

For KCC Use:

Effective Date: \_\_\_\_\_

District # \_\_\_\_\_

SGA?  Yes  No

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

Form C-1

March 2010

Form must be Typed  
Form must be Signed  
All blanks must be Filled

NOTICE OF INTENT TO DRILL

Must be approved by KCC five (5) days prior to commencing well

Form KSONA-1, Certification of Compliance with the Kansas Surface Owner Notification Act, MUST be submitted with this form.

Expected Spud Date: \_\_\_\_\_  
month day year

OPERATOR: License# \_\_\_\_\_

Name: \_\_\_\_\_

Address 1: \_\_\_\_\_

Address 2: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ + \_\_\_\_\_

Contact Person: \_\_\_\_\_

Phone: \_\_\_\_\_

CONTRACTOR: License# \_\_\_\_\_

Name: \_\_\_\_\_

Well Drilled For:

Well Class:

Type Equipment:

- |   |                                   |                                    |                                     |
|---|-----------------------------------|------------------------------------|-------------------------------------|
| <input type="checkbox"/> Oil                        | <input type="checkbox"/> Enh Rec  | <input type="checkbox"/> Infield   | <input type="checkbox"/> Mud Rotary |
| <input type="checkbox"/> Gas                        | <input type="checkbox"/> Storage  | <input type="checkbox"/> Pool Ext. | <input type="checkbox"/> Air Rotary |
|   | <input type="checkbox"/> Disposal | <input type="checkbox"/> Wildcat   | <input type="checkbox"/> Cable      |
| <input type="checkbox"/> Seismic ; _____ # of Holes | <input type="checkbox"/> Other    |                                    |                                     |
| <input type="checkbox"/> Other: _____               |                                   |                                    |                                     |

If OWWO: old well information as follows:

Operator: \_\_\_\_\_

Well Name: \_\_\_\_\_

Original Completion Date: \_\_\_\_\_ Original Total Depth: \_\_\_\_\_

Directional, Deviated or Horizontal wellbore?  Yes  No

If Yes, true vertical depth: \_\_\_\_\_

Bottom Hole Location: \_\_\_\_\_

KCC DKT #: \_\_\_\_\_

Spot Description: \_\_\_\_\_

\_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ Sec. \_\_\_\_\_ Twp. \_\_\_\_\_ S. R. \_\_\_\_\_  E  W  
(Q/Q/Q/Q) \_\_\_\_\_ feet from  N /  S Line of Section

\_\_\_\_\_ feet from  E /  W Line of Section

Is SECTION:  Regular  Irregular?

(Note: Locate well on the Section Plat on reverse side)

County: \_\_\_\_\_

Lease Name: \_\_\_\_\_ Well #: \_\_\_\_\_

Field Name: \_\_\_\_\_

Is this a Prorated / Spaced Field?  Yes  No

Target Formation(s): \_\_\_\_\_

Nearest Lease or unit boundary line (in footage): \_\_\_\_\_

Ground Surface Elevation: \_\_\_\_\_ feet MSL

Water well within one-quarter mile:  Yes  No

Public water supply well within one mile:  Yes  No

Depth to bottom of fresh water: \_\_\_\_\_

Depth to bottom of usable water: \_\_\_\_\_

Surface Pipe by Alternate:  I  II

Length of Surface Pipe Planned to be set: \_\_\_\_\_

Length of Conductor Pipe (if any): \_\_\_\_\_

Projected Total Depth: \_\_\_\_\_

Formation at Total Depth: \_\_\_\_\_

Water Source for Drilling Operations:

Well  Farm Pond  Other: \_\_\_\_\_

DWR Permit #: \_\_\_\_\_

(Note: Apply for Permit with DWR  )

Will Cores be taken?  Yes  No

If Yes, proposed zone: \_\_\_\_\_

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 et. seq.

It is agreed that the following minimum requirements will be met:

1. Notify the appropriate district office **prior** to spudding of well;
2. A copy of the approved notice of intent to drill **shall be** posted on each drilling rig;
3. The minimum amount of surface pipe as specified below **shall be set** by circulating cement to the top; in all cases surface pipe **shall be set** through all unconsolidated materials plus a minimum of 20 feet into the underlying formation.
4. If the well is dry hole, an agreement between the operator and the district office on plug length and placement is necessary **prior to plugging**;
5. The appropriate district office will be notified before well is either plugged or production casing is cemented in;
6. If an ALTERNATE II COMPLETION, production pipe shall be cemented from below any usable water to surface within **120 DAYS** of spud date. Or pursuant to Appendix "B" - Eastern Kansas surface casing order #133,891-C, which applies to the KCC District 3 area, alternate II cementing must be completed within 30 days of the spud date or the well shall be plugged. **In all cases, NOTIFY district office** prior to any cementing.

Submitted Electronically

**For KCC Use ONLY**

API # 15 - \_\_\_\_\_

Conductor pipe required \_\_\_\_\_ feet

Minimum surface pipe required \_\_\_\_\_ feet per ALT.  I  II

Approved by: \_\_\_\_\_

**This authorization expires:** \_\_\_\_\_  
(This authorization void if drilling not started within 12 months of approval date.)

