

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

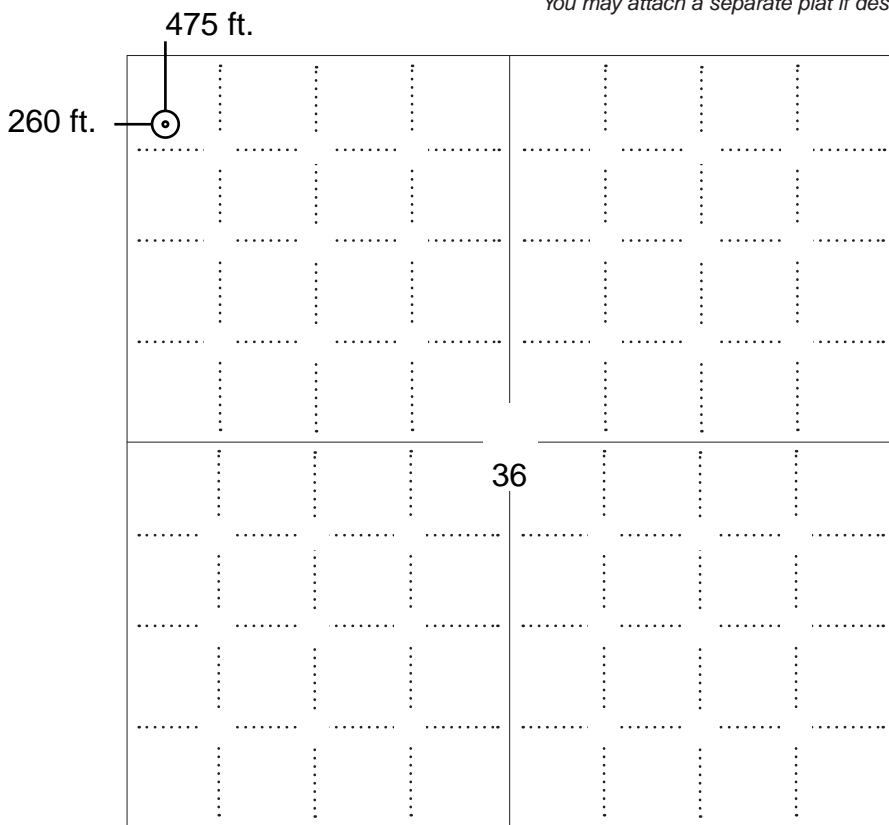
Is Section:  Regular or  Irregular

**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.



**LEGEND**

- Well Location
- Tank Battery Location
- Pipeline Location
- Electric Line Location
- Lease Road Location



**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

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: <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.	
<h2>Submitted Electronically</h2>			

<b>KCC OFFICE USE ONLY</b>					
		<input type="checkbox"/> Liner	<input type="checkbox"/> Steel Pit	<input type="checkbox"/> RFAC	<input type="checkbox"/> RFAS
Date Received: _____	Permit Number: _____	Permit Date: _____	Lease Inspection: <input type="checkbox"/> Yes <input type="checkbox"/> 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

Dorcas B #1 Location Map

John O. Farmer, Inc.

10/20/20

26

25

Tank Battery



Lead and  
Electrical Line

Road

Location

35

36





\* 0 1 2 - 0 2 6 5 6 3 \*

STATE OF KS LYON CO  
VICTORIA LOPEZ, REGISTER OF DEEDS

PAID UP OIL AND GAS LEASE

REC FEE: \$16.00 07/24/2012 11:15:50AM

This Oil and Gas Lease (the "Lease"), dated July 10th, 2012, is by and between: Phyllis Dorcas and Glenn E. Dorcas, wife and husband, 1773 Trefoil Road NE, Waverly, Kansas 66871 (whether one or more "Lessor") and James C Karo Associates, 1750 Lafayette Street, Denver, Colorado 80218 ("Lessee").

For and in consideration of Ten Dollars, Lessee's agreements contained in this Lease, and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee hereby agree as follows:

1. Lessor has granted, demised, leased and let and hereby does grant, demise, lease and let unto Lessee, the lands described below, with any reversionary rights therein (the "Lands"), for the sole and exclusive right to explore by geophysical and other methods, for (without limitation) drilling, completing and operating for oil (including but not limited to distillate and condensate), gas (including casinghead gas and helium and all other constituents), and, for laying pipelines, building drill sites, access roads, tanks, power stations and structures thereon, to produce, save and take care of said products, all of the "Lands" described as follows:

Township 16 South, Range 10 East, 6th P. M.  
Section 36: NW/4 EXCEPT the N/2NW/4NW/4

See Exhibit "A" attached hereto and made a part hereof.

all located in Lyon County Kansas, containing 140.00 acres, more or less (the "Lands" or "Leases Premises").

2. Lessor intends to lease and Lessor does hereby lease, all of the lands or interests in lands presently owned by Lessor or any lands owned in the future by Lessor which may adjoin the Lands which lie in the section herein specified, whether or not completely and accurately described, together with and including any accretions or riparian rights appurtenant thereto.

3. Lessor and Lessee agree that the Lease shall remain in force for a term of Five (5) years, (herein after called Primary Term) and so long thereafter as oil or gas, or either of them, is produced from said land or lands pooled therewith.

4. As part of the consideration for the Lease, Lessee covenants and agrees:

A. To deliver to the credit of Lessor free of cost, in the pipeline to which it may connect its wells, a 1/8 (12.5%) part of all oil (including but not limited to condensate and distillate) produced and saved from the Lands.

B. To pay Lessor for gas (including casinghead gas) and all other substances covered hereby, a royalty of 1/8 (12.5%) of the proceeds realized by Lessee from the sale thereof less a proportionate part of the production, severance and other excise taxes, said payments to be made monthly.

C. During any period after expiration of the Primary Term when gas or oil is not being sold or used and the well or wells are shut-in and there is no current production of gas or oil or operations on the Lands (or lands pooled or unitized therewith), sufficient to keep this Lease in force (to include any mechanical failures making either gas or oil unable to produce in paying quantities), Lessee shall pay or tender to Lessor as a shut-in royalty One Dollar (\$1.00) per year per net mineral acre retained under this Lease ("Shut-in Royalty"). Payment of the Shut-in Royalty shall be made on or before the anniversary date of this Lease next ensuing after the expiration of 90 days from the date such well is shut-in and thereafter on or before the anniversary date of this Lease, during the period such well is shut-in. When Lessee pays the Shut-in-Royalty, it will be considered that gas or oil is being produced on the Lease within the meaning of the entire Lease. Lessee's failure to properly pay Shut-in Royalty shall render Lessee liable for the amount due, but shall not operate to terminate this Lease.

5. At the expiration of the Primary Term, if there is no production in paying quantities on the Lands or on lands pooled therewith, but Lessee is conducting operations for drilling, completing or reworking a well, this Lease nevertheless shall continue as long as such operations are prosecuted with reasonable diligence and dispatch or additional operations are commenced and prosecuted (whether on the same or successive wells) with no cessation of more than 90 days, and if production is discovered, this Lease shall continue as long thereafter as oil or gas are produced. In addition, if at any time or times after the Primary Term, there is a total cessation of all production from the Lands for any cause (other than *force majeure*), this Lease shall not terminate if Lessee commences or resumes any drilling or reworking operations or production within 90 days after such cessation. Drilling or reworking operations shall be deemed to be commenced when the first material is placed on the Lands or when the first work, other than surveying or staking the location, is done on the Lands that is necessary for such operations. However, this term may be extended an additional 90 days, if Lessee has been unable to secure the goods or services necessary to conduct operations on the Lease, such goods and services to include, without limitation, drilling, completion or recompletion services, crews, equipment, water supply resources, water disposal resources, water supply or disposal infrastructure, regulatory approvals, third-party approvals, any additional Lessor required approvals.

