KOLAR Document ID: 1444926

For	ксс	Use:
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Effective	Dat
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District	#	

	1	
SGA?	Yes	No

Form

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

KSONA-1, Certification of Com	pliance with	the Kansas	Surface Own	er Notification Act,	, MUST be submitted w	ith this form.

Expected Spud Date:	Spot Description:
month day year	Sec Twp S. R E W
OPERATOR: License#	
Name:	
Address 1:	Is SECTION: Regular Irregular?
Address 2:	(Note: Locate well on the Section Plat on reverse side)
City: State: Zip: +	County:
Contact Person:	Lease Name: Well #:
Phone:	Field Name:
CONTRACTOR: License#	Is this a Prorated / Spaced Field? Yes No
Name:	Target Formation(s):
Well Drilled For: Well Class: Type Equipment: Oil Enh Rec Infield Mud Rotary Gas Storage Pool Ext. Air Rotary Disposal Wildcat Cable Seismic ; # of Holes Other Other:	Nearest Lease or unit boundary line (in footage):
Directional, Deviated or Horizontal wellbore?	Well Farm Pond Other:
If Yes, true vertical depth:	DWR Permit #:
Bottom Hole Location:	(Note: Apply for Permit with DWR)
KCC DKT #:	Will Cores be taken?
	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.
Approved by:	
This authorization expires:	
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.

ш

Well will not be drilled or Permit Expired Date: _ Signature of Operator or Agent: For KCC Use ONLY

API # 15 - ____

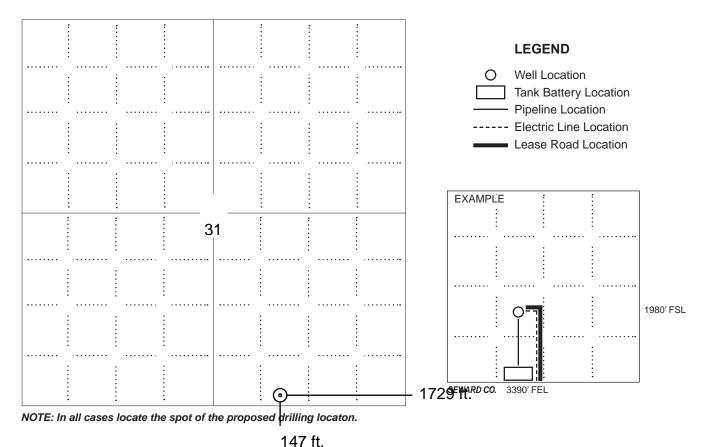
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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:	Sec Twp S. R E 🗌 W
Number of Acres attributable to well: QTR/QTR/QTR/QTR of acreage:	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.



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.

Side Two

KOLAR Document ID: 1444926

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	SecTwpR East West	
Settling Pit Drilling Pit	If Existing, date co	nstructed:	Feet from North / South Line of Section	
Workover Pit Haul-Off Pit (If WP Supply API No. or Year Drilled)	Pit capacity:		Feet from East / West Line of Section	
		(bbls)	County	
Is the pit located in a Sensitive Ground Water A	rea? Yes	No	Chloride concentration: mg/l (For Emergency Pits and Settling Pits only)	
Is the bottom below ground level?	Artificial Liner?		How is the pit lined if a plastic liner is not used?	
		No		
Pit dimensions (all but working pits):	-		Width (feet)N/A: Steel Pits	
Depth fro	m ground level to dee	epest point:	(feet) No Pit	
material, thickness and installation procedure.		inter integrity, i	cluding any special monitoring.	
Distance to nearest water well within one-mile of	of pit:	Depth to shallo Source of infor	west fresh water feet. nation:	
feet Depth of water well			well owner electric log KDWR	
Emergency, Settling and Burn Pits ONLY:		Drilling, Worko	ver and Haul-Off Pits ONLY:	
Producing Formation:		Type of materia	l utilized in drilling/workover:	
Number of producing wells on lease:		Number of wor	king pits to be utilized:	
Barrels of fluid produced daily:		Abandonment	procedure:	
Does the slope from the tank battery allow all spilled fluids to		Drill pits must b	Drill pits must be closed within 365 days of spud date.	
Submitted Electronically				
Date Received: Permit NumI	per:	Permi	Liner Steel Pit RFAC RFAS	
			·	

KOLAR Document ID: 1444926

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

CERTIFICATION OF COMPLIANCE WITH THE KANSAS SURFACE OWNER NOTIFICATION ACT

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

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 #	Well Location:		
Name:			
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 the lease below:		
Contact Person:			
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:+			

