

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

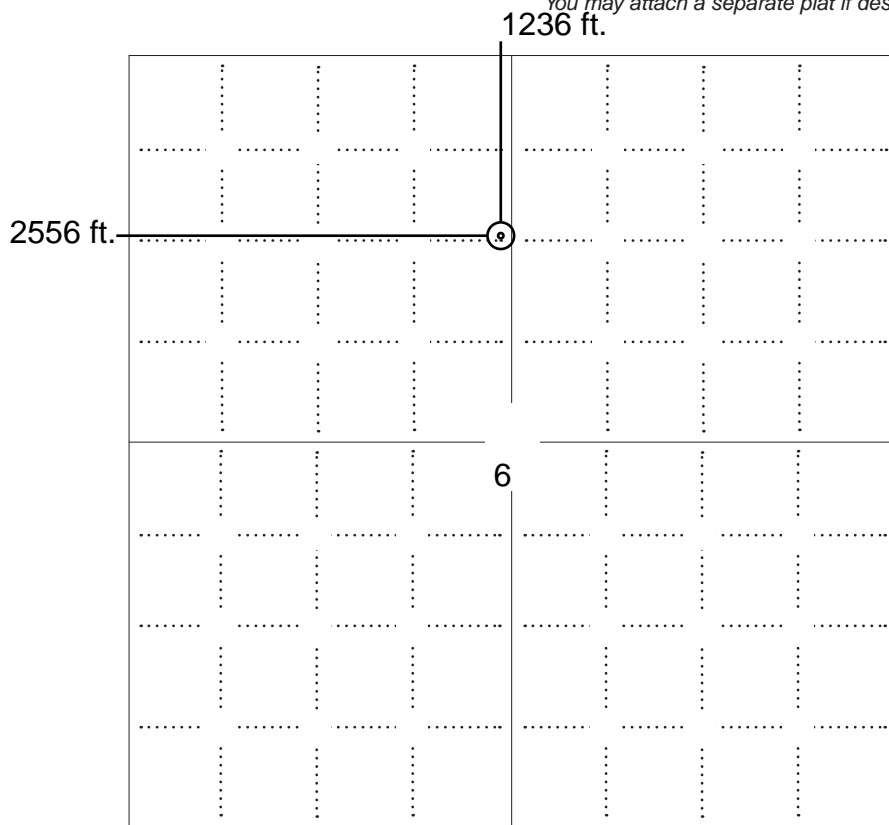
**If Section is Irregular, locate well from nearest corner boundary.**

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  
APPLICATION FOR SURFACE PIT**

Form CDP-1  
May 2010  
Form must be Typed

*Submit in Duplicate*

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

<b>KCC OFFICE USE ONLY</b>			
Date Received: _____		Permit Number: _____	
Permit Date: _____		Lease Inspection: <input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/> Liner		<input type="checkbox"/> Steel Pit <input type="checkbox"/> RFAC <input type="checkbox"/> RFAS	

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



00-32s-18w-2021  
CRD NO.

00-32s-18w  
DMT NO.

# PRO-STAKE

LLC

Construction Site Staking

14790  
INVOICE NO.



**Thoroughbred Associates, LLC**  
OPERATOR

**Comanche County, KS**  
COUNTY

**Shotton Unit #6-1**  
LEASE NAME

**1236' FNL - 2556' FWL**  
LOCATION SPOT

**2120.1'**  
GR ELEVATION

**37.291699988**  
NAD 83 LAT

**99.319436033**  
NAD 83 LONG

**06**      **32s**      **18w**  
**Sec.**      **Twp.**      **Rng.**

**SCALE:** 1" = 1000'  
**DATE STAKED:** August 10<sup>th</sup>, 2021  
**MEASURED BY:** Pierce R.  
**DRAWN BY:** Pierce R.  
**AUTHORIZED BY:** Bobby P.  
**DATE REVISED:**

P.O. Box 2324 Garden City, Kansas 67846  
Office/Fax: (620) 276-6159 – Cell: (620) 272-1499  
burt@prostakellc.com