6. Lessor hereby grants Lessee the right at any time and from time to time to pool or unitize the Lands or any portion or portions of the Lands as to all strata or any stratum or strata, with any other lands as to all strata or any stratum or strata, for the production primarily of oil or primarily of gas, with or without distillate. Lessee may also amend or modify the size of such a "Unit," at its sole discretion, at any time and from time to time while this Lease is in force and effect. The creation of a Unit by such pooling shall be based on the following criteria (hereinafter called "pooling criteria"): A unit for an oil well (other than a horizontal completion) shall not exceed 320 acres plus a maximum acreage tolerance of 10%, and a unit for a gas well not to exceed 640 acres plus a maximum acreage tolerance of 10%. For horizontal wells or either oil, gas or both, Lessee may establish units not to exceed 1,280 acres plus a maximum acreage tolerance of 10%; provided however, that Lessee may form larger units to conform to any well spacing or density pattern that may be prescribed or permitted by applicable government authority. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on a 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" or "horizontal well" means a well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component of the gross completion interval. Lessee shall file written unit designations in the county in which the Lands are located unless the pooling or unitization results from governmental order or rule, in which case no such written designation shall be required. Operations on and production from the Unit shall be treated as if such operations were upon or such production were from the Lands whether or not the well or wells are located on the Lands. The entire acreage within a unit shall be treated for all purposes as if it were covered by and included in this Lease except that the royalty on production from the unit shall be as below provided, and except that in calculating the amount of any shut-in gas royalties, only the part of the acreage originally leased and then actually embraced by this Lease shall be counted. With respect to production from the Unit, Lessee shall pay Lessor, in lieu of other royalties thereon, only such production of the royalties stipulated herein as the amount of his acreage placed in the unit, or his royalty interest therein on an acreage basis bears to the total acreage in the unit.

7. If said Lessor owns a less interest in the Lands than the entire and undivided fee simple estate, then the royalties herein provided shall be paid to the Lessor only in the proportion which his interest in the Lands bears to the whole and undivided fee interest in the Lands.

8. Lessee shall have the right to use, free of cost, gas, oil and water produced on the Lands for its operations, except water from water wells drilled and used by Lessor.

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

10. Lessor and Lessee may assign its interest in this Lease in whole or in part, the terms of the Lease shall be binding upon and extend to their respective heirs, executors, administrators, successors or assigns. If Lessor assigns its interest in the Lease or Lands, no change or division in ownership of the Lands or royalties shall enlarge the obligations or diminish the rights of Lessee. No change in the ownership of the Land or royalties shall be binding on the Lessee until after the Lessee has been furnished with a true copy of the assignment or transfer, recorded in the county in which the Lands are located. If Lessee assigns this Lease, in whole or in part, the assignee of Lessee's interest shall assume all of Lessee's obligations under the Lease, and Lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment.

11. If at any time within the Primary Term of this Lease or any continuation thereof, Lessor receives a bona fide offer to grant an additional lease ("Top Lease") to a third party ("Third Party Lessee") covering all or part of the Lands that is acceptable to Lessor, Lessee shall have the option to acquire such Top Lease by meeting the terms offered by the Third Party Lessee. Any offer to top lease by the Third Party Lessee must be in writing and must set forth in detail the material terms of the Top Lease, including without limitation, the proposed lease term, bonus consideration, royalty, and shall include a copy of the lease form to be utilized ("Offer to Top Lease"); Lessor shall forward the "Offer to Top Lease" to Lessee as soon as it is received, and Lessor agrees not to sign the Top Lease unless and until it has offered Lessee the option to meet the Offer to Top Lease. Lessee shall have 15 days after receipt from Lessor of the Offer to Top Lease to advise Lessor in writing of its election to enter into an oil and gas lease with Lessor on equivalent terms and conditions as set forth in the Top Lease. If Lessee elects not to meet the term of the Offer to Top Lease, or if Lessee fails to notify Lessor within the 15 day period of its election to meet the terms of the Offer to Top Lease, Lessor may accept the terms of the Offer to Top Lease. Any top lease granted by Lessor in violation of this provision shall be null and void.

12. All express or implied covenants of this Lease shall be subject to all Federal and State Laws, Executive Orders, Rules and 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 such failure is the result of any such Law, Order, Rule or Regulation, or operation of *force majeure*.

13. Lessee may at any time and from time to time surrender this Lease as to any part or parts of the Lands by delivering or mailing a release thereof to Lessor, or by placing a release of record in the proper County.

14. Notwithstanding anything to the contrary contained in this Lease, no litigation shall be initiated by Lessor for damages, forfeiture, termination or cancellation with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default within such period. If the matter is litigated and there is final judicial determination that a breach or default has occurred, the Lessee shall be required and obligated to specifically comply with the judicial determination including but not limited to the removal of its equipment and restoration of the Lands in accordance with applicable rules and regulations.

15. Lessor hereby warrants and agrees to defend the title to the Lands. In the event of default of payment by Lessor, Lessor 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 Lands, and thereafter, be subrogated to the rights of the holder thereof, and the Lessor, for themselves and their heirs, successors and assigns. Lessor hereby surrenders and releases all right of dower and homestead in the Lands, insofar as said right of dower and homestead may in any way affect the purposes for which this Lease is made.

16. Lessee shall have the exclusive right to explore the Lands by geological, geophysical or other methods, whether similar to those herein specified or not and whether now known or not, including the drilling of holes, use of torsion balance, seismograph explosions, magnetometer, or other geophysical or geological instruments, tests or procedures, for the purpose of securing geological and geophysical information. All information obtained by Lessee as a result of the activity shall be the exclusive property of Lessee, and Lessee may disseminate or sell such information without Lessor's consent. Lessor and Lessee herein agree that a portion of the consideration paid herein is for advance payment of usual and customary damages associated with seismograph operations (i.e., tire tracks in the wheat, pasture or fields, road use, etc.). If any extraordinary damages occur, Lessor (or its tenant, if Lessor has a tenant) will be compensated accordingly, or at Lessee's discretion Lessee may elect to repair the damages in lieu of compensation.

17. If this Lease is not otherwise continued in force at the end of the Primary Term, Lessor and Lessee hereby agree that Lessee shall have the exclusive option to extend the Primary Term of this Lease for an additional Five (5) years by tendering to Lessor a payment equal to the same per acre bonus paid to Lessor, such tender to be made on or before the expiration of the Primary Term. Payment shall be deemed made upon Lessee's tendering of such payment by certified mail to Lessor at Lessor's address shown on this Lease, on or before the expiration of the Primary Term. Lessee may or may not exercise this option to extend the Primary Term in its sole discretion.

IN TESTIMONY WHEREOF, we sign this the 12 day of July, 2012.