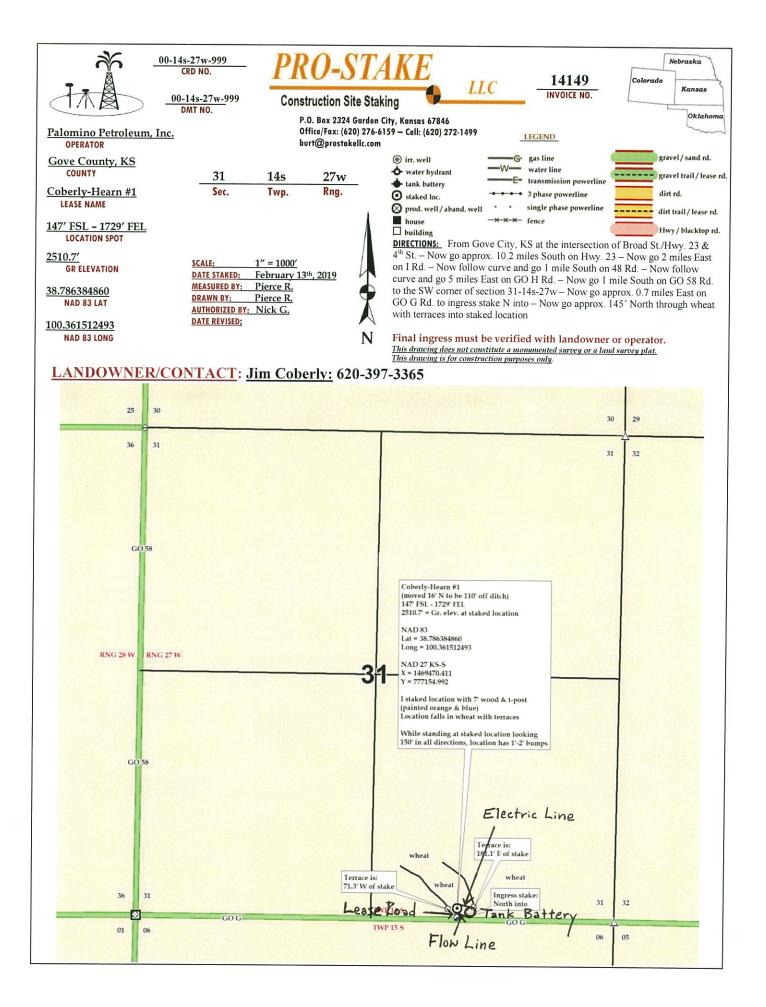
If this form is being submitted with a Form C-1 (Intent) or CB-1 (Cathodic Protection Borehole Intent), you must supply the surface owners and the KCC with a plat showing the predicted locations of lease roads, tank batteries, pipelines, and electrical lines. The locations shown on the plat are preliminary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

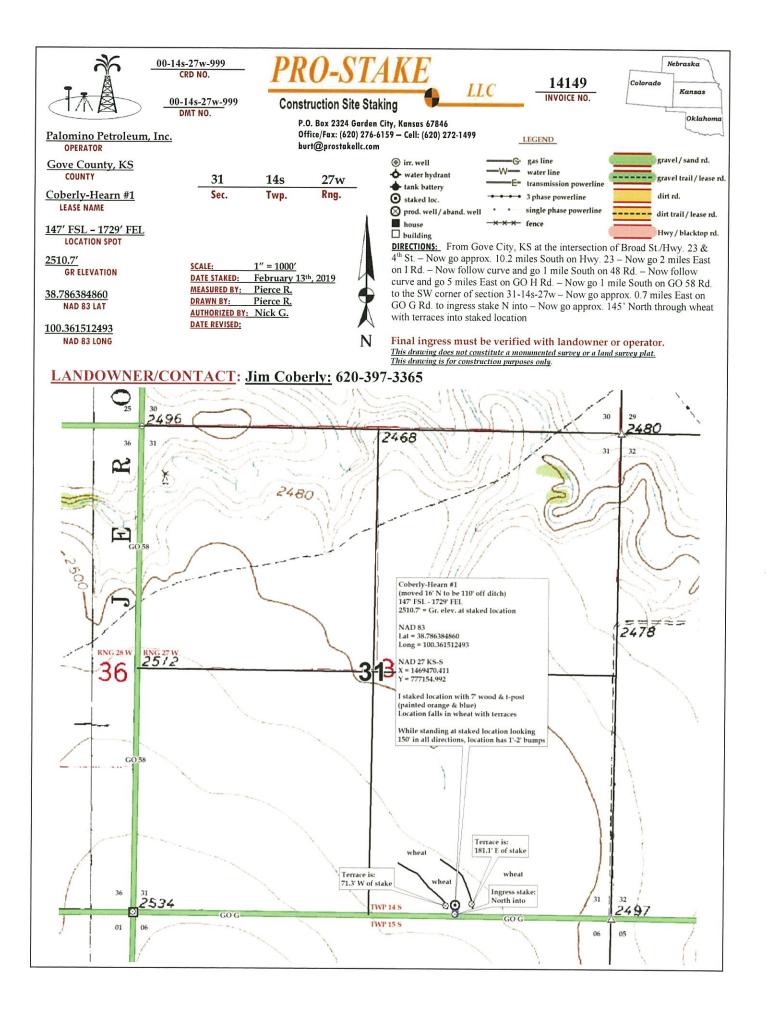
Select one of the following:

- □ 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.

