

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

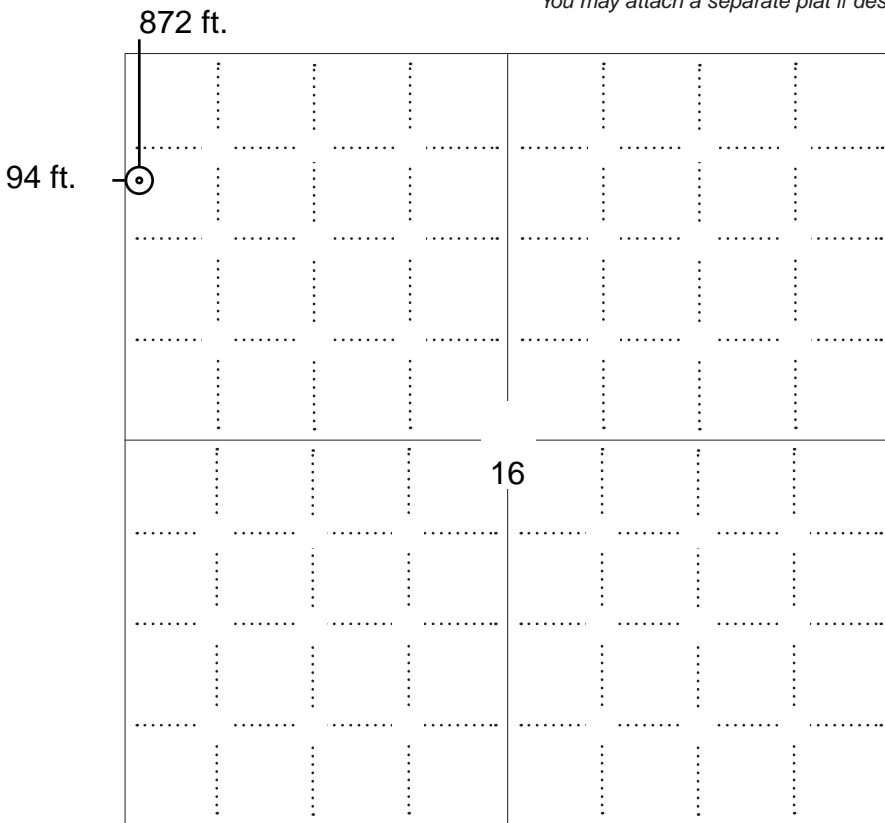
Is Section: Regular or Irregular

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.



LEGEND

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



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

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

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

**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	
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

Liner Steel Pit RFAC RFAS

Date Received: _____ Permit Number: _____ Permit Date: _____ Lease Inspection: Yes 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

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 19th day of December 20 16

by and between Meadow Lake Farms, Inc., a Kansas Corporation

whose mailing address is 375 S. Range Avenue Colby, Kansas 67701 hereinafter called Lessor (whether one or more),

and VAL ENERGY INC., 125 N. Market, Suite 1710 Wichita, Kansas 67202

hereinafter called Lessee:

Lessor, in consideration of Ten and More-----Dollars (\$ 10.00 & 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 County of Thomas State of Kansas described as follows to-wit:

The Northwest Quarter (NW/4)

of Section 16 Township 8 South Range 35 West and containing 160 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) year 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.

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 produced on said land for lessee's operation thereon, except water from the wells of 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 all damages caused by lessee's operations 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, from the date said land was acquired, and agrees that the lessee shall have the right at any time to redeem for lessor, by payment any mortgages, taxes or other liens on the above described lands, in the event of default of payment by lessor, and be subrogated to the rights of the holder thereof, and the undersigned Lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, in so far as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

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

If at the expiration of the primary term, this lease is not otherwise continued in force under the provisions hereof, this lease shall expire, unless Lessee, at its Option, on or before the expiration of the primary term, shall pay or tender to Lessor the same bonus consideration as was originally paid for this lease. This additional bonus consideration shall be considered tendered by Lessee when deposited in the U.S. Postal Service for delivery to the Lessor, addressed to Lessor at the above listed mailing address. Then subject to the terms of this lease and all its other provisions, the primary term shall have been extended for an additional term of Three (3) years from the end of the primary term hereof

Lessee or its assigns, agrees to pay for any and all damages caused by its operations on the above described land and Lessee further agrees to consult with Lessor as to routes of ingress and egress and in the event production is established under the terms and conditions of this lease, Lessee shall consult with Lessor as to the location of any production equipment associated with the production thereon.

