Dollars (\$ 10.00+) in hand paid, receipt of which is here acknowledged and of the royalties herein prospecting, drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases, and their respective constituent products, injecting gas, water, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, power stations, telephone lines, and other structures and things thereon to produce, save, take care of, treat, manufacture, process, store and transport said oil, liquid hydrocarbons, gases and their respective constituent products and other products manufactured therefrom, and housing and other buildings for its employees; the following described land, together with any reversionary rights and after-acquired interest,

therein situated in the County of Thomas State of Kansas described as follows, to-wit:

Township 08 South - Range 35 West (Tract 1) Section 03: LOT 3, 4, & S/2NW/4 a/d/a NW/4 (Tract 2) Section 04: LOTS 1, 2, 3, 4 a/d/a N/2N/2 (Tract 3) Section 04: S/2N/2

In Section XXX Township XXX Range XXX and containing 480 acres, more or less, and all accretions thereto.

Subject to the provisions herein contained, this lease shall remain in force for a term of three (3) years from this date (called "primary term"), and as long thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, or any of them, is produced from said land 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 produced and saved from the leased premises.

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

This lease may be maintained during the primary term hereof without further payment or drilling operations. If the lessee shall commence to drill a well within the term of this lease or any extension thereof, the lessee shall have the right to drill such well to completion with reasonable diligence and dispatch, and if oil or gas, or either of them, be found in paying quantities, this lease shall continue and be in force with like effect as if such well had been completed within the term of years first mentioned.

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein provided for shall be paid the said lessor only in the proportion which lessor's interest bears to the whole and undivided fee.

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

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

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

Lessee shall pay for damages caused by lessee's operations to growing crops on said land.

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

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

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

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

Lessor hereby warrants and agrees to defend the title to the lands herein described and agrees that the lessee shall have the right at any time to redeem for lessor, by payment, any mortgage, taxes or other liens on the above described lands, in the event of default of payment by the lessor, and be subrogated to the rights of the holder thereof, and the undersigned lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, in so far as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

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

*See 'Addendum' attached hereto and made a part hereof;

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

Witnesses:

X: [Signature] X: [Signature]



X: _____

X: _____



FILE NUMBER 24600105 BK 246 PG 105 - 108 RECORDED 6/5/2015 at 10:15 AM Thomas County, KANSAS Thomas County, KANSAS LORA L. VOLK, REGISTER OF DEEDS SUZANNE HERSCHBERGER, DEPUTY

Attached to and made a part hereof an Oil and Gas Lease dated May 29th, 2015, by and between, David P. Tole, a single person, as Lessors, and VAL Energy, Inc., as Lessee, covering the aforementioned property in Thomas County, Kansas to wit:

Addendum

The terms and conditions of this Addendum shall take precedence and priority over all terms and conditions in the lease.