Submitted Electronically





Se.cb (JFL Ind)

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STATE OF KANSAS, GOVE COUNTY SS 20 10 at a: 1a o'clock P. M. and duly recorded in Book 109 pr Page 210-2/2 recorded in Book 1109 . of Stitle Register of Deeds 46.00

i

(PAID-UP)

THIS AGREEMENT, made and entered into this <u>20th</u> day of <u>July</u> by and between <u>Glenn W. Coberly as Trustee of the Glenn W. Coberly Trust dated May 1, 1995</u> 2010

Gove, KS 67736 _____hereinafter called Lessor (whether one or more) and Jackfork Land, Inc., 3503 NW 63rd, Suite 103, Oklahoma City, Oklahoma 73116 hereinafter called Lessee.

1. That lessor, for and in consideration of the sum of Ten and More DOLLARS in hand paid and of the covenants and agreements hereinafter contained to be performed by the lessee, has this day granted, leased, and let and by these presents does hereby grant, lease, and let exclusively unto the lessee the hereinafter described land, with any reversionary rights therein, and with the right to unitize this lease or any part thereof with other oil and gas leases as to all or any part of the lands covered thereby as hereinafter provided, for the purpose of carrying on geological, geophysical and other exploratory work thereon, including core drilling and the drilling, mining, and operating for, producing and saving all of the oil, gas, gas condensate, gas distillate, easinghead gasoline and their respective constituent vapors, and all other gases, found thereon, the exclusive right of injecting water, brine, and other fluids and substances into the subsurface strata, and for constructing roads, laying pipe lines, building tanks, storing oil, building power stations, electrical lines and other structures thereon necessary or convenient for the economical operation of said land alone or conjointly with neighboring lands, to produce, save, take care of, and manufacture all of such substances, and the injection of water, brine, and other substances into the subsurface strata, said tract of land being situated in the County of Gove , State of Kansas , and described as follows:

Southeast Quarter (SE/4) of Section Thirty-One (31), Township Fourteen (14) South, Range Twenty-Seven (27) West of the 6th P.M., and containing 160.00 acres, more or less

See Exhibit A attached hereto and made a part hereof.

2. This lease shall remain in force for a term of Three (3) years (called "primary term") and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of the products covered by this lease is or can be produced. 3. To deliver to the credit of lessor, free of cost, in the pipe line to which lessee may connect wells on shid land, the equal one-

 To deliver to the creatt of ressor, the of cost, in the pipe line to which lessee may connect wells on said land, the equal one-cighth (1/8) part of all oil produced and saved from the leased premises.
 The tessee shall pay to the lessor, as royally, <u>1/8th</u> of the proceeds received by the lessee from the sale of gas, gas condensate, gas distillate, casinghead gas, gas used for the manufacture of gasoline or any other product, and all other gases, including their constituent parts, produced from the land herein leased. If such gas is not sold by the lessee, lessee may pay or tender any after the safe of pays with and after the rest of the less the lessee, lessee may pay or tender annually at or before the end of each yearly period during which such gas is not sold, as a shut-in royalty, whether one or more wells, an amount equal to one dollar per net mineral acre, and while said shut in royalty is so paid or tendered, it will be considered under all provisions of this lease that gas is being produced in paying quantities. The first yearly period during which such gas is not sold shall begin on the date the first well is completed for production of gas.

5. This lease is a paid-up lease and may be maintained during the primary term without further payments or drilling operations. 6. In the event said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein then the royalties herein provided for shall be paid to stud lessor only in the proportion which his interest bears to the whole and undivided fee; however, in the event the title to any interest in said land should revert to lessor, or his heirs, or his or their grantee, this lease shall cover such reversion.

grantee, this tease shall cover such reversion. 7. The lessee shall have the right to use, free of cost, gas and oil on said land for its operations thereon. When required by lessor, the lessee shall bury its 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 the lessor. Lessee shall have the right at any time during, or after the expiration of the advectory of the lessee shall bury its 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 the lessor. Lessee shall have the right at any time during, or after the expiration of the advectory of the rest of the lessee shall have the right at any time during, or after the expiration of the advectory of the rest of the lessee shall have the right at any time during or after the expiration of the advectory of the rest of this lease to remove all machinery fixtures, houses, buildings and other structures placed on said premises, including the right to draw and remove all casing. Lessee shall not have the right to use water from the premises for its operations thereon without the prior written consent of the lessor. Lessee shall pay to the lessor, for damages caused by lessees operations to the property, not less than \$1,500.00 for each well drilled on the property and such amount over \$1,500.00 as parties shall agree in the event