### LEGEND

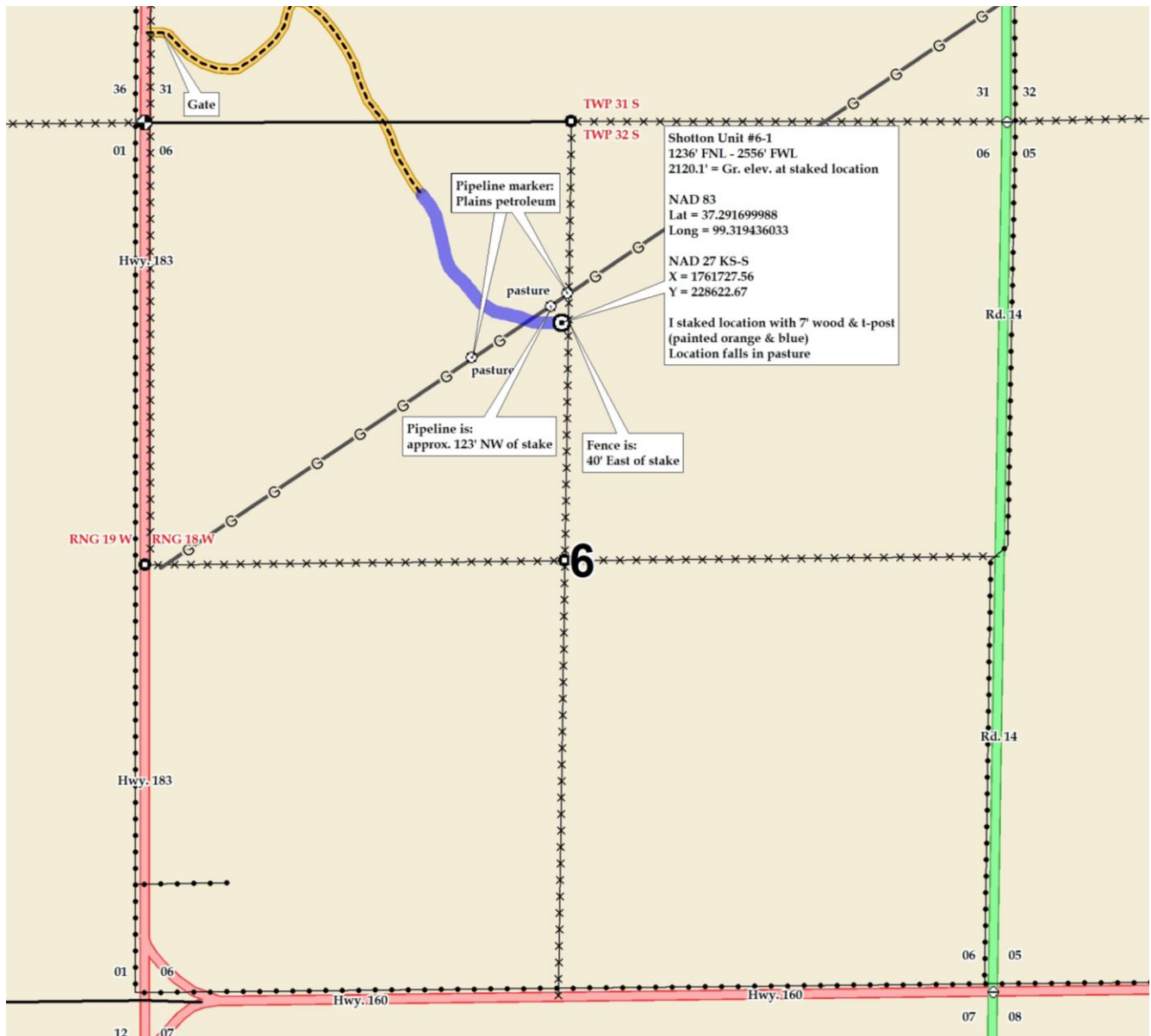
- ⊙ irr. well
- ⊕ water hydrant
- ⊙ tank battery
- ⊙ staked loc.
- ⊙ prod. well/aband. well
- ⊙ house
- building
- G— gas line
- W— water line
- E— transmission powerline
- 3 phase powerline
- single phase powerline
- x—x—x— fence
- ▬▬▬▬ gravel/sand rd.
- ▬▬▬▬ gravel trail/lease rd.
- ▬▬▬▬ dirt rd.
- ▬▬▬▬ dirt trail/lease rd.
- ▬▬▬▬ Hwy/blacktop rd.