Spud date: \_\_\_\_\_ Agent: \_\_\_\_\_

Remember to:

- File Certification of Compliance with the Kansas Surface Owner Notification Act (KSONA-1) with Intent to Drill;
- File Drill Pit Application (form CDP-1) with Intent to Drill;
- File Completion Form ACO-1 within 120 days of spud date;
- File acreage attribution plat according to field proration orders;
- Notify appropriate district office 48 hours prior to workover or re-entry;
- Submit plugging report (CP-4) after plugging is completed (within 60 days);
- Obtain written approval before disposing or injecting salt water.
- If well will not be drilled or permit has expired (See: authorized expiration date) please check the box below and return to the address below.

Well will not be drilled or Permit Expired Date: \_\_\_\_\_  
Signature of Operator or Agent:

E  
 W

**For KCC Use ONLY**

API # 15 - \_\_\_\_\_

**IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW**

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

Operator: \_\_\_\_\_

Lease: \_\_\_\_\_

Well Number: \_\_\_\_\_

Field: \_\_\_\_\_

Number of Acres attributable to well: \_\_\_\_\_

QTR/QTR/QTR/QTR of acreage: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

Location of Well: County: \_\_\_\_\_

\_\_\_\_\_ feet from  N /  S Line of Section

\_\_\_\_\_ feet from  E /  W Line of Section

Sec. \_\_\_\_\_ Twp. \_\_\_\_\_ S. R. \_\_\_\_\_  E  W

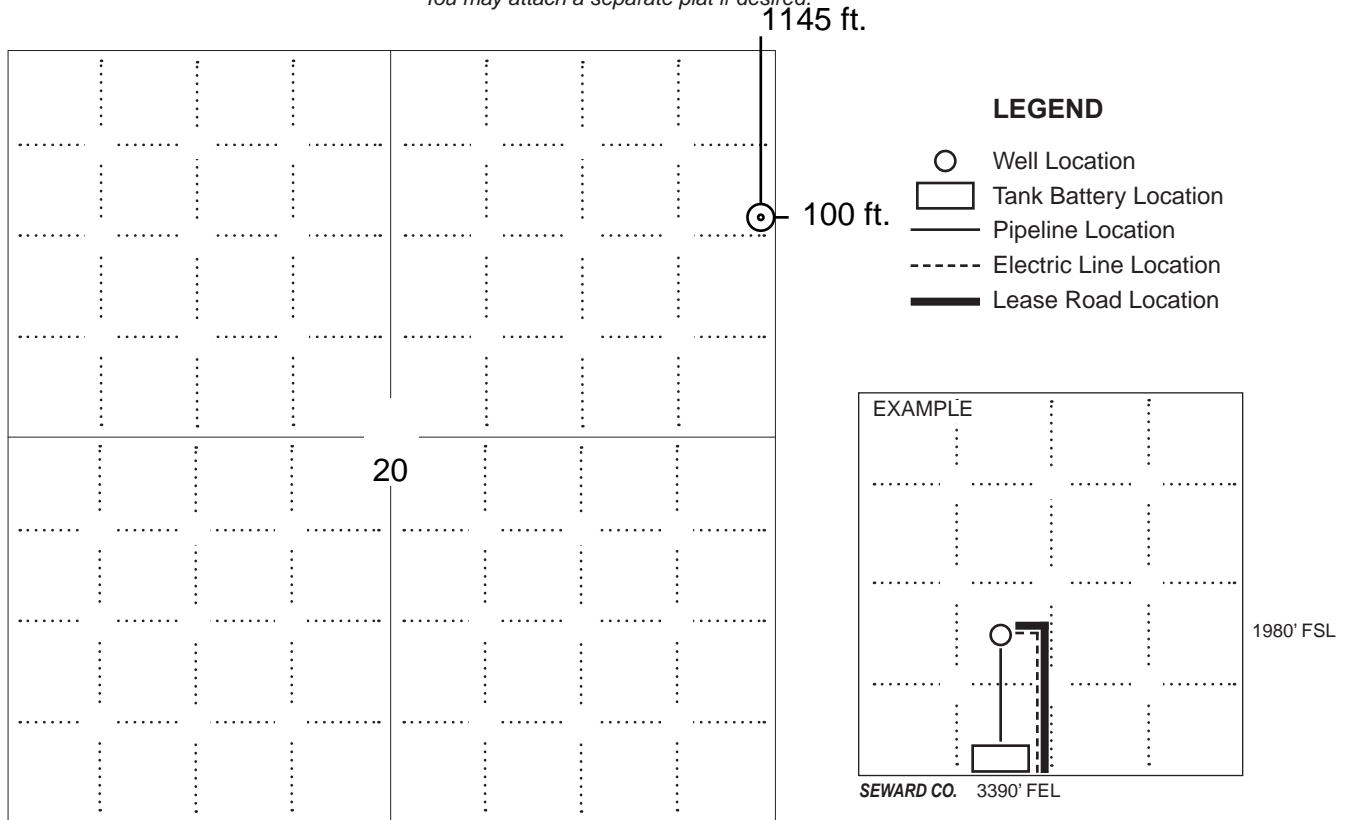
Is Section:  Regular or  Irregular

**If Section is Irregular, locate well from nearest corner boundary.**

Section corner used:  NE  NW  SE  SW

**PLAT**

Show location of the well. Show footage to the nearest lease or unit boundary line. Show the predicted locations of lease roads, tank batteries, pipelines and electrical lines, as required by the Kansas Surface Owner Notice Act (House Bill 2032). You may attach a separate plat if desired.