less than \$1,500,00 for each wen article on the property and such amount over \$1,500,00 as parties shan object in the event damages over and above normal damages caused by lessees operations on the property. 8. If the estate of either party hereto is assigned (and the privilege of assigning in whole or in part is expressly allowed), the evenants hereof shall extend to the heirs, devisees, executors, administrators, successors, and assigns, but no change or division over and shall extend to the heirs, devisees, executors, administrators, successors, and assigns, but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of lessee, and no change of ownership in the land or in the royalties or any sum due under this lease shall be binding on the lessee until it has been furnished with either the original recorded instrument of conveyance or a duly certified copy thereof, or a certified copy of the will of any deceased owner and of the probate thereof, or certified copy of the proceedings showing appointment of an administrator for the estate of any deceased owner, which ever is appropriate, together with all original recorded instruments of conveyance or duly certified copies thereof necessary in showing a complete chain of title back to lessor of the full interest claimed, and all advance payments of rentals made hereunder before receipt of said documents shall be binding on any direct or indirect assignce, grantee, devisee, or administrator, executor, or heir of lessor. 9. If the leased premises are now or shall hereafter be owned in severalty or in separate tracts, the premises may nonetheless be

developed and operated as one lease, and all royalties accruing hereunder shall be divided among and paid to such separate owners in the proportion that the acreage owned by each separate owner hears to the entire leased acreage. There shall be no obligation on the part of the lessee to offset wells on separate tracts into which the land covered by this lease may now or hereafter be divided by sale, devisee, descent or otherwise, or to furnish separate measuring or receiving tanks.

10. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the lessee, at its option, may pay and discharge in whole or in part any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands and, in the event it exercises such options it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying to the discharge of any such mortgage, tax or other lien, any royalty accruing hereunder.

11. If after the expiration of the primary term, production of oil or gas should ceased from any cause, this lease shall not terminate if lessee commences additional drilling or reworking operations within one hundred-twenty (120) days thereafter, or if at the expiration of the primary term, oil or gas is not being produced on said land, but lessee is then engaged in drilling or reworking operations thereon, then in either event, this lease shall remain in force so long as operations are prosecuted either on the same well or any other well thereafter commenced, with no cessation of more than one hundred-twenty (120) consecutive days, and if they result in production of oil or gas, this lease shall remain in effect so long thereafter as there is production of oil or gas under any provision of this lease.

12. Lessee may at any time surrender or cancel this lease in whole or in part by delivering or mailing such release to the lessor, or by placing same of record in the proper county. In case said lease is surrendered and canceled as to only a portion of the

Book: 169 Page 210

acreage covered thereby, then all payments and liabilities thereafter accruing under the terms of said lease as to the portion canceled shall cease and determine, but as to the portion of the acreage not released the terms and provisions of this lease shall 11. All convisions of this lease shall

13. All provisions hereof, express or implied, shall be subject to all federal and state laws and the orders, rules, or regulations (and interpretations thereof) of all governmental agencies administering the same, and this lease shall not be in any way terminated wholly or partially nor shall the lesse be liable in damages for failure to comply with any of the express or implied should be prevented during the last six months of the primary term hereof from drilling a well hereunder by the order of any is suspended.

14. Lessee, at is option, is hereby given the right and power to pool or combine into one or more units the land covered by this lease, or any portion thereof, with other land covered by another lease, or leases 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 such minerals in and under said land, such pooling to be in a unit or units not exceeding 640 acres, plus a tolerance of ten percent (10%) to land is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a unit or units shall be treated for all purposes, except the power of royalties on production from the pooled unit, as if it were included in this lease. If production is found on any part of the pooled acreage it shall be treated as if production is had from this lease whether any well is located on the land covered by this lease or not. Any well drilled on any such unit shall be and constitute a well portion of the royalty stipulated herein as the amount of his net royalty interest therein on an acreage basis bears to the total such as the amount of his net royalty interest therein on an acreage basis bears to the total in the sole of the royalty stipulated herein as the amount of his net royalty interest therein on an acreage basis bears to the total start acreage so pooled in the particular unit involved.

15. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors of said lessor and lessee.