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

Meadow Lake Farms, Inc.

By: 

Bryan Frahm, President

5. SandRidge and Repsol hereby release the Leases together with all rights, titles, interests, estates, remedies, powers and privileges thereunto appertaining from that certain Participation and Development Agreement, dated January 5, 2012, by and between SandRidge and Repsol.

6. Special Warranty of Title. This Assignment is made (i) without warranty of title, either express or implied, except by, through or under Assignor, but not otherwise, (ii) to the extent permitted by law or contract, with the right of full substitution and subrogation of Assignee in and to all covenants and warranties heretofore given or made with respect to the Leases, or any part thereof, covered by this Assignment, and (iii) subject to all the terms and the express and implied covenants and conditions of the Leases, which terms, covenants, conditions and liabilities the Assignee hereby assumes and agrees to perform with respect to the interest assigned.

7. Indemnity. ASSIGNOR SHALL FULLY PROTECT, INDEMNIFY AND DEFEND ASSIGNEE, ITS AFFILIATES AND THEIR RESPECTIVE OFFICERS, AGENTS AND/OR EMPLOYEES AND HOLD THEM HARMLESS FROM ALL CLAIMS, DEMANDS, NOTICES, SUITS, CAUSES OF ACTION, LOSSES, DAMAGES, LIABILITIES, FINES, PENALTIES, COSTS AND EXPENSES, REASONABLE ATTORNEY FEES, AND UNIT COSTS, INCLUDING BUT NOT LIMITED TO AD VALOREM, PRODUCTION, SEVERANCE OR EXCISE TAXES AND ROYALTIES ATTRIBUTABLE TO ASSIGNOR'S OWNERSHIP AND OPERATION OF THE PROPERTIES BEFORE THE EFFECTIVE TIME.

8. No Third Party Beneficiary. The references herein to contracts, agreements, burdens, encumbrances and other matters shall not be deemed to ratify or create any rights in third parties or merge with, modify or limit the rights of Assignor or Assignee, as between themselves. It is the intent of Assignor and Assignee that this Assignment shall not be construed as a third party beneficiary contract.

9. Further Assurances. In addition to this Assignment, Assignor shall execute, acknowledge, and deliver to Assignee, in a timely manner and without further consideration, any documents or instruments that Assignee may reasonably require, including, without limitation, further assignments or conveyances required by any state or federal authority, deeds and consents to further evidence the assignment and conveyance of the Properties by Assignor to Assignee.

10. Counterparts. This Assignment may be executed in any number of counterparts, and by different parties in separate counterparts, and each counterpart hereof shall be deemed to be an original instrument, but all such counterparts shall constitute but one instrument. A copy or facsimile of a signed copy of this Agreement shall have the same force and effects as a signed original of this Agreement.

11. This Assignment shall bind and inure to the benefit of Assignor and Assignee and their respective successors and assigns.

IN WITNESS WHEREOF, the undersigned has executed this instrument on the date of the acknowledgment annexed hereto, but effective for all purposes as of the Effective Time.

ASSIGNOR:

SandRidge Exploration and Production, LLC

By: [Signature]
Name: Aaron Reyna
Title: Vice President of Operations

ASSIGNOR:

Repsol E&P USA Inc.

By: [Signature]
Name: Mark K. Gress
Title: Vice President - Land

ASSIGNEE:

Val Energy, Inc.

By: [Signature]
Name: K. Todd Allam
Title: President

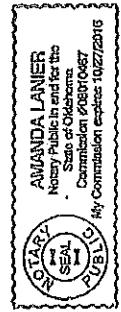
ACKNOWLEDGMENT

STATE OF OKLAHOMA)
) §
COUNTY OF OKLAHOMA)

This instrument was acknowledged before me on this 16th day of November 2013 by Aaron Reyna, Vice President of Operations at SandRidge Exploration and Production, LLC, on behalf of said company.

[Signature]
Notary Public

Commission Expires: 10/27/16
Commission No. 08610467



ASSIGNOR:

SandRidge Exploration and Production, LLC

By: Aaron Reyna RCF

Name: Aaron Reyna

Title: Vice President of Operations

ASSIGNOR:

Repsol E&P USA Inc.