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

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

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

**KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION  
APPLICATION FOR SURFACE PIT**

Form CDP-1  
May 2010  
Form must be Typed

*Submit in Duplicate*

Operator Name: _____		License Number: _____	
Operator Address: _____			
Contact Person: _____		Phone Number: _____	
Lease Name & Well No.: _____		Pit Location (QQQQ): _____-_____-_____-_____	
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input type="checkbox"/> Drilling Pit <input type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit <i>(If WP Supply API No. or Year Drilled)</i>		Pit is: <input type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: _____ (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input type="checkbox"/> No		Chloride concentration: _____ mg/l <i>(For Emergency Pits and Settling Pits only)</i>	
Is the bottom below ground level? <input type="checkbox"/> Yes <input type="checkbox"/> No		Artificial Liner? <input type="checkbox"/> Yes <input type="checkbox"/> No	
How is the pit lined if a plastic liner is not used?		_____	
Pit dimensions (all but working pits):    _____ Length (feet)    _____ Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: _____ (feet) <input type="checkbox"/> No Pit			
If the pit is lined give a brief description of the liner material, thickness and installation procedure.		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring.	
Distance to nearest water well within one-mile of pit: _____ feet    Depth of water well _____ feet		Depth to shallowest fresh water _____ feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input type="checkbox"/> KDWR	
<b>Emergency, Settling and Burn Pits ONLY:</b> Producing Formation: _____ Number of producing wells on lease: _____ Barrels of fluid produced daily: _____ Does the slope from the tank battery allow all spilled fluids to flow into the pit? <input type="checkbox"/> Yes <input type="checkbox"/> No		<b>Drilling, Workover and Haul-Off Pits ONLY:</b> Type of material utilized in drilling/workover: _____ Number of working pits to be utilized: _____ Abandonment procedure: _____ _____ Drill pits must be closed within 365 days of spud date.	
Submitted Electronically			

**KCC OFFICE USE ONLY**

Liner     Steel Pit     RFAC     RFAS

Date Received: \_\_\_\_\_ Permit Number: \_\_\_\_\_ Permit Date: \_\_\_\_\_ Lease Inspection:     Yes     No

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

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

**CERTIFICATION OF COMPLIANCE WITH THE  
KANSAS SURFACE OWNER NOTIFICATION ACT**

*This form must be submitted with all Forms C-1 (Notice of Intent to Drill); CB-1 (Cathodic Protection Borehole Intent); T-1 (Request for Change of Operator Transfer of Injection or Surface Pit Permit); and CP-1 (Well Plugging Application). Any such form submitted without an accompanying Form KSONA-1 will be returned.*

Select the corresponding form being filed:  C-1 (Intent)  CB-1 (Cathodic Protection Borehole Intent)  T-1 (Transfer)  CP-1 (Plugging Application)

OPERATOR: License # \_\_\_\_\_  
Name: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ + \_\_\_\_\_  
Contact Person: \_\_\_\_\_  
Phone: ( \_\_\_\_\_ ) \_\_\_\_\_ Fax: ( \_\_\_\_\_ ) \_\_\_\_\_  
Email Address: \_\_\_\_\_

Well Location:  
\_\_\_\_ - \_\_\_\_ - \_\_\_\_ - \_\_\_\_ Sec. \_\_\_\_ Twp. \_\_\_\_ S. R. \_\_\_\_  East  West  
County: \_\_\_\_\_  
Lease Name: \_\_\_\_\_ Well #: \_\_\_\_\_

*If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:*

**Surface Owner Information:**

Name: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ + \_\_\_\_\_

*When filing a Form T-1 involving multiple surface owners, attach an additional sheet listing all of the information to the left for each surface owner. Surface owner information can be found in the records of the register of deeds for the county, and in the real estate property tax records of the county treasurer.*

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

**Select one of the following:**

- I certify that, pursuant to the Kansas Surface Owner Notice Act (House Bill 2032), I have provided the following to the surface owner(s) of the land upon which the subject well is or will be located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form CP-1 that I am filing in connection with this form; 2) if the form being filed is a Form C-1 or Form CB-1, the plat(s) required by this form; and 3) my operator name, address, phone number, fax, and email address.
- I have not provided this information to the surface owner(s). I acknowledge that, because I have not provided this information, the KCC will be required to send this information to the surface owner(s). To mitigate the additional cost of the KCC performing this task, I acknowledge that I must provide the name and address of the surface owner by filling out the top section of this form and that I am being charged a \$30.00 handling fee, payable to the KCC, which is enclosed with this form.

*If choosing the second option, submit payment of the \$30.00 handling fee with this form. If the fee is not received with this form, the KSONA-1 form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-1 will be returned.*

I Submitted Electronically

I

# OIL AND GAS LEASE

AGREEMENT made and entered into this 12 day of October by and between Shrack Sand Hill Properties, LLC of 100226 NW 10<sup>th</sup> Ave. Iuka, KS 67006 hereinafter called Lessor (whether one or more), and Thomas Garner Inc. 305 E. 7<sup>th</sup> St. John, KS 67576, hereinafter called Lessee.

Lessor, in consideration of ten (10) dollars and other valuable consideration in hand paid, receipt of which is hereby 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 a reversionary rights and after-acquired interest, therein situated in the county of Stafford state of Kansas, described as follows, to wit: NE/4 Section 20 Township 24 Range 13 and containing 160 acres, more or less, and all accretions thereto.

