



00-15s-36w-999
CRD NO.

00-15s-36w
DMT NO.

PRO-STAKE

LLC

Construction Site Staking

13838

INVOICE NO.



Palomino Petroleum, Inc.
OPERATOR

Logan County, KS
COUNTY

Dirks #1
LEASE NAME

2474' FSL - 614' FEL
LOCATION SPOT

3259.2'
GR ELEVATION

38.722837428
NAD 83 LAT

101.263936978
NAD 83 LONG

25 15s 36w
Sec. Twp. Rng.

SCALE: 1" = 1000'
DATE STAKED: June 26th, 2018
MEASURED BY: Pierce R.
DRAWN BY: Pierce R.
AUTHORIZED BY: Nick G.
DATE REVISED:

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

LEGEND

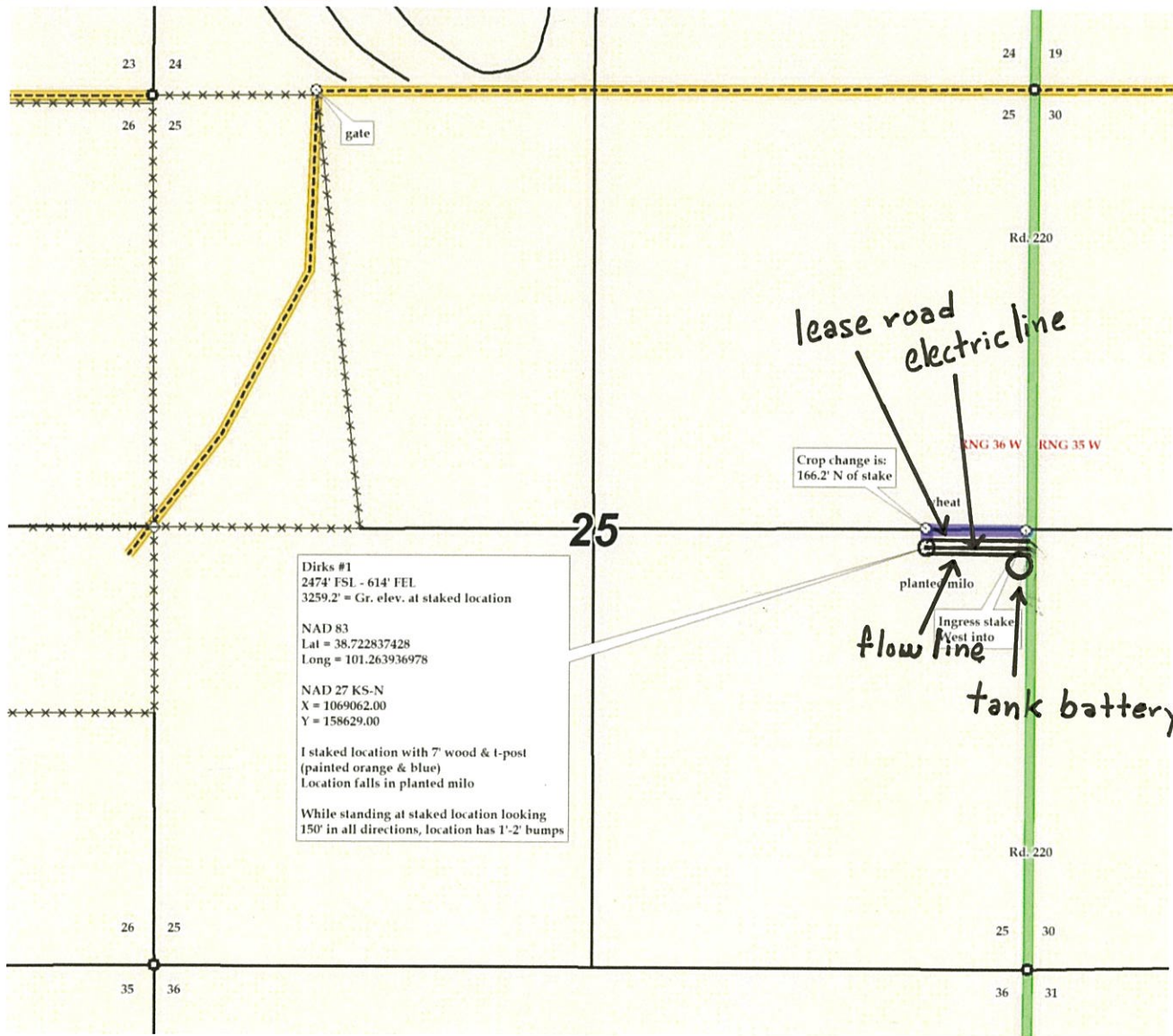
- ⊙ irr. well
- ⊕ water hydrant
- ⊙ tank battery
- ⊙ staked loc.
- ⊙ prod. well/aband. well
- house
- building
- G— gas line
- W— water line
- E— transmission powerline
- 3 phase powerline
- * * * single phase powerline
- x—x— fence
- ▬ gravel/sand rd.
- ▬ gravel trail/lease rd.
- ▬ dirt rd.
- ▬ dirt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

