For KCC Use:
Effective Date:
District #
CA2 Vos 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

pected Sprid Date.	On at Depositations
pected Spud Date:	Spot Description:
	Sec Twp S. R E W Feet from N / S Line of Section
ERATOR: License#	feet from E / W Line of Section
me:	Is SECTION: Regular Irregular?
dress 1:dress 2:	
y: State: Zip: +	(Note: Locate well on the Section Plat on reverse side)
ntact Person:	County: Well #:
one:	Field Name:
NTRACTOR: License#	
me:	
Well Drilled For: Well Class: Type Equipment:	Nearest Lease or unit boundary line (in footage):
	Ground Surface Elevation:feet MSI
Oil Enh Rec Infield Mud Rotary	Water well within one-quarter mile:
Gas Storage Pool Ext. Air Rotary Disposal Wildcat Cable	Public water supply well within one mile:
Disposal Wildcat Cable Seismic ;# of Holes Other	Depth to bottom of fresh water:
Other:	Depth to bottom of usable water:
	Surface Pipe by Alternate: I II
If OWWO: old well information as follows:	Length of Surface Pipe Planned to be set:
Operator:	Length of Conductor Pipe (if any):
Well Name:	Decidents of Total Department
Original Completion Date: Original Total Depth:	Formation at Total Depth:
	Water Source for Drilling Operations:
ectional, Deviated or Horizontal wellbore? Yes No	Well Farm Pond Other:
es, true vertical depth:	DWR Permit #:
tom Hole Location:	(Note: Apply for Permit with DWR)
C DKT #:	Will Cores be taken?
	If Yes, proposed zone:
AF	FIDAVIT
e undersigned hereby affirms that the drilling, completion and eventual pl	lugging of this well will comply with K.S.A. 55 et. seq.
s agreed that the following minimum requirements will be met:	
Notify the appropriate district office <i>prior</i> to spudding of well;	
2. A copy of the approved notice of intent to drill shall be posted on each	ch drilling rig;
3. The minimum amount of surface pipe as specified below shall be se	, , , , , , , , , , , , , , , , , , , ,
through all unconsolidated materials plus a minimum of 20 feet into the	· ·
 If the well is dry hole, an agreement between the operator and the dis The appropriate district office will be notified before well is either plug 	strict office on plug length and placement is necessary <i>prior to plugging</i> ;
6. If an ALTERNATE II COMPLETION, production pipe shall be cemented	
If an ALTERNATE II COMPLETION, production pipe shall be cement. Or pursuant to Appendix "B" - Eastern Kansas surface casing order #	133,891-C, which applies to the KCC District 3 area, alternate II cementing
Or pursuant to Appendix "B" - Eastern Kansas surface casing order #	f133,891-C, which applies to the KCC District 3 area, alternate II cementing be plugged. <i>In all cases, NOTIFY district office</i> prior to any cementing.
Or pursuant to Appendix "B" - Eastern Kansas surface casing order #	·
Or pursuant to Appendix "B" - Eastern Kansas surface casing order # must be completed within 30 days of the spud date or the well shall b	•
Or pursuant to Appendix "B" - Eastern Kansas surface casing order #	•
Or pursuant to Appendix "B" - Eastern Kansas surface casing order # must be completed within 30 days of the spud date or the well shall b omitted Electronically	•
Or pursuant to Appendix "B" - Eastern Kansas surface casing order # must be completed within 30 days of the spud date or the well shall b	e plugged. In all cases, NOTIFY district office prior to any cementing.
Or pursuant to Appendix "B" - Eastern Kansas surface casing order # must be completed within 30 days of the spud date or the well shall b omitted Electronically	Remember to: - File Certification of Compliance with the Kansas Surface Owner Notification Act (KSONA-1) with Intent to Drill;
Or pursuant to Appendix "B" - Eastern Kansas surface casing order # must be completed within 30 days of the spud date or the well shall b omitted Electronically or KCC Use ONLY	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;
Or pursuant to Appendix "B" - Eastern Kansas surface casing order # must be completed within 30 days of the spud date or the well shall b DMITTED TOTAL CONTROLLY ON THE CONTROLLY PI # 15	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;
Or pursuant to Appendix "B" - Eastern Kansas surface casing order # must be completed within 30 days of the spud date or the well shall b DMITTED Electronically OF KCC Use ONLY PI # 15 onductor pipe required feet linimum surface pipe required feet per ALT I II	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;
Or pursuant to Appendix "B" - Eastern Kansas surface casing order # must be completed within 30 days of the spud date or the well shall be DMITTED ELECTRONICALLY OF KCC Use ONLY PI # 15	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;
Or pursuant to Appendix "B" - Eastern Kansas surface casing order # must be completed within 30 days of the spud date or the well shall b DMITTED ELECTRONICALLY OF KCC Use ONLY PI # 15	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;
Or pursuant to Appendix "B" - Eastern Kansas surface casing order # must be completed within 30 days of the spud date or the well shall be DMITTED ELECTRONICALLY OF KCC Use ONLY PI # 15	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);