Subject to the provisions herein contained, this lease shall remain in force for a term of (2) Years from this date (called "primary term"), and as long thereafter as oil, liquid hydrocarbons or 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:

1<sup>st</sup>. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal five-thirty seconds (5/32) part of all oil produced and saved from the leased premises.

2<sup>nd</sup>. 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, five-thirty seconds (5/32), at the market price at the well, (but, as to gas sold by Lessee, in no event more than five-thirty seconds (5/32) 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 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 the, 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 terms 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 to the Lessor only in 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 operations thereon, except water from wells of Lessor.

When requested by the Lessor, Lessee shall bury Lessee's pipelines below plow depth.

No well shall be drilled nearer than 300 feet to the house or barn now on said premises without the written consent of Lessor.

Lessee shall pay for damages caused by Lessee's operations on said land.

Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

If the estate of either party hereto is assigned and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment or 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 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 to comply therewith, if compliance is prevented by, or is 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 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 any land, lease or leases, in the immediate vicinity thereof, when in Lessee's judgment it is advisable to do so in order to properly develop the acreage covered by this lease with other lands by virtue of the development of vertical, directional or horizontal boreholes on such properties so as to promote the conservation of, gas or their minerals in and under that may be produced from said premises, such combination to be in unit or units not exceeding 640 acres, plus a ten percent (10%) tolerance, in the event of either an oil well or a gas well. Lessee shall execute in writing and record in the records of the county in which the land herein leased is situated an instrument identifying and describing the acreage that has been so combined or unitized. The entire acreage so combined into a unit shall be treated for all purposes as if such lands were included in this lease. If production is found on the unitized 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. Lessor shall receive on production from a unit so formed only such portion of the royalty stipulated herein as the amount of his or her acreage placed in the unit for his or her royalty interest therein on an acreage basis bears to the total acreage in the unit.

Lu Ann Brister, Register of Deeds  
Stafford County, KS

**Book: 271 Page: 278**

Receipt #: 26416

Total Fees: \$38.00

Pages Recorded: 2

Date Recorded: 10/17/2018 2:20:41 PM

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

*Louise S. Cline*

By: Louise S. Cline

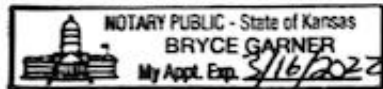
Member of Shrack Sandhill Properties, LLC

ACKNOWLEDGMENT

STATE OF KANSAS

COUNTY OF STAFFORD

Signed or attested before me on this 12 day of October, 2018, by Louise S. Cline, Member of Shrack Sandhill Properties, LLC



*Bryce Garner*  
Notary Public: *Bryce Garner*  
Commission Expires: *3/16/2022*

# OIL AND GAS LEASE

AGREEMENT made and entered into this 4 day of December 2019 by and between Reginald D. Fisher and Sheila R. Fisher, husband and wife hereinafter called Lessor (whether one or more), and Thomas Garner, Inc., whose address is 305 E. 7<sup>th</sup> Ave. St. John, Ks 67576, hereinafter called Lessee.

Lessor, in consideration of ten ( 10 ) dollars and other valuable consideration in hand paid, receipt of which is hereby 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 a reversionary rights and after acquired interest, therein situated in the county of Stafford state of Kansas, described as follows, to wit:

WEST HALF OF THE WEST HALF OF THE NORTHWEST QUARTER (W/2 W/2 NW/4) OF SECTION TWENTY-ONE (21), TOWNSHIP TWENTY-FOUR (24) SOUTH, RANGE THIRTEEN (13) WEST, STAFFORD COUNTY, KANSAS, LESS AND EXCEPT the wellbore of the Beckerdite Saltwater Disposal Well API# 15-185-22829

and containing (40) acres, more or less, and all accretion thereto.

Subject to the provisions herein contained, this lease shall remain in force for a term of ( 1 ) Years from this date (called "primary term"), and as long thereafter as oil, liquid hydrocarbons or 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:

1<sup>st</sup>. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal five/thirty-seconds (5/32) part of all oil produced and saved from the leased premises.

2<sup>nd</sup>. 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, five/thirty-seconds (5/32), at the market price at the well, (but, as to gas sold by Lessee, in no event more than five-thirty-seconds (5/32) 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 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 the, 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 terms 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 to the Lessor only in 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 operations thereon, except water from wells of Lessor.

No well shall be drilled nearer than ( 300 ) feet to the house or barn now on said premises without the written consent of Lessor.

Lessee shall not remove any living trees located on the premises without the written consent of Lessor.

Lessee shall pay for damages caused by Lessee's operations on said land.

Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

If the estate of either party hereto is assigned and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment or 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 above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligators 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 to comply therewith, if compliance is prevented by, or is 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 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 any land, lease or leases, in the immediate vicinity thereof, when in Lessee's judgment it is advisable to do so in order to properly develop the acreage covered by this lease with other lands by virtue of the development of vertical, directional or horizontal boreholes on such properties so as to promote the conservation of, gas or their minerals in and under that may be produced from said premises, such combination to be in unit or units not exceeding 640 acres, plus a ten percent (10%) tolerance, in the event of either an oil well or a gas well. Lessee shall execute in writing and record in the records of the county in which the land herein leased is situated an instrument identifying and describing the acreage that has been so combined or unitized. The entire acreage so combined into a unit shall be treated for all purposes as if such lands were included in this lease. If production is found on the unitized 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. Lessor shall receive on production from a unit so formed only such portion of the royalty stipulated herein as the amount of his or her acreage placed in the unit for his or her royalty interest therein on an acreage basis bears to the total acreage in the unit.