Phyllis Dorcas  
Phyllis Dorcas

Glenn E. Dorcas  
Glenn E. Dorcas

(ACKNOWLEDGMENT FOR INDIVIDUAL)

STATE OF KANSAS )  
                                          ) ss:  
COUNTY OF Cherokee )

The foregoing instrument was acknowledged before me this 12<sup>th</sup> day of July, 2012, by Phyllis Dorcas and Glenn E. Dorcas, wife and husband.

My commission expires:

4/1/15

Commission Number: \_\_\_\_\_

Elizabeth A. Collins  
Notary Public



Exhibit "A" attached to and made a part of that certain Oil and Gas Lease dated July 10, 2012 by and between Phyllis Dorcas and Glenn E. Dorcas, wife and husband, as Lessor, and James C Karo Associates, as Lessee.

1. Lessee will consult with Lessor or Lessor's representative to determine best route of ingress and egress prior to any operations, however no reasonable request shall be denied.
2. Any utility lines or pipelines must be buried if possible and below plow depth.
3. Lessee further agrees to remove all mud and debris from the slush pits on any and all drill sites, fill the pit and cover evenly with the original top soil, and add additional top soil from other sites if necessary to return the same to original condition as soon as possible and as nearly as practicable. All mud and slush pits shall be lined to prevent seepage into soil and groundwater.
4. Lessee agrees to be a prudent operator and will keep all surface disturbances to the minimum area necessary to conduct its operations.
5. Lessee shall indemnify and hold Lessor harmless from any and all liability, liens, claims and environmental liability arising out of Lessee's operations under the terms of this lease.
6. Lessee agrees that within thirty (30) days of commencement of operation on the herein described lands, Lessee agrees to pay Lessor a one time damage payment of \$500.00 for each acre of actual damage caused to Lessor's property as a direct result of Lessee's operations under the terms of this lease. Lessee agrees to reseed pastureland according to FSA recommendations.
7. If this Lease is not otherwise continued in force at the end of the Primary Term, Lessor and Lessee hereby agree that Lessee shall have the exclusive option to extend the Primary Term of this Lease for an additional Five (5) years by tendering to Lessor a payment of \$30.00 per acre bonus paid to Lessor, such tender to be made on or before the expiration of the Primary Term. Payment shall be deemed made upon Lessee's tendering of such payment by certified mail to Lessor at Lessor's address shown on this Lease, on or before the expiration of the Primary Term. Lessee may or may not exercise this option to extend the Primary Term in its sole discretion.

Description of lands :

Township 16 South, Range 10 East, 6th P. M.  
Section 36: NW/4 EXCEPT the N/2NW/4NW/4

Signed for Identification :

x Phyllis Dorcas  
Phyllis Dorcas

x Glenn E. Dorcas  
Glenn E. Dorcas



# EXTENSION OF OIL AND GAS LEASE

WHEREAS, John O. Farmer, Inc. is/are the owner(s) and holder(s) of an oil and gas lease on the following described land in the County of Lyon, State of Kansas.

The Northwest Quarter (NW/4), EXCEPT the North Half of the Northwest Quarter of Northwest Quarter (N/2 NW/4 NW/4)

in Section 36, in Township 16 South, Range 10 East, and recorded in Document #2012-02656, of the Records of said County, and

WHEREAS, said lease expires in the absence of drilling operations on July 10, 2017 and the said owner(s) and holder(s) desire(s) to have the term of said lease extended;

NOW, THEREFORE, the undersigned, for themselves, their heirs, executors, administrators and assigns, for and in consideration of One and other Dollars, in hand paid, the receipt whereof is hereby acknowledged, does hereby agree that the said term of said lease shall be and is hereby extended, with the same tenor and effect as if such extended term had been originally expressed in such lease, for a period of two (2) years from the date of the said expiration hereof and as long thereafter as oil or gas (including casinghead gas) is produced from any well on the land covered by said lease; subject, however, in all other respects, to the provisions and conditions of said lease or said lease as modified, if any modification thereof may have been heretofore executed.

IN WITNESS WHEREOF, this instrument is signed on this the 27th day of June, 2017

Phyllis Dorcas  
Phyllis Dorcas

Glenn E. Dorcas  
Glenn E. Dorcas

### ACKNOWLEDGMENT

STATE OF KANSAS, COUNTY OF Coffey, ss:

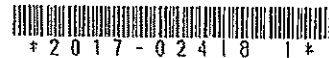
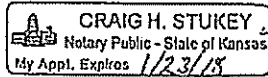
The foregoing instrument was acknowledged before me this 27th day of June, 2017, by

Phyllis Dorcas and Glenn E. Dorcas, wife and husband

My appointment expires: 1/23/18

Craig H. Stucky  
Notary Public

Printed: Craig H. Stucky



STATE OF KS LYON CO  
VENDY L. VEISS, REGISTER OF DEEDS  
2017-02418

DATE RECORDED: 07/17/2017 02:42:20PM  
REG DEBIT: 0.00 RECEIPT #: 37693  
REC FEE: \$ 14.00  
TCCO FEE: \$ 3.00  
HEURTERAGE FEE: \$1.00



# EXTENSION OF OIL AND GAS LEASE

WHEREAS, **John O. Farmer, Inc.** is/are the owner(s) and holder(s) of an oil and gas lease on the following described land in the County of LYON, State of Kansas :

The North Half of the Northwest Quarter of Northwest Quarter (N/2 NW/4 NW/4)

In Section 36, in Township 16 South, Range 10 East, and recorded in Document #2012-02841, of the Records of said County, and WHEREAS, said lease expires in the absence of drilling operations on July 14, 2017 and the said owner(s) and holder(s) desire(s) to have the term of said lease extended;

NOW, THEREFORE, the undersigned, for themselves, their heirs, executors, administrators and assigns, for and in consideration of One and 0/10th Dollars, in hand paid, the receipt whereof is hereby acknowledged, does hereby agree that the said term of said lease shall be and is hereby extended, with the same tenor and effect as if such extended term had been originally expressed in such lease, for a period of two (2) years from the date of the said expiration thereof and as long thereafter as oil or gas (including casinghead gas) is produced from any well on the land covered by said lease; subject, however, in all other respects, to the provisions and conditions of said lease or said lease as modified, if any modification thereof may have been heretofore executed.

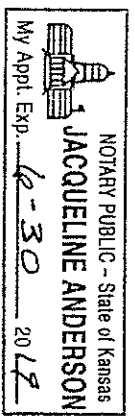
IN WITNESS WHEREOF, this instrument is effective on the 14<sup>th</sup> day of July, 2017.

Steven H Dorcas  
Steven H. Dorcas  
Kathleen A Dorcas  
Kathleen A. Dorcas

### ACKNOWLEDGMENT

STATE OF KANSAS, COUNTY OF LYON, ss:  
The foregoing instrument was acknowledged before me this 30<sup>th</sup> day of August, 2017, by Steven H. Dorcas and Kathleen A. Dorcas, his wife

My appointment expires: 6-30-19  
Jacqueline Anderson  
Notary Public  
Printed: Jacqueline Anderson





# 2 0 1 2 - 0 2 8 4 1 3 \*

STATE OF KS LYON CO

VICTORIA LOPEZ, REGISTER OF DEEDS

REC FEE: \$16.00 08/07/2012 11:07:42AM

**PAID UP OIL AND GAS LEASE**

This Oil and Gas Lease (the "Lease"), dated July 14th, 2012, is by and between: Steven H. Dorcas and Kathleen A. Dorcas, husband and wife, 613 Road 320, Allen, Kansas 66833 (whether one or more "Lessor") and James C Karo Associates, 1750 Lafayette Street, Denver, Colorado 80218 ("Lessee").