By: _____

Name: _____

Title: _____

ASSIGNEE:

Val Energy, Inc.

By: K. Todd Allam

Name: K. Todd Allam

Title: President

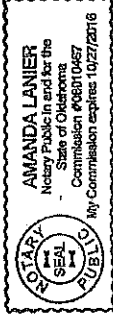
ACKNOWLEDGMENT

STATE OF OKLAHOMA)
) §
COUNTY OF OKLAHOMA)

This instrument was acknowledged before me on this 10th day of November 2013 by Aaron Reyna, Vice President of Operations at SandRidge Exploration and Production, LLC, on behalf of said company.

Amanda Lanier
Notary Public

Commission Expires: 10/27/16
Commission No. 08010467



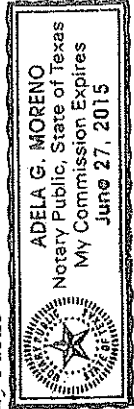
ACKNOWLEDGMENT

STATE OF TEXAS)
COUNTY OF MONTGOMERY) §

This instrument was acknowledged before me on this 14th day of NOVEMBER, 2013 by Mark K. Gross, Vice President of Repsol E&P USA, Inc., on behalf of said corporation.

Adela G. Moreno
Notary Public

Commission Expires: 6/27/2015
Commission No. _____



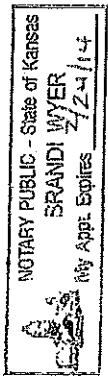
ACKNOWLEDGMENT

STATE OF KANSAS)
COUNTY OF Sedgewick) §

This instrument was acknowledged before me on this 31st day of October, 2013 by K. Todd Allan, President of Val Energy, Inc., on behalf of said corporation.

Brandi Weyer
Notary Public

Commission Expires: 2/24/14
Commission No. _____



ACKNOWLEDGMENT

STATE OF _____)
)
)
COUNTY OF _____) §

This instrument was acknowledged before me on this _____ day of _____, 2013 by _____ of Repsol E&P USA Inc., on behalf of said corporation.

Notary Public

Commission Expires: _____
Commission No. _____

ACKNOWLEDGMENT

STATE OF KANSAS)
)
)
COUNTY OF SEDGWICK) §

This instrument was acknowledged before me on this 31st day of October, 2013 by K. Todd Allam, President of Val Energy, Inc., on behalf of said corporation.

Brandi Wyer
Notary Public
Brandi Wyer

Commission Expires: 2/24/14
Commission No. _____

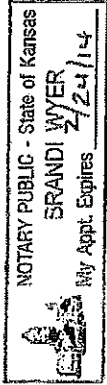


EXHIBIT "A"

Attached hereto and made a part of that certain Partial Assignment from SandRidge and Repsol as Assignor's, to Val Energy, Inc., as Assignee, dated effective as of November 4, 2013.

98571
DATED: October 6, 2011
LESSOR: Lon R. Frahm a/k/a Lon Ray Frahm, a single person
RECORDED: Book 219, at Pages 490-492 and Corrected in Book 223, at Pages 721-723
LEGAL: Insofar and only insofar as said Lease covers the Southeast Quarter (SE/4) of Section One (01), Township Eight (08) South, Range Thirty-six (36) West, Less and Except a tract of land containing 0.873 acres described: Beginning at a point two chains and 67 links west of the corners to Sections One (01), Six (06), Seven (07), and Twelve (12), Township 08 South, Range 35 West and 36 West, on range line between Sections 01 and 12, Township 08 South, Range 36 West of the 6th P.M. From the corners above named, 11 chains and 67 links on the South side of the SE/4 of Section One (01), in a Northwesterly direction 4 chains and 88 links (45 degrees). Thence in a Southwesterly direction Seven chains and 26.5 links (73 degrees). Thence East 10 chains and 33 links to place of beginning of Section 1, Township 8 South, Range 36 West, Thomas County, Kansas

DATED: November 11, 2011
LESSOR: Beverly A. Goering, a single person
RECORDED: Book 220, at Page 197-198
LEGAL: Insofar and only insofar as said Lease covers the Northwest Quarter (NW/4) of Section 02, Township 08 South, Range 36 West, Thomas County, Kansas

