



00-20s-22w-999
CRD NO.

00-20s-22w
DMT NO.

PRO-STAKE

LLC

Construction Site Staking

13922

INVOICE NO.



Palomino Petroleum, Inc.
OPERATOR

Ness County, KS
COUNTY

McJunkin #1
LEASE NAME

1780' FNL - 2553' FEL
LOCATION SPOT

2236.5'
GR ELEVATION

38.315004971
NAD 83 LAT

99.741025558
NAD 83 LONG

15 20s 22w
Sec. Twp. Rng.

SCALE: 1" = 1000'
DATE STAKED: August 27th, 2018
MEASURED BY: Pierce R.
DRAWN BY: Pierce R.
AUTHORIZED BY: Nick C.
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.

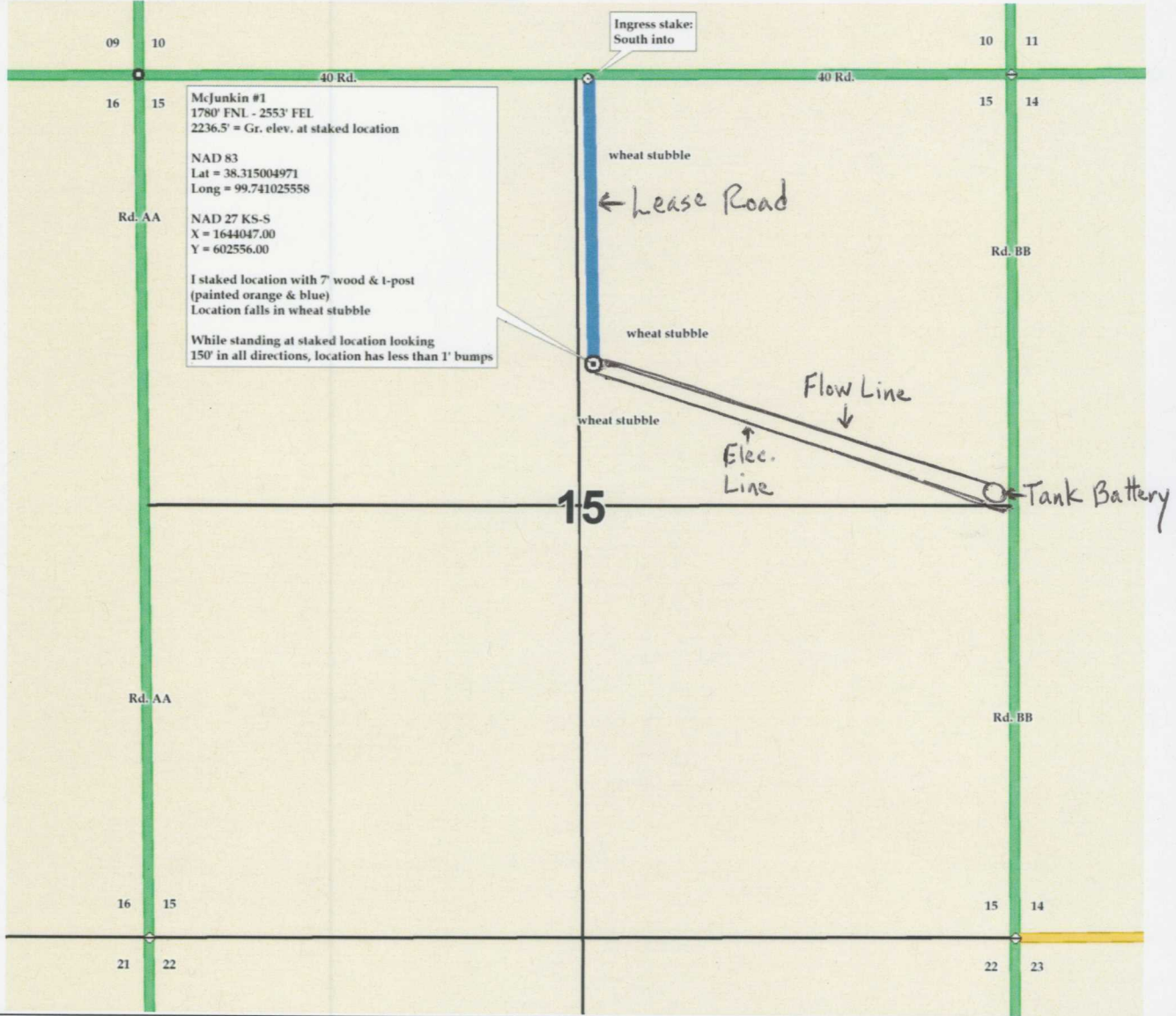
DIRECTIONS: From the NW side of Bazine, KS at the intersection of Dd Rd./Austin St. & Hwy 96 - Now go 9 miles South on Dd Rd./Austin St. - Now continue 2 miles West on 40 Rd. to the NE corner of section 15-20s-22w - Now go approx 0.5 miles West on 40 Rd. to ingress stake South into - Now go 0.3 miles South through wheat stubble into staked location

Final ingress must be verified with landowner or operator.