IN WITNESS WHEREOF, I/we sign this 23th day of August , 2010.
The Glenn W. Coberly Trust dated May 1, 1995, by:
<u>Alera W Chich</u> Trustee Glenn W. Coberly, Trustee
State of Kansas) County of Source) SS. ACKNOWLEDGEMENT FOR INDIVIDUAL (Kans., Okla., and Colo.)
Before me, the undersigned, a Notary Public, within and for said county and state, on this 2.3 L day of <u>May 1, 1995</u> to me personally appeared <u>Glenn W. Coberly as Trustee of the Glenn W. Coherly Trust dated</u> acknowledged to me that he/she executed the same as his/her free and voluntary act and deed for the uses and purposes therein set forth
IN WITNESS WHEREOF, I have hereunto set my hand and official seat the day and year last above written.
My Notary Number: 1007069 Notary Public Tucky M. Tucker
Une MY State Will - Case Will - Case Will - Une Will
State of}
Ss. ACKNOWLEDGEMENT FOR CORPORATION
On this day of, 2010 before me, the undersigned, a Notary Public in and for the county and state aforesaid, personally appeared, the personally known to be the identical person who signed the second state afforest to be the identical person who signed the second state afforest to be the identical person who signed the second state afforest to be the identical person who signed the second state afforest to be the identical person who signed the second state afforest to be the identical person who signed the second state afforest to be the identical person who signed the second state afforest to be the identical person who signed the second state afforest to be the identical person who signed the second state afforest to be the identical person who signed the second state afforest to be the identical person who signed the second state afforest to be the identical person who signed the second state afforest to be the identical person who signed the second state afforest to be the identical person who signed the second state afforest to be the identical person who signed the second state afforest to be the identical person who signed the second state afforest to be the identical person who signed the second state afforest to be second state afforest to

to me personally known to be the identical person who signed the name of the maker thereof to the within and foregoing instrument as its ________ and acknowledged to me that he/she executed the same as his/her free and voluntary act and deed, and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

Given under my hand and seal the day and year last above written.

My commission expires:

My Notary Number:

Notary Public Printed/Typed name: ł

EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated July 20, 2010 by and between Glenn W. Coberly as Trustee of the Glenn W. Coberly Trust dated May 1, 1995, as Lessor, and Jackfork Land, Inc., as Lessee, in SE/4 of Section 31, Township 14 South, Range 27 West, Gove County, Kansas.

The following provision is part of this oil and gas lease and, if there be conflict between this provision and any of the foregoing provisions, the following provision shall apply and take precedence.

For the above consideration, Lessee is granted the option to renew and extend this lease under the same provisions for a second primary term of Three (3) years from the end of the primary term hereof, and as long thereafter as oil and gas is produced from said land or lands pooled therewith. Lessee may exercise this option by paying or tendering to the Lessor the sum of Thirty-five Dollars (\$35.00) per net mineral acre covered by this lease before the expiration of the primary term hereof.

The royalties to be paid by Lessee are on oil, and other liquid hydrocarbons saved at the well, one-eighth of that produced and saved from said land, same to be delivered free of cost at the wells or to the credit of Lessor in the pipeline to which the wells may be connected.

The Lessee has apprized the Lessors of the Lessee's intent to undertake a Horizontal Well Bore drilling project (also sometimes referred to as "lateral drilling" or "horizontal drilling") on the property covered by this Oil and Gas Lease. Lessee hereby agrees that the Lessee's operations on the property covered by the Oil and Gas Lease may include but are not limited to the drilling, completion and operation of one or more Horizontal Well Bore drilled wells on the property. All of Lessees operations on the property shall be within the requirements and regulations of the Kansas Corporation Commission, or any other Governmental Division having jurisdiction over the Lease and the operations of Lessee on the property, as may exist on the date of this Lease and as they may be amended or modified at any point in the future. The Lessee agrees to hold the Lessors harmless from any claims for damages or injury to person or property as a result of Lessee's operations on the property, regardless of fault of the respective parties. In no way shall the Lessors be responsible to another party for claims made as a result of Lessee's operations on the property.

Signed for Identification by:

The Glenn W. Coberly Trust dated May 1, 1995, by:

Slenn W. Coberly, Trustee

STATE OF KANSAS, GOVE COUNTY S5 Filed for record this 5th day of OCT. AD 20 10 at 2112 of lock P. M. and duay recordad in Book 101 of Page 213-215 Selcb (JFL Ind) OIL AND GAS LEASE Fee S 14.00 (PAID-UP) THIS AGREEMENT, made and entered into this THIS AGREEMENT, made and entered into this <u>20th</u> day of <u>July</u> by and between <u>Glenn W. Coberly, Trustee of the Adn R. Coberly Revocable Trust dated May 1, 1995</u> 2010 696 CR 54

Cove, KS 67736 hereinafter called Lessor (whether one or more) and Jackfork Land, Inc., 3503 NW 63rd, Suite 103, Oklahoma City, Oklahoma 73116 hereinafter called Lessee.