For and in consideration of Ten Dollars, Lessee's agreements contained in this Lease, and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee hereby agree as follows:

1. Lessor has granted, demised, leased and let and hereby does grant, demise, lease and let unto Lessee, the lands described below, with any reversionary rights therein (the "Lands"), for the sole and exclusive right to explore by geophysical and other methods, for (without limitation) drilling, completing and operating for oil (including but not limited to distillate and condensate), gas (including casinghead gas and helium and all other constituents), and, for laying pipelines, building drill sites, access roads, tanks, power stations and structures thereon, to produce, save and take care of said products, all of the "Lands" described as follows:

Township 16 South, Range 10 East, 6th P. M.  
Section 36: N/2NW/4NW/4

See Exhibit "A" attached hereto and made a part hereof.

all located in Lyon County Kansas, containing 20.00 acres, more or less (the "Lands" or "Leases Premises").

2. Lessor intends to lease and Lessor does hereby lease, all of the lands or interests in lands presently owned by Lessor or any lands owned in the future by Lessor which may adjoin the Lands which lie in the section herein specified, whether or not completely and accurately described, together with and including any accretions or riparian rights appurtenant thereto.
3. Lessor and Lessee agree that the Lease shall remain in force for a term of Five (5) Years, (herein after called Primary Term) and so long thereafter as oil or gas, or either of them, is produced from said land or lands pooled therewith.
4. As part of the consideration for the Lease, Lessee covenants and agrees:
  - A. To deliver to the credit of Lessor free of cost, in the pipeline to which it may connect its wells, a 1/8 (12.5%) part of all oil (including but not limited to condensate and distillate) produced and saved from the Lands;
  - B. To pay Lessor for gas (including casinghead gas) and all other substances covered hereby, a royalty of 1/8 (12.5%) of the proceeds realized by Lessee from the sale thereof less a proportionate part of the production, severance and other excise taxes, said payments to be made monthly;
  - C. During any period after expiration of the Primary Term when gas or oil is not being sold or used and the well or wells are shut-in and there is no current production of gas or oil or operations on the Lands (or lands pooled or unitized therewith), sufficient to keep this Lease in force (to include any mechanical failures making either gas or oil unable to produce in paying quantities), Lessee shall pay or tender to Lessor as a shut-in royalty One Dollar (\$1.00) per year per net mineral acre retained under this Lease ("Shut-in Royalty"). Payment of the Shut-in Royalty shall be made on or before the anniversary date of this Lease next ensuing after the expiration of 90 days from the date such well is shut-in and thereafter on or before the anniversary date of this Lease, during the period such well is shut-in. When Lessee pays the Shut-in-Royalty, it will be considered that gas or oil is being produced on the Lease within the meaning of the entire Lease. Lessee's failure to properly pay Shut-in Royalty shall render Lessee liable for the amount due, but shall not operate to terminate this Lease.
5. At the expiration of the Primary Term, if there is no production in paying quantities on the Lands or on lands pooled therewith, but Lessee is conducting operations for drilling, completing or reworking a well, this Lease nevertheless shall continue as long as such operations are prosecuted with reasonable diligence and dispatch or additional operations are commenced and prosecuted (whether on the same or successive wells) with no cessation of more than 90 days, and if production is discovered, this Lease shall continue as long thereafter as oil or gas are produced. In addition, if at any time or times after the Primary Term, there is a total cessation of all production from the Lands for any cause (other than *force majeure*), this Lease shall not terminate if Lessee commences or resumes any drilling or reworking operations or production within 90 days after such cessation. Drilling or reworking operations shall be deemed to be commenced when the first material is placed on the Lands or when the first work, other than surveying or staking the location, is done on the Lands that is necessary for such operations. However, this term may be extended an additional 90 days, if Lessee has been unable to secure the goods or services necessary to conduct operations on the Lease, such goods and services to include, without limitation, drilling, completion or recompletion services, crews, equipment, water supply resources, water disposal resources, water supply or disposal infrastructure, regulatory approvals, third-party approvals, any additional Lessor required approvals.
6. Lessor hereby grants Lessee the right at any time and from time to time to pool or unitize the Lands or any portion or portions of the Lands as to all strata or any stratum or strata, with any other lands as to all strata or any stratum or strata, for the production primarily of oil or primarily of gas, with or without distillate. Lessee may also amend or modify the size of such a "Unit," at its sole discretion, at any time and from time to time while this Lease is in force and effect. The creation of a Unit by such pooling shall be based on the following criteria (hereinafter called "pooling criteria"): A unit for an oil well (other than a horizontal completion) shall not exceed 320 acres plus a maximum average tolerance of 10%, and a unit for a gas well not to exceed 640 acres plus a maximum average tolerance of 10%. For horizontal wells or either oil, gas or both, Lessee may establish units not to exceed 1,280 acres plus a maximum average tolerance of 10%; provided however, that Lessee may form larger units to conform to any well spacing or density pattern that may be prescribed or permitted by applicable government authority. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on a 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" or "horizontal well" means a well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component of the gross completion interval. Lessee shall file written unit designations in the county in which the Lands are located unless the pooling or unitization results from governmental order or rule, in which case no such written designation shall be required. Operations on and production from the Unit shall be treated as if such operations were upon or such production were from the Lands whether or not the well or wells are located on the Lands. The entire acreage within a unit shall be treated for all purposes as if it were covered by and included in this Lease except that the royalty on production from the unit shall be as below provided, and except that in calculating the amount of any shut-in gas royalties, only the part of the acreage originally leased and then actually embraced by this Lease shall be counted. With respect to production from the Unit, Lessee shall pay Lessor, in lieu of other royalties thereon, only such production of the royalties stipulated herein as the amount of his acreage placed in the unit, or his royalty interest therein on an acreage basis bears to the total acreage in the unit.
7. If said Lessor owns a less interest in the Lands than the entire and undivided fee simple estate, then the royalties herein provided shall be paid to the Lessor only in the proportion which his interest in the Lands bears to the whole and undivided fee interest in the Lands.
8. Lessee shall have the **right to use, free of cost, gas, oil and water produced on the Lands** for its operations, except water from water wells drilled and used by Lessor.
9. Lessee shall have the right at any time to remove all machinery and fixtures placed on the Lands, including the right to draw and remove casing.
10. Lessor and Lessee may assign its interest in this Lease in whole or in part, the terms of the Lease shall be binding upon and extend to their respective heirs, executors, administrators, successors or assigns. If Lessor assigns its interest in the Lease or Lands, no change or division in ownership of the Lands or royalties shall enlarge the obligations or diminish the rights of Lessee. No change in the ownership of the Land or

royalties shall be binding on the Lessee until after the Lessee has been furnished with a true copy of the assignment or transfer, recorded in the county in which the Lands are located. If Lessee assigns this Lease, in whole or in part, the assignee of Lessee's interest shall assume all of Lessee's obligations under the Lease, and Lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment.