DIRECTIONS: From Russell Springs, KS at the intersection of Hwy. 25 & Vine St. - Now go 3 miles South then West on Hwy. 25 - Now go approx. 3.7 miles South on 240 Rd. - Now go 2 miles West on Kiowa Rd. - Now go approx. 8.1 miles South on 220 Rd. to the NE corner of section 25-15s-36w - Now continue approx. 0.5 miles South on 220 Rd. to ingress stake W into - Now go approx. 0.1 mile West along crop change - Now go approx. 165' South through planted wheat into staked location



Final ingress must be verified with landowner or operator.
*This drawing does not constitute a monumented survey or a land survey plat.
This drawing is for construction purposes only.*

LANDOWNER/CONTACT: Darrel Dirks: 620-874-1623





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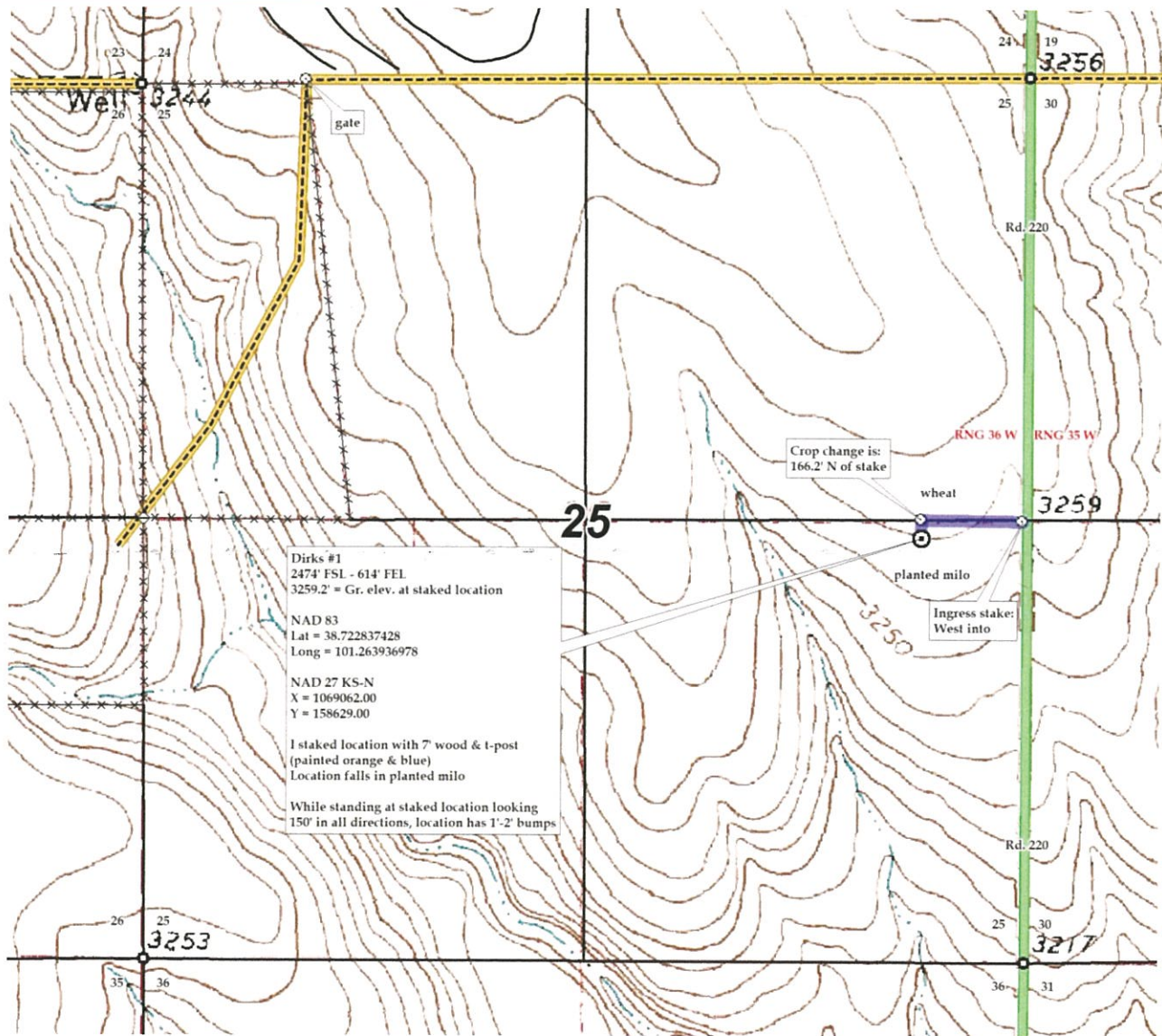
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STATE OF KANSAS, LOGAN COUNTY