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1. That lessor, for and in consideration of the sum of Ten and More DOLLARS in hand paid and of the covenants and agreements hereinafter contained to be performed by the lessee, has this day granted, leased, and let and by these presents does hereby grant, lease, and let exclusively unto the lessee the hereinafter described land, with any reversionary rights therein, and with the right to unitize this lease or any part thereof with other oil and gas leases as to all or any part of the lands covered thereby as hereinafter provided, for the purpose of carrying on geological, geophysical and other exploratory work thereon, including core drilling and the drilling, mining, and operating for, producing and saving all of the oil, gas, gas condensate, gas distillate, casinghead gasoline and their respective constituent vapors, and all other gases, found thereon, the exclusive right of injecting water, brine, and other fluids and substances into the subsurface strata, and for constructing roads, laying pipe lines, building tanks, storing oil, building power stations, electrical lines and other structures thereon necessary or convenient for the conomical operation of said land alone or conjointly with neighboring lands, to produce, save, take care of, and manufacture all of such substances, and the injection of water, brine, and other substances into the subsurface strata, said tract of land being situated in the County of Gove_, State of Kansas_, and described as follows:

Southeast Quarter (SE/4) of Section Thirty-One (31), Township Fourteen (14) South, Range Twenty-Seven (27) West of the 6th P.M., and containing 160.00 acres, more or less

See Exhibit A attuched hereto and made a part hereof.

2. This lease shall remain in force for a term of <u>Three (3)</u> years (called "primary term") and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of the products covered by this lease is or can be produced.

Cashingheau gas, cashingheau gasonine or any of the products covered by this tease is or can be produced.
3. 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.
4. The lessee shall pay to the lessor, as royalty. <u>1/8th</u> of the proceeds received by the lessee from the sale of gas, gas condensate, gas distillate, casinghead gas, gas used for the manufacture of gasoline or any other product, and all other gases, including their constituent parts produced from the leased for the manufacture of gasoline or any other product, and all other gases. including their constituent parts, produced from the land herein leased. If such gas is not sold by the lessee, lessee may pay or tender annually at or before the end of each yearly period during which such gas is not sold, as a shut-in royalty, whether one or more wells, an amount equal to one dollar per net mineral acre, and while said shut in royalty is so paid or tendered, it will be considered under all provisions of this lease that gas is being produced in paying quantities. The first yearly period during which such gas is not sold shall begin on the date the first well is completed for production of gas.

5. This lease is a paid-up lease and may be maintained during the primary term without further payments or drilling operations. 6. In the event said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein then the royalties herein provided for shall be paid to said lesser only in the proportion which his interest bears to the whole and undivided fee; however, in the event the title to any interest in said land should revert to lessor, or his heirs, or his or their grantee, this lease shall cover such reversion.

7. The lessee shall have the right to use, free of cost, gas and oil on said land for its operations thereon. When required by lessar, the lessee shall bury its pipe lines below plow depth. No well shall be drilled nearer than 200 feet to the house or barn now Instant, the tessee shall bury its pipe lines below prow teeps, no well shall be drifted neater than 200 feet to the nouse of hard how on said premises without written consent of the lessor. Lessee shall have the right at any time during, or after the expiration of this lease to remove all machinery fixtures, houses, buildings and other structures placed on said premises, including the right to draw and remove all easing. Lessee shall not have the right to use water from the premises for its operations thereon without the prior written consent of the lessor. Lessee shall pay to the lessor, for damages caused by lessees operations to the property, not less than \$1.500.00 for each well delied on the primerry and such amount over \$1.500.00 for each well delied on the primerry and such amount over \$1.500.00 for each well delied on the primerry and such amount over \$1.500.00 for each well delied on the primerry and such amount over \$1.500.00 for each well delied on the primerry and such amount over \$1.500.00 for each well delied on the primerry and such amount over \$1.500.00 for each well delied on the primerry and such amount over \$1.500.00 for each well delied on the primerry and such amount over \$1.500.00 for each well delied on the primerry and such amount over \$1.500.00 for each well delied on the primerry and such amount over \$1.500.00 for each well delied on the primerry and such amount over \$1.500.00 for each well delied on the primerry and such amount over \$1.500.00 for each well delied on the primerry and such amount over \$1.500.00 for each well delied on the primerry and such amount over \$1.500.00 for each well delied on the primerry and such amount over \$1.500.00 for each well delied on the primerry and such amount over \$1.500.00 for each well delied on the primerry and such amount over \$1.500.00 for each well delied on the primerry and such amount over \$1.500.00 for each well delied on the primerry and such amount over \$1.500.00 for each well delied on the primerry and such amount over \$1.500.00 for eac less than \$1,500.00 for each well drilled on the property and such amount over \$1,500.00 as parties shall agree in the event damages over and above normal damages caused by lessees operations on the property. 8. If the estate of either party hereto is assigned (and the privilege of assigning in whole or in part is expressly allowed), the

or a ore estate of that party netters assigned (and the private of assigning in whole of in party expressly allowed), no covenants hereof shall extend to the heirs, devisees, executors, administrators, successors, and assigns, but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of lessee, and no change of ownership in the land or in the royalties or any sum due under this lease shall be binding on the lessee until it has been furnished with either the original recorded instrument of conveyance or a duly certified copy thereof, or a certified copy of the will of any deceased owner and of the probate thereof, or certified copy of the proceedings showing appointment of an administrator for the estate of any deceased owner, whichever is appropriate, together with all original recorded instruments of conveyance or duly certified copies thereof necessary in showing a complete chain of title back to lessor of the full interest claimed, and all advance payments of rentals made hereunder before receipt of said documents shall be binding on any direct or indirect assignce, grantee, devisee, or administrator, executor, or heir of lessor.

