

For KCC Use:

Effective Date: \_\_\_\_\_

District # \_\_\_\_\_

SGA?  Yes  No

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

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/QTR of acreage: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

Location of Well: County: \_\_\_\_\_

\_\_\_\_\_ feet from  N /  S Line of Section

\_\_\_\_\_ feet from  E /  W Line of Section

Sec. \_\_\_\_\_ Twp. \_\_\_\_\_ S. R. \_\_\_\_\_  E  W

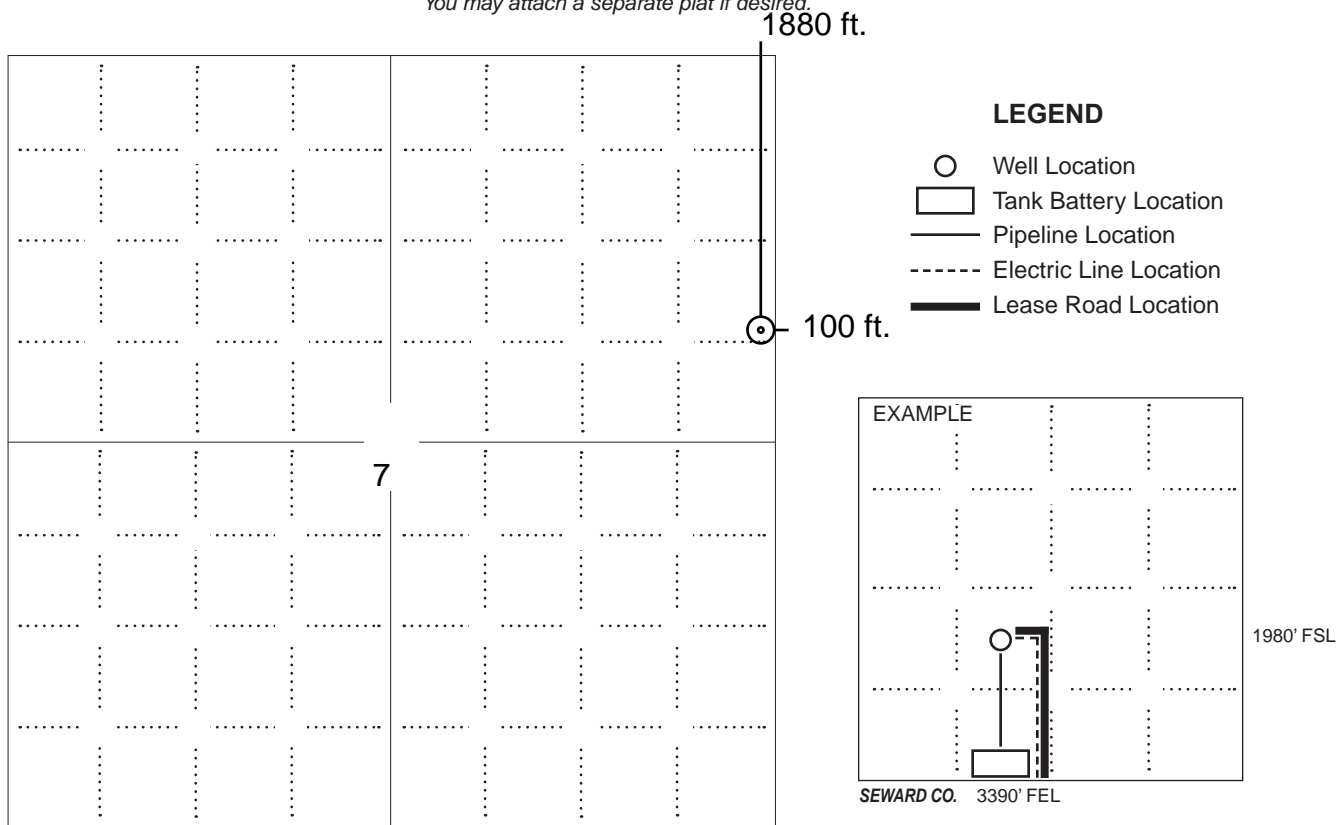
Is Section:  Regular or  Irregular

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

Section corner used:  NE  NW  SE  SW

**PLAT**

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



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

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

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

**KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION  
APPLICATION FOR SURFACE PIT**

Form CDP-1  
May 2010  
Form must be Typed

*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.	
<h2>Submitted Electronically</h2>			

<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

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

Form KSONA-1  
January 2014  
**Form Must Be Typed**  
**Form must be Signed**  
**All blanks must be Filled**