Lu Ann Bristor, Register of Deeds  
Stafford County, KS

Book: 276 Page: 523

Receipt #: 28309

Total Fees: \$55.00

Pages Recorded: 3

Date Recorded: 12/4/2019 4:14:14 PM

If said land is now or hereafter owned in severalty or in separate tracts, this lease shall nevertheless be developed and operated as one lease and all royalty and shut-in royalty accruing hereunder shall be treated as an entirety and divided among such separate owners in the proportion that the acreage (or royalty interest therein on an acreage basis) owned by each bears to the entire leased acreage. Lessee shall have no obligation to offset wells on separate tracts into which said land may be divided, or to furnish separate measuring or receiving tanks. If this lease is assigned as to a part or parts of said land, all rental payable hereunder shall be apportioned between and thereafter payable by the several leasehold owners in the proportion that the acreage owned by each bears to the entire leased acreage, and default in rental payment by anyone shall not defeat or affect the rights of any other leasehold owner. In calculating rental and shut-in royalty payments, said land shall be treated as comprising the number of acres stated above, whether actually comprising more or less, and the acreage included in any assignment or release as recited therein in good faith shall be conclusive for calculating subsequent payments.

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

Reginald D. Fisher  
REGINALD D. FISHER

Sheila R. Fisher  
SHEILA R. FISHER

**ACKNOWLEDGMENT**

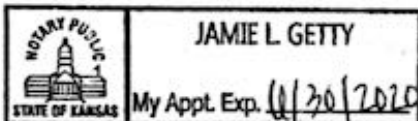
STATE OF KANSAS

COUNTY OF STAFFORD

THIS INSTRUMENT acknowledged before me, the undersigned, a Notary Public, on this 4th day of October, 2019, by Reginald D. Fisher and Sheila R. Fisher, husband and wife.

Commission Expires: 11/30/2020

Jamie L. Getty  
Notary Public:





ADDENDUM to Oil and Gas Lease dated December 4, 2019, by and between Reginald D. Fisher and Sheila R. Fisher, husband and wife, and Thomas Garner Inc. whose address is 305 E. 7<sup>th</sup> Ave. St. John, Ks 67576, as Lessee, covering the following lands in Stafford County, Kansas:

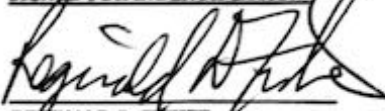
**LEGAL DESCRIPTION**

WEST HALF OF THE WEST HALF OF THE NORTHWEST QUARTER (W/2 W/2 NW/4) OF SECTION TWENTY-ONE (21), TOWNSHIP TWENTY-FOUR (24) SOUTH, RANGE THIRTEEN (13) WEST, STAFFORD COUNTY, KANSAS, LESS AND EXCEPT the wellbore of the Beckerdite Saltwater Disposal Well API# 15-185-22829

In the event of conflict between the lease provisions and the provisions of this addendum, the provisions of this addendum shall be binding and conclusive.

1. Lessee shall have one (1) year, hereinafter called "shut in period", commencing at the end of the primary term, in which to make pipeline connection for the production or marketing of gas. This shut in period may be extended for a period not to exceed two (2) additional years at the option of Lessee. During the shut-in period, Lessee shall pay to Lessor shut in royalty at the rate of ten dollars (\$10.00) per acre, which royalty shall be due and payable on or before the anniversary date of this lease.
2. Lessee shall not be permitted to use any well drilled on these leased premises as a salt-water disposal well without the written consent of landowner and without compensating landowner for the use thereof. However, the terms of this paragraph do not apply to the disposal of salt water produced from wells located on lands covered by this lease or lands unitized therewith.
3. Lessee shall, upon the completion of any "dry hole" test drilling operation, or upon the abandonment of any producing well, restore the surface of the land, including topsoil, as nearly as possible to its original condition and remove all equipment, fixtures, structures and hard surface areas within (6) months.
4. The undersigned hereby gives the exclusive right to Lessee, and/or its assigns to enter the above described property with the necessary equipment for the purpose of conducting a seismic and/or geological survey. Lessee and/or its assigns shall conduct all operations in a careful, diligent, workmanlike manner. Necessary line clearance and tree trimming is authorized.
5. Lessee shall consult with Lessor regarding the route of ingress and egress on or through the leased premises relative to exploration, drilling, production and other lease operations prior to engaging in such operations.
6. Lessee shall be liable for, and agrees to pay for or remediate, at Lessee's discretion, damage shown to be directly caused by its operations on or under the lease premises, including without limitation, damage to Lessor's personal property, existing water wells, appurtenances, improvements, existing and growing crops, grasses, or viable trees, as a result hereof. In the event Lessee uses existing roads of Lessor, Lessee shall maintain such roads. In those areas of the leased premises where cattle or other livestock are grazed, Lessee agrees to fence, or use other reasonable techniques, around its drill sites, corresponding pits, pumping units, tank batteries and other equipment, so as to restrain said cattle or livestock. There shall be no oil road surfaces or hard surfacing of any access roads without the written consent of Lessor. Lessee agrees to restore the surface to its original condition as nearly as is practicable upon completion of its operations thereon.
7. Lessee must obtain the Lessor's prior written consent before using water from the premises for drilling operations. Use of water pursuant to this lease will be limited to drilling operations only on the real estate described in the lease.
8. In the event of production and continued use of the surface by Lessee, Lessee or its assigns, will maintain restore and repair the lands that are affected by the lease operations.
9. The provisions of this lease, including this addendum, shall be binding upon the successors and assigns of the parties.
10. Lessee's obligations and liabilities under this lease and addendum are extended to the acts and omissions of Lessee's employees, agents, partners, principals, operators, contractors, invitees, successors, and assigns.
11. Lessee shall install and maintain (at lessee's expense) fencing around Lessee's oil or gas well sites and tank battery sites to protect any livestock from injury by equipment or by ingestion of oil, salt water or other liquids. Lessee shall install a cattle guard fence crossing where lease road crosses permanent fencing.
12. Upon the completion of any drilling operations or any seismographic testing the Lessee shall leave no waste material, litter or other debris on said premises and shall restore said premises as nearly as practicable to the condition the premises were in prior to lessee's operations.
13. All Pipelines and electric lines shall be buried and maintained to a minimum depth of four (4) feet below the surface so that farming and ranching operations, including irrigation, terracing and subsoil tillage may be safely performed.
14. It is agreed between the Lessor and Lessee that, notwithstanding any language herein to the contrary, all oil, gas or other proceeds accruing to the Lessor under this lease or by state law shall be without deduction, directly or indirectly, for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting and marketing the oil, gas and other products produced to transform the products into marketable form; however, any such costs which result in enhancing the value of the production, so long as they are based on Lessee's actual cost of such enhancement. However, in no event will either the Lessor or the Lessee retrieve a better price than the other party. It is further understood and agreed that this paragraph does not prohibit the Lessee from deducting applicable taxes associated with the Lessor's part of production.