Signature of Operator or Agent:

Side Two

For KCC Use ONLY
API # 15

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

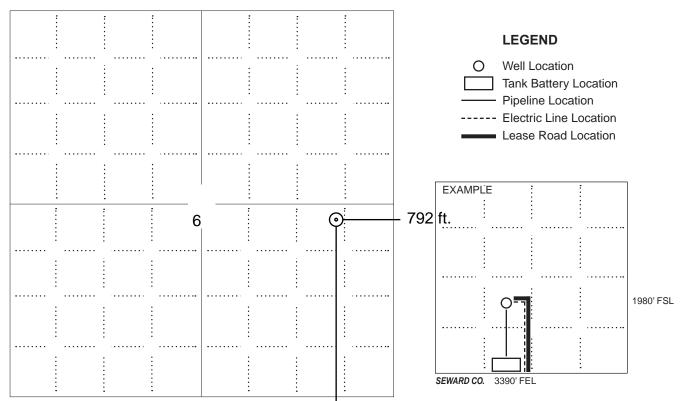
In all cases, please fully complete this side of the form. Include items 1 through 5 at the bottom of this page.

Operator:	Location of Well: County:
Lease:	feet from N / S Line of Section
Well Number:	feet from E / W Line of Section
Field:	SecTwpS. R 🔲 E 🔲 W
Number of Acres attributable to well:	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.

2422 ft.

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

Form CDP-1 May 2010 Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name:			License Number:	
Operator Address:				
Contact Person:		Phone Number:		
Lease Name & Well No.:		Pit Location (QQQQ):		
Type of Pit:	Pit is:			
Emergency Pit Burn Pit	Proposed	Existing	SecTwp R	
Settling Pit Drilling Pit	If Existing, date constructed: ———————————————————————————————————		Feet from North / South Line of Section	
Workover Pit Haul-Off Pit (If WP Supply API No. or Year Drilled)			Feet from East / West Line of Section	
Is the pit located in a Sensitive Ground Water A	rea? Yes I	No	Chloride concentration: mg/l (For Emergency Pits and Settling Pits only)	
Is the bottom below ground level?	Artificial Liner?	lo	How is the pit lined if a plastic liner is not used?	
Pit dimensions (all but working pits):	Length (fee	et)	Width (feet) N/A: Steel Pits	
Depth fro	m ground level to dee	pest point:	(feet) No Pit	
		• ,	cluding any special monitoring.	
Distance to nearest water well within one-mile of	of pit:	Depth to shallowest fresh water feet. Source of information:		
feet Depth of water well	feet	measured	well owner electric log KDWR	
Emergency, Settling and Burn Pits ONLY:		Drilling, Work	ver and Haul-Off Pits ONLY:	
Producing Formation:		Type of materia	l utilized in drilling/workover:	
Number of producing wells on lease:		Number of worl	Number of working pits to be utilized:	
Barrels of fluid produced daily:		Abandonment p	procedure:	
Does the slope from the tank battery allow all spilled fluids to flow into the pit? Yes No		Drill pits must b	e closed within 365 days of spud date.	
Submitted Electronically				
	KCC	OFFICE USE O	NLY Liner Steel Pit RFAC RFAS	
Date Received: Permit Numl	ber:	Permi	t Date: Lease Inspection:	