9. If the leased premises are now or shall hereafter be owned in severalty or in separate tracts, the premises may nonetheless be developed and operated as one lease, and all royalties accruing hereunder shall be divided among and paid to such separate owners in the proportion that the acreage owned by each separate owner bears to the entire leased acreage. There shall be no abligation on the part of the lessee to offset wells on separate tracts into which the land covered by this lease may now or hereafter be divided by sale, devisee, descent or otherwise, or to furnish separate measuring or receiving tanks.

10. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the lessee, at its option, may pay and discharge in whole or in part any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands and, in the event it exercises such options it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying to the discharge of any such mortgage, tax or other lien, any royalty accruing hereunder.

11. If after the expiration of the primary term, production of oil or gas should ceased from any cause, this lease shall not terminate if lessee commences additional drilling or reworking operations within one hundred-twenty (120) days thereafter, or if at the expiration of the primary term, oil or gas is not being produced on said land, but lessee is then engaged in drilling or reworking operations thereon, then in either event, this lease shall remain in force so long as operations are prosecuted either on the same well or any other well thereafter commenced, with no cessation of more than one hundred-twenty (120) consecutive days, and if they result in production of oil or gas, this lease shall remain in effect so long thereafter as there is production of oil or gas under any provision of this lease.

12. Lessee may at any time surrender or cancel this lease in whole or in part by delivering or mailing such release to the lessor, or by placing same of record in the proper county. In case said lease is surrendered and canceled as to only a portion of the

BOOK169 Page 113

acreage covered thereby, then all payments and liabilities thereafter accruing under the terms of said lease as to the portion canceled shall cease and determine, but as to the portion of the acreage not released the terms and provisions of this lease shall 1.1. All revisions in full force and effect for all purposes.

13. All provisions hereof, express or implied, shall be subject to all federal and state laws and the orders, rules, or regulations (and interpretations thereof) of all governmental agencies administering the same, and this lease shall not be in any way provisions hereof if such failure accords with any such laws, orders, rules or regulations (or interpretations thereof). If lesses is should be prevented during the last six months of the primary term hereof from drilling a well hereunder by the order of any is suspended.

14. Lesse, at is option, is hereby given the right and power to pool or combine into one or more units the fand covered by this lease, or any portion thereof, with other land covered by another lease, or leases 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 such minerals in and under said land, such pooling to be in a unit or units not exceeding 640 acres, plus a tolerance of ten percent (10%) to conform to Governmental Survey quarer sections. Lessee shall execute in writing and file for record in the county in which the shall be treated for all purposes, except the payments of royalties on production from the pooled unit, as if it were included in this lease. If production is found on any part of the pooled acreage it shall be treated as if production is had from this lease whether any well is located on the land covered by this lease or not. Any well drilled on any such unit shall be and constitute a well hereunder. In lieu of the royalties elsewhere herein specified lesser shall receive on production from the unit so pooled only such mercal acreage so pooled in the particular unit involved.

15. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors of said lessor and lessor.

IN WITNESS WHEREOF, Une sign this 10 day of September , 2010.

The Ada R. Coberly Revocable Trust dated May 1, 1995, by:

Glenn W. Coberly, Trustee

washer, Trustere

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State of Hancas } County of House }ss.

ACKNOWLEDGEMENT FOR INDIVIDUAL (Kans., Okla., and Colo.)

Bofore, me, the undersigned, a Notary Public, within and for said county and state, on this <u>lock</u> day of <u>united May 1, 1995</u> to me personally appeared <u>Glenn W. Coberly, Trustee of the Ada R. Coherly Revocable Trust</u> acknowledged to me that he/she executed the same as his/her free and voluntary act and deed for the uses and purposes therein

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

My commission expires: 3-5-2011 My Notary Number: 1001069

Z Notary Public Printed/Typed name: Ju

har Turen 14 Appl. Expires 3-5-2011

EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated July 20, 2010 by and between Glenn W. Coberly, Trustee of the Ada R. Coberly Revocable Trust dated May 1, 1995, as Lessor, and Jackfork Land, Inc., as Lessee, in SE/4 of Section 31, Township 14 South, Range 27 West, Gove County, Kansas.

The following provision is part of this oil and gas lease and, if there be conflict between this provision and any of the foregoing provisions, the following provision shall apply and take precedence,

For the above consideration, Lessee is granted the option to renew and extend this lease under the same provisions for a second primary term of Three (3) years from the end of the primary term hereof, and as long thereafter as oil and gas is produced from said land or lands pooled therewith. Lessee may exercise this option by paying or tendering to the Lessor the sum of Thirty-five Dollars (\$35.00) per net mineral acre covered by this lease before the expiration of the primary term hereof.