SIGNED FOR IDENTIFICATION

  
REGINALD D. FISHER

  
SHEILA R. FISHER

**DECLARATION OF POOLING AND  
UNITIZATION OF OIL AND GAS LEASES  
80 ACRE OIL UNIT**

WHEREAS, the undersigned, constituting all the working interests owners in an to the oil and gas leases described below and all the owners of the oil, gas, and other minerals in and under and that may be produced from the property encompassed by said oil and gas leases described as follows:

- ✓ Oil and Gas Lease dated October 12, 2018, by and between Shrack Sand Hill Properties, LLC, Lessor, and Thomas Garner, Inc., Lessee, covering the Northeast Quarter (NE/4) of Section Twenty (20), Township Twenty-four (24) South, Range Thirteen (13) West, Stafford County, Kansas, recorded in Book 271, Page 278, Register of Deeds Office, Stafford County, Kansas, hereinafter referred to as "Shrack Lease."

and

Oil and Gas Lease dated ~~November~~ <sup>December</sup> 4<sup>th</sup>, 2019, by and between Reginald D. Fisher and Sheila R. Fisher, Lessors, to Thomas Garner, Inc., Lessee, covering the West Half of the West Half of the Northwest Quarter (W/2 W/2 NW/4) of Section Twenty-one (21), Township Twenty-four (24) South, Range Thirteen (13) West, Stafford County, Kansas, **Less and Except** the wellbore of the Beckerdite Saltwater Disposal Well API#15-185-22829, recorded in Book 276, Page 523, Register of Deeds Office, Stafford County, Kansas, hereinafter referred to as "Fisher Lease."

WHEREAS, each of said oil and gas leases described above grant the right, power and privilege to the Lessee or its assigns to pool or combine the acreage covered by each lease so as to form oil or gas producing units not to exceed 640 acres, such rights to be exercised in writing and recorded in the Register of Deeds Office, Stafford County, Kansas, identifying and describing the pooled acreage and declaring the purpose to unitize the same.

NOW, THEREFORE, in consideration of the premises and of the original considerations granted and given in connection with the execution and delivery of the oil and gas leases, the undersigned does hereby pool, consolidate and unitize the oil and gas leases above described into the following 80 acre unit:

West Half of the West Half of the Northwest Quarter (W/2 W/2 NW/4) of Section Twenty-one (21) and the East Half of the East Half of the Northeast Quarter (E/2 E/2 NE/4) of Section Twenty (20), all in Township Twenty-four (24) South, Range Thirteen (13) West, Stafford County, Kansas,

FURTHER, the undersigned do hereby declare, ratify and give public notice by execution and filing of this instrument of unitization and pooling of the said oil and gas leases as to form the unit acreage described last above, and declares the necessity and advisability of said pooling and unitization in order to properly develop and operate said lease premises so as to promote the

Lu Ann Brister, Register of Deeds  
Stafford County, KS

Book: 276 Page: 531

Receipt #: 28316

Total Fees: \$106.00

reb0975.docx

Pages Recorded: 6

Date Recorded: 12/5/2019 2:20:50 PM

conservation of oil in and under and that may be produced from said premises. Production found on the pooled or unit acreage shall be treated as if production has been had from each and all of the Unitized Leases and royalty provided in said leases shall be paid to the royalty owners in such portion as the amount of his/her acreage placed in the unit bears to the total acreage so pooled, or his/her royalty interest therein on an acreage basis bears to the total acreage so pooled.

EFFECTIVE DATE: December 4, 2019

THIS instrument may be executed in multiple counter parts with each being deemed an original.

IN WITNESS WHEREOF, the undersigned have set their hand the date set opposite their name.

