For KCC Use:

Effective D	Date:
-------------	-------

IECI	uve	Da

District # SGA?

Yes No

#### **CORRECTION #1**

#### KANSAS CORPORATION COMMISSION **OIL & GAS CONSERVATION DIVISION**

KOLAR Document ID: 1534145

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:	Spot Description:
OPERATOR: License#	
Name:	feet from E / W Line of Section
Address 1:	Is SECTION: Regular Irregular?
Address 2:	
City:      State:         Contact Person:	(Note: Locate well on the Section Plat on reverse side) County:
Phone:	Lease Name: Well #:
- Hone	Field Name:
CONTRACTOR: License#	Is this a Prorated / Spaced Field?
Name:	Target Formation(s):
Well Drilled For:       Well Class:       Type Equipment:         Oil       Enh Rec       Infield       Mud Rotary         Gas       Storage       Pool Ext.       Air Rotary         Disposal       Wildcat       Cable         Seismic ;       # of Holes       Other         Other:	Nearest Lease or unit boundary line (in footage):         Ground Surface Elevation:
Directional, Deviated or Horizontal wellbore?	Water Source for Drilling Operations:
If Yes, true vertical depth:	DWR Permit #:
Bottom Hole Location:	(Note: Apply for Permit with DWR )
KCC DKT #:	Will Cores be taken?
	If Yes. proposed zone:

#### **AFFIDAVIT**

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

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

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

#### Submitted Electronically

For KCC Use ONLY	
API # 15	
Conductor pipe required	feet
Minimum surface pipe required	_ feet per ALT. I II
Approved by:	
This authorization expires:	
Spud date: Agent:	

#### Remember to:

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

ш

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

CORRECTION	#1
Side Two	

For KCC Use ONLY

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

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

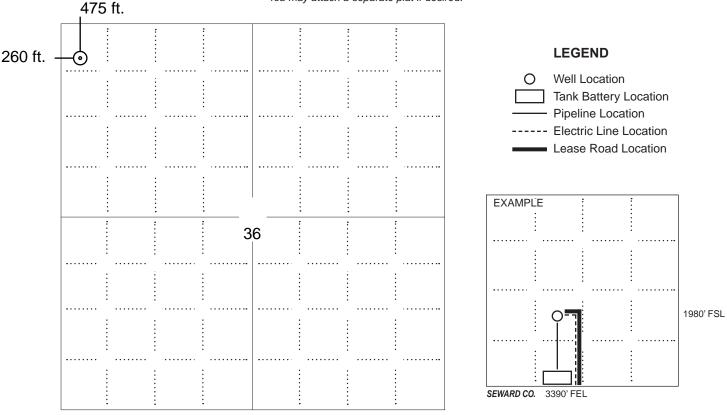
In all cases, please fully complete this side of the form. Include items 1 through 5 at the bottom of this page.

Operator:	Location of Well: County:
Lease:	feet from N / S Line of Section
Well Number:	feet from E / W Line of Section
Field:	SecTwpS. R E W
Number of Acres attributable to well:	Is Section: Regular or Irregular
	If Section is Irregular, locate well from nearest corner boundary.