**CERTIFICATION OF COMPLIANCE WITH THE  
KANSAS SURFACE OWNER NOTIFICATION ACT**

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

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

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

Well Location:  
\_\_\_\_ - \_\_\_\_ - \_\_\_\_ - \_\_\_\_ Sec. \_\_\_\_ Twp. \_\_\_\_ S. R. \_\_\_\_  East  West  
County: \_\_\_\_\_  
Lease Name: \_\_\_\_\_ Well #: \_\_\_\_\_  
*If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:*

**Surface Owner Information:**

Name: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ + \_\_\_\_\_

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

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

**Select one of the following:**

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

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

I Submitted Electronically

I

Ur

**Legend**

- ⊙ Bergner



1 Stelzer

2 Bergner

1 Bergner

Bergner TB

Road into location

Leadline

7

8

8

SW 80th St

SW 80th Ave

SW 70th St

Google Earth

© 2018 Google



3000 ft

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

## OIL AND GAS LEASE

AGREEMENT, made and entered into this 30th day of January, 2018, by and between Schutte Farms, LLC, a Colorado limited liability company, By Allen Schutte, Manager whose mailing address is PO Box 130, Burlington, CO 80807, hereinafter called lessor (whether one or more), and Lotus Operating Company, LLC, hereinafter called lessee.

1. Lessor, in consideration of Ten Dollars (\$ 10.00) and more, in hand paid, receipt of which is hereby acknowledged and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring by geophysical and other means, prospecting, drilling, underground mining and operating for and producing oil, liquid hydrocarbons, all gases, and their respective constituent products, injecting gas, water, other fluids and air into subsurface strata, laying pipe lines, storing oil, building tanks, power stations, telephone lines, and other structures and things thereon to produce, save, take care of, treat, manufacture, process, store and transport said oil, liquid hydrocarbons, gases and their respective constituent products and other products manufactured therefrom, and temporary housing and otherwise caring for its employees, the following described land, together with any reversionary rights and after-acquired interest, therein situated in the County of Pratt, State of Kansas, described as follows, to wit:

Township 29 South, Range 14 West  
Section 8: W/2

- In Section XX, Township XX, Range XX and containing 320.000 Acres, more or less, and all accretions thereto.
2. 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 as thereafter as oil, liquid hydrocarbons or gas or other respective constituent products, or any form of them is produced from said land or land with which said land is pooled.
  3. In consideration of these premises lessee covenants and agrees:
    - a. To deliver to the credit of lessor, free of cost, in the pipeline to which lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.
    - b. To pay lessor for gas of whatsoever nature or kind produced and sold or used off the premises, or used in the manufacture of any products there from, 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 **Five Dollars (\$5.00)** 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. **However, no gas well may be held by the payment of shut-in royalties for more than three (3) continuous years past the expiration date of this lease.**
  4. This lease may be maintained during the primary term hereof without further payment or drilling operations. If the lessee shall commence to drill a well within the term of this lease or any extension thereof, the lessee shall have the right to drill such well to completion with reasonable diligence and dispatch, and if oil or gas, or either of them, be found in paying quantities, this lease shall continue and be in force with like effect as if such well had been completed within the term of years first mentioned.
  5. If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein provided for shall be paid to lessor only in the proportion which lessor's interest bears to the whole and undivided fee.
  6. Lessee shall have the right to use, free of cost, gas, oil and water produced on the leased premises for lessee's operations thereon, except water from wells of lessor.
  7. When requested by the lessor, lessee shall bury lessee's pipelines below plow depth.
  8. No well shall be drilled nearer than 200 feet to a house or barn now on said premises without the written consent of the lessor.
  9. Lessee shall pay for all damages caused by lessee's operations to growing crops on said land.
  10. Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

11. If the estate of either party hereto is assigned and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to its heirs executors, administrators, successors or assigns, but no change in the ownership of the lands or assignment of rentals or royalties shall be binding on lessee until after the lessee has been furnished with a written transfer or assignment or a true copy thereof. In case lessee assigns this lease, in whole or in part, lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment.
12. Lessee may at any time execute and deliver to lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.
13. All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, in whole or in part, nor lessee held liable in damages, for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.
14. Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the lessee shall have the right at any time to redeem for lessor, by payment any mortgages, taxes or other liens on the above described lands, in the event of default of payment by lessor, and be subrogated to the rights of the holder thereof, and the undersigned lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, in so far as said right of dower and homestead may in any way affect the purposes for which this leases is made, as recited herein.
15. Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, when in lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises, such pooling to be of tracts contiguous to one another and to be into a unit or units not exceeding 40 acres each in the event of an oil well, or into a unit or units not exceeding 640 acres each in the event of a gas well. Lessee shall execute in writing and record in the conveyance records of the county in which the land herein leases is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit shall be treated, for all purposes except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on the pooled acreage, it shall be treated as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere herein 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.