**DIRECTIONS:** From just North of Coldwater, KS at the intersection of Hwy. 183 & Hwy. 160 – Now go 1.1 mile North on Hwy. 183 to trail East into (at gate) – Now follow trail for approx. 0.5 miles to stock tank – Now go approx. 0.25 miles SE, through pasture, into staked location

**Final ingress must be verified with landowner or operator.**  
*This drawing does not constitute a monumented survey or a land survey plat.*  
*This drawing is for construction purposes only.*



## LANDOWNER/CONTACT: N/A



0762

20210241  
STATE OF KANSAS, COMANCHE COUNTY  
This instrument was filed for Record on  
5/21/2021 at 11:47 AM and duly recorded  
Book 136 Page 762 Fees \$123.00

Heather Puderbaugh, Register of Deeds

PHOTOCOPIED

KS-PAID UP

**OIL AND GAS LEASE**

(Paid-up)

AGREEMENT, made and entered into this 19<sup>th</sup> day of April, 2021, by and between: Cynthia Carmichael Putnam, a married woman dealing in her sole and separate property of 2011 Hill Court, Midland, Michigan 48640, party of the first part, hereinafter called Lessor (whether one or more), and Western Land Services, Inc., 1100 Conrad Industrial Drive, Ludington, Michigan 49431, party of the second part, hereinafter called Lessee. WITNESSETH, that the said Lessor, for and in consideration of Ten Dollars, cash in hand paid, and other good and valuable consideration receipt of which is hereby acknowledged and of the covenants and agreements hereinafter contained on the part of Lessee to be paid, kept and performed, has granted, demised, leased and let and by these presents does grant, demise, lease and let unto the said Lessee, for the sole and exclusive right to explore by geophysical and other methods, for mining 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, and building drill sites, access roads, tanks, power stations and structures thereon, to produce, save and take care of said products, all that certain tract of land, together with any reversionary rights therein, situated in the County of Comanche, State of Kansas, described as follows, to-wit:

Township 32 South, Range 18 West of the 6th P.M., Comanche County, Kansas  
Section 6: The West Half of the Northeast Quarter (the "Property").  
Lease containing, 80.00 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of Three (3) years from date (herein called primary term) and so long thereafter as oil or gas, or either of them, is produced from the Property or lands pooled therewith.
2. In the event this lease is not continued beyond the primary term by the provisions herein contained, Lessee has the option to renew this lease for an additional term of Three (3) years from the date of the expiration of the primary term, and as long thereafter as oil and gas or either of them is produced from the Property by Lessee, said renewal to be under the same terms and conditions as contained in this lease. Lessee may exercise the Term option to renew by tendering to Lessor(s) the sum of One Hundred dollars (\$100.00) per net mineral acre covered by this lease on or before the expiration date of the primary term of this lease.
3. In consideration of the premises the said 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 part of all oil (including but not limited to condensate and distillate) produced and saved from the Property.

B. To pay Lessor for gas (including casing head gas) and all other substance covered hereby, a royalty of 1/8 of the proceeds realized by Lessee from the sale thereof less a proportionate part of the production, severance and other excise taxes and the cost incurred by Lessee in processing, gathering, treating, compressing, dehydrating, transporting, and marketing, or otherwise making such gas or other substances ready for sale or use, said payments to be made monthly. During any period after expiration of the primary term hereof when gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or operations on the Property sufficient to keep this lease in force, Lessee shall pay or tender a royalty of One Dollar (\$1.00) per year per net royalty acre retained hereunder, such payment or tender to be made, on or before the later of ninety (90) days following the date of shut in or the anniversary date of this lease during the period such well is shut in, to the Lessor. When such payment or tender is made it will be considered that gas is being produced within the meaning of the entire lease; provided, however this Lease may not be maintained in force for any one continuous period of time longer than one (1) year after the expiration of the primary term solely by the provisions of this shut-in royalty clause.

4. If, at the expiration of the primary term, there is no production in paying quantities on the Property or on lands pooled or unitized 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, or additional operations are commenced and prosecuted (whether on the same or successive wells), and such operations continue in a good-faith and workmanlike manner without interruptions; then, if production is discovered, this lease shall continue as long thereafter as oil or gas are produced in paying quantities. If production in paying quantities of oil or gas on the Property or lands pooled or unitized therewith shall cease for any cause at any time or times after the expiration of the primary term, this Lease shall not terminate if Lessee commences additional drilling or reworking operations within sixty (60) days after such cessation and such operations continue in a good-faith and workmanlike manner without interruptions; then, if such drilling or reworking operations result in the production of oil or gas in paying quantities, this Lease shall remain in full force and effect so long as oil or gas is produced in paying quantities.