DATED: November 11, 2011
LESSOR: Jolene M. Miller and Richard D. Miller, Wife and Husband
RECORDED: Book 220, at Page 224-225
LEGAL: Insofar and only insofar as said Lease covers the Northwest Quarter (NW/4) of Section 02, Township 08 South, Range 36 West, Thomas County, Kansas

98572
DATED: September 19, 2011
LESSOR: Mason Crumrine and Betty L. Crumrine, as Trustees of the Revocable Inter Vivos Trust of Mason Crumrine, dated August 17, 1999 and Betty L. Crumrine and Mason Crumrine, as Trustees of the Revocable Inter Vivos Trust of Betty L. Crumrine, dated August 17, 1999

RECORDED: Book 216, at Page 775-778
LEGAL: Insofar and only insofar as said Lease covers the Southwest Quarter (SW/4) of Section Four (04), Township Eight (08) South, Range Thirty-Six (36) West, Thomas County, Kansas
 A N D
 Southeast Quarter (SE/4) of Section Four (04), Township Eight (08) South, Range Thirty-Six (36) West, Thomas County, Kansas

98573
DATED: October 13, 2011
LESSOR: Double U Farms, Inc., Wendy Weishaar, President
RECORDED: Book 219, at Page 488-489
LEGAL: Insofar and only insofar as said Lease covers the Northeast Quarter (NE/4) of Section Seventeen (17), Township Eight (08) South, Range Thirty-five (35) West, Thomas County, Kansas

IT IS ASSIGNOR'S INTENT TO CONVEY TO ASSIGNEE ALL OF ASSIGNOR'S RIGHTS, TITLE, INTERESTS AND ESTATES IN AND TO THE PROPERTIES, REGARDLESS OF THE OMISSION OF ANY PARTICULAR LEASE OR LEASES, ERRORS IN DESCRIPTION, INCORRECT OR MISPELLED NAMES OR INCORRECT RECORDING REFERENCES.

END OF EXHIBIT "A"

KS-PAID UP

9857a

OIL AND GAS LEASE

(Paid-up)

AGREEMENT, Made and entered into this 13th day of October, 2011, by and between Double U Farms, Inc., Wendy Weishaar, President, 375 S Range, Colby, KS 67701, party of the first part, hereinafter called Lessor (whether one or more), and Manhattan EnergyOne, LLC, P.O. Box 300517, Denver, CO 80203, party of the second part, hereinafter called Lessee.

WITNESSETH, that the said Lessor, for and in consideration of Ten Dollars, cash in hand paid, and other good and valuable consideration receipt of which is hereby acknowledged and of the covenants and agreements hereinafter contained on the part of Lessee to be paid, kept and performed, has granted, demised, leased and let and by these presents does grant, demise, lease and let unto the said Lessee, for the sole and exclusive right to explore by geophysical and other methods, for mining and operating for oil (including but not limited to distillate and condensate), gas (including casinghead gas and helium and all other constituents), and for laying pipelines, and building drill sites, access roads, tanks, power stations and structures thereon, to produce, save and take care of said products, all that certain tract of land, together with any reversionary rights therein, situated in the County of Thomas, State of Kansas, described as follows, to wit:

SEE EXHIBIT "A" FOR LEGAL DESCRIPTION ATTACHED HERETO AND MADE A PART HEREOF

SEE EXHIBIT "B" ATTACHED HERETO AND MADE A PART HEREOF

of Section 29, Township 08S, Range 34W and Sections 17, 25 and 28, Township 08S, Range 35W, and containing 800.00000 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of **Five (5) Years** from date (herein called primary term) and so long thereafter as oil or gas, or either of them, is produced from said land or lands pooled therewith.

2. In consideration of the premises the said Lessee covenants and agrees:

A. To deliver to the credit of Lessor free of cost, in the pipeline to which it may connect its wells, a **one-eighth (1/8)** part of all oil (including but not limited to condensate and distillate) produced and saved from the leased premises.