16. Wherever there appears the words "one-eighth (1/8<sup>th</sup>)" above, it is understood and agreed that it shall be changed to 15% in each and every case.
17. It is understood by Lessee that Schutte Farms, LLC entered into a Memorandum of Wind Farm Lease and Easement with Pratt Wind, LLC on October 13, 2016 and is recorded in Book 457, Page 1 in the Register of Deeds office for Pratt County, Kansas.

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

**Schutte Farms, LLC, a Colorado limited liability company**

X Allen Schutte  
 By: Allen Schutte, Manager

STATE of Colorado )  
 ) ss: Acknowledgment for Limited Liability Company (KS, OK, CO)  
 COUNTY of Kit Carson )

Be it remembered that on this X 30 day of X January, 2018, before me, the undersigned, a Notary Public, duly commissioned, in and for the county and state aforesaid, came Allen Schutte, Manager of Schutte Farms, LLC, a Colorado limited liability company, personally known to me to be such officer, and to be the same person who executed as such officer the foregoing instrument of writing in behalf of said entity, and he duly acknowledged the execution of the same for himself and for said entity for the uses and purposes therein set forth.

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

My commission expires X Sept 23, 2020

X Kathy Sims  
 Notary Public

**RATIFICATION OF OIL AND GAS LEASE**

KNOW ALL MEN BY THESE PRESENTS:

THAT, WHEREAS, under the date of the 30th day of January, 2018, a certain oil and gas lease was made, executed and delivered by Schutte Farms, LLC, a Colorado limited liability company, by Allen Schutte, Manager, as lessor(s) to Lotus Operating Company, LLC, as Lessee, covering the following-described lands in Pratt County, State of Kansas, to-wit;

**Township 29 South, Range 14 West**  
**Section 8: W/2**

said lease being recorded in Book \_\_\_\_\_, Page \_\_\_\_\_, of the records in the Office of the Register of Deeds in and for the said County, reference to said lease and to the record thereof being hereby made for all purposes.

NOW, THEREFORE, in consideration of the sum of One Dollar (\$1.00) and other valuable consideration, the receipt of which is hereby acknowledged, we, the undersigned, and each for himself and herself, as the case may be, do hereby ratify, adopt and confirm the hereinabove-described oil and gas lease in all of its terms and provisions and do hereby lease, demise and let said land and premises unto the said lessee hereinabove-named, his assigns and successors in interest, as fully and completely as if we had originally been named as lessor in said lease and had executed, acknowledged and delivered the same; provided, however, that this instrument shall cover and bind all interest of the undersigned which may have been acquired subsequent to the date of the aforesaid oil and gas lease and is intended further to cover and bind any interest which the undersigned may hereafter acquire by way of reversion or otherwise.

It being provided further that the undersigned shall not be entitled to receive any portion of the bonus or rentals payable under said lease but such bonus or rentals shall be paid to the persons designated to receive such rentals in accordance with the terms and provisions of the said oil and gas lease and their heirs, legal representatives, successors and assigns.

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

EXECUTED this X 30th day of January, 2018.

**A & A Farms, LLC**

X Allen Schutte  
**Allen Schutte, Manager**

Mailing Address: **PO Box 130**  
**Burlington, CO 80807**

STATE of Colorado )  
 ) ss: Acknowledgment for Limited Liability Corporation (KS, OK, CO)  
COUNTY of Kit Carson )

Be it remembered that on this X 30 day of X January, 2018, before me, the undersigned, a Notary Public, duly commissioned, in and for the county and state aforesaid, came Allen Schutte, Manager of A & A Farms, LLC, personally known to me to be such officer, and to be the same person who executed as such officer the foregoing instrument of writing in behalf of said entity, and he duly acknowledged the execution of the same for himself and for said entity for the uses and purposes therein set forth.

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

My commission expires X Sept 23, 2020

X Kathy Sims  
**Notary Public**



SCANNED

Register of Deeds Pratt County, Kansas  
Sherry L. Wenrich  
Book: 366 Page: 10  
Receipt #: 13167 Total Fees: \$24.00  
Pages Recorded: 5  
Date Recorded: 8/4/2009 4:31:42 PM

FORM 88 - (PRODUCER'S SPECIAL) (PAID-UP)

83U (Rev. 1993)

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 20th day of July 2009

by and between Margaret Jean Bergner, a widow

~~c/o Janis Jeffries~~

Janis L. Jeffries, a single person; Peggy L. Bartholomew and

Greg Bartholomew, her husband

whose mailing address is ~~2539 Grayson Circle, San Antonio, TX 78232~~ 20550 Huebner Rd #108 S.A. Texas 78258 hereinafter called Lessor (whether one or more),

and Cross Bar Energy, LLC

100 S. Main, Suite 400, Wichita, KS 67202, hereinafter called Lessee.



Lessor, in consideration of ten or more Dollars (\$10.00 or more) 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 Pratt State of Kansas described as follows to wit:

The East Half (E/2)

In Section 7, Township 29 South, Range 14 West, and containing 320 acres, more or less, and all accretions thereto.