The royalties to be paid by Lessee are on oil, and other liquid hydrocarbons saved at the well, one-eighth of that produced and saved from said land, same to be delivered free of cost at the wells or to the credit of Lessor in the pipeline to which the wells may be connected.

The Lessee has apprized the Lessors of the Lessee's intent to undertake a Horizontal Well Bore drilling project (also sometimes referred to as "lateral drilling" or "horizontal drilling") on the property covered by this Oil and Gas Lease. Lessee hereby agrees that the Lessee's operations on the property covered by the Oil and Gas Lease may include but are not limited to the drilling, completion and operation of one or more Horizontal Well Bore drilled wells on the property. All of Lessees operations on the property shall be within the requirements and regulations of the Kansas Corporation Commission, or any other Governmental Division having jurisdiction over the Lease and the operations of Lessee on the property, as may exist on the date of this Lease and as they may be amended or modified at any point in the future. The Lessee agrees to hold the Lessors harmless from any claims for damages or injury to person or property as a result of Lessee's operations on the property, regardless of fault of the respective parties. In no way shall the Lessors be responsible to another party for claims made as a result of Lessee's operations on the property.

Signed for Identification by:

The Ada R. Coberly Revocable Trust dated May 1, 1995, by:

Stenn W Cobelly trustee Glenn W. Coberly, Truske

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

63U (Rev. 1993)

OIL AND GAS LEASE

Kansas Blue Print 700 S. Broadway PO Box 703 Wichita, KS 67201-0703 315-264-9344 - 264-5105 fax Reorder No. 09-115

hereinafter called Lessor (whether one or more)

2015

day of _____ 7th AGREEMENT, Made and entered into the

Janet Hearn a/k/a Janet S. Hearn and Lewis A. Hearn, her husband by and between

10149 SE 25th Avenue Pratt, KS 67124

mailing address is

Palomino Petroleum, Inc. and

> _, hereinafter caller Lessee: Dollars (\$ One (\$1.00)

> > 150

Lessor, In consideration of One and More Lessor, In consideration of <u>Groce or a trutore</u> <u>Dollars (\$ One (\$1.00)</u>) in hand paid, receipt of which is here acknowledged and of the myalties 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, atoring oil, building tunks, power stations, telephone lines, and other structures and things thereon to produce, save, take care of, treat, maufacture, process, store and transport said oil, liquid hydrocarbons, gases and their structures 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 <u>Gove</u> State of <u>Kansas</u> described as follows to with

Township 15 South, Range 27 West Section 6: NE/4

In Section, Township, Range	and containing	150	acres, more or less, and al
Subject to the month in the second second	3 years		

Subject to the provisions herein contained, this lease shall remain in force for a term of <u>years</u> 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 leasor 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 sales), for the gas sold, used off 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 ten as royalty One Dollar (\$100) 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 meaning of the preceding paragraph.

This lease may be maintained during the primary term hereof without further payment or drilling operations. If the lease shall commence to drill a well within the term of this lease or any extension thereof, the lease 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 soid 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.

Lease may at any time execute and deliver to leasor 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 Pederal 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, Rules or

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 under-signed 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.

as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein. Lease, 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 lease'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 data areas each in the event of an oil well, or into a unit or units not exceeding 640 acres each in the event of a noil well, or into a unit or units not exceeding 640 acres each in the event of a noil well, or into a unit or units not exceeding 640 acres each in the devent of a gas well. Lease shall be tracted, for all purposes except, the payment of royalities on production from the pooled units if it were leases. The entire acreage so royalties cleawhere herein specified, leaser 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 payletic cleawhere herein specified, leaser shall hereive on production from the suit so pooled only such portion of the royalt y sipulated herein as the amount of his acreage so placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular of the total acreage so pooled in the particular of the royalties and therein there is no a streage basis bears to the total acreage so pooled in the particular unit involved.

If, at the end of the primary term, this lease is not otherwise continued in force under the provisions hereof, this lease shall expire, unless Lessee on or before the end of the primary term shall pay or tender to Lessor, the sum of \$20.00 multiplied by the number of net mineral acres owned by Lessor in the land above described and then subject to this lease; and subject to the other provisions of this lease, the primary term shall be extended for an additional term of two (2) years from the end of the primary term hereof.

Jaret Hearn alkla (a this instrument as of the day and year first above written.
Janet Hearn a/k/a Janet S. Hearn	Lewis A. Hearn

STATE OF KANSAS, GOVE COUNTY SS REGISTER OF DEEDS Book: 194 Page: 814-815 Receipt #: 21282 Pages Recorded: 2 Recording Fee: \$20.00 Cristy of Juttle

Date Recorded: 8/17/2015 11:54:05 AM