Section corner used: NE NW SE SW

PLAT

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



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

#### 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.

CORRECTION #1

# KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

KOLAR Document ID: 1534145

Form CDP-1 May 2010 Form must be Typed

# **APPLICATION FOR SURFACE PIT**

Operator Name:       License Number:         Operator Address:       Phone Number:         Contact Person:       Phone Number:         Lease Name & Well No:       Pit Location (QQQQ):         Type of Pit:       Pit is:         Emergency Pit       Burn Pit         Settling Pit       Drilling Pit         Workover Pit       Haul-Off Pit         (If WP Supply API No. or Year Drilled)       If Existing, date constructed:		Su	bmit in Duplicat			
Contact Person:       Phone Number:         Lease Name & Well No.:       Pit Location (QQQQ):         Type of Pit:       Pit is:	Operator Name:			License Number:		
Lease Name & Well No::       Pit Location (QQQQ):         Type of Pit:       Pt is:          Emergency Pit       Burn Pit       Proposed       Existing         Settling Pit       Drilling Pit       If Existing, date constructed:       Feet from       North / South Line of Section         Workover Pit       Haul-Off Pit       Pit capacity:       Feet from	Operator Address:					
Type of Pit:       Pit is:	Contact Person:			Phone Number:		
Emergency Pit       Burn Pit       Proposed       Existing       SecTwpR East       West         Settling Pit       Drilling Pit       If Existing, date constructed:       Feet from       North / South Line of Section         Workover Pit       Haul-Off Pit       Pit capacity:	Lease Name & Well No.:			Pit Location (QQQQ):		
Settling Pit       Drilling Pit       If Existing, date constructed:	Type of Pit:	Pit is:		- 		
Workover Pit       Haul-Off Pit         (If WP Supply API No. or Year Drilled)       Pit capacity:	Emergency Pit Burn Pit	Proposed	Existing	SecTwpR East West		
(If WP Supply API No. or Year Drilled)       Pit capacity:      Feet from [East / ]West Line of Section	Settling Pit Drilling Pit	If Existing, date constructed:		Feet from North / South Line of Section		
		Pit capacity:		Feet from East / West Line of Section		
Is the bottom below ground level?       Artificial Liner?       How is the pit lined if a plastic liner is not used?         Yes       No       Yes       No         Pit dimensions (all but working pits):      Length (feet)      Width (feet)       N/A: Steel Pits         Depth from ground level to deepest point:      (feet)       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.			(bbls)	County		
Yes No     Pit dimensions (all but working pits):   Length (feet)   Length (feet)   Width (feet)   N/A: Steel Pits   Depth from ground level to deepest point:    Uf the pit is lined give a brief description of the liner    Describe procedures for periodic maintenance and determining    Describe procedures for periodic maintenance and determining	Is the pit located in a Sensitive Ground Water A	rea? Yes	No			
Pit dimensions (all but working pits):      Length (feet)      Width (feet)      N/A: Steel Pits         Depth from ground level to deepest point:      (feet)      N 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.				How is the pit lined if a plastic liner is not used?		
Depth from ground level to deepest point:       (feet)       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.		Yes N	No			
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.						
material, thickness and installation procedure.	Depth fro	m ground level to dee	epest point:	(feet) No Pit		
Ulstance to nearest water well within one-mile of bit. Depth to shallowest tresh water teet		6 - 14				
Source of information:	Distance to nearest water well within one-mile o	or pit:				
feet Depth of water wellfeet measured well owner electric log KDWR	feet Depth of water well	feet	measured	well owner electric log KDWR		
Emergency, Settling and Burn Pits ONLY: Drilling, Workover and Haul-Off Pits ONLY:			Drilling, Worko	over and Haul-Off Pits ONLY:		
Producing Formation: Type of material utilized in drilling/workover:			Type of materia	al utilized in drilling/workover:		
Number of producing wells on lease:	Number of producing wells on lease:					
	Barrels of fluid produced daily:		Abandonment	procedure:		
Does the slope from the tank battery allow all spilled fluids to         flow into the pit?       Yes         No    Drill pits must be closed within 365 days of spud date.				be closed within 365 days of spud date.		
Submitted Electronically						
KCC OFFICE USE ONLY         Liner       Steel Pit       RFAC       RFAS		ксс	OFFICE USE O			
Date Received: Permit Number: Permit Date: Lease Inspection: Yes No	Date Received: Permit Numb	ber:	Permi	it Date: Lease Inspection: Yes No		

#### CORRECTION #1

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

# CERTIFICATION OF COMPLIANCE WITH THE KANSAS SURFACE OWNER NOTIFICATION ACT

Form KSONA-1	
January 2014	

KOLAR Document ID: 1534145

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

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

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

OPERATOR: License #	Well Location:
Name:	
Address 1:	County:
Address 2:	Lease Name: Well #:
City: State: Zip:+	If filing a Form T-1 for multiple wells on a lease, enter the legal description of
Contact Person:	the lease below:
Phone: ( ) Fax: ( )	
Email Address:	
Surface Owner Information:	
Name:	When filing a Form T-1 involving multiple surface owners, attach an additional
Address 1:	sheet listing all of the information to the left for each surface owner. Surface owner information can be found in the records of the register of deeds for the
Address 2:	county, and in the real estate property tax records of the county treasurer.
City: State: Zip:+	

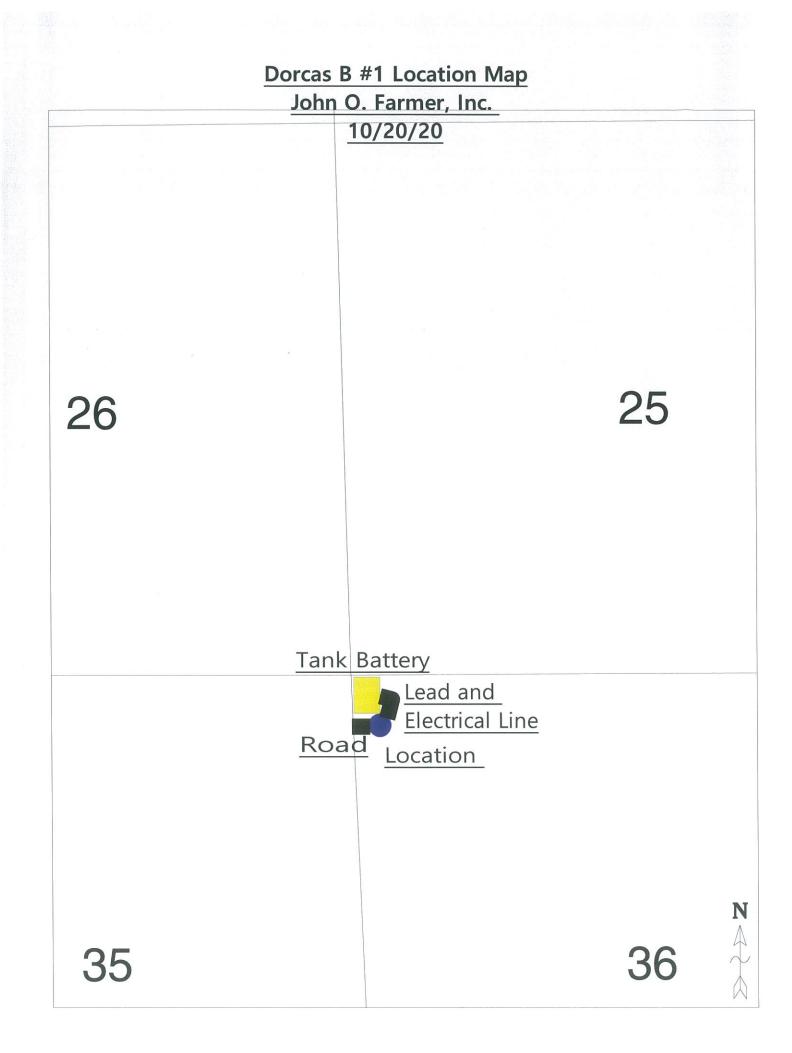
If this form is being submitted with a Form C-1 (Intent) or CB-1 (Cathodic Protection Borehole Intent), you must supply the surface owners and the KCC with a plat showing the predicted locations of lease roads, tank batteries, pipelines, and electrical lines. The locations shown on the plat are preliminary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