Subject to the provisions herein contained, this lease shall remain in force for a term of two (2) years from this date (called "primary term"), and as long thereafter as 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:

1<sup>st</sup>. 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.

2<sup>nd</sup>. 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 lessor's operation thereon, except water from the wells of lessor.

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

No well shall be drilled nearer than 200 feet to the house or barn now on said premises without the 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 mortgages, taxes or other liens on the above described lands, in the event of default of payments by lessor, and be subrogated to the rights of the holder thereof, and the undersigned lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, in so far as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, when in 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 320 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.

Wherever the term 1/8 appears, 16.875 % shall be substituted therefor.

SEE "ADDENDUM" ATTACHED HERETO AND MADE A PART HEREOF.

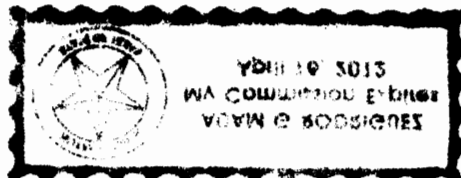
IN WITNESS WHEREOF, the undersigned execute this instrument as of he day and year first above written.

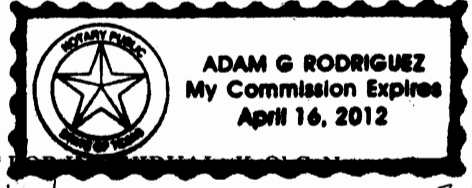
Witnesses:

Janis L. Jeffries  
Peggy L. Bartholomew  
Gregg Bartholomew

Margaret Jean Bergner

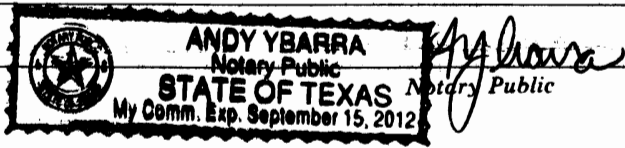
KS PR-0134-30538-01





STATE OF Texas  
 COUNTY OF Bexar ACKNOWLEDGMENT  
 The foregoing instrument was acknowledged before me this 27 day of July, 192009  
 by Margaret J. Bergner and Peggy L. Bartholomew  
 and Janis Jeffries  
 My commission expires April 16, 2012  
 \_\_\_\_\_  
 Notary Public

STATE OF Texas  
 COUNTY OF Bexar ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)  
 The foregoing instrument was acknowledged before me this 28 day of July, 192009  
 by Gregg Bartholomew and \_\_\_\_\_  
 My commission expires Sept 15, 2012  
 \_\_\_\_\_  
 Notary Public



STATE OF \_\_\_\_\_  
 COUNTY OF \_\_\_\_\_ ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)  
 The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_  
 by \_\_\_\_\_ and \_\_\_\_\_  
 My commission expires \_\_\_\_\_  
 \_\_\_\_\_  
 Notary Public

STATE OF \_\_\_\_\_  
 COUNTY OF \_\_\_\_\_ ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)  
 The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_  
 by \_\_\_\_\_ and \_\_\_\_\_  
 My commission expires \_\_\_\_\_  
 \_\_\_\_\_  
 Notary Public

No. \_\_\_\_\_  
**OIL AND GAS LEASE**  
 FROM \_\_\_\_\_  
 TO \_\_\_\_\_  
 Date \_\_\_\_\_, 19\_\_\_\_  
 Section \_\_\_\_\_ Twp. \_\_\_\_\_ Rge. \_\_\_\_\_  
 No. of Acres \_\_\_\_\_ Term \_\_\_\_\_  
 County \_\_\_\_\_  
 STATE OF \_\_\_\_\_  
 County \_\_\_\_\_  
 This instrument was filed for record on the \_\_\_\_\_  
 day of \_\_\_\_\_, 19\_\_\_\_  
 at \_\_\_\_\_ o'clock \_\_\_\_\_ M., and duly recorded  
 in Book \_\_\_\_\_ Page \_\_\_\_\_ of  
 the records of this office.  
 By \_\_\_\_\_ Register of Deeds.  
 When recorded, return to \_\_\_\_\_

STATE OF \_\_\_\_\_  
 COUNTY OF \_\_\_\_\_ ACKNOWLEDGMENT FOR CORPORATION (KsOkCoNe)  
 The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_  
 by \_\_\_\_\_  
 of \_\_\_\_\_ a \_\_\_\_\_ **Book: 366 Page: 11**  
 corporation, on behalf of the corporation.  
 My commission expires \_\_\_\_\_  
 \_\_\_\_\_  
 Notary Public

ADDENDUM

1. The Lessee agrees to exercise any rights with respect to removal and recovery of materials, buildings, casings, etc. set forth in the main part of the contract within one (1) year of the expiration of said lease. The failure of the Lessee to exercise this right within one (1) year will vest the title to all said materials, buildings, casings, etc., absolutely and unconditionally in the Lessor, its heirs and assigns.