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

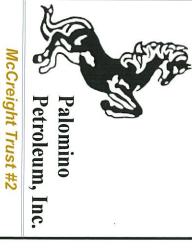
CERTIFICATION OF COMPLIANCE WITH THE KANSAS SURFACE OWNER NOTIFICATION ACT

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 (C	Eathodic Protection Borehole Intent) T-1 (Transfer) CP-1 (Plugging Application)
OPERATOR: License #	Well Location:
Name:	SecTwpS. R East
Address 1:	County:
Address 2:	Lease Name: Well #:
City: State: Zip:+	If filing a Form T-1 for multiple wells on a lease, enter the legal description of
Contact Person:	the lease below:
Phone: () Fax: ()	
Email Address:	
Surface Owner Information:	
Name:	When filing a Form T-1 involving multiple surface owners, attach an additional
Address 1:	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
Address 2:	county, and in the real estate property tax records of the county treasurer.
City: State: Zip:+	
the KCC with a plat showing the predicted locations of lease roads, tank	lic Protection Borehole Intent), you must supply the surface owners and batteries, pipelines, and electrical lines. The locations shown on the plat the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted.
owner(s) of the land upon which the subject well is or will be lo	ct (House Bill 2032), I have provided the following to the surface cated: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form eing filed is a Form C-1 or Form CB-1, the plat(s) required by this and email address.
KCC will be required to send this information to the surface own	eknowledge that, because I have not provided this information, the ner(s). To mitigate the additional cost of the KCC performing this of the surface owner by filling out the top section of this form and CC, which is enclosed with this form.
If choosing the second option, submit payment of the \$30.00 handling to form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-1	fee with this form. If the fee is not received with this form, the KSONA-1 will be returned.
Submitted Electronically	





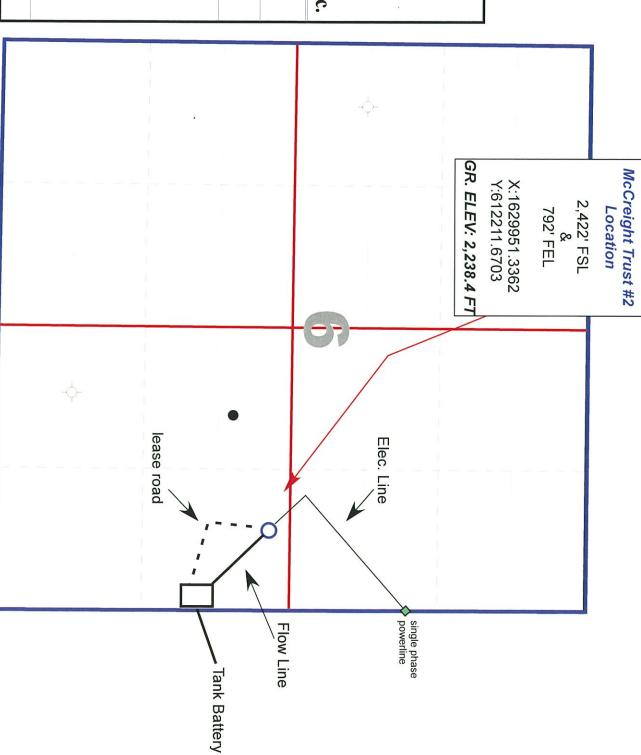
Well Map

Ness County, KS Section 6-20S-22W

- WELL SYMBOLS Location Only
- Oil Well Gas Well
- Dry Hole Oil & Gas Well Injection Well









Re- Record

63U (Rev. 1993)

OIL AND GAS LEASE



7th 2008 AGREEMENT, Made and entered into the . day of. Roger A. McCreight, Trustee Roger A. McCreight Revocable Living Trust 67560 hereinafter called Lessor (whether one or more), l Prarie Drive Ness City, Kansas whose mailing address is ... Palomino Petroleum Inc. Lessor, in consideration of One and More Dollars (5 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, lesses 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 produces, injecting say, water, other fulids, and ad at 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 asid oil, liquid hydrocarbons, gases and their respective constituent products manufactured therefrom, and housing and otherwise eating for its employees, the following described land, together with any reversionary rights and after-acquired interest, Ness Kansas therein situated in County of __ described as follows to wit: Township 20 South, Range 22 West