#### Select one of the following:

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

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

#### Submitted Electronically



Carlin Revel # 26 12



04:07:15PH

REC FEE: \$10.09 07/03/2012

#### PAID UP OIL AND GAS LEASE

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 66833, (whether one or none "Lessor") and James Karo 320, Allen, Kansas Denver, Colorado 80218 ("Lusse") 1750 Lafayette Street, Associates,

Far and in consideration of Ten Oullars, 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

Lessor has granted, demised, leased and let and hereby does grant, denise, 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, far (without finitation) drilling, completing and operating for oil (including but not limited to distillate and condensate), gas (including cashghead gas and helium and all other constituents), and, for laying pipelines, building drill sines, access roads, tasks, power stations and structures thereion. 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 seres, more or less (the "Lands" or "Leases Premises").

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 appurtement thereto.

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

As part of the consideration for the Lease, Lessee covenants and agrees;

s part of the consideration for the Lease, Lessee covenants and agrees: A. To deliver to the endit 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 disilitate) produced and saved from the Lands. B. To pay Lessor for gas (including easinglecad 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, saul payments to be made monthly.

C. During only period after expiration of the Primary Term when gas or oil is not being sold or used and the well or wells are shutan and there is no current production of gas or oil or operations on the Lands (or lands pooled or onitized therewith), sufficient to keep this Lease in force (to include my mechanical failures making either gas or oil unable to produce in paying quantities). Leasee shall pay or tender to Lesson as a shut-in royalty One Dullar (\$1.00) per year per net mineral nere retained under this Lesse ("Shut-in Royalty") Payment of the Shut-in Royalty shall be nucle on or before the antiversary date of this Lesse 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 Lesse, during the period such well is

sign that has the second with a subcent and outparted of to considered that gas or oil is being produced on the Lease within the meaning shut-in. When Lease, Lease's failure to properly pay Shut-in Royalty shall render Lease table for the amount due, but shall ont operate