2. Upon abandonment of any well or wells on the land described in this lease the Lessee and its assigns agree to restore as near as possible the ground areas where the damage occurs from drilling operations and be responsible for and promptly pay all crop damages. The ground areas will be restored as near as possible to its original condition, within one (1) year after the expiration of this lease.

3. Any and all pits dug or used in connection with the development and production of this lease shall be dug a minimum of six (6) feet deep and maximum precaution shall be taken to protect the soil from any and all damage from any and all uses of said pits, which shall be dug in such a manner as to allow the top soil to be put back on the surface when the pits are filled.

4. It is agreed between the parties that in connection with all operations, water used for drilling purposes or any other purposes will be purchased from the Lessor. Lessee shall specifically not have any right to use fresh water from the above described premises for the purpose of water flooding or ejection in any water flooding program that the above described acreage may for any reason be pooled or unitized.

5. Lessor reserves the right to designate all routes of ingress and egress. Prior to the construction of any roads, pipelines, tank battery installations or installation of other equipment on the leased premises, Lessee shall consult and agree with the surface owner and tenant as to the location and direction of same. There shall be no oil road surfaces or hard surfacing of any access roads without the written consent of Lessor. Lessee's roadways shall be not more than ten (10) feet wide. It is further understood that in the event there is a fence crossing, an auto crossing gate will be placed at the fence crossing and said gate will be left on the premises when the lease is abandoned at no cost to Lessor.

6. It is understood and agreed between the parties that any new lines located on this lease will be buried and maintained below plow depth, and damages will be paid at \$1.00 per lineal foot. On lines laid after the primary term, the damage amount shall be renegotiated.

7. In the event there is no production in paying quantities found by any operations undertaken by Lessee during the primary term of the lease, and there is an abandonment of said lease, the Lessee shall fill all pits, ponds, remove all structures and reasonably restore the premises to the condition existing at the time the lease is executed. Within six (6) months after the expiration of the lease, Lessee shall have the obligation to restore, as nearly as practicable as possible, the leased premises to the same condition as received, natural wear and tear and damages by the elements excepted. The Lessee shall promptly pay for all crop damages and damages to the land.

8. It is further understood that the Lessee will allow the Lessor or his agent free access to the site at all times provided that any information that he obtains while on the site will be kept confidential if requested by the Lessee. Further, upon completion of operations copies of all logs produced in connection with the operations will be furnished to the landowner at the time the logs are secured free of cost to the landowner. It is further understood that this lease only covers oil, gas, hydrocarbons and petroleum chemical products.

9. No right is granted to the Lessee to erect on any part of said premises any plant or facility for gasoline extraction or for the processing of said gas or petroliferous substances, except the normal and necessary heater treater and separator customarily used.

10. It is further understood and agreed between the parties that in the event Lessee shall elect to abandon operations on said premises, he will consult with Lessor prior to abandoning the same and will give Lessor the option to purchase salvage at a reasonable salvage value.

11. Lessor shall have the right to purchase gas at the wellhead price not to exceed an amount equal to their royalty, from any gas well on the land above described, or any land with which it is unitized, for farming and agriculture purposes.

12. It is agreed that the fraction one-eighth (1/8) wherever appearing in the lease form shall be changed to ~~15%~~ 16.875%.

13. After the primary term and in the event that production is obtained on this land and only a portion of the land is dedicated to said production or production ceases to a portion of the land, Lessee will either fully develop the remaining portions of the land within two (2) years after the primary term and will release all non-producing acreage except 40 acres (quarter-quarter section) upon which an oil well is located or if a gas unit shall release all acreage not included in unit.

14. Lessee covenants and agrees to release of record all formations, strata and substratum 100 feet below the deepest formations, strata and substratum penetrated, one (2) year after the expiration of the primary three (1) year term of this lease.

15. It is further understood and agreed that without obtaining from the Lessor a separate written agreement regarding the same, no well on the leased premises will be used to dispose of salt water produced from leases or units other than this lease. The Lessee agrees to notify the landowner before beginning installation of the operational equipment. No open water pits or unlined pits shall be permitted for salt water disposal purposes. The Lessee shall not be permitted to use more than one-quarter (1/4) acre of the surface for salt water disposal facilities. If a leak is discovered in any of the operational equipment or pipe, the Lessee agrees to promptly repair the same in not more than four (4) days from such time as the leak is discovered and the Lessee or any of its operational employees is notified of the same.