> Section 6: ALL Section 7: ALL

	, Township Rang	e and containing	1,280	acres, more or less, and al
accretions thereto.		Three (3)		

Subject to the provisions herein contained, this lease shall remain in farce for a term of 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 (%) 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 (%), at the market price at the well, (but, as to gas sold by lessee, in no event more than one-eighth (%) of the proceeds received by lessee from such sates), 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 lense 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 hears 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, lesses shall bury lesses's pipe lines below plow depth.

No well shall be drilled nearer than 200 feet to the house or barn naw 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 cusing.

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 royalities shall be binding on the leasee until after the leasee that here for assignment or a true copy thereof. In case leasee assigns this lease, in whole or in part, leasee 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 payment by lessor, and be subrogated to the rights of the holder thereof, and the undersigned lessors, for themselves and their heirs, successors and ansigns, 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 lesse is made, as recited herein.

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 lesse or any portion thereof with other land, lesse or leases in the immediate vicinity thereof, when in leases's judgment it is necessary or advisable to do so in order to properly develop and operate said lease premises as 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 a gas well. Lessee shall execute in writing and record in the conveyance records of the county in which the land herein leased is attuated an instrument identifying and describing the pooled acreage. The entire acreage as pooled into a tract or unit shall be treated, for all purposes exceed 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 also specified, lesser 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.



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

Roger A Mc Creight The

Roger A. McCreight, Trustee

Roger A. McCreight Revocable Living Trust

SS#

State of Kanasa - Nous County
Book: 316 Page: 287
Recording Fue: \$4,00

Receipt #: 4172 Pages Recorded: 2 Cashier Initials: Mit

NO CHARGE

Dale Recorded: 5/15/2008 9:40:00 AM

Pages Recorded: 2 Cushier Initials: MH

State of Kansas - Ness County

Book: 316 Page: 113

Date Recorded: 5/27/2008 12:45:00 PM

63U (Rev. 1993)

OIL AND GAS LEASE



AGREEMENT, Made on Camille A.		August		0014
Camille A.		dans of		2014
y and occurrent management	Stoecklein and Rand	dy Stoecklein, her hus	sband	