to terminate this Lease. 5. At the expiration of the Primary Term, if there is no production in paying quantum set that and product the expiration of the Primary Term, if there is no production in paying quantum set that the optimized experiment of the Primary Term, if there is no production in paying quantum set that the optimized experiment of the Primary Term, if there is no production in paying quantum set that the optimized experiments are solved with reasonable diligence and dispatch or additional operations are commenced and proteculed (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 majoure), this Lease shall not terminate if Lease commences or resumes any defiling or reworking operations are production which 90 days after such cessation. Drilling or reworking operations are produced whether only advant the stands for any cause (other than force majoure), this Lease shall not terminate if Lease commences or resumes any defiling or reworking operations are production. Solves after studie to essent the transformer model whether the stands for any cause (other than force majoure), this Lease shall not terminate if Lease commences or resumes any defiling or reworking operations. Inwaver, which when the first work, other than surveying or staking the location, is done on the cause that the poster store to include, without thin throw, diffing or reworking operations on the lease, such goods and services necessary to conduct operations on the Lease, such goods and services to include, without thin throw, diffing or reworking operations are approved. resources, water disposal resources, water supply or disposal infrastructure, regulatory approvals, third-party approvals, any additional Lesso 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 portions or portions of the Lands as to all strata or any stratuon in strata, with any other lands as to all strata or any stratuon in strata, with any other lands as to all strata or any stratuon in strata, with any other lands as to all strata or any stratuon in strata, for the production primarily of oil or primarily of gras, will or willout distillate. Lessee may also aniced or undify the size of such a "Unit," at its 'sole discretion, at any time and from time to the this Lesse is in force and effect. The creation of a Unit by such pooling shall be lased on the following criteria (hereinafter called "pooling criteria"): A unit for an oil well (other than a horizontal completion) shall not exceed 320 actes 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 1400 acres plus a maximum acreage tolerance of 10%. For horizontal wells or either oil, gas or both, Lessee may establish units not to exceed 1400 acres plus a maximum acreage tolerance of 10%. For horizontal wells or either oil, gas or both, Lessee may establish units not to exceed 1400 acres plus a maximum acreage tolerance of 10%. For horizontal wells or either oil, gas or both, Lessee may establish units not to exceed 1400 acres plus a maximum acreage tolerance of 10%. For horizontal wells or either oil, gas or both, Lessee may establish units not to exceed 1400 acres plus a maximum acreage tolerance of 10%. For horizontal wells are integer or horizontal wells were the any form larger on the foregoing, the terms "oil well" and "gas well" what have the meanings prescribed by applicable government authority. For the proprinte governmental authority, or, if no definition is to puescribed, "oil well" und "gas well" what has inihid gas-oil minto of fess than 100,000 cubic feet Lessor hereby grants Lessee the right at any time and from time to time to pool or unitize the Lands or any portions or portions of the Lands authority, or, if no definition is to 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 per barrel, based on a 24-hour preduction test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" or "horizontal 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. Lesses shall flue written unit designations in the county in which the Lands are located unless the component of the gross completion interval. Lesses shall flue written unit designations in the county in which the Lands are located unless the pooling or unitization results from governmental order or role, in which tex cause producting shall be required. Operations on and production from the Unit shall be treated as if such operations were upon or south production were from the Lands whether or run the well or wells are located on the Lands. The entire arcrage within a unit shall be neared for all purposes as if it were covered by and included in the tasse except that the royalty on production from the unit shall be a below provided, and except that in calculabling the annuan of any shu-in gas royalties, only the part of the arcrage originally leased and then neurally embraced by this Lease shall her used are in production or of this acreage placed in the nuit, or his royalty interest therein on an arcrage bisis bears to the total acreage on the unit. **7**. If said Lessor owns a lease interest in the Lands than the entire and undivided fee sinple extant. Hen the royaltes been provided shall be Lease to the base shall be testered from water wells. The entire acreage rowalter production of the coust be well reproducted from in the unit shall be te

Lasses 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 duffed and used by Lessor

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

9. Easing and have the neutrino mattern part of the state in while or in part, the terms of the Lease shall be huding upon and extend to their respective heirs, excentions, administrators, successors or assigns. If Lessor assigns its interest in the Lease or Lands, no change or division in respective heirs, excentors, administrators, successors or assigns. If Lessor assigns its interest in the Lease or Lands, no change or division in concerning of the change or regulates shall ensure the obligations or diminish the rights of Lessee. No change in the ownership of the Land or royalities shall ensure the obligations or diminish the rights of Lessee. No change in the ownership of the Land or royalities shall be binding on the Lessee unit after the Lessee has been functioned in an ecopy of the assignment or transfer, recorded in the royalities shall be binding on the Lessee while are released to the royal the term. county in which the Lands are located. If Lessee assigns this Lease, in whole or in past, 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 potton or portions ansing subsequent in the date of assignment

subsequent to the date of assignment 11 If at any time within the Primary Turns of this Lease or any continuation thereof, Lessor receives a bona fille offer to grant an additional [case ("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 tenus offered by the Third Party Lessee. Any offer to top lease by the Third Party Lessee must be in wruling and must set fourth in detail the material tenus of the Top Lease. Including without limitation, the proposed lease term, homes consideration, royally, and shall include a copy of the lease form to be utilized ("Offer to Top Lease"). Lesser shall forward the "Offer to Top Lease" to Lessee as soon as it is received, and Lessor agrees not to sign the Top Lease unders and mini it has offered Lesser the option to enter the Offer to Top Lease. Lessor shall have 15 days after receipt from Lessor of the Offer to Top Lease. If Lessere less the to the utilized of the Top Lease. If Lessere cells the norther Lesson the terms in the top and the Top Lease. If Lessere cells the norther Lesson to the option to as part of the Top Lease. If Lessere cells the roother Lesson the Offer to Top Lease. If Lessere cells the roother Lesson the Offer to Top Lease. If the Offer the Offer the Top Lease to the Offer the Offer to Top Lease. If Lessere cells the roother Lesson the Offer to Top Lease.

enter into an oil and gas lease with Lessor on equivalent rente and canoning as see fourth in the Delate. In Deste Delate, the control incer inter the term of the Offer to Top Lessor, or if Lessor childs to notify Lessor within the 15 day period of its election to meet the terms of the Offer to Top Lesse. Lessor may accept the terms of the Offer to Top Lesse. Any top lease granted by Lessor in violation of this provision shall be null and word 12 All express or implied covenants of line Lesse shall be subject to all Pederal and State Laws, Executive Orders, Rules and Regulations, and this Lesse shall not be terminated, in whole or in part, nor Lesses 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 my time and from time to time surrenter this Lesse as to any part or parts of the Lands by delivering or mailing a release

 Lessee may at any time and from time to thile surfailed this Lesse as to any part of parts of the Enhos by derivening of matting a release of record in the proper County.
 Notwithstanding anything to the contrary contained in this Lesse, no titigation shall be initiated by Lesser for damages, forfeiture, termination or cancellation with aspect to any breach or default by Lessee hereunder, for a period of at least 90 days ofter Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remerk the threach or default within such peniod. If the matter is lighted and there is final judicial determination that a threater of default has occurred, the Lesser shall be required and obligated to specifically comply with the judicial determination including but nat lindted to the removal of its equipment and restoration of the Lands in accordance with applicable rules and regulations.