16. It is understood and agreed between the parties that there are stock ponds located on the property and that the Lessor is not to use water from these ponds for any purpose. No fresh water will be used for any water flooding operations on this lease.

17. It is understood and agreed between the parties that the Lessee has covenanted and agreed that he or his assigns will pay a minimum annual royalty on any production under this lease, including shut-in royalties, of Five Hundred Dollars (\$500.00) per well.

18. Lessor reserves all rights to grant, lease, and mine; gravel and/or minerals from said lands except interest in oil and gas and their constituent products herein leased to Lessee. Lessor specifically reserves the ownership of all radioactive substances, including those which may be produced with or derived and/or extracted from any gas or liquids produced by the Lessee.

19. Lessee shall bury and maintain pipelines and utility lines below plow depth. Lessee shall pay Lessor for reasonable damages, to all property, real, personal or mixed, caused by its operations on said land, including but not limited to land, growing crops, grass, buildings, livestock, surface, fences and other improvements and personal property, any cattle gates or cattle guards placed on the property will be left on the property at the termination of this lease.

20. Lessee agrees to maintain wellsite, storage tank location, or any other area used in its lease operations, reasonably free of weeds, but without the use of salt or unapproved chemical substances in such weed control or chemical substances that will migrate from the lease and do damage or are not recommended on the label for such use.

21. Lessee agrees that he will promptly obtain a Division Order for any production, which will be completed for Lessor's signature, so that the first runs may be paid on the

1<sup>st</sup> payment date ninety (90) days after delivery of the first runs. However, curing defects in the Lessor's title shall suspend the running of said 90-day period. If the Division Order is not delivered to the Lessor in said time period, the party responsible for the delay shall be liable to the Lessor for One and one-half percent (1-1/2%) per month interest on the unpaid balance for the time from delivery of the first runs to the day of payment. Lessee further agrees that royalties unpaid 45 days after the end of the month in which runs are collected (excepting first runs) shall bear interest at the current prime lending rate at the Peoples Bank in Pratt, Kansas.

22. It is agreed that wherever the term "40 acre site surrounding each well" is used herein that it refers to a square tract of 40 acres in the approximate center of which an oil or gas well is located.

23. It is agreed that all water wells drilled by Lessee for his use shall be left open and cased when no longer used and become the property of the Lessee.

24. It is agreed that Lessee shall only be entitled to maintain this lease as a producing lease by the payment of delay rentals, where gas is found but not sold, for a period of time not exceeding three (3) years after the primary term hereof and following such three (3) year period after the primary term hereof, this lease shall cease and terminate unless gas is produced and sold in paying quantities.

25. It is agreed that no salt water or petroleum substance will be put in pits during drilling or completion or thereafter, all such substances shall be put in tanks, and non-saleable products shall be disposed of off the leased acreage.

26. In the event of any injury, illness or damage to any livestock belonging to Lessee, or any other person having the right to maintain such livestock on the leased premises, as a result of any physical contact with or ingestion of any oil, salt water, chemical or other substance or equipment produced by or brought on the premises by Lessee, his agents, servants or employees, Lessee shall pay all damages.

27. In the event that any oil or gas well is drilled upon the premises above-described, Lessee will pay to the Lessor the sum of Two Thousand Dollars (\$2,000.00) per well so drilled, payable at the time the drilling begins, regardless of whether production results; upon such payment Lessee shall be entitled to use only the following portions of the above-described premises for the following purposes:

- (a) A well site not to exceed one-hundred (100) feet by two hundred (200) feet;
- (b) Any new tank battery not to exceed forty (40) feet by one hundred (100) feet.
- (c) Buried oil and gas lines to the tank battery; and
- (d) Necessary roads not more than fifteen (15) feet wide.

If the actual damages exceed the above site dimensions then the amount of damages paid will be increased in proportion to the increase in size of the site damaged. Location of roads and tank batteries shall be subject to the approval of Lessor obtained prior to the construction thereof.

28. The Lessors agree that they will <sup>cooperate</sup> ~~corporate~~ with the lessee in forming a gas production unit or an oil production unit if the drilling location necessitates pooling or unitization. The Lessors have given good reason by the lessees will freely consent to the formation of an oil unit of not more than 40 acres and a gas unit of not more than 160 acres. This is understood that oil and gas units will not be formed by the Lessees unless the location of the well with respect to the boundaries of the Lessors land dictates the necessity for the formation of a unit.