This instrument was filed for record on August 14, 2017 10:51 AM and recorded in Book 184 of Page 697 - 699 Fees: \$46.00 201700918



Indexed- Verified-

Joyce L. Bosserman, Register of Deeds

This space reserved for use by the Register of Deeds for recording purposes:

Form 88 - (Producer's Special) (Paid-Up) 63U (Rev. 1993)

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 1st day of August, 2017, by and between

Darrel Dirks, a/k/a Darrel W. Dirks,

and

Diane Dirks, a/k/a Diane M. Dirks,

his wife

whose mailing address is 240 & Adobe - Marienthal, Kansas 67863

hereinafter called Lessor (whether one or more), and Ritchie Exploration, Inc. - PO Box 783188, Wichita, Kansas, 67278-3188, hereinafter called Lessee:

Lessor, in consideration of One and more Dollars (\$1.00+) in hand paid, receipt of which is here acknowledged and of the royalties herein provided and of the agreements of the Lessee herein contained, hereby grants, leases and lets exclusively unto 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 LOGAN, State of KANSAS, described as follows, to-wit:

Township 15 South, Range 35 West

- Tract #1: Section 19: SW/4 (a/d/a Lot 3 [40.74 acres], Lot 4 [40.71 acres], and E/2SW/4)
Tract #2: Section 19: SE/4
Tract #3: Section 28: N/2NE/4
Tract #4: Section 28: NW/4
Tract #5: Section 28: SW/4
Tract #6: Section 28: SE/4
Tract #7: Section 29: NW/4
Tract #8: Section 30: SE/4
Tract #9: Section 33: NW/4