5. Lessee is hereby granted the right at any time and from time to time to pool or unitize the Property or any portion or portions thereof, 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. 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 160 acres plus a maximum acreage tolerance of 10%, and a unit for a gas well or a unit for a horizontal completion shall not exceed 1280 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. 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" means a well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. Lessee shall file written unit designations in the county in which the

Property is located unless the pooling or unitization results from governmental order or rule, in which case no such written designation shall be required. Operations upon and production from the unit shall be treated as if such operations were upon or such production were from the Property whether or not the well or wells are located thereon. 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. In respect to production from the unit, Lessee shall pay Lessor, in lieu of other royalties thereon, only such proportion 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.

6. If said Lessor owns a lesser interest in the Property than the entire and undivided fee simple estate therein, then the royalties herein provided shall be paid to the Lessor only in the proportion which his interest bears to the whole and undivided fee.
7. Lessee shall have the right to use, free of cost, gas, oil, and water produced on the Property for its operations thereon, except water from wells of Lessor.
8. Lessee shall have the right to remove its property from the premises, including the right to draw and remove casing, for 60 days after termination of this Lease. After which time, all personal property left by Lessee shall become the property of Lessor.
9. If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns. However, no change or division in ownership of the Property or royalties shall enlarge the obligations or diminish the rights of Lessee. No change in the ownership of the Property or royalties shall be binding on the Lessee until after the Lessee has been furnished with a written transfer or assignment or a true copy thereof. In case Lessee assigns this lease, in whole or in part, Lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment.
10. 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.
11. This lease shall be effective as to each Lessor on execution hereof as to his or her interest and shall be binding on those signing, notwithstanding some of the Lessors above named may not join in the execution hereof. The word "Lessor" as used in this lease means the party or parties who execute this lease as Lessor, although not named above.
12. Lessee may at any time and from time to time surrender this lease as to any part or parts of the Property by delivering or mailing a release thereof to Lessor, or by placing a release of record in the proper County.
13. For the same consideration stated above, Lessor further grants, sells, conveys and warrants to Lessee a subsurface right-of-way and easement in, through and under the Property for the purpose of drilling oil and/or gas wells to, and producing through said wells oil, gas or other minerals from, lands other than the Property, together with the right of ingress and egress to said wells.



SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF FOR ADDENDUM

IN TESTIMONY WHEREOF, I sign this the 19 day of APRIL, 2021.

Lessor:

Cynthia Carmichael Putnam  
Cynthia Carmichael Putnam

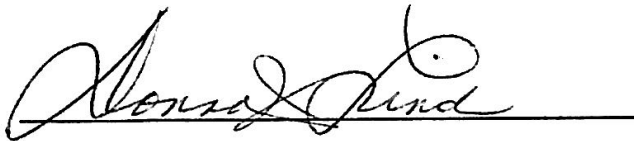
STATE OF MICHIGAN

COUNTY OF MIDLAND

)  
)SS  
)

ACKNOWLEDGEMENT (Individual)

This instrument was acknowledged before me on APRIL 19, 2021, by Cynthia Carmichael Putnam, a married woman dealing in her sole and separate property of 2011 Hill Court, Midland, MI 48640.



, Notary Public

For \_\_\_\_\_ County, State of Michigan

Acting in \_\_\_\_\_ County, State of Michigan

My Commission Expires:

**\*\*SEE ATTACHED EXHIBIT B  
FOR LESSEE SIGNATURE  
AND NOTARY**

**DONNA J. LIND  
Notary Public, Gladwin County, MI  
Acting in Midland County, MI  
My Commission Expires 12-31-2026**



Prepared by: Brian A. Benson Western Land Services, Inc., 1100 Conrad Industrial Drive,  
Ludington, Michigan 49431

Return recorded document to: ~~Western Land Services, Inc., 1100 Conrad Industrial Drive,  
Ludington, Michigan 49431~~ J. Marc Cottrell - PO Box 679 - Garden City KS 67846

## EXHIBIT "A"

This Exhibit "A" is attached to and made a part thereof that certain Oil and Gas Lease dated April 19, 2021, by Cynthia Carmichael Putnam, a married woman dealing in her sole and separate property as Lessor, and Western Land Services Inc. of 1100 Conrad Industrial Dr., Ludington, Michigan 49431 as Lessee.