712	S. School Street N	loce City KS 67560		
mose manning analess is		less City, No 07500		hereinafter called Lessor (whether one or more).
nd Palomino Petroleun	n, Inc.		***************************************	
				, hereinafter caller Leusce
of investigating, exploring by ge- constituent products, injecting ga-	ophysical and other means a, water, other fluids, and a we take care of treat many	i, prospecting drilling, minin ir into aubsurface atrata, layli facture, process, store and tra is caring for its employees, ti	g and operating for and producing oil, liq ig pipe lines, storing oil, building tanks, pa nsport said oil, liquid hydrocarbons, gases : ie following described land, together with :	(\$1.00)) in hand paid, receipt of which es and lete exclusively unto lessee for the purpose guid hydrocarbons, all gazes, and their respective wer stations, telephone lines, and other structures were stations, telephone lines, and other structures and preventionary rights and after-acquired interest, any reventionary rights and after-acquired interest.
nerola situated in County of 🔥	less			described 24 follows to-wite
Township 20 South, F Section 6: NE/4; SW/ Section 7: SW/4				
n Section	Township	Range	and containing 480	acres, more or less, and al
				ate (called "primary term"), and as long theresites sich said land is pooled.
In consideration of the p	remises the said lessee cove	nants and agrees:		sich said land is pooled.
rom the leased premises.				
it the market price at the well, in temises, or in the manufacture a royalty One Dollar (\$1.00) per menning of the preceding porngr	(but, as to gas sold by lesse of products therefrom, sold ir year per net mineral acr caph.	e, in no event more than on payments to be made mont e retained hereunder, and if	e-eighth (15) of the proceeds received by les hly. Where gas from a well producing gas auch payment or tender is made it will be	efacture of any products therefrom, one-eighth (4) nee from such sales), for the gas sold, used off the only is not sold or used, lessee may pay or tende; considered that gas is being produced within the
f this lease or any extension the	toreof, the leasee shall have lease shall continue and be so interest in the above des	the right to drill such well in force with like effect on if scribed land than the entire	to completion with reasonable diligence an such well had been completed within the to and undivided fee simple estate therein, th	see shall commence to drill a well within the term id dispatch, and if oil or gas, or either of them, in term of years first mentioned. then the royalties herein provided for ahall be pair
the witter remain out to the free bear bear bear bear bear bear bear b				
Lessee shall have the rig			id land for lessee's operation thereon, excep	ot water from the wells of lessor.
Lessee shall have the rig When requested by lesso	c, leasee shall bury lessen's	pipe lines below plow depth.	id land for lessee's operation thereon, excep	ot water from the wells of lessor.
Lesses shall have the rig When requested by lesso No well shall be drilled a Lessee shall pny for dan	e, leasee shall bury lessed's nearer than 200 feet to the b nages caused by lessee's ope	pipe lines below plow depth. Joues or barn now on said pr rations to growing crops on	id land for lessee's operation thereon, excep emises without written consent of lessor. said land.	
Lesses shall have the rig When requested by leaso No well shall be drilled a Lesses shall pay for dan Lesses shall have the rig If the estate of either p eccuters, administrators, successes has been furnished with a	c, lessee aboil bury lessed s nearer than 200 feet to the l inges caused by lessee's ope tht at any tima to remove al arty hereto is assigned, ar ssors or assigns, but no cl a written transfer or assign	pipe lines below plow depth. souse or barn now on said pr rations to growing crops on. Il machinery and fixtures plo d the privilege of assigning ange in the ownership of the ment or a true copy thereof.	id land for lessee's operation thereon, exceptions without written consent of lessor. sold land. ced on suid premises, including the right to the in whole or in part he expressly allowed. he land or sesignment of rentals or royal for cace lessee ossigns this lesse, in whole to	
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Lessee shall have the ris When requested by lesse No well shall be drilled Lessee shall pay for dan Lessee shall have the ris If the eatste of either p xecuters, administrators, successee has been furnished with rith respect to the assigned port Lessee may at any time urrender this lesse as to such p All express or implied et n whole or in part, nor lessee he	c, lease ahalt bury leasen's nearer than 200 feet to the l' nage souwed by leasee's ope that a any time to remove al arry hereto is assigned, are seore or nasigns, but no cla written transfer or assign ion or portions arrising subs execute and deliver to lease critical or portions and be re venonate of this lease shall be reasents of this lease shall be to the search of the search of the descriptions and be re	pipe lines below glow depth, souse or barn now on said pr rations to growing crops on a rations to growing crops on a line privilege of swigning tange in the ownership of ment or a true copy thereof, equent to the date of assigns or or place of record a relee level of all obligations as to be subject to all Pederal not subject to all Pederal no the subject to all Pederal no subject to subject to all pederal no subject to subject	id land for lessee's operation thereon, exceptions without written consent of lessor. and land. ced on said premises, including the right to in whole or in part is expressly allowed, he land or sessignment of rentals or royal in case lessee assigns this lesse, in whole or next. se or releance covering any purtium or port the acreage surrendered. 8 State Laws, Executive Orders, Rules or F	o draw and remove cosing. The covenants hereof shall extend to their heirs the shall be binding on the Issaec until after the principle of the same and the same and the same and the same and the relieved of all obligations.
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State of Kaneau - Nose County
Book: 372 Page: 57
Receipt *: 52094 Recording Fee: \$12,00
Pages Recorded: 2
Cachier Initials: MH
Date Recorded: 8/25/2014 10:15:00 AM