B. To pay Lessor for gas (including casinghead gas) and all other substances covered hereby, a royalty of **one-eighth (1/8)** of the proceeds realized by Lessee from the sale thereof, less a proportionate part of the production, severance and other excise taxes and the cost incurred by Lessee in processing, gathering, treating, compressing, dehydrating, transporting, and marketing, or otherwise making such gas or other substances ready for sale or use, said payments to be made monthly. During any period after expiration of the primary term hereof when gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or operations on said leased premises sufficient to keep this lease in force, Lessee shall pay or tender a royalty of One Dollar (\$1.00) per year per net royalty acre retained hereunder, such payment or tender to be made, on or before the later of ninety (90) days following the date of shut in or the anniversary date of this lease during the period such well is shut in, to the Lessor. When such payment or tender is made it will be considered that gas is being produced within the meaning of the entire lease.

3. If, at the expiration of the primary term, there is no production in paying quantities on the leased land or on lands pooled therewith but Lessee is conducting operations for drilling, completing or reworking a well, this lease nevertheless shall continue as long as such operations are prosecuted or additional operations are commenced and prosecuted (whether on the same or successive wells) with no cessation of more than ninety (90) days, and if production is discovered, this lease shall continue as long thereafter as oil or gas are produced. In addition, if at any time or times after the primary term, there is a total cessation of all production, for any cause (other than an event of force majeure), this lease shall not terminate if Lessee commences or resumes any drilling or reworking operations or production within ninety (90) days after such cessation. Drilling operations or mining operations shall be deemed to be commenced when the first material is placed on the leased premises or when the first work other than surveying or staking the location is done thereon which is necessary for such operations. Any off lease operation intended to result in production from an interval under the leased premises or lands pooled therewith shall be considered for all purposes hereunder as if such operations were commenced and conducted on the lease premises.

4. Lessee is hereby granted the right at any time and from time to time to pool or unitize the leased premises or any portion or portions thereof, as to all strata or any stratum or strata, with any other lands as to all strata or any stratum or strata, for the production primarily of oil or primarily of gas with or without distillate. The creation of a unit by such pooling shall be based on the following criteria (hereinafter called "pooling criteria"): A unit for an oil well (other than a horizontal completion) shall not exceed 160 acres plus a maximum acreage tolerance of 10%, and a unit for a gas well or a unit for a horizontal completion shall not exceed 1280 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on a 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means a well in which the horizontal component of the

gross completion interval in the reservoir exceeds the vertical component thereof. Lessee shall file written unit designations in the county in which the leased premises are located unless the pooling or unitization results from governmental order or rule, in which case no such written designation shall be required. Operations upon and production from the unit shall be treated as if such operations were upon or such production were from the leased premises whether or not the well or wells are located thereon. The entire acreage within a unit shall be treated for all purposes as if it were covered by and included in this lease except that the royalty on production from the unit shall be as below provided, and except that in calculating the amount of any shut in gas royalties, only the part of the acreage originally leased and then actually embraced by this lease shall be counted. In respect to production from the unit, Lessee shall pay Lessor, in lieu of other royalties thereon, only such proportion of the royalties 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 in the unit.

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 shall be paid to the Lessor only in the proportion which his 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 said land for its operations thereon, except water from wells of Lessor.

7. 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.

8. If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns. However, no change or division in ownership of the land or royalties shall enlarge the obligations or diminish the rights of Lessee. No change in the ownership of the land 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.

9. If at any time within the primary term of this lease or any continuation thereof, Lessor receives any bona fide offer, acceptable to Lessor, to grant an additional lease (top lease) covering all or part of the aforescribed lands, Lessee shall have the continuing option by meeting any such offer to acquire such top lease. Any offer must be in writing and must set forth the proposed Lessee's name, bonus consideration and royalty consideration to be paid for such lease, and include a copy of the lease form to be utilized reflecting all pertinent and relevant terms and conditions of the top lease. Lessee shall have fifteen (15) days after receipt from Lessor of a complete copy of any such offer to advise Lessor in writing of its election to enter into an oil and gas lease with Lessor on equivalent terms and conditions. If Lessee fails to notify Lessor within the aforesaid fifteen (15) day period of its election to meet any such bona fide offer, Lessor shall have the right to accept said offer. Any top lease granted by Lessor in violation of this provision shall be null and void.

10. All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules and 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 such failure is the result of any such Law, Order, Rule or Regulation, or operation of force majeure.