Notwithstanding anything to the contrary in the Oil and Gas Lease to which this Exhibit "A" is attached and made part of, the provisions of this Exhibit "A" shall prevail wherever in conflict with the provisions of the Oil and Gas Lease.

This is a no-drilling oil and gas lease, whereby Lessee shall not conduct any operations upon the surface of the Property without the express written consent of Lessor. However, Lessee shall have the right to conduct seismograph testing on the surface of the Property. Furthermore, Lessee shall have the right to pool and/or unitize the Property, or any portion thereof, with other lands to form an oil and/or gas development unit and/or units. Other than a subsurface lateral wellbore, Lessee will not use or alter the Property in any manner, including for access, the storage of materials or equipment, or laying pipeline, without the written consent of Lessor.

1. If Lessee decides to conduct seismograph testing on the surface of the Property, Lessee agrees prior to Lessee commencing seismic activities on the Property to notify and give Lessor a reasonable amount of time to re-locate the cattle off the Property. Lessee agrees to compensate lessor 30 days in advance of commencing any seismographic testing, a one-time payment in the amount of \$300.00 to re-locate the cattle to a property located outside of the seismographic testing boundary. Lessee will have 60 days to complete its testing, after which time, Lessee will vacate the Property so that the cattle may be returned to the Property.
2. Lessee agrees to pay Lessor for all actual damages to the Property directly caused by the operations of Lessee, its employees, representatives, agents and contractors, including actual damages caused by seismic and geophysical operations conducted pursuant to the terms of the Lease, including but not limited to damages to crops, livestock, timber, drain tiles, drain field, fences and domestic water wells. Crop damage will be based on historical yields and market price. If an agreement cannot be reached without a third party appraiser, Lessee will be responsible to pay for appraisal done by person acceptable to Lessor and Lessee.
3. Notwithstanding anything to the contrary contained herein, it is hereby understood and agreed that Lessor's royalty under this lease shall be one-seventh (1/7) rather than the stated one-eighth (1/8). Anywhere that the fraction one-eighth (1/8) appears herein, the fraction one-seventh (1/7) shall apply.
4. Lessee shall indemnify and hold Lessor, their successors or assigns, harmless from any and all liability, liens, claims and environmental liability or environmental damages or other damages directly arising out of Lessee's operations under the terms of this lease. "Lessee's operations" shall mean and include all the operations of Lessee, its employees, contractors, agents, licensees, invitees as further defined in the lease. As to any successors and assigns of Lessee, this indemnification shall transfer to be the sole liability of any such successor and assign, proportionately as to the interest assigned.
5. Lessee shall at all times carry liability insurance in such amounts in accordance with governmental regulations governing Lessee's operations.
6. Lessee acknowledges that all or part of the Property is or may be engaged in farming or ranching operations. Lessee will conduct its operations in such manner to not interfere or disrupt such operations. Lessee shall pay Lessor or its assigns for any damage to crops or livestock resulting from Lessee's activities hereunder.
7. Lessee shall not allow any mechanic's or material men's liens to encumber the Property.

8. Lessee shall maintain any work and production sites on neighboring property in a clean and uncluttered condition and trash and debris shall not be buried, burned, or left on such property but shall be controlled, collected, and promptly hauled off-site and disposed of at a proper facility.
9. Lessee shall not dispose of salt water on the Property without the written consent of, and appropriate compensation to, Lessor. Lessee will not use water from the Property for any purpose without the written permission of Lessor.
10. Sixty (60) days following the expiration of the primary term, as may be extended, in the event a portion of the Property is pooled or unitized with other land so as to form a pool or unit, operations on such pool or unit will not maintain this Lease as to the portions of the Property not included in such pool or unit, and this Lease shall terminate as to any such un-pooled or un-unitized land. Upon the occurrence of a partial termination of this Lease under this Section, Lessee will execute and file a partial release as to the released portions of the Property within thirty (30) days.
11. Following the expiration of the primary term, as may be extended, this Lease shall automatically terminate as to all rights lying below one hundred (100) feet below the deepest zone drilled and producing.
12. By filing this Lease of the public record, Lessee accepts the terms of this Lease and this Addendum as written.
13. Upon written request by Lessor, Lessee shall furnish to Lessor copies of all records in connection with Lessee's operations on the Property or land pooled therewith. Lessor shall have reasonable access to all wells during drilling operations and production operations. Lessor shall only have access under Lessee's supervision and compliance with Lessee's safety practices. In no event shall Lessor have access to confidential trade information belonging to Lessee.
14. If Lessor prevails on any claim against Lessee, whether through court action, governmental agency action, or alternative dispute resolution action, Lessee shall be liable to Lessor for the payment of such claim, any additional damages suffered by Lessor, and for the payment of all of Lessor's costs and expenses, including attorneys' fees; plus appropriate interest thereon.
15. Lessee agrees to comply with all laws, rules, regulations, and orders of all municipal, state, and federal agencies and regulatory bodies in the conduct of its operations including, the proper plugging and abandonment of all wells, and cleanup and restoration of surface, or subsurface as may be required, the proper disposal of wastes, and the transfer or assumption of applicable permits, bonds, approvals, and licenses.