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



LANDOWNER/CONTACT: Kent McJunkin: 785-398-1066





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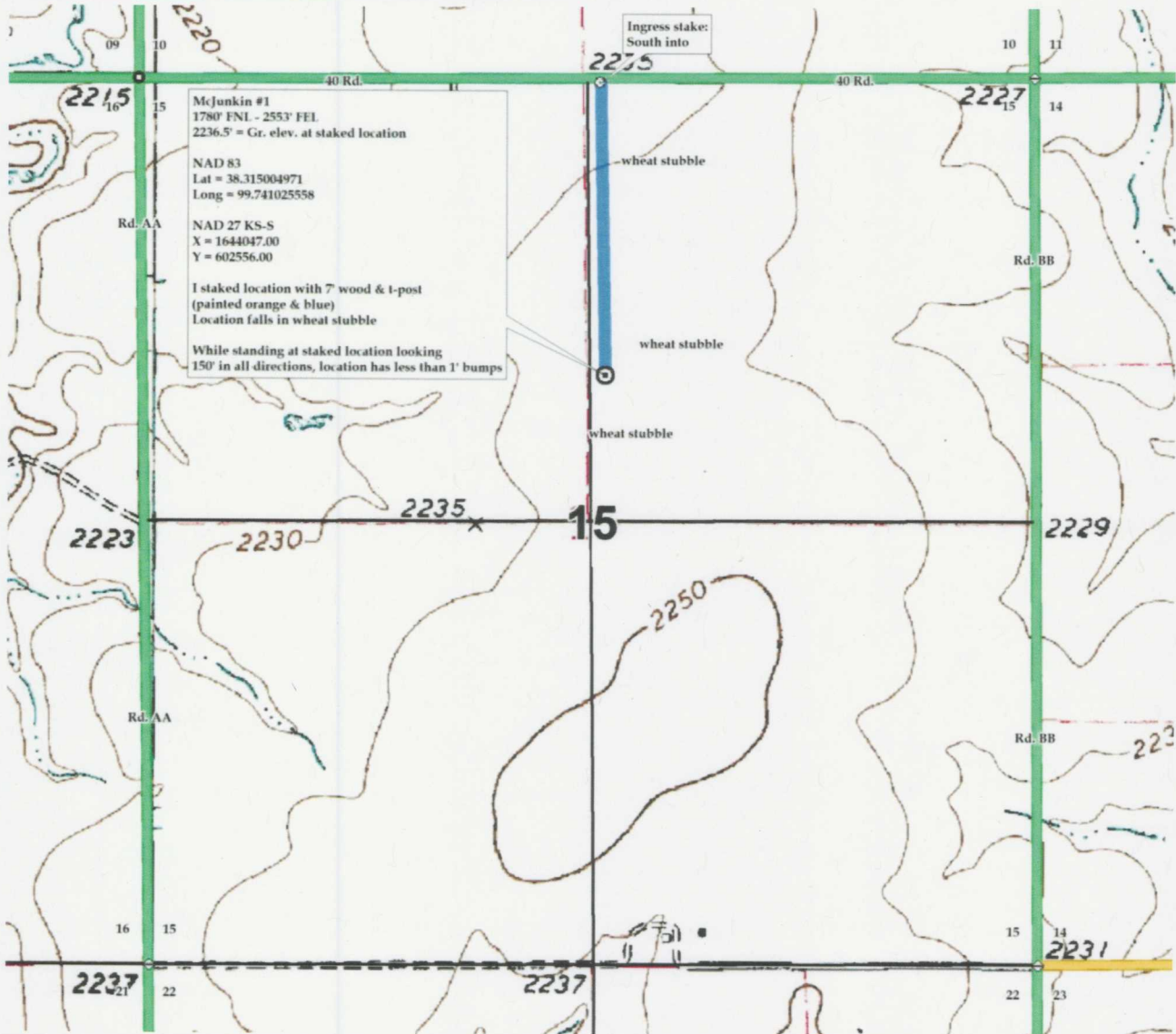