11. This lease shall be effective as to each Lessor on execution hereof as to his or her interest and shall be binding on those signing, notwithstanding some of the Lessors above named may not join in the execution hereof. The word "Lessor" as used in this lease means the party or parties who execute this lease as Lessor, although not named above.

12. Lessee may at any time and from time to time surrender this lease as to any part or parts of the leased premises by delivering or mailing a release thereof to Lessor, or by placing a release of record in the proper County.

13. Lessor hereby warrants and agrees to defend the title to the lands herein described and to indemnify Lessee of all adverse claims thereto, and all expenses incurred by Lessee in defending such claims, including reasonable attorney fees, 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.

14. For the same consideration stated above, Lessor further grants, sells, conveys and warrants to Lessee a subsurface right-of-way and easement in, through and under the leased premises for the purpose of drilling oil and/or gas wells to, and producing through said wells oil, gas or other minerals from, lands other than the leased premises, together with the right of ingress and egress to said wells.

15. Notwithstanding anything to the contrary contained in this lease, no litigation shall be initiated by Lessor for damages, forfeiture, termination or cancellation with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default within such period. In the event the matter is litigated and there is final judicial determination that a breach or default has occurred, this lease shall not be cancelled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so or such judicial determination shall specify that the lease shall be forfeited or cancelled.

16. Notwithstanding anything to the contrary contained in this Lease, for the same consideration, Lessor does hereby grant to Lessee, its successors and/or assigns, the option, but not the obligation to extend the primary term of this Lease and all rights hereunder for an additional **Three (3) Years**. Lessee shall exercise this option by tendering to Lessor, an additional bonus payment equal to the sum of **\$45.00 per net mineral acre** covered by 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 at the address above on or prior to the expiration date of the initial primary term of this Lease. Upon tender the primary term of this lease will be amended from 5 years to 8 years.

IN TESTIMONY WHEREOF, I sign this the 9th day of December, 2011

Double U Farms, Inc.

[Signature]
Wendy Weishaar, President

STATE OF Arizona)
) §
COUNTY OF Maricopa)



Before me, the undersigned, a Notary Public, in and for said County and State, on this 9th day of December, 2011, personally appeared Wendy Weishaar, to me known to be the identical Person who subscribed the name of the maker thereof to the foregoing instrument as its **President**, and acknowledged to me that she executed the same as her free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I hereunto set my official signature and affixed my notarial seal the day and year last above written.

My commission expires: 9-21-12

Carol Rome
Notary Public

EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated **October 13, 2011, Double U Farms, Inc., Wendy Weishaar, President, as Lessor, and Manhattan EnergyOne, LLC, as Lessee, covering lands located in Section 29, Township 08S, Range 34W and Sections 17, 25 and 28, Township 08S, Range 35W, Thomas County, Kansas.**

LEGAL DESCRIPTION:

The South Half (S/2) of Section Twenty-eight (28), Township Eight (08) South, Range Thirty-five (35) West

AND

The Southwest Quarter (SW/4) of Section Twenty-nine (29), Township Eight (08) South, Range Thirty-four (34) West

AND

The Northeast Quarter (NE/4) of Section Seventeen (17), Township Eight (08) South, Range Thirty-five (35) West

AND

The South Half of the Southeast Quarter (S/2 SE/4) of Section Twenty-five (25), Township Eight (08) South, Range Thirty-five (35) West

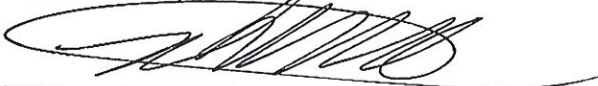
AND

The North Half of the Southeast Quarter (N/2 SE/4) of Section Twenty-five (25), Township Eight (08) South, Range Thirty-five (35) West

It is the intent of this Oil and Gas Lease to lease all of the lessor's net mineral interest situated in Section 29, Township 08S, Range 34W and Sections 17, 25 and 28, Township 08S, Range 35W, County of Thomas, State of Kansas, whether it is properly described herein or not.

SIGNED FOR IDENTIFICATION

Double U Farms, Inc.