15. Lessor hereby warrants and regulation.
15. Lessor hereby warrants and agrees to defend the tille to the Linds. In the event of default of payment by Lessor, Lessor agrees that the Lessoe shall have the rights at any time to redeem for Lessor by payment, any morgages, taxes or other liens on the Lands, and thereafter, be subrugated to the rights of the holder thereof, and the Lessor, for themselves and their 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.

when this Lease is mane. 16. Lesses shall have the exclusive right to explore the Lands by geological, geophysical or other methods, whether similar to three herein specified or not and whether now known or not, including the drilling of holes, use of tersion balance, seismograph explosions, magnetometer, or alter geophysical or geological instruments, tests of 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 Lesse may disseminate or sell such formation obtained by Lessee as a result of the activity shall be the exclusive property of Lessee, and Lesse may disseminate or sell such information opining on the castle as a mean of the certify atom of the exclusive property of Lessee, and Lesse may disseminate of sen such information without Lessor's consent. Lessor and Lessee herein agree that a pontion of the consideration paid been is for advance payment of usual and essionary damages associated with seismograph operations (i.e., the 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.

erce to repair the damages in neu or compensation. 17. 47 If this Lesse is not otherwise continued in force at the end of the Primary Term, Lessor and Lesser hereby agree that Lessee shall have the exclusive option to extend the Primary Term of this Lesse for an additional Five (5) years by tendering to Lessor a payment equal to the same per acre hums paid to Lessor, such tender to be under 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 a Lessor's address shown on this Lesse, 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. ere palo en

IN TESTIMONY WHEREOF, we sign this the 26 day of Jun-C , 2012. Montie Lee Tack Por Montie Lee/Jackson, Trustee Trustee Jackson,

(ACKNOWLEDGMENT FOR INDIVIDUAL)

KANSAS STATE OF 3 853 L NON COUNTY OF

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

lisan Notary Public

Commission Number;

-. -

SUSAN L. FINNEY ENT Notary Public-State of Kansas My Appl Expires 3-17-2013



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 Lessor.

- 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 mod and slush pits shall be lined to prevent seepage into soil and groundwater.
- Lessee agrees to be a prudent operator and will keep all surface disturbances to the minimum area necessary to conduct it operations.
- 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 borus paid to Lessor, such tender to be made on or before the expiration of the Primary Term. Payment shall be deemed made upon Lessec's tendering of such payment by certified mail to Lessor's address shown on this Lease, on or before the expiration of the Primary Term. Lessee may or niay 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/1SE/4(4)

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



# PARTIAL EXTENSION OF OIL AND GAS LEASE

WHEREAS, John O. Farmer, Inc. istare 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 cemetary 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 <u>June 26, 2017</u> and the said ow 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 with and the sold owner(s) and

> 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 beirs, executors, administrators and assigns, for and in consideration of Dollars, in hand paid, the receipt whereof is hereby acknowledged, does hereby agree that the said term of said lease One and other 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 woll 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 herefolore executed.

IN WITNESS WHEREOF, this Instrument is signed on this the \_22 2 day of \_ \_\_\_\_\_2017\_\_\_\_



STATE OF KS LYON CO **UENDY L. VEISS. REGISTER OF DEEDS** 2017-02417 DATE RECORDED: 07/17/2017 02:42:19Pil UTG *HUDEOT*: 0.00 RECEIPT 4:37093 REC FEE: 3 14.00 TEC8 FEE: \$ 3.00

NERITAGE FEE: \$1.00

alam

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

Joan-L.-Jackson, Trostee-of-the-Jackson\_Eamily Revocable Trust-under-agreement-dated-6/24/2012-

ACKNOWLEDGMENT

The foregoing instrument was acknowledged before we this  $\underline{-32^{nd}}$ day of June ,20 17 ,by

Montie Lee Jackson and Joan L. Jackson, Trustees of the Jackson Family Revocable Trust under agreement dated 5/21/2013

My appointment expires: 7-13-17

amanda d Printed Amenda S.