Lessor:

Cynthia Carmichael Putnam  
Cynthia Carmichael Putnam

Lessee:

Western Land Services, Inc.

By

BAE

Its Director of Land

0767

EXHIBIT "B"

IN TESTIMONY WHEREOF, Brian A. Benson, as Director of Land of Western Land Services, Inc. signs his/her name this 18<sup>th</sup> day of May, 2021.

Lessee:

Western Land Services, Inc.

By Brian A Benson

Its Director of Land

STATE OF Michigan )

COUNTY OF Mason )

This instrument was acknowledged before me on May 18<sup>th</sup>, 2021, by Brian A Benson, as Director of Land, of Western Land Services, Inc.

Rebecca Scott

Notary Public  
My Commission Expires: 03/2024  
For Mason County  
State of Michigan  
Acting in \_\_\_\_\_

(SEAL)

PHOTOCOPIED

20190337  
 STATE OF KANSAS, COMANCHE COUNTY  
 This instrument was filed for Record on  
 9/5/2019 at 11:48 AM and duly recorded  
 Book 135 Page 1046 Fees \$89.00

Heather Puderbaugh, Register of Deeds

OIL AND GAS LEASE

THIS AGREEMENT, Entered into this 1st day of September, 2019, between Bradford L. Shotton and Julie C. Shotton, husband and wife, address: 2002 Tomahawk Trail, Coldwater KS 67029, hereinafter called Lessor, and Cottrell Land Services LLC, P.O. Box 39, Meade KS 67864, hereinafter called Lessee, does witness:

1. That Lessor, for and in consideration of the sum of Ten and More Dollars (\$10.00) in hand paid and of the covenants and agreements hereinafter contained to be performed by the Lessee, has this day granted, leased, and let and by these presents does hereby grant, lease, and let exclusively unto the Lessee the hereinafter described land, with any reversionary rights therein, and with the right to unitize this lease or any part thereof with other oil and gas leases as to all or any part of the lands covered thereby as hereinafter provided, for the purpose of carrying on geological, geophysical and other exploratory work thereon, including core drilling and the drilling and operating for, producing and saving all of the oil, gas, gas condensate, gas distillate, casinghead gasoline and their respective constituent vapors, and all other gases, excluding coal found thereon, the exclusive right of injecting water, brine, and other fluids and substances into the subsurface strata, and for constructing roads, laying pipe lines, building tanks, storing oil, building power stations, electrical lines, service poles to establish the electric connection from the power lines with a transformer, cathodic protection pipelines and structures, shut off valves, saltwater transfer station equipment, which such placement and other structures thereon necessary or convenient for the economical operation of said land alone or conjointly with neighboring lands, to produce, save take care of, and manufacture all of such substances, and the injection of water, brine, and other substances into the subsurface strata said tract of land being situated in the County of Comanche, State of Kansas, and described as follows:

Lot 3 (39.78 acres), Lot 4 (37.28 acres), Lot 5 (36.45 acres) and the Southeast Quarter of Northwest Quarter (SE $\frac{1}{4}$ NW $\frac{1}{4}$ ), a/d/a Northwest Quarter (NW $\frac{1}{4}$ ) of Section 6, Township 32-South, Range 18-West

Containing 153.51 acres, more or less.