[SIGNATURES ON FOLLOWING PAGES]

THOMAS GARNER, INC.

By *Thomas Garner*  
THOMAS GARNER, Authorized Officer

Date: December 5 2019

STATE OF KANSAS  
COUNTY OF Stafford

The foregoing instrument was acknowledged before me this 5th day of December, 2019, by Thomas Garner as an Authorized Officer of Thomas Garner, Inc., a Kansas corporation, on behalf of the corporation.

My commission expires 3/27/23



*Cassie Martin*  
Notary Public

LOUISE SHRACK CLINE REVOCABLE  
TRUST DATED JULY 7, 2005.

By Louise S. Cline  
LOUISE S. CLINE, Trustee

Date: 11/21/19

STATE OF KANSAS  
COUNTY OF Kansas

The foregoing instrument was acknowledged before me this 21<sup>st</sup> day of November,  
2019, by Louise S. Cline as Trustee of the Louise Shrack Cline Revocable Trust Dated July 7,  
2005.

My commission expires

Brenda J. Fowler  
Notary Public



SHRACK SAND HILL PROPERTIES, LLC

By Louise S. Cline  
LOUISE S. CLINE, Authorized Member

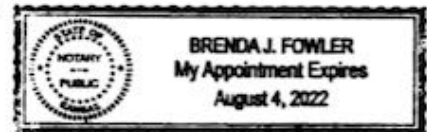
Date: 11/21/19

STATE OF KANSAS  
COUNTY OF Kansas

The foregoing instrument was acknowledged before me this 21<sup>st</sup> day of November  
2019, by Louise S. Cline as an Authorized Member of Shrack Sand Hill Properties, LLC.

My commission expires

Brenda J. Fowler  
Notary Public



Reginald D. Fisher  
REGINALD D. FISHER

Sheila R. Fisher  
SHEILA R. FISHER

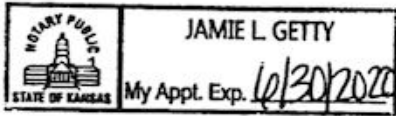
Date: 12-4-19

Date: 12-4-19

STATE OF KANSAS  
COUNTY OF Stafford

The foregoing instrument was acknowledged before me this 4<sup>th</sup> day of December, 2019, by Reginald D. Fisher and Sheila R. Fisher, husband and wife.

My commission expires



Jamie Getty  
Notary Public

THOMAS GARNER, INC.  
 SHRACK LEASE  
 NE. 1/4, SECTION 20, T24S, R13W  
 STAFFORD COUNTY, KANSAS

HIGHWAY (W. HIGHWAY 50) 50

Drillsite Location  
 Shrack Unit #1  
 1145'FNL 100'FEL  
 Ground Elevation = 1922  
 Y = 468396 X = 1923398  
 State Plane-NAD 27-Kansas South  
 Latitude 37.95280  
 Longitude -98.76612  
 WGS 84-NAD 83

WHEAT

O'HD. TRANSMISSION LINE

TANK BATTERY  
 FIELD ENTRANCE

ROAD (SW. 20TH AVE.)

ROAD (SW. 10TH AVE.)

20

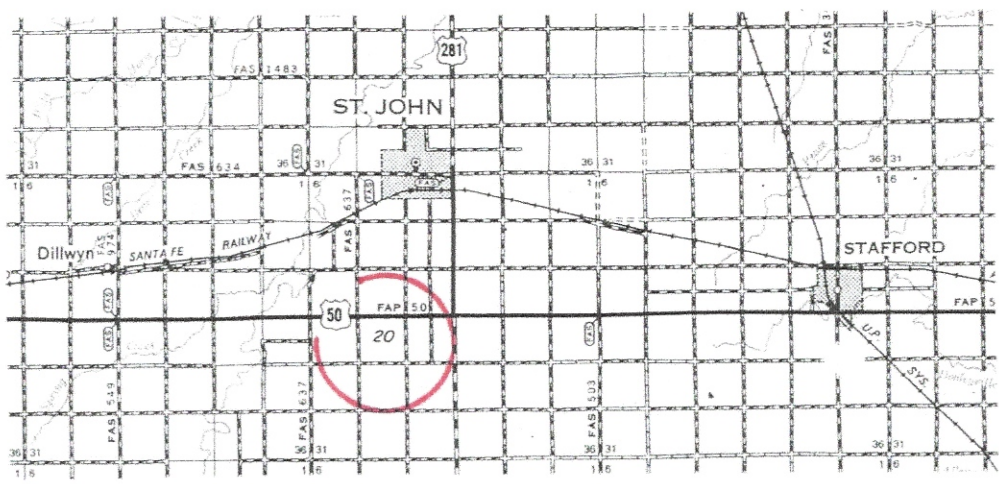
Notes:

1. Set (2) wood stakes at location site.
2. All flagging Red & Yellow.
3. Overhead power available at S. line and S. 1/2 of W. line and at the NE. corner of Sec. 20.
4. Kansas One Call System Inc. should be notified before excavation (1-800-344-7233).
5. CAUTION; Various pipelines in Sec. 20.
6. Contact landowner for best access and as to location of wood stakes in wheat.

SAND (SW. 10TH ST.) ROAD

\*Ingress and egress to location as shown on this plat is per usage only and may not be legally opened for public use. Contact landowner, tenant and county road department for access.