AMANDA S. ERKEL L. Notary Public - State of Konsas 14 Aral Expres 7. 13-19

My Appt. Exp. 6 - 30 20 12	My appointment expires: 6-30-19 Printed: Tacqueline Anderson Printed: Tacqueline Anderson	ACKNOWLEDGMENT STATE OF KANSAS, COUNTY OF $\overrightarrow{Ayen}$ , ss: The foregoing instrument was acknowledged before me this <u>30<sup>14</sup></u> day of <u>August</u> , 20 <u>17</u> , by Steven H. Dorcas and Kathleen A. Dorcas, his wife	Steven H. Dorcas Steven H. Dorcas Kathleen A. Dorcas	NOW, THEREFORE, the undersigned, for themselves, their heirs, executors, administrators and assigns, for and in consideration of <u>Orice and other</u> 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 or <u>two (2)</u> 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.	in Section <u>36</u> , in Township <u>16 South</u> , Range <u>10 East</u> , and recorded in Document # <u>2012-02841</u> , of the Records of said County, and WHEREAS, said lease expires in the absence of drilling operations on <u>July 14, 2017</u> and the said owner(s) and	The North Half of the Northwest Quarter of Northwest Quarter (N/2 NW/4 NW/4)	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 <u>Lyon</u> , State of <u>Kansas</u> :	EXTENSION OF OIL AND GAS LEASE REFEE: 318.14 1150-468
				id lease d of ease as	and r(s) and		d in the	1 * 10/02/2011



# PAID UP OIL AND GAS LEASE

and Lafayet Kansas 17 This Oil and Gas Lease (the "Lease"), dated JulyKathleen te 66833 Street, Α. (whether Dorcas, one Denver, OF more husband "Lessor") Colorado 14th, and James and wife, 80218 ("Lessee"). 2012, is by and between: Steven Ω Karo 613 Road Associates 320, H. Allen, Dorcas 1750

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

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 Section 36: 16 N/2NW/4NW/4South Range 10 East 5 th Р  $\mathbb{Z}$ 

See Exhibit "А" attached hereto and made Q part

hereof

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

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.
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 of the entire 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, crews, equipment, water supply or disposal infrastructure, regulatory approvals, third-party approvals, any additional Lessor resources, water disposal resources, water supply or disposal infrastructure, regulatory approvals, third-party approvals, any additional Lessor resources.

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 hands as to all strata or any stratum or strata, with any other hands as to all strata or any stratum or strata, with any other hands as to all strata or any stratum or attrata, with any other hands as to all strata or any stratum or strata, any time and from time to individe 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 traceed 320 acres plus a maximum acreage tolerance of 10%, and any time and from time to authority, or, if no definition to exceed 640 acres plus a maximum acreage tolerance of 10%. For horizontal wells or either oil, gas or hoth. Lessee may sublish units not to exceed 1,280 acres plus a maximum acreage tolerance of 10%. For horizontal wells or either oil, gas or hoth. Lessee there is an well with an initial gas or loth. Concern and effect. The creation of a Unit means a well many the meaning prescribed or permitted by applicable have or the appropriate governmenta authority, or, if no definition is so prescribed, "oil well" means a well means a maximum acreage to be predicable government authority. For the purpose or indication results from governmental order or rule, in which case no such written designations in the county in which the Lands are becauted unkes the production results from governmental order or rule, in which case no such written designation shall be transe to ease or only in the maximum acreage becaution the unit, shall be treated or the any production which this tease shall be reated or in the stable production write designation

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

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

·	STATE OF KAN COUNTY OF $\swarrow$ The foregoing instrumen Steven H. Do: My commission expires: $\swarrow$ Commission Number: Commission Number:	royalities shall be binding or county in which the Lands Lessee's obligations under subsequent to the date of ass 11. If at any time within lease ("Top Lease") to a thi option to acquire such Top I be in writing and must set consideration, royalty, and set of the Offer to Top Lease, on Lessor may accept the terms 12. All express or implic- and this Lease shall nor be to prevented by, or such failure 13. Lessee written notice tilly of the matter is litigated and the specifically comply with the accordance with applicable 15. Lessor hereby warm Lessee shall have the rights of and releases all right of dow which this Lease is made 16. Lessee shall have the specificed or not and whethe other geophysical or geolo information obtained by La information without Lessor usual and customary damages occur elect to repair the damages is not of exclusive option to extend to acce bonus paid to Lessor, Lessee's tendering of such Primary Term, Lessee may IN TESTIMONY
	SAS UU(1) UU(1) U(2) EOF KANSAS EOF KANSAS EOF KANSAS	<ul> <li>cognities shall be binding on the Lessee until after the Lessee has been furnished with a true or counsy in which the Lata irre located. If Lessee shall be releved of all obligations with restlessees's obligations unter the Lease. The Lesse's ball be releved of all obligations with restlessees's obligations unter the Lessee shall be releved of all obligations with restlessees 'in places's to a hitfed provide the releved of all obligations with restlessees' to a synthesis such Tap Lesse's provide the material terms of the Tap Lessee. Insecting all or part of the Lata to the units such Tap Lessee in the one of the material terms of the Top Lessee. Insection on be antiLed COFer to Tap Lessee. The placing a trans with Lesson on equivalent terms and comfisions as set forth in the 15 day period of is deceased in the tapes or implied overunation. In work of the Stap Star receipt from Lesser of the COFer to Tap Lessee. The placing a trans of the CoFer to Tay Lessee, may an any time and from time to the surrender that Lesson results and the trans of the COFer to Tay Lessee. The placing a transform of the contrary contained in the 15 day period of is deceased in the tapes of the tape to the less of the tape to the less the mater is linguided and there is final judicial determination that the base of the second of the tape to the subscript warms and angress to default the tabe as the second of the tereson of the lesses in mater to the subscript warms and there and trap period to the second of the tereson of the lesses in mater the lesses in mater the placing a ray time and there is final judicial determination that the base or any subscript. Lesser is and there is made a so to allow the placing a trap the contrary contained in the second of the second the second and there is the other thereof, and the Lesser, for the partype of the second of the terms of the Lesser is all high to dower and the lesser in the analy incle and there is made to the terms of the second of the terreso of the primary term. Lesser is the</li></ul>
	(ACKNOWLEDGMENT FOR INDIVIDUAL) ss: lgcd before me this <u>18 fk</u> day of <u>July</u> , <u>2012, by</u> <u>Kathleen A. Dorcas</u> , <u>husband and wife</u> <u>Kathleen A. Dorcas</u> , <u>husband and wife</u> <u>Willie</u> <u>Willie</u> <u>Willie</u> <u>July</u>	<text><text><list-item><list-item><list-item><text></text></list-item></list-item></list-item></text></text>