11. If at any time within the Primary Term of this Lease or any continuation thereof, Lessor receives a bona fide offer to grant an additional lease ("Top Lease") to a third party ("Third Party Lessee") covering all or part of the Lands that is acceptable to Lessor, Lessee shall have the option to acquire such Top Lease by meeting the terms offered by the Third Party Lessee. Any offer to top lease by the Third Party Lessee must be in writing and must set forth in detail the material terms of the Top Lease, including without limitation, the proposed lease term, bonus consideration, royalty, and shall include a copy of the lease form to be utilized ("Offer to Top Lease"). Lessor shall forward the "Offer to Top Lease" to Lessee as soon as it is received, and Lessor agrees not to sign the Top Lease unless and until it has offered Lessee the option to meet the Offer to Top Lease. Lessee shall have 15 days after receipt from Lessor of the Offer to Top Lease to advise Lessor in writing of its election to enter into an oil and gas lease with Lessor on equivalent terms and conditions as set forth in the Top Lease. If Lessee elects not to meet the term of the Offer to Top Lease, or if Lessee fails to notify Lessor within the 15 day period of its election to meet the terms of the Offer to Top Lease, Lessor may accept the terms of the Offer to Top Lease. Any top lease granted by Lessor in violation of this provision shall be null and void.
12. All express or implied covenants of this Lease shall be subject to all Federal and State Laws, Executive Orders, Rules and 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 such failure is the result of any such Law, Order, Rule or Regulation, or operation of *force majeure*.
13. Lessee may at any time and from time to time surrender this Lease as to any part or parts of the Lands by delivering or mailing a release thereof to Lessor, or by placing a release of record in the proper County.
14. Notwithstanding anything to the contrary contained in this Lease, no litigation shall be initiated by Lessor for damages, forfeiture, termination or cancellation with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default within such period. If the matter is litigated and there is final judicial determination that a breach or default has occurred, the Lessee shall be required and obligated to specifically comply with the judicial determination including but not limited to the removal of its equipment and restoration of the Lands in accordance with applicable rules and regulations.
15. Lessor hereby warrants and agrees to defend the title to the Lands. In the event of default of payment by Lessor, Lessor 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 Lands, and thereafter, be subrogated to the rights of the holder thereof, and the Lessor, for themselves and their heirs, successors and assigns. Lessor hereby surrenders and releases all right of dower and homestead in the Lands, insofar as said right of dower and homestead may in any way affect the purposes for which this Lease is made.
16. Lessee shall have the exclusive right to explore the Lands by geological, geophysical or other methods, whether similar to those herein specified or not and whether now known or not, including the drilling of holes, use of forson balance, seismograph explosions, magnetometer, or other geophysical or geological instruments, tests or procedures, for the purpose of securing geological and geophysical information. All information obtained by Lessee as a result of the activity shall be the exclusive property of Lessee, and Lessee may disseminate or sell such information without Lessor's consent. Lessor and Lessee herein agree that a portion of the consideration paid herein is for advance payment of usual and customary damages associated with seismograph operations (i.e., tire tracks in the wheat, pasture or fields, road use, etc.). If any extraordinary damages occur, Lessor (or its tenant, if Lessor has a tenant) will be compensated accordingly, or at Lessee's discretion Lessee may elect to repair the damages in lieu of compensation.
17. If this Lease is not otherwise continued in force at the end of the Primary Term, Lessor and Lessee hereby agree that Lessee shall have the exclusive option to extend the Primary Term of this Lease for an additional five (5) years by tendering to Lessor a payment equal to the same per acre bonus paid to Lessor, such tender to be made on or before the expiration of the Primary Term. Payment shall be deemed made upon Lessee's tendering of such payment by certified mail to Lessor at Lessor's address shown on this Lease, on or before the expiration of the Primary Term. Lessee may or may not exercise this option to extend the Primary Term in its sole discretion.

IN TESTIMONY WHEREOF, we sign this the 18<sup>th</sup> day of July, 2012.

  
Steven H. Dorcas

  
Kathleen A. Dorcas

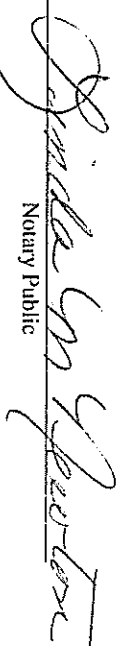
(ACKNOWLEDGMENT FOR INDIVIDUAL)

STATE OF KANSAS )  
COUNTY OF Lyona ) ss:

The foregoing instrument was acknowledged before me this 18<sup>th</sup> day of July, 2012, by  
Steven H. Dorcas and Kathleen A. Dorcas, husband and wife

My commission expires:

Sept 28, 2012  
Commission Number: 1028854

  
Notary Public

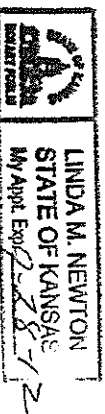


Exhibit "A" attached to and made a part of that certain Oil and Gas Lease dated July 14, 2012 by and between Steven H. Dorcas and Kathleen A. Dorcas, husband and wife, as Lessor, and James C Karo Associates, as Lessee.

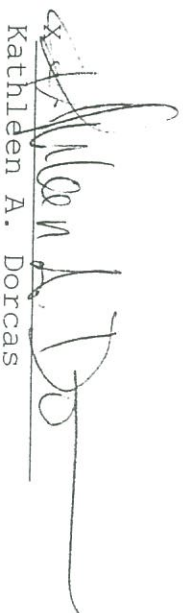
1. Lessee hereby agrees that no well shall be drilled nearer than 500 feet to the house now on said premises.
2. Lessee will consult with Lessor or Lessor's representative to determine best route of ingress and egress prior to any operations, however no reasonable request shall be denied.
3. Any utility lines or pipelines must be buried if possible and below plow depth.
4. Lessee further agrees to remove all mud and debris from the slush pits on any and all drill sites, fill the pit and cover evenly with the original top soil, and add additional top soil from other sites if necessary to return the same to original condition as soon as possible and as nearly as practicable. All mud and slush pits shall be lined to prevent seepage into soil and groundwater.
5. Lessee agrees to be a prudent operator and will keep all surface disturbances to the minimum area necessary to conduct its operations.
6. Lessee shall indemnify and hold Lessor harmless from any and all liability, liens, claims and environmental liability arising out of Lessee's operations under the terms of this lease.
7. Lessee agrees that within thirty (30) days of commencement of operation on the herein described lands, Lessee agrees to pay Lessor a one time damage payment of \$500.00 for each acre of actual damage caused to Lessor's property as a direct result of Lessee's operations under the terms of this lease. Lessee agrees to reseed pastureland according to FSA recommendations.
8. If this Lease is not otherwise continued in force at the end of the Primary Term, Lessor and Lessee hereby agree that Lessee shall have the exclusive option to extend the Primary Term of this Lease for an additional Five (5) years by tendering to Lessor a payment of \$30.00 per acre bonus paid to Lessor, such tender to be made on or before the expiration of the Primary Term. Payment shall be deemed made upon Lessee's tendering of such payment by certified mail to Lessor at Lessor's address shown on this Lease, on or before the expiration of the Primary Term. Lessee may or may not exercise this option to extend the Primary Term in its sole discretion.