63U (Rev. 1993)



day of	2014
r husband	
ss City, KS 67560	
	liereinaster called Lesent (whether one or more),
On	hereinafter valler Lessee:
ospecting drilling, mining and operating for and producing oil,	liquid hydrocarbons, all gases, and their respective nower stations, telephone lines, and other structures
Rungs, and containing	acres, more or less, and all
ta and agrees:	
no event more than one-eighth (%) of the proceeds received by	lessee from such sales), for the gas sold, used ou the
right to drill such well to completion with reasonable diligence aree with like effect as if such well had been completed within th ed land than the entire said undivided fee simple estate therein	and dispatch, sad it of he gas, or ettner of them, be term of years first mentioned.
ra to the whole and undivided lee.	
lines below plow depth,	
ons to growing crops on said land.	
ne privilege of assigning in whole or in part is expressly allow te in the ownership of the land or seeignment of rentals or ro t or a true copy thereof, in case lessee assigns this lease, in who	ed. the covenants hereof shall extend to their heirs,
or place of record a release or releases covering any portion or p	portions of the above described premises and thereby
whicet to all Pederal and State Laws, Executive Orders, Rules o	r Regulations, and this lease shull not be terminated, failure is the result of, any such Law, Order, Rule or
the lands herein described, and agrees that the lessee shall have	the right at any time to redeem for lessor, by payment ted to the rights of the holder thereof, and the under-
e purposes for which this lesse is made, as recited herein. or to neel or combine the acreage covered by this lesse or any t	
	portion thereof with other land, lease or leases in the
eccasary or advisable to do so in order to properly develop at at may be produced from said premises, such pooling to be of it, i, or into a unit or units not exceeding 640 acres each in the eve land herein leased is situated an instrument identifying and reps. the payment of royalties on production from the pooled uni- ie had from this lesse, whether the well or wells be located on it roduction from a unit so pouled only such portion of the roy, asis bears to the total acreage so pooled in the particular unit in	int of a gas well. Leasee shall execute in writing and describing the pooled acreage. The entire acreage so t, as if it were included in this lease. If production is ne premises covered by this lease or not. In lieu of the alty stipulated herein as the amount of his acreage
	Rungs

State of Kansus - New County
Book: 372 Page: 55
Receipt *: 52093 Recording Fee: \$12.00
Pages Recorded: 2
Cashier Initials: Mtl
Date Recorded: 8/25/2014 10:10:00 AM

63U (Rev. 1993)