Wendy Weishaar, President

EXHIBIT "B"

Attached to and made a part of that certain Oil and Gas Lease dated **October 13, 2011, Double U Farms, Inc., Wendy Weishaar, President, as Lessor, and Manhattan EnergyOne, LLC, as Lessee, covering lands located in Section 29, Township 08S, Range 34W and Sections 17, 25 and 28, Township 08S, Range 35W, Thomas County, Kansas.**

USE OF SURFACE:

At such time that Lessee's operations require the utilization of surface acreage owned by Lessor, Lessee agrees to negotiate with Lessor, at such time, a separate and binding Surface Use Agreement. Said agreement to cover payment for, and in consideration of, all actual permanent damages caused by Lessee or its operations hereunder to any buildings, fences, roads, culverts, merchantable timber, growing crops, or any other improvements. Said payment shall be based on the fair market appraised value of the actual loss caused by Lessee's direct operations. Lessee shall make every attempt to tender payment prior to commencement of activities on said lands. However, Lessee shall retain the right and authority to commence drilling operations in the event Lessee and Lessor cannot agree on a mutually acceptable Surface Use Agreement

CONTINUOUS DEVELOPMENT CLAUSE:

Notwithstanding anything in this lease and/or this Exhibit "B" to the contrary, Lessee shall have the right, but not the obligation, to extend this lease beyond the expiration of the primary term or any extension or renewal thereof by conducting a "Continuous Drilling Program", as hereinafter defined, provided Lessee has either (a) completed a well as a dry hole, producing well or a well capable of producing during the primary term or any extension or renewal thereof on the lease premises or on lands with which the leased premises or any portion thereof are pooled or unitized, or (b) has commenced operations for drilling, deepening or reworking a well on or before the end of the primary term or any extension or renewal thereof on the lease premises or on lands with which the leased premises or any portion thereof are pooled or unitized. For purposes of this paragraph, a "Continuous Drilling Program" means a period of time during which Lessee conducts operations for the drilling, deepening or reworking of a well on the leased premises or on lands with which the leased premises or any portion thereof are pooled, with no lapse of more than one hundred eighty (180) days between the completion of one well (either as a dry hole or a producer) and the commencement of operations for the drilling, deepening, or reworking of a subsequent well. Should Lessee commence any such operations prior to the expiration of the Continuous Drilling Program, Lessee shall be entitled to accumulate the unused time and apply all or any portion of such accumulated time to extend the Continuous Drilling Program. Notwithstanding anything herein to the contrary, this lease will not terminate as to all or any portion of the leased premises while Lessee is conducting a Continuous Drilling Program.

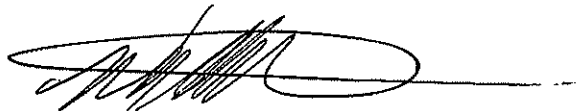
If Lessee (a) has completed a well as a dry hole or a producer during the primary term, and (b) is not engaged in operations for drilling, deepening or reworking a well at the end of the primary term, then Lessee must commence operations for the drilling, deepening or reworking of a subsequent well within one hundred eighty (180) days from the end of the primary term in order to begin the Continuous Drilling Program. If Lessee has commenced operations for drilling, deepening, or reworking a well at or before the end of the primary term, then the Continuous Drilling Program will be considered commenced after completion of such well (either as a dry hole or a producer). If, in the drilling of any well during the Continuous Drilling Program, the hole is lost or junked before reaching the objective depth, or if Lessee encounters conditions in the hole which render further drilling or completion impractical, Lessee may, at its election, drill a substitute well, provided operations for such substitute well are commenced within 90 days after abandonment of the unsuccessful operations. The drilling of the substitute well shall be considered for all purposes as the equivalent of drilling the well that Lessee failed to complete.

EXHIBIT "B" CONTINUED

Upon the later of (a) the expiration of the primary term, or any extension or renewal thereof, or (b) the conclusion of a Continuous Drilling Program, this lease shall terminate as to all lands not included within a pooled unit, proration unit, or other drilling and spacing unit (collectively a "Production Unit"), formed in accordance with the terms of this lease.

SIGNED FOR IDENTIFICATION

Double U Farms, Inc.

A handwritten signature in black ink, appearing to read 'Wendy Weishaar', is written over a horizontal line. The signature is stylized and somewhat cursive.