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K. \*

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

- .\_\_\_\_\_ Lessee hereby agrees that no well shall be drilled nearer than 500 feet to the house now on said premises
- 2 however no reasonable request shall be denied. Lessee will consult with Lessor or Lessor's representative to determine best route of ingress and egress prior to any operations
- 3 Any utility lines or pipelines must be buried if possible and below plow depth.
- 4 possible and as nearly as practicable. All mud and slush pits shall be lined to prevent seepage into soil and groundwater. the original top soil, and additional top soil from other sites if necessary to return the same to original condition as soon as 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
- 5 operations. Lessee agrees to be a prudent operator and will keep all surface disturbances to the minimum area necessary to conduct it
- 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 :

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

Signed for Identification :

Steven H. Dorcas

5 Dorcas



STOTE OF KS VICTORIA LOPEZ, REGISTER OF DEEDS

REC FEE: \$16.00 07/24/2012 11:15:58AH

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 ("Lessec")

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:

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 part a hereof.

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

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,

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

As part of the consideration for the Lease, Lesse covenants and agrees; A. To deliver to the credit of Lease, Lesse 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.

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 and there is no current production of gas or of or operations on the Lands (or lands poinds of utilized therewind), sufficiently software to keep this Lease in force (to include any mechanical failures making either gas or of lunable to produce or in paying quantities), Lease shall pay or tender to Lessor as a shot-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, during the period 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 tender to the Shut-in-Royalty.

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.

to terminate this Lease. 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 nore 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. It Lesses has been unable to secure the goods or services necessary to conduct operations in the Lesse, 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.

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 c. Lesson necroy grants Lessee the fight at any time and from time to tune to post of 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 anicnd or modify the size of such a "Unit," at its' sole discretion, at any time and from time to tune to post of strata or any stratum or strata. For the production primarily of oil or primarily of gas, with or without distillate. Lessee may also anicnd or modify the size of such a "Unit," at its' sole discretion, at any time and from time to tune 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 ail 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 400 acres plus a maximum acreage tolerance of 10%. For horizontal wells or either oil, gas or both, Lessee may eithely humper that Lessee may also acres plus a maximum acreage tolerance of 10%. For horizontal wells or either oil, gas or both, Lessee may eithely humper that Lessee may form here the previous formation of the strategies of 10%. For horizontal wells or either oil, gas or both, Lessee may eithely humper that Lessee may form here the previous formation of the previous formations of 10%. For horizontal wells or either oil, gas or both, Lessee may eithely humper the previous formation. Tools, and a birt for a gas went not to exceed 1.280 acres plus a maximum acregate interance of 10%; provided however, that Lessee may form larger Lessee may establish units not to exceed 1.280 acres plus a maximum acregate interance 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 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 the second s 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 lete per parter 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 means the located as if each operations were unnot such production were from the Lands where or no the well or wells 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 royality on production from the unit shall be as below provided, and except that in calculating the amount of any shut-in gas royalities, 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 royalities thereon, only such production of the royalities stipulated herein as the amount of from the Unit, Lessee shall pay Lessor, in neu of other noyanes increach, only such production of the information of the unit. 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 Lesson

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

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 10. 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.

subsequent to the date of assignment.
11. If at any time within the Prinnery 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. To Top Lease 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 linutation, 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". Lessee shall have 15 days after receipt from Lessor of the Offer to Top Lease. I clease the option to meet 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, or if Clease effails to notify Lessor within the 15 day period of its election to the terms of the Offer to Top Lease. Lessee shall have 15 days after receipt from Lessor is a set forth in the Top Lease. If Lessee elects not to meet the term of the Offer to Top Lease. Fails to notify Lessor within the 15 day period of its election to meet the terms of the Offer to Top Lease. Top Lease, or if Lessee fails to notify Lessor within the 15 day period of its election to the terms of the Offer to Top Lease. Lessee shall have to the Lease shall not be terminated or the period of this provision shall be null and void. I. 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 term