			AS LEASE		
AGREEMENT. M	ade and entered into the	August			2014
	M. Munsch and Kirk Muns	•			
hose muiling address is	23439 Dahlia Cr Califo	rnia, MD 20619		hardine flar colled 1 and	or (whether one or more),
Palomino Petro	oleum, Inc		***************************************	Hereinatter catted Less	or (watermer one or more),
na					hereinafter caller Leases:
	. One and More		a One		
	uce, save, take care of, treat, manufaction, and housing and otherwis		Dollars (5 One to herein contained, hereby grants, let do perating for and producing oil, line lines, storing oil, building sants, ports aid oil, liquid hydrocarbons, gase oillowing described land, together will te of Kansas		ituent products and other ad after-acquired interest,
	th, Range 22 West				
			480		
n Section ccretions thereto.	Township	Ronge	and containing		cres, mure or less, and all
Subject to the prov s oil, liquid hydracurbons	risions lierein contained, this lease i, gas or other respective constitue:	shall remain in force for a term nt products, or any of them, is p	ofyears from this reduced from said land or land with a	date (called "primary term rhich said fand is pooled,	"), and as long thereafter
in consideration o	f the premises the said lessee cover	nants and agrees:	ay connect wells on said land, the eq		
rom the leased premises.			d off the premises, or used in the ma		
t the market price at the remises, or in the manuf	well, (but, as to gas sold by lesse acture of products therefrom, said .00) per year per net mineral acre	e, in no event more than one-cip navments to be made monthly.	thin (ii) of the proceeds received by I Where gas from a well producing ga h payment or tender is made it will	easce from such anles), for a only is not sold or used,	the gas sold, used off the lesses may pay or tender
of this lease or any exten- ound in paying quantities	sion thereof, the lessee shall have s, this lease shall continue and be i	the right to drill such well to co in force with like effect as if suc	ment or drilling operations. If the lo impletion with reasonable diligence a h well had been completed within the	ind disputch, and if oil or term of years first mention	gas, or either of them, be ied.
he said fessor only in the	propertion which leasur's interest	bears to the whole and undivide			
	the right to use, free of cost, gas, o , fessor, lesses shall bury lessen's f		and for lessee's operation thereon, exc	ept water from the wells of	leasor,
	rilled nearer than 200 feet to the h or damages caused by lessee's open	·	es without written consent of lessor.		
Lessee shall have	the right at any time to remove all	l machinery and fixtures placed	on said premises, including the right		
xecutora, administratora, rasec has been furnished	successors or assigns but no ch	ange in the ownership of the l ment or a true copy thereof. In c	whole or in part is expressly allowe and or assignment of rentals or roy ase leasee assigns this lease, in whole	altica shall be binding on	the leaser until After the
Lesace may at an urrander this lesse as to r	y timo execute and deliver to less such portion or portions and be rel	or or place of record a release of ieved of all obligations as to the	r releanes covering any portion or po acreage surrendered.	rtions of the above describ	sed premises and thereby
All express or imp	lied covenants of this lense shall	he aubiect to all Federal and St	ate Laws, Executive Orders, Rules or mpliance is prevented by, or if such :	Regulations, and this less allure is the result of, any	e shall not be terminated, auch Law, Order, Rule or
legulation. Lessor hereby war ny mortsoses, taxes or o	runts and agrees to defend the titl ther ligns on the above described	e to the lands herein described, a lands, in the event of default of	and agrees that the lessee shall have t anyment by lessor, and be subrogst	he right at any time to rede ed to the rights of the hold	em for leasor, by payment or thereof, and the under-
a said right of dower and	homestead may in any way affect	t the purpuses for which this les			
mmediate vicinity thereo onservation of oil, gas or r units not exceeding 40 ecord in the conveyance soled into a tract or unit ound on the pooled acres; oyalties elsewhere herein	f, when in lessee's judgment it if other minerals in and under and acres each in the event of an oil records of the county in which it is shall be treated, for all purposes ge, it shall be treated as if product appecified, lesser shall receive or	is necessary or advisable to do d that may be produced from as well, or into a unit or units not the land herein leased is situat except the payment of royulties tion is had from this lease, whell a production from a unit so p	reage cowered by this lease or any present of the control of the c	l operate and lease premi cuts contiguous to one anoi at of a gas well. Lessee slic escribing the pooled acres as if it were included in t e premises covered by this lty stipulated herein as th	see go us to promote the her and to be into a unit all executs in writing and ge. The entire acreage so his tense. It production is lease or not. In licu of the
f, at the end of the or	mary term, this lease is not o	otherwise continued in forc		his lease shall expire.	
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State of Kansas Ness County
Book: 372 Page: 107
Receipt *: 52134 Recording Fee: \$12.00
Pages Recorded: 2
Cashier Initials: MH

STATE OF KANSAS

CORPORATION COMMISSION CONSERVATION DIVISION 266 N. MAIN ST., STE. 220 WICHITA, KS 67202-1513



PHONE: 316-337-6200 FAX: 316-337-6211 http://kec.ks.gov/

GOVERNOR JEFF COLYER, M.D.

SHARI FEIST ALBRECHT, CHAIR | JAY SCOTT EMLER, COMMISSIONER | DWIGHT D. KEEN, COMMISSIONER

September 11, 2018

Klee Robert Watchous Palomino Petroleum, Inc. 4924 SE 84TH ST NEWTON, KS 67114-8827

Re: Drilling Pit Application McCreight Trust 2 SE/4 Sec.06-20S-22W Ness County, Kansas

Dear Klee Robert Watchous:

District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed <u>without slots</u>, the bottom shall be flat and reasonably level, and the free fluids must be removed. The fluids are to be removed from the reserve pit within 96 hours of completion of drilling operations.

KEEP PITS on Southwest side of stake.

If production casing is set all completion fluids shall be removed from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve pit.

The fluids should be taken to an authorized disposal well. Please call the District Office at (620) 682-7933 when the fluids have been removed. Please file form CDP-5 (August 2008), Exploration and Production Waste Transfer, through KOLAR within 30 days of fluid removal.

A copy of this letter should be posted in the doghouse along with the approved Intent to Drill. If you have any questions or concerns please feel free to contact the District Office at (620) 682-7933.