Wendy Weishaar, President

MEMORANDUM OF OIL AND GAS LEASE

Double U Farms, Inc., Wendy Weishaar, President (herein called "Lessor"), whose address is **375 S Range, Colby, KS 67701**, and **Manhattan EnergyOne, LLC** (herein called "Lessee"), whose address is **P.O. Box 300517, Denver, CO 80203**, hereby acknowledge and give notice that Lessor has executed and delivered to Lessee an Oil and Gas Lease (herein called "said Lease") under date of **October 13, 2011** under the terms of which Lessor has granted, leased and let exclusively unto Lessee (subject to each and all of the other provisions thereof), for the purpose of investigating, exploring, prospecting, drilling, mining, completing, equipping, developing, and operating for, and producing oil (including but not limited to distillate and condensate), gas (including casinghead gas and helium and all other constituents), or other minerals as well as all ancillary activities related to the such activities, the following tract(s) of land (herein called "said Land"), in **Thomas County, Kansas**, to wit:

The South Half (S/2) of Section Twenty-eight (28), Township Eight (08) South, Range Thirty-five (35) West

AND

The Southwest Quarter (SW/4) of Section Twenty-nine (29), Township Eight (08) South, Range Thirty-four (34) West

AND

The Northeast Quarter (NE/4) of Section Seventeen (17), Township Eight (08) South, Range Thirty-five (35) West

AND

The South Half of the Southeast Quarter (S/2 SE/4) of Section Twenty-five (25), Township Eight (08) South, Range Thirty-five (35) West

AND

The North Half of the Southeast Quarter (N/2 SE/4) of Section Twenty-five (25), Township Eight (08) South, Range Thirty-five (35) West

Said Lease has been executed and acknowledged by Lessor in favor of Lessee and provides for a primary term of **Five (5) Years** from **October 13, 2011** (herein called the "Primary Term"), as well as Lessee's option to extend the Primary Term an additional **Three (3) Years** as stated in said Lease, and as long thereafter as oil or gas or other minerals is produced in paying quantities from said Land, or land with which said Land is pooled, or said Lease is maintained in force in any other manner therein provided, subject to all of the exceptions, reservations, terms, conditions and provisions as set forth therein. An executed copy of said Lease is in the possession of both Lessor and Lessee, and said Lease with all of its terms, covenants and provisions, is incorporated herein by reference and made a part hereof for all purposes.

The purpose of this Memorandum of Oil and Gas Lease (herein called the "Memorandum") is to evidence the existence of said Lease, and this Memorandum is given in lieu of filing said Lease in full for record with the office of the Register of Deeds in the county or counties in which said Land is located.

FILE NUMBER 20120495 BK 219 PG 488 - 489
 RECORDED 1/17/2012 at 1:18 PM
 RECORDING FEE: \$12.00
 Thomas County, KANSAS
 KARLA SULLIVAN, DEPUTY *Lora L Volk*
 LORA L. VOLK, REGISTER OF DEEDS



INDEXED
 RECORDED *WV*

KS008409-000

11327

This instrument may be executed in counterparts, which can be combined in one or more instruments for recordation.

IN WITNESS WHEREOF this instrument is executed on this the 9th day of December, 2011, but to be effective **October 13, 2011**.

LESSOR:
Double U Farms, Inc.

LESSEE:
Manhattan EnergyOne, LLC

[Signature]
Wendy Weishaar, President

By: [Signature]
Sam Atwell, Agent

STATE OF Arizona
COUNTY OF Maricopa

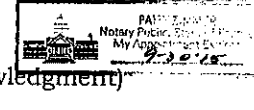
)} ss.  (Corporate Acknowledgment)

The foregoing instrument was acknowledged before me this 9th day of December, 2011, by **Wendy Weishaar, President of Double U Farms, Inc.**, on behalf of the corporation.

My commission expires 9-21-12

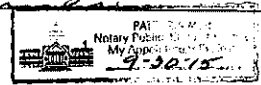
[Signature]
Notary Public

STATE OF KANSAS
COUNTY OF THOMAS

)} ss.  (Corporate Acknowledgment)

The foregoing instrument was acknowledged before me this 12th day of December, 2011, by **Sam Atwell, the Agent of Manhattan EnergyOne, LLC**, on behalf of the corporation.

My commission expires SEPT. 30, 2015

[Signature]
Notary Public 

This instrument prepared by: E. Casper, P.O. Box 300517, Denver, CO 80203
RETURN RECORDED COPY TO: E. Casper, P.O. Box 300517, Denver, CO 80203