2. This lease shall remain in force for a term of Three (3) years (called "primary term") and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of the products covered by this lease is or can be produced.
3. The Lessee shall deliver to Lessor as royalty, free of cost, on the lease, or into the pipeline to which Lessee may connect its wells the equal one-eighth ( $\frac{1}{8}^{\text{th}}$ ) part of all oil produced and saved from the leased premises, or at the Lessee's option may pay to the Lessor for such one-eighth ( $\frac{1}{8}^{\text{th}}$ ) royalty the market price at the wellhead for oil of like grade and gravity prevailing on the day such oil is sold from storage tanks.
4. The Lessee shall pay to the Lessor, as a royalty, one-eighth ( $\frac{1}{8}^{\text{th}}$ ) of the proceeds received by the Lessee from the sale of gas, gas condensate, gas distillate, casinghead gas, gas used for the manufacture of gasoline or any other product, and all other gases, including their constituent parts, produced from the land herein leased. If such gas is not sold by the Lessee, Lessee may pay or tender annually at or before the end of each yearly period during which such gas is not sold, as a shut-in royalty, whether one or more wells, an amount equal to one dollar per net mineral acre, and while shut in said royalty is so paid or tendered, it will be considered under all provisions of this lease that gas is being produced in paying quantities. The first yearly period during which such gas is not sold shall begin on the date the first well is completed for production of gas.
5. This lease is a paid-up lease and may be maintained during primary term without further payments or drilling operations.
6. In the event said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein then the royalties herein provided for shall be paid to said Lessor only in the proportion which his interest bears to the whole and undivided fee; however, in the event the title to any interest in said land should revert to Lessor, or his heirs, or his or their grantee, this lease shall cover such reversion.
7. The Lessee shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from existing wells of the Lessor. When required by Lessor, the Lessee shall bury its pipe lines below plow depth and shall pay for damage caused by its operation to growing crops on said land. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of the Lessor. Lessee shall have the right at any time during, or after the expiration of the lease to remove all machinery fixtures, houses, buildings and other structures placed on said premises, including the right to draw and remove all casing.
8. If the estate of either party hereto is assigned (and the privilege of assigning in whole or in part is expressly allowed), the covenants hereof shall extend to the heirs, devisees, executors, administrators, successors, and assigns, but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the

rights of Lessee, and no change of ownership in the land or in the royalties or any sum due under this lease shall be binding on the Lessee until it has been furnished with either the original recorded instrument of conveyance or a duly certified copy thereof, or a certified copy of the will of any deceased owner and of the probate thereof, or certified copy of the proceedings showing appointment of an administrator of the estate of any deceased owner, whichever is appropriate together with all original recorded instruments of conveyance or duly certified copies thereof necessary in showing a complete chain of title back to Lessor of the full interest claimed, and all advance payments of rentals made hereunder before receipt of said documents shall be binding on any direct or indirect assignee, grantee, devisee, or administrator, executor, or heir of Lessor.

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

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

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

12. Lessee may at any time surrender or cancel this lease in whole or in part by delivering or mailing such release to the Lessor, or by placing same of record in the proper county. In case said lease is surrendered and canceled as to only a portion of the acreage covered thereby, then all payments and liabilities thereafter accruing under the terms of said lease as to the portion canceled shall cease and determine, but as to the portion of the acreage not released the terms and provisions of this lease shall continue and remain in full force and effect for all purposes.

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

14. Lessee, at its option, is hereby given the right and power to voluntarily form a unit with respect to the acreage covered by this lease and/or to pool or combine into one or more units the land covered by this lease, or any portion thereof, with other land covered by another lease, or leases when, in Lessee's judgment, it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of such minerals in and under said land, such pooling to be in a unit or units not exceeding 160 acres each in the event of a vertical oil well, or into a unit or units not exceeding 640 acres each in the event of a vertical gas and/or condensate or distillate well or a combination well that produces both oil and gas, plus a tolerance of ten percent (10%) to conform to Governmental Survey quarter sections. Should a horizontal well be drilled, a unit or units not exceeding 640 acres shall be used for the land covered by this lease, or any portion thereof, with other land covered by another lease or leases for unitization of oil and/or gas and condensate or distillate well or a combination well that produces both oil or gas. Lessee shall execute in writing and file for record in the county in which the land is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a unit or units shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on any part of the pooled acreage it shall be treated as if production is had from this lease whether any well is located on the land covered by this lease or not. Any well drilled on such unit shall be and constitute a well hereunder. In lieu of the royalties elsewhere herein specified Lessor shall receive on