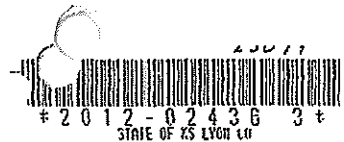
Description of lands :

Township 16 South, Range 10 East, 6th P. M.  
Section 36: N/2NW/4NW/4

Signed for Identification :

X   
Steven H. Dorcas

X   
Kathleen A. Dorcas



PAID UP OIL AND GAS LEASE

VICTORIA LOPEZ, REGISTER OF DEEDS  
REC FEE: \$16.00 07/09/2012 01:07:15PM

This Oil and Gas Lease (the "Lease"), dated June 26th, 2012, is by and between: Montie Lee Jackson and Joan L. Jackson, Trustees of the Jackson Family Revocable Trust under agreement dated June 21, 2012, 591 Road 320, Allen, Kansas 66833, (whether one or more "Lessor") and James C Karo Associates, 1750 Lafayette Street, Denver, Colorado 80218 ("Lessee")

For and in consideration of Ten Dollars, Lessee's agreements contained in this Lease, and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee hereby agree as follows:

1. Lessor has granted, demised, leased and let and hereby does grant, demise, lease and let unto Lessee, the lands described below, with any reversionary rights therein (the "Lands"), for the sole and exclusive right to explore by geophysical and other methods, sue (without limitation) drilling, completing and operating for oil (including but not limited to distillate and condensate), gas (including casinghead gas and helium and all other constituents), and, for laying pipelines, building drill sites, access roads, tanks, power stations and structures thereon, to produce, save and take care of said products, all of the "Lands" described as follows:

See Exhibit "A" attached hereto and made a part hereof.

all located in Lyon County Kansas, containing 389.00 acres, more or less (the "Lands" or "Leases Premises").

2. Lessor intends to lease and Lessor does hereby lease, all of the lands or interests in lands presently owned by Lessor or any lands owned in the future by Lessor which may adjoin the Lands which lie in the section herein specified, whether or not completely and accurately described, together with and including any accretions or riparian rights appurtenant thereto.

3. Lessor and Lessee agree that the Lease shall remain in force for a term of Five (5) years, (herein after called Primary Term) and so long thereafter as oil or gas, or either of them, is produced from said land or lands pooled therewith

4. As part of the consideration for the Lease, Lessee covenants and agrees:

A. To deliver to the credit of Lessor free of cost, in the pipeline to which it may connect its wells, a 1/8 (12.5%) part of all oil (including but not limited to condensate and distillate) produced and saved from the Lands.

B. To pay Lessor for gas (including casinghead gas) and all other substances covered hereby, a royalty of 1/8 (12.5%) of the proceeds realized by Lessee from the sale thereof less a proportionate part of the production, severance and other excise taxes, said payments to be made monthly.

C. During any period after expiration of the Primary Term when gas or oil is not being sold or used and the well or wells are shut-in and there is no current production of gas or oil or operations on the Lands (or lands pooled or unitized therewith), sufficient to keep this Lease in force (to include any mechanical failures making either gas or oil unable to produce in paying quantities), Lessee shall pay or tender to Lessor as a shut-in royalty One Dollar (\$1.00) per year per net mineral acre retained under this Lease ("Shut-in Royalty"). Payment of the Shut-in Royalty shall be made on or before the anniversary date of this Lease next ensuing after the expiration of 90 days from the date such well is shut-in and thereafter on or before the anniversary date of this Lease, during the period such well is shut-in. When Lessee pays the Shut-in Royalty, it will be considered that gas or oil is being produced on the Lease within the meaning of the entire Lease. Lessee's failure to properly pay Shut-in Royalty shall render Lessee liable for the amount due, but shall not operate to terminate this Lease.

5. At the expiration of the Primary Term, if there is no production in paying quantities on the Lands or on lands pooled therewith, but Lessee is conducting operations for drilling, completing or reworking a well, this Lease nevertheless shall continue as long as such operations are prosecuted with reasonable diligence and dispatch or additional operations are commenced and prosecuted (whether on the same or successive wells) with no cessation of more than 90 days, and if production is discovered, this Lease shall continue as long thereafter as oil or gas are produced. In addition, if at any time or times after the Primary Term, there is a total cessation of all production from the Lands for any cause (other than force majeure), this Lease shall not terminate if Lessee commences or resumes any drilling or reworking operations or production within 90 days after such cessation. Drilling or reworking operations shall be deemed to be commenced when the first material is placed on the Lands or when the first work, other than surveying or staking the location, is done on the Lands that is necessary for such operations. However, this term may be extended an additional 90 days, if Lessee has been unable to secure the goods or services necessary to conduct operations on the Lease, such goods and services to include, without limitation, drilling, completion or recompletion services, crews, equipment, water supply resources, water disposal resources, water supply or disposal infrastructure, regulatory approvals, third-party approvals, any additional Lessor required approvals.

6. Lessor hereby grants Lessee the right at any time and from time to time to pool or unitize the Lands or any portion or portions of the Lands as to all strata or any stratum or strata, with any other lands as to all strata or any stratum or strata, for the production primarily of oil or primarily of gas, with or without distillate. Lessee may also amend or modify the size of such a "Unit," at its' sole discretion, at any time and from time to time while this Lease is in force and effect. The creation of a Unit by such pooling shall be based on the following criteria (hereinafter called "pooling criteria"): A unit for an oil well (other than a horizontal completion) shall not exceed 320 acres plus a maximum acreage tolerance of 10%, and a unit for a gas well not to exceed 640 acres plus a maximum acreage tolerance of 10%. For horizontal wells or either oil, gas or both, Lessee may establish units not to exceed 1,280 acres plus a maximum acreage tolerance of 10%, provided however, that Lessee may form larger units to conform to any well spacing or density pattern that may be prescribed or permitted by applicable government authority. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on a 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" or "horizontal well" means a well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component of the gross completion interval. Lessee shall file written unit designations in the county in which the Lands are located unless the pooling or unitization results from governmental order or rule, in which case no such written designation shall be required. Operations on and production from the Unit shall be treated as if such operations were upon or such production were from the Lands whether or not the well or wells are located on the Lands. The entire acreage within a unit shall be treated for all purposes as if it were covered by and included in this Lease except that the royalty on production from the unit shall be as below provided, and except that in calculating the amount of any shut-in gas royalties, only the part of the acreage originally leased and then actually embraced by this Lease shall be counted. With respect to production from the Unit, Lessee shall pay Lessor, in lieu of other royalties therein, only such production of the royalties stipulated herein as the amount of his acreage placed in the unit, or his royalty interest therein on an acreage basis bears to the total acreage in the unit.

7. If said Lessor owns a less interest in the Lands than the entire and undivided fee simple estate, then the royalties herein provided shall be paid to the Lessor only in the proportion which his interest in the Lands bears to the whole and undivided fee interest in the Lands.

8. Lessee shall have the right to use, free of cost, gas, oil and water produced on the Lands for its operations, except water from water wells drilled and used by Lessor.

9. Lessee shall have the right at any time to remove all machinery and fixtures placed on the Lands, including the right to throw and remove casing.