# ADVANTAGE ELEVATIONS

OIL FIELD SURVEYORS

BOX 8604 - PRATT, KS 67124  
(620) 672-6491

131181  
INVOICE NO.

LOTUS OPERATING CO OPERATOR      2 NO.      BERGNER FARM

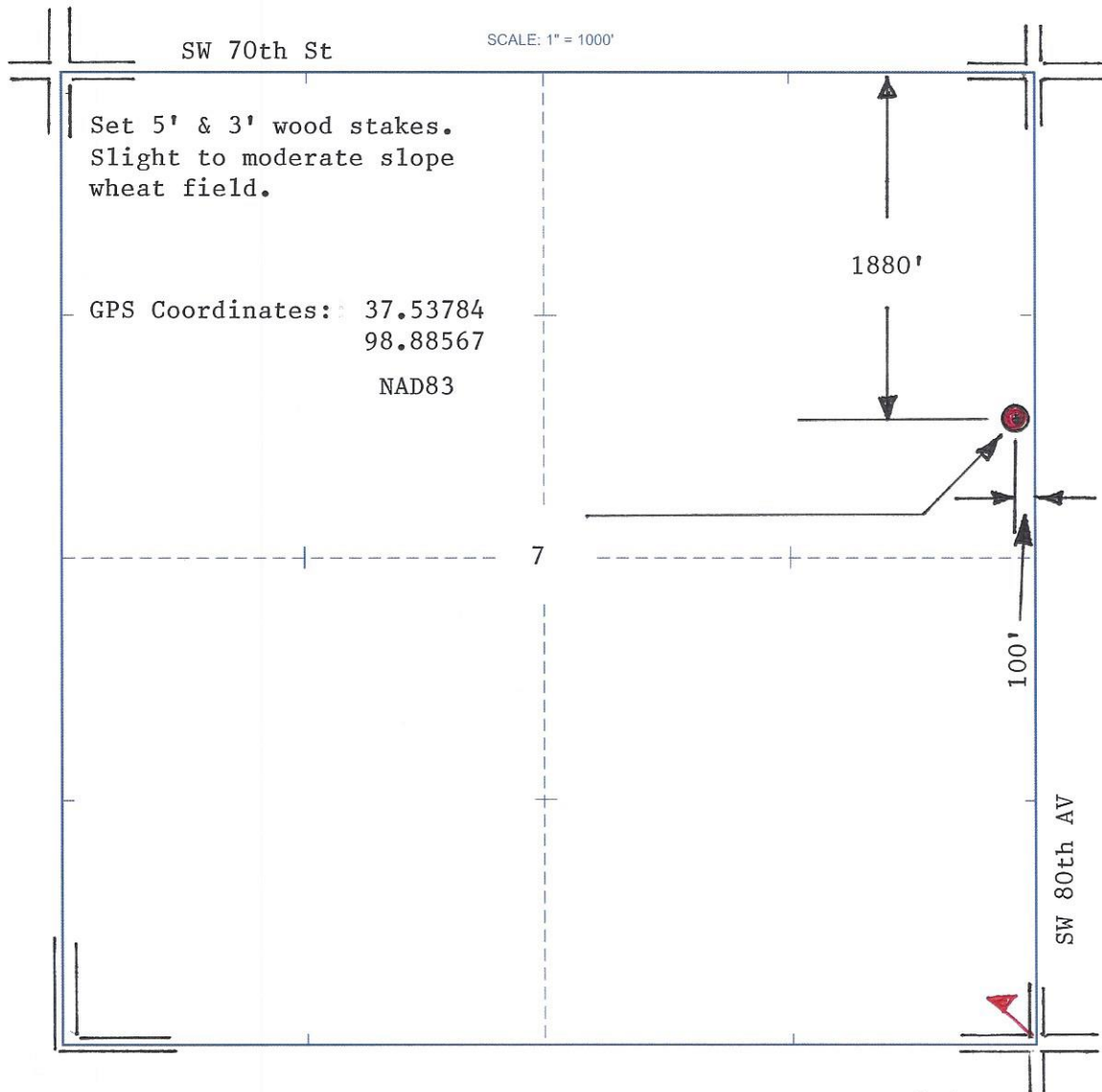
PRATT COUNTY      7 S      29s T      14w R      1880' FNL & 100' FEL of Sec. LOCATION