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63U (Rev. 1993)

OIL AND GAS LEASE

Reorder No. 09-115



Kansas Blue Print 700 S. Broadway PO Box 703 Wichita, KS 67201-0703 316-264-0244-264-5165 fax www.kbp.com kbp@kbp.com

AGREEMENT, Made and entered into the 23rd day of April 2014 by and between Gary D. McJunkin and Rachel K. McJunkin, his wife 705 Spruce Burdett, KS 67523

whose mailing address is Palomino Petroleum, Inc. hereinafter called Lessor (whether one or more), and hereinafter called Lessee:

Lessor, in consideration of One and More Dollars (\$ One (\$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 County of Ness State of Kansas described as follows to-wit:

Township 20 South, Range 22 West Section 15: S/2 NE/4; E/2 SE/4 NW/4

In Section Township Range and containing 100 acres, more or less, and all accretions thereto.

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

In consideration of the premises the said lessee covenants and agrees:

1st. To deliver to the credit of lessor, free of cost, in the pipe line to which lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

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

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

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

Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for lessee's 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 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 waives 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.

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.

Schedule A attached hereto and made a part hereto for additional terms and provisions

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

Witnesses:

Gary D. McJunkin

Rachel K. McJunkin



State of Kansas - Ness County

Book: 370 Page: 491

Receipt #: 50111

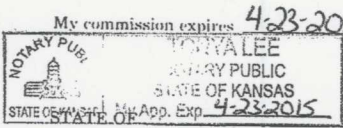
Recording Fee: \$16.00

Pages Recorded: 3

Cashier Initials: MH

Date Recorded: 5/5/2014 9:55:02 AM

STATE OF Kansas
COUNTY OF _____ ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)
The foregoing instrument was acknowledged before me this 30th day of April, 2014,
by Gary D. McJunkin and Rachel K. McJunkin, his wife



Tonya Lee
Notary Public

My commission expires 4-23-2015
COUNTY OF _____ ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)
The foregoing instrument was acknowledged before me this _____ day of _____,
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 _____,
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 _____,
by _____ and _____

My commission expires _____
Notary Public

No. _____
OIL AND GAS LEASE
FROM _____
TO _____
Date _____ Reg. _____
Section _____ Twp. _____
No. of Acres _____ Term _____
County _____
STATE OF _____
County _____
This instrument was filed for record on the _____
day of _____,
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 _____,
by _____
of _____ a _____
corporation, on behalf of the corporation.
My commission expires _____

Notary Public

Schedule A

Attached hereto and by reference made a part of that certain Oil and Gas Lease by and between Gary D. McClunkin and Rachel K. McClunkin, his wife, as Lessor and Palomino Petroleum, Inc., as Lessee, under date of April 23, 2014, covering S/2 NE/4; E/2 SE/4 NW/4 15-T20S-R22W in Ness County, Kansas.

1. Lessee agrees to return the land as nearly as possible to its present condition after any drilling operations.
2. Before building any roads, Lessee and Lessor shall mutually agree as to the site for the roads. No road ditches shall be constructed and roads shall not obstruct the natural or established flow of water.
3. Lessee shall not drill any salt water disposal well upon the above described real estate without the express written consent of the Lessor being first obtained.
4. The operation of the lease by Lessee shall be done in a manner which will cause as little interference with farming operations on said land as possible, including, but not specifically limited to, the operation of a pivotal irrigation sprinkler system. Any equipment required for production of oil or gas will be placed on the land with the height of such equipment at a level which will permit the circular sprinkler system to operate on said land without interference and without the use of earthen or metal ramps; all tank batteries shall be located in a corner of the land outside the path of the irrigation system; Lessee agrees to utilize low profile pumping units on all wells on the land which will not interfere with the overhead passage of the irrigation system.
5. The Lessee agrees that no geo-physical seismic testing shall be conducted on the described real estate, except by separate written agreement and for such consideration as shall be agreed to by Lessor.
6. Before commencing any drilling operations upon portions of the above described real estate, the Lessee shall pay the sum of \$1,500.00 to the Lessor as a deposit to be applied against damages to land and crops caused by the operations of the Lessee. If the described real estate is damaged (physical and/or loss to crop production capability or loss to grazing rights) to an amount greater than the amount paid prior to drilling operations, then Lessee shall promptly pay Lessor such additional damages.