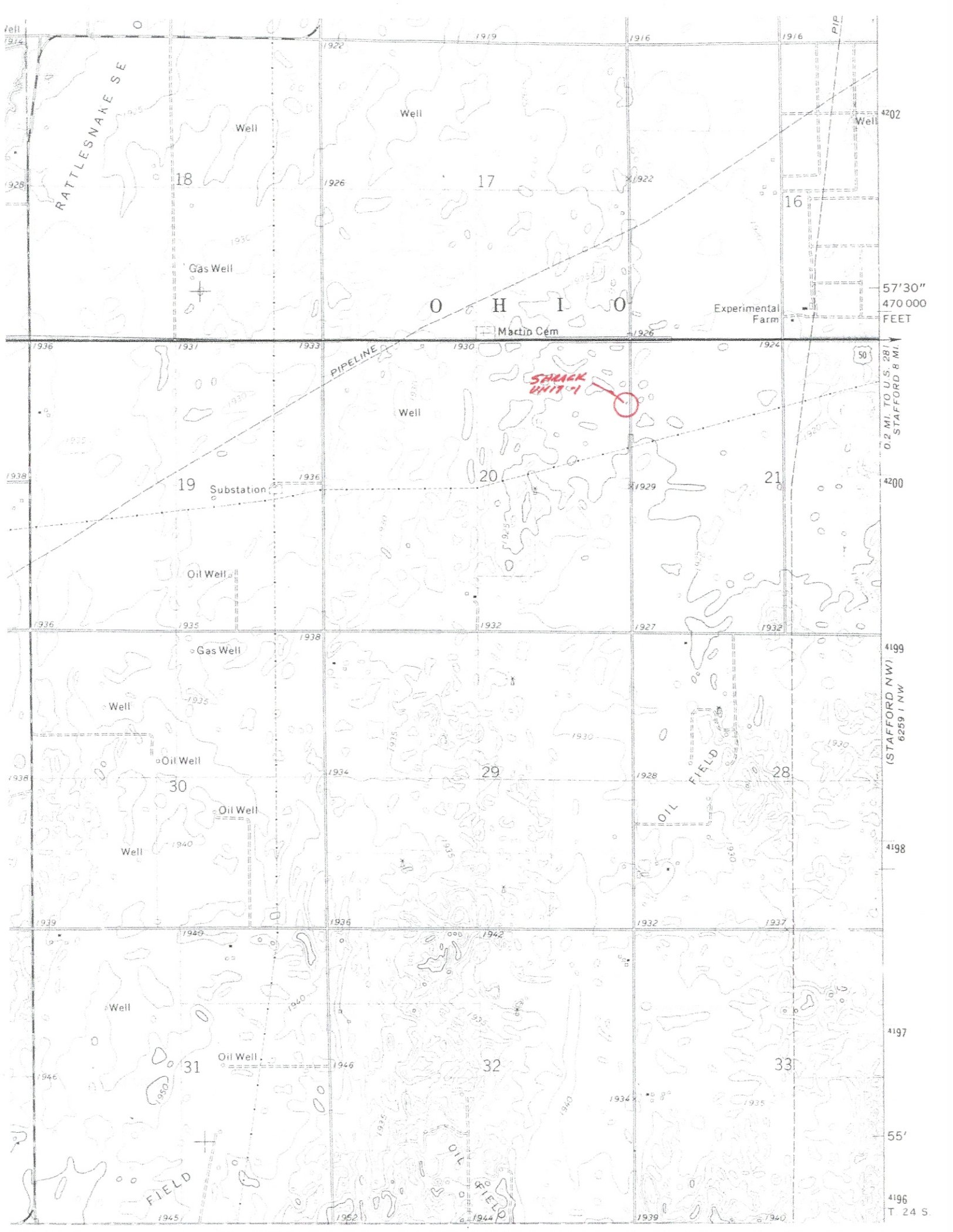
SCALE 1" = 1000'



Controlling data is based upon the best maps and photographs available to us and upon a regular section of land containing 640 acres.  
 Approximate section lines were determined using the normal standard of care of oilfield surveyors practicing in the state of Kansas. The section corners, which establish the precise section lines, were not necessarily located, and the exact location of the drillsite location in the section is not guaranteed. Therefore, the operator securing this service and accepting this plat and all other parties relying thereon agree to hold Central Kansas Oilfield Services, Inc., its officers and employees harmless from all losses, costs and expenses and said entities released from any liability from incidental or consequential damages.  
 Elevations derived from National Geodetic Vertical Datum.

Date December 12, 2019





RATTLESNAKE SE

O H I O

SHACK UNIT 1

Experimental Farm

OIL FIELD

FIELD

OIL FIELD

OIL FIELD

(STAFFORD NW)  
6259 1 NW

T 24 S.

December 18, 2019

Tom Garner  
Thomas Garner, Inc.  
305 E 7TH  
ST JOHN, KS 67576-1652

Re: Drilling Pit Application  
Shrack Unit 1  
NE/4 Sec.20-24S-13W  
Stafford County, Kansas

Dear Tom Garner :

District staff has inspected the above referenced location and has determined that an unsealed condition will present a pollution threat to water resources.

District staff has recommended that the reserve pit be lined with bentonite or native clay, constructed **without slots**, 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 as soon as the Hutchinson Salt section has been drilled through and displacement of the fluids into the reserve pit has occurred. The fluids should be removed again within 72 hours after drilling operations have ceased.

**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.