Township 15 South, Range 36 West

- Tract #10: Section 25: A tract of land in the North Half (N/2) of Section 25, described as follows: "Beginning at the northeast corner of said section; thence, on an assumed bearing of S00°05'58"E, along the east line of said section, a distance of two thousand six hundred forty-nine and fourteen hundredths (2,649.14) feet to the southeast corner of said half; thence S89°07'39"W, along the south line of said half, for a distance of four thousand one hundred one and seventy-two hundredths (4,101.72) feet; thence N05°42'08"W for a distance of two thousand six hundred fifty-five and sixty-five hundredths (2,655.65) feet to the north line of said section; thence N89°05'32"E, along the north line of said section, for a distance of four thousand three hundred sixty-one and six hundredths (4,361.06) feet to the point of beginning," said tract containing 257.18 acres, more or less.
Tract #11: Section 25: SW/4
Tract #12: Section 25: SE/4
Tract #13: Section 36: NE/4
Tract #14: Section 36: NW/4
Tract #15: Section 36: SW/4
Tract #16: Section 36: SE/4

and containing 2,578.63 acres, more or less, and all accretions thereto.

- 1. Subject to the provisions herein contained, this lease shall remain in force for a term of Three (3) Years from this date (called "primary term"), and as long thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, or any of them, is produced from said land or land with which said land is pooled.
2. 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 Ten Dollars (\$10.00) 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.

3. 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.
4. 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.
5. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.
6. Any pipeline or power line constructed hereunder shall be buried to a depth of not less than three (3) feet below the surface.
7. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of Lessor.
8. Lessee shall pay for damages caused by lessee's operations to growing crops on said land.
9. 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.
10. 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.
11. 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.
12. 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.
13. 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 lease is made, as recited herein.
14. Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, when in Lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises, such pooling to be of tracts contiguous to one another and to be into a unit or units not exceeding 40 acres each in the event of an oil well, or into a unit or units not exceeding 640 acres each in the event of a gas well. Lessee shall execute in writing and record in the conveyance records of the county in which the land herein leased is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit shall be treated, for all purposes except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on the pooled acreage, it shall be treated as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere herein specified, Lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.
15. By executing this lease, Lessor understands and agrees that Lessee (or Lessee's designee) has the exclusive right to conduct a seismic survey upon the leased premises, and Lessor further agrees to execute a permit or other document required in connection therewith. Lessor further agrees that no permission to conduct a seismic survey shall be granted to any other entity during the term of this lease without express written consent of Lessee.
16. It is understood and agreed that each of the sixteen (16) above-described tracts shall constitute separate and individual leases according to the terms herein established. Production on any single tract shall not serve to extend lease on any other tract upon which production is not had.
17. Notwithstanding any other provisions in this lease, it is expressly understood and agreed that after the primary term, this lease cannot be maintained in force solely by the payment of the shut-in gas well royalty for any period in excess of two (2) cumulative years.
18. At the conclusion of any drilling or reworking operations, the lands of Lessor shall be restored as nearly as is practicable to the condition just prior to such operations except such portion thereof as is required for the continued use by Lessee in its operations in the event of production. Following the conclusion of production, all of Lessor's land used by Lessee in its operations shall be restored as nearly as is practicable to the condition existing on such land at the commencement of Lessee's operations thereon.
19. Lessor reserves the right to designate the direction and location of every road or roadway on the premises and no road or roadway easement shall be constructed to or from any well location or drill site except as may be so designated by Lessor. At the request of Lessee, Lessor shall designate the location of a road suitable in Lessee's opinion for Lessee's operations. Roadways shall be kept and maintained at Lessee's cost, in good condition.

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

Darrel Dirks
Darrel Dirks, a/k/a Darrel W. Dirks

Date: 8-1-17

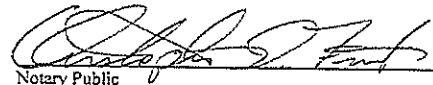
Diane Dirks
Diane Dirks, a/k/a Diane M. Dirks

Date: 8-1-17

STATE OF KANSAS
COUNTY OF LOGAN

This instrument was acknowledged before me on this 1st day of August, 2017, by
Darrel Dirks, a/k/a Darrel W. Dirks, and
Diane Dirks, a/k/a Diane M. Dirks, his wife

My commission expires 


Notary Public
Printed name: Christopher D. Frick