10. Lessor and Lessee may assign its interest in this Lease in whole or in part, the terms of the Lease shall be binding upon and extend to their respective heirs, executors, administrators, successors or assigns. If Lessor assigns its interest in the Lease or Lands, no change or division in ownership of the Lands or royalties shall enlarge the obligations or diminish the rights of Lessee. No change in the ownership of the Land or royalties shall be binding on the Lessee until after the Lessee has been furnished with a true copy of the assignment or transfer, recorded in the county in which the Lands are located. If Lessee assigns this Lease, in whole or in part, the assignee of Lessee's interest shall assume all of

Lessees obligations under the Lease, and Lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment

11 If at any time within the Primary Term of this Lease or any continuation thereof, Lessor receives a bona fide offer to grant an additional lease ("Top Lease") to a third party ("Third Party Lessee") covering all or part of the Lands that is acceptable in Lessor, Lessee shall have the option to acquire such Top Lease by meeting the terms offered by the Third Party Lessee. Any offer to top lease by the Third Party Lessee must be in writing and must set forth in detail the material terms of the Top Lease, including without limitation, the proposed lease term, bonus consideration, royalty, and shall include a copy of the lease form to be utilized ("Offer to Top Lease") Lessor shall forward the "Offer to Top Lease" to Lessee as soon as it is received, and Lessor agrees not to sign the Top Lease unless and until it has offered Lessee the option to meet the Offer to Top Lease. Lessor shall have 15 days after receipt from Lessor of the Offer to Top Lease to advise Lessor in writing of its election to enter into an oil and gas lease with Lessor on equivalent terms and conditions as set forth in the Top Lease. If Lessee elects not to meet the terms of the Offer to Top Lease, or if Lessee fails to notify Lessor within the 15 day period of its election to meet the terms of the Offer to Top Lease, Lessor may accept the terms of the Offer to Top Lease. Any top lease granted by Lessor in violation of this provision shall be null and void

12 All express or implied covenants of this Lease shall be subject to all Federal and State Laws, Executive Orders, Rules and 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 such failure is the result of any such Law, Order, Rule or Regulation, or operation of force majeure.

13 Lessee may at any time and from time to time surrender this Lease as to any part or parts of the Lands by delivering or mailing a release thereof to Lessor, or by placing a release of record in the proper County.

14 Notwithstanding anything to the contrary contained in this Lease, no litigation shall be initiated by Lessor for damages, forfeiture, termination or cancellation with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default within such period. If the matter is litigated and there is final judicial determination that a breach or default has occurred, the Lessee shall be required and obligated to specifically comply with the judicial determination including but not limited to the removal of its equipment and restoration of the Lands in accordance with applicable rules and regulations.

15 Lessor hereby warrants and agrees to defend the title to the Lands. In the event of default of payment by Lessor, Lessor 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 Lands, and thereafter, be subrogated to the rights of the holder thereof, and the Lessor, for themselves and their heirs, successors and assigns. Lessor hereby surrenders and releases all right of dower and homestead in the Lands, insofar as said right of dower and homestead may in any way affect the purposes for which this Lease is made.

16 Lessee shall have the exclusive right to explore the Lands by geological, geophysical or other methods, whether similar to those herein specified or not and whether now known or not, including the drilling of holes, use of torsion balance, seismograph explosions, magnetometer, or other geophysical or geological instruments, tests or procedures, for the purpose of securing geological and geophysical information. All information obtained by Lessee as a result of the activity shall be the exclusive property of Lessee, and Lessee may disseminate or sell such information without Lessor's consent. Lessor and Lessee herein agree that a portion of the consideration paid herein is for advance payment of usual and customary damages associated with seismograph operations (i.e., tire tracks in the wheat, pasture or fields, road use, etc.) If any extraordinary damages occur, Lessor (or its tenant, if Lessor has a tenant) will be compensated accordingly, or at Lessee's discretion Lessee may elect to repair the damages in lieu of compensation.

17 If this Lease is not otherwise continued in force at the end of the Primary Term, Lessor and Lessee hereby agree that Lessee shall have the exclusive option to extend the Primary Term of this Lease for an additional five (5) years by tendering to Lessor a payment equal to the same per acre bonus paid to Lessor, such tender to be made on or before the expiration of the Primary Term. Payment shall be deemed made upon Lessee's tendering of such payment by certified mail to Lessor at Lessor's address shown on this Lease, on or before the expiration of the Primary Term. Lessee may or may not exercise this option to extend the Primary Term in its sole discretion.

IN TESTIMONY WHEREOF, we sign this the 26 day of June, 2012.

Montie Lee Jackson  
Montie Lee Jackson, Trustee

Joan L. Jackson  
Joan L. Jackson, Trustee

(ACKNOWLEDGMENT FOR INDIVIDUAL)

STATE OF KANSAS )  
COUNTY OF LYON ) ss:

The foregoing instrument was acknowledged before me this 26 day of June, 2012, by Montie Lee Jackson and Joan L. Jackson, Trustees of the Jackson Family Revocable Trust under agreement dated June 21, 2012

My commission expires: 3-17-2013

Susan L. Finney  
Notary Public

Commission Number: \_\_\_\_\_

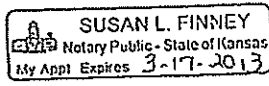


Exhibit "A" attached to and made a part of that certain Oil and Gas Lease dated June 26, 2012 by and between Montie Lee Jackson and Joan L. Jackson, Trustees of the Jackson Family Revocable Trust under agreement dated June 21, 2012, as Lessor, and James C Karo Associates, as Lessee.

1. Lessee will consult with Lessor or Lessor's representative to determine best route of ingress and egress prior to any operations, however no reasonable request shall be denied.
2. Any utility lines or pipelines must be buried if possible and below plow depth
3. Lessee further agrees to remove all mud and debris from the slush pits on any and all drill sites, fill the pit and cover evenly with the original top soil, and add additional top soil from other sites if necessary to return the same to original condition as soon as possible and as nearly as practicable. ~~All mud and slush pits shall be lined to prevent seepage into soil and groundwater.~~
4. Lessee agrees to be a prudent operator and will keep all surface disturbances to the minimum area necessary to conduct its operations.
5. Lessee shall indemnify and hold Lessor harmless from any and all liability, liens, claims and environmental liability arising out of Lessee's operations under the terms of this lease.
6. Lessee agrees that within thirty (30) days of commencement of operation on the herein described lands, Lessee agrees to pay Lessor a one time damage payment of \$500.00 for each acre of actual damage caused to Lessor's property as a direct result of Lessee's operations under the terms of this lease.
7. If this Lease is not otherwise continued in force at the end of the Primary Term, Lessor and Lessee hereby agree that Lessee shall have the exclusive option to extend the Primary Term of this Lease for an additional Five (5) years by tendering to Lessor a payment of \$25.00 per acre bonus paid to Lessor, such tender to be made on or before the expiration of the Primary Term. Payment shall be deemed made upon Lessee's tendering of such payment by certified mail to Lessor at Lessor's address shown on this Lease, on or before the expiration of the Primary Term. Lessee may or may not exercise this option to extend the Primary Term in its sole discretion.

Description of lands :

Township 16 South, Range 10 East, 6th P. M.