An express or impact conclusion in a class state or subject of all 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*.
 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.

accordance with application 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,

which this Lease is made.
16. Lease 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 path herein is for advance payment of the less the property of the statement or sell such information without Lessor's consent. Lessor and Lessee herein agree that a portion of the consideration path herein is for advance payment of the less the property of the statement or selles. The statement or selles are also the statement of the statement or selles. The statement of the statement or selles are also the statement or selles. The statement of the statement or selles are also the statement or selles. The statement of the statement or selles are also the statement or selles. The statement or selles are also the statement or selles. 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

Erect to repair one damages in the or 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 minde 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. 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 \_\_\_\_\_\_ day of \_\_\_\_\_ 2012.

Lylla Creas

II

(ACKNOWLEDGMENT FOR INDIVIDUAL)

STATE OF KANSAS ) \$53 COUNTY OF CL The foregoing instrument was acknowledged before me this 12 45 day of Areles , 2012, by Phyllis Dorcas and Glenn E. Dorcas, wife and husband. My commission expires: Notary Public 4/1/15 Commission Number:\_

AN AND AND AND AND AND AND AND AND AND A	ELIZADETH A. COLLINS STATE OF KANSAS My Appt. Exp. 44 1.16
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Exhibit "A" attached to and made a part of that certain Oil and Gas Lease dated <u>July 10, 2012</u> by and between <u>Phyllis</u> Dorcas and Glenn E. Dorcas, wife and husband, as Lessor, <u>and James C Karo</u> Associates, as Lessee.

- 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 scepage into soil and groundwater.
- Lessee agrees to be a prudent operator and will keep all surface disturbances to the minimum area necessary to conduct it operations.
- 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'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 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 7/14/Cz Dozean Phyllis Dorcas

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# EXTENSION OF OIL AND GAS LEASE

WHEREAS, John O. Farmer, Inc. isfare 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 sold 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 literasolves, their heirs, executors, administrators and assigns, for and in consideration of \_ Dollars, in hand pold, the receipt whereof is hereby acknowledged, does hereby agree that the said term of said lease One and other 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 <u>IWO (2)</u> 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 herefolox executed.

IN WITNESS WHEREOF, this instrument is signed on this the <u>27th</u> day of \_\_\_\_ June \_\_\_\_\_2017

Var 2 Dorcas

ACI(NOWLEDGMENT

offer STATE OF KANSAS, COUNTY OF \_\_ . \$5

> The foregoing instrument was acknowledged before me this \_27.2 day of \_\_\_\_\_ June 20<u>17</u>. by

Phyllis Dorcas and Glenn E. Dorcas, wife and husband

My appointment expires: 1723/18 Notary Publ Priptel CRAIG H. STUKEY A. CRAIG n. STORE Notary Public - State of Kansas My Appl. Explos 1/23/18

STATE OF KS LYOR CO VENDY L. VEISS, REGISTER OF DEEUG 2017-02418 DATE DECORDED: 07/17/2017 02:42:20PH NEG TIDEDT: 0.00 RECEIPT 0:07693 NEC FEE: \$ 14.00 IECH FEE: \$ 3.00 NEWLINGE FEE: \$1.00

Conservation Division 266 N. Main St., Ste. 220 Wichita, KS 67202-1513



Phone: 316-337-6200 Fax: 316-337-6211 http://kcc.ks.gov/

Susan K. Duffy, Chair Dwight D. Keen, Commissioner Andrew J. French, Commissioner Laura Kelly, Governor

October 23, 2020

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

Re: Drilling Pit Application API 15-111-20550-00-00 Dorcas B 1 NW/4 Sec.36-16S-10E Lyon County, Kansas

Dear John O. Farmer IV:

District staff has inspected the above referenced location and has determined that the reserve pit shall be 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 practical 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) 902-6450 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) 902-6450.

# Summary of Changes

Lease Name and Number: Dorcas B 1

API/Permit #: 15-111-20550-00-00

Doc ID: 1534145

**Correction Number: 1** 

Approved By: Rick Hestermann 10/26/2020

Field Name	Previous Value	New Value
KCC Only - CDP1 Steel Pit	Yes	No
Fresh Water Information Source: KDWR	No	Yes
KCC Only - Approved By	Rick Hestermann 10/23/2020	Rick Hestermann 10/26/2020
KCC Only - Approved Date	10/23/2020	10/26/2020
KCC Only - Lease Inspection	No	Yes
KCC Only - Date Received	10/22/2020	10/23/2020
Pit Type		Drilling
Save Link	//kcc/detail/operatorE ditDetail.cfm?docID=15	//kcc/detail/operatorE ditDetail.cfm?docID=15
Steel Pit	33820 Yes	34145 No

# Summary of Attachments

Lease Name and Number: Dorcas B 1 API: 15-111-20550-00-00 Doc ID: 1534145 Correction Number: 1 Approved By: Rick Hestermann 10/26/2020

Attachment Name

Fluid