ELEVATION: 2018 GR

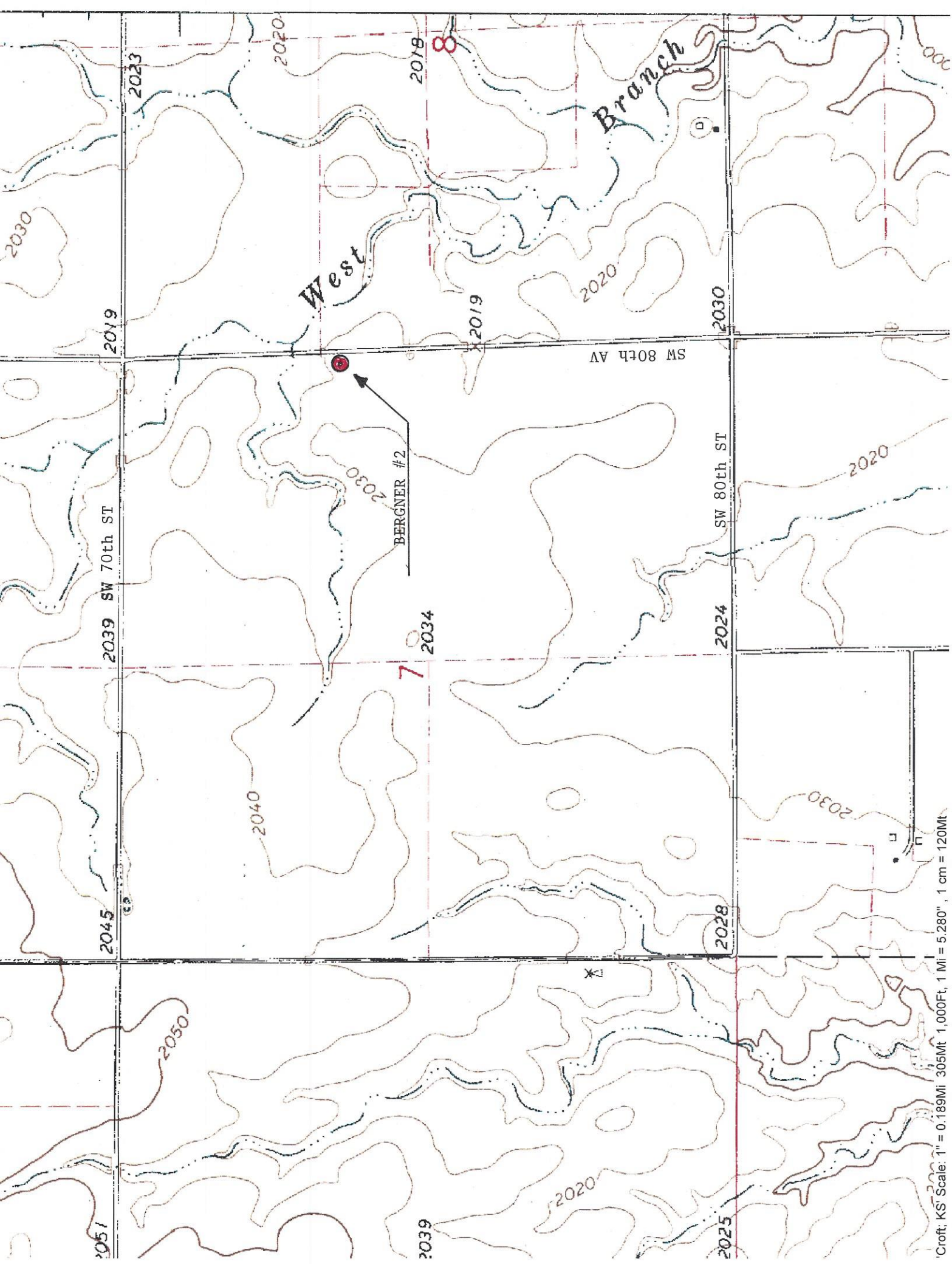


LOTUS OPERATING CO  
100 S Main Ste 420  
Wichita, KS 67202

AUTHORIZED BY: Tim Hellman



DATE STAKED: 2/2/18



Croft, KS Scale: 1" = 0.189Mi 305Mft 1,000Ft, 1 Mi = 5,280", 1 cm = 120Mft

**LOTUS OPERATING**  
BERGNER #2  
SEC 7-29S-14W

**Legend**

SW-70th St

37 32 16.33 - 98 53 8.13

SW-80th St

SW-80th Ave

3000 ft



Google Earth

© 2018 Google



# Advantage Elevations

P. O. Box 8604  
10168 S. Hwy 281  
Pratt, KS 67124

# Invoice

DATE	INVOICE #
2/7/2018	131181

BILL TO
Lotus Operating Company, LLC 100 South Main Suite 420 Wichita KS 67202

TERMS	PROJECT
Due Upon Receipt	

DESCRIPTION	AMOUNT
Survey drillsite location of Bergner #2, Sec 7-29s-14w, 1880' FNL & 100' FEL of Sec., Pratt Co., KS	450.00
Thank you for the opportunity to provide services to your company.	<b>Total</b> \$450.00