Section 25: NE/4, EXCEPT four (4) acres used for cemetery purposes in the Northeast corner described as follows: Commencing at the Northeast Corner of said Quarter section thence South 32 rods, thence West 20 rods, thence North 32 rods, thence East 20 rods to the place of beginning, and ALSO EXCEPT a Tract of land beginning at the Northwest corner of said Northeast Quarter, thence East 680 feet, thence South 640 feet, thence West 680 feet, thence north 640 feet to the place of beginning.

Section 26: S/2SE/4<sup>(82)</sup>

Section 35: S/2NE/4 and Twenty (20) acres off the South side of the N/2NE/4

Section 35: Sixty acres off the North end of the NE/4

Signed for Identification :

  
Montie Lee Jackson, Trustee

x   
Joan L. Jackson, Trustee



# PARTIAL EXTENSION OF OIL AND GAS LEASE

WHEREAS, John O. Farmer, Inc. is/are the owner(s) and holder(s) of an oil and gas lease on the following described land

The Northeast Quarter (NE/4), EXCEPT four (4) acres used for cemetery purposes in the Northeast corner described as follows: Commencing at the Northeast Corner of said Quarter section thence South 32 rods, thence West 20 rods, thence North 32 rods, thence East 20 rods to the place of beginning, and ALSO EXCEPT a Tract of land beginning at the Northwest corner of said Northeast Quarter, thence East 680 feet, thence South 640 feet, thence West 680 feet, thence North 640 feet to the place of beginning, in Section 25; The South Half of the Southeast Quarter (S/2 SE/4), in Section 26; The South Half of the Northeast Quarter (S/2 NE/4) and Twenty (20) acres off the South side of the North Half of the Northeast Quarter (N/2 NE/4) and Sixty acres off the North end of the Northeast Quarter (NE/4), in Section 35; in Lyon County, Kansas; all in Township 16 South, Range 10 East

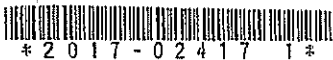
and recorded in Document #2012-02436, of the Records of Lyon County.

WHEREAS, said lease expires in the absence of drilling operations on June 26, 2017 and the said owner(s) and holder(s) desire(s) to have the term of said lease extended, insofar, and only insofar, as said lease covers the following described lands to-wit:

The South Half of the Northeast Quarter (S/2 NE/4) and Twenty (20) acres off the South side of the North Half of the Northeast Quarter (N/2 NE/4) and Sixty acres off the North end of the Northeast Quarter (NE/4), in Section 35; in Lyon County, Kansas; all in Township 16 South, Range 10 East

NOW, THEREFORE, the undersigned, for themselves, their heirs, executors, administrators and assigns, for and in consideration of One and other Dollars, in hand paid, the receipt whereof is hereby acknowledged, does hereby agree that the said term of said lease shall be and is hereby extended, with the same tenor and effect as if such extended term had been originally expressed in such lease, for a period of two (2) years from the date of the said expiration thereof and as long thereafter as oil or gas (including casinghead gas) is produced from any well on the land covered by said lease; subject, however, in all other respects, to the provisions and conditions of said lease or said lease as modified, if any modification thereof may have been heretofore executed.

IN WITNESS WHEREOF, this Instrument is signed on this the 22<sup>nd</sup> day of June, 2017



Montie Lee Jackson  
Montie Lee Jackson, Trustee of the Jackson Family Revocable Trust under agreement dated 6/21/2012

STATE OF KS LYON CO  
VENDY L. DEISS, REGISTER OF DEEDS  
2017-02417  
DATE RECORDED: 07/17/2017 02:42:19PM  
LITG INDEBT: 0.00 RECEIPT 4:37093  
REC FEE: \$ 14.00  
TECH FEE: \$ 3.00  
MERITAGE FEE: \$1.00

Juan L. Jackson, Trustee of the Jackson Family Revocable Trust under agreement dated 6/21/2012

### ACKNOWLEDGMENT

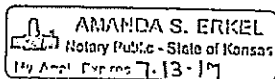
STATE OF KANSAS, COUNTY OF Lyon, ss:

The foregoing instrument was acknowledged before me this 22<sup>nd</sup> day of June, 2017, by

Montie Lee Jackson and Juan L. Jackson, Trustees of the Jackson Family Revocable Trust under agreement dated 6/21/2012

My appointment expires: 7-13-17

Amanda S. Eckel  
Notary Public  
Printed Amanda S. Eckel



October 22, 2020

John O. Farmer IV  
Farmer, John O., Inc.  
370 W WICHITA AVE  
PO BOX 352  
RUSSELL, KS 67665-0352

Re: Drilling Pit Application  
Dorcas B 1  
NW/4 Sec.36-16S-10E  
Lyon County, Kansas

Dear John O. Farmer IV:

According to the drilling pit application referenced above, no earthen pits will be used at this location. Steel pits will be used. Please inform the Commission in writing as to which disposal well you utilized to dispose of the contents in the steel pits and the amount of fluid that was disposed. Please file form CDP-5 (August 2008), Exploration and Production Waste Transfer, within 30 days of fluid removal.

Should a haul-off pit be necessary please file form CDP-1 (April 2004), Application for Surface Pit, through KOLAR. This location will have to be inspected prior to approval of the haul-off pit application.

**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) 902-6450.

## HAUL-OFF PIT APPLICATION FILING REQUIREMENTS

### **82-3-607.**

### **DISPOSAL OF DIKE AND PIT CONTENTS.**

(a)  
pit

Each operator shall perform one of the following when disposing of dike or contents:

- (1) Remove the liquid contents to a disposal well or other oil and gas operation approved by the commission or to road maintenance or construction locations approved by the department;
- (2) dispose of reserve pit waste down the annular space of a well completed according to the alternate I requirements of K.A.R. 82-3-106, if the waste to be disposed of was generated during the drilling and completion of the well;

or

- (3) dispose of the remaining solid contents in any manner required by the commission. The requirements may include any of the following:
  - (A) Burial in place, in accordance with the grading and restoration requirements in K.A.R. 82-3-602 (f);
  - (B) removal and placement of the contents in an on-site disposal area approved by the commission;
  - (C) removal and placement of the contents in an off-site disposal area

on

acreage owned by the same landowner or to another producing

lease

or unit operated by the same operator, if prior written permission

from

the landowner has been obtained; or

approved (D) removal of the contents to a permitted off-site disposal area  
by the department.

(b) Each violation of this regulation shall be punishable by the following:

- (1) A \$1,000 penalty for the first violation;
- (2) a \$2,500 penalty for the second violation; and
- (3) a \$5,000 penalty and an operator license review for the third violation.

**File Haul-Off Pit Application in KOLAR. Review the information below and attach all required documents to the pit application when submitting through KOLAR. This form will automatically generate and fill in from questions asked in KOLAR.**

Haul-off pit will be located in an on-site disposal area: \_\_\_Yes \_\_\_No

Haul-off pit is located in an off-site disposal area on acreage owned by the same landowner: \_\_\_Yes \_\_\_No If yes, written permission from the land owner must be obtained. Attach written permission to haul-off pit application.

Haul-off pit is located in an off-site disposal area on another **producing** lease or unit operated by the same operator: \_\_\_Yes \_\_\_No If yes, written permission from the land owner must be obtained. Attach permission and a copy of the lease assignment that covers the acreage where the haul-off pit is to be located, to the haul-off pit application.