1. After the expiration of the primary term of this lease, or any extension thereof, the payment of shut-in royalties as set out under the terms of this lease shall not perpetuate this lease for any continuous period greater than two (2) consecutive years.
2. A sufficient dike shall be placed around tank batteries. Also tank batteries and pumping equipment units shall be fenced to restrain cattle in pastures or on ground that Lessor grazes cattle on Milo stalks or wheat. Lessee or assigns agrees to comply with all applicable Federal, State and Local laws and regulations
3. It is the intention of the parties hereto to cause as little interference with farming operations on said land as possible, including but not limited to the operation of pivotal irrigation sprinklers, or other irrigation methods. In the event of production and continued use of the surface, Lessee, or his assigns, will restore or prepare the surface and situate and install all equipment needed in connection therewith, so that Lessee's use thereof will not interfere with the passage of said over-head sprinkler irrigation system. Any production equipment, including but not limited to pump jacks, hydraulic lifting or other equipment necessary to produce any oil or gas well on said land shall use low profile equipment and/or recess equipment to such depths as to permit the use by Lessor of circular irrigation sprinkler system. Should any alterations to the surface contours be caused by Lessee's operations, Lessee, his heirs, or his assigns, shall restore said surface contours to their former condition as nearly as is practicable.
4. Lessee shall consult with Lessor and obtain consent as to routes of ingress/egress as well as road and equipment placement on said premises for the purpose of drilling and production. Consent will not be unreasonably withheld.
5. In the event of drilling operations on said land, Lessee or assigns agree to backfill all dry slush pits, level the location and restore the surface as nearly as is practicable, within six (6) months after the completion date or as soon as pit dries sufficiently to fill and cover properly. This requirement applies whether said drilling results in production or not. Lessee further agrees to restrict the production site to as small a dimension as is reasonable and practicable for its operations.
6. When practical, no well shall be located closer than 300 feet to existing dwellings, barns, outbuildings, and irrigation wells on the leased premises without consent of the Lessor.
7. In the event Lessor owns a surface interest in a tract covered under this lease and such surface tract is the actual surface location for a well Lessee drills under the terms of this lease, Lessee agrees to pay to the surface owner of the leased premises a reasonable amount, but not less than \$1,500.00 for each three (3) acre drill site location on the leased premises, proportionately reduced to the amount of surface interest Lessor actually owns, for any and all damages to roads, fences, improvements, growing crops and ground caused by Lessee's drilling operations hereunder. If additional acreage is needed for a drill-site location an additional sum of \$500.00 per acre will be paid to Lessor. It is further understood that if the Lessor feels the damages paid are not sufficient to cover actual damages then Lessee will negotiate with Lessor for additional damages provided such damage can be substantiated. All damages under this paragraph shall be due and payable on or before three (3) months after said damages occur. The owner of the surface shall be responsible for paying his tenant, if applicable, and shall indemnify and hold harmless Lessee from and against any and all such payments. Growing crops shall be valued as of the date of Lessor's harvest at the average price per bushel at commercial elevators with twenty (20) miles of the crop site. Quantity of bushels shall be the Lessor's actual production history (APH) for the tract upon which the damage occurs.
8. Lessor does hereby grant to Lessee, its successors and/or assigns, the option to extend the primary term of this Lease and all rights hereunder for an additional two (2) years. Lessee shall exercise this option by tendering to Lessor \$ 35.00 per acre bonus money per Lessor's net mineral acre covered by this Lease on or prior to the expiration date of the initial primary term of this Lease. This additional bonus payment shall be considered tendered by Lessee when deposited with the U.S. Postal Service for delivery to the Lessor by certified mail addressed to Lessor at Lessor's address stated anywhere in this Lease, or such other address provided to Lessee by Lessor shall be effective until actual receipt of such notice by the Lessee. Further, Lessee shall have no obligation hereunder to tender additional payment to Lessor if Lessee has tendered payment to the last known address of Lessor prior to its receipt of a notice of change of address. This option to extend the primary term of the Lease shall be binding on Lessor's heirs, successors, and/or assigns.
9. All pipelines shall be buried and maintained below three (3) feet of depth.
10. FENCES: Lessee agrees not to cut or go over any fence at any time or in connection with any operation on the leased premises without first obtaining the consent of the surface owner. Lessee agrees to completely close all gates and properly maintain all gates and cattle guards which Lessee and Lessee's agents, servants and/or employees may use in Lessee's operations on the leased premises to prevent the escape of cattle or stock of the surface owner or tenant through any open gates.

11. NOTICE OF IMMEDIATE ACTIVITY: Before any drill-site or location is staked and Lessee moves on to the leased premises, Lessee will give advance notice to Lessor of said activity.
12. It is hereby agreed, by and between Lessor and Lessee; that Lessee or its assigns, shall be permitted to use any wellbore located on the leased premises, as a salt water disposal well, to dispose of water or brines produced from the leased premises or any surrounding lands owned by Lessor.
13. It is understood and agreed that the aforementioned Tracts shall constitute separate and individual Leases. Production on any single Tract shall not hold any other Tracts on said Lease by said production. It is further understood and agreed that the option to extend may be exercised individually according to the tracts herein described, with no obligation on remaining tracts.
14. If any part of the leased premises are subject to or enrolled in the Conservation Reserve Program, Lessee shall pay a third party to reseed to grass all areas thereof affected by Lessee's operations and hold Lessor harmless from penalties or liquidated damages assessed the Department of Agriculture, the Soil Conservation Service or the Agricultural Stabilization and Conservation Services under the Conservation Reserve Program as a result of Lessee's operations.
15. It is understood and agreed that Lessee will commence or complete 3D seismic operations on the leased premises within the primary term of this lease; said date initiating from the effective date of this lease.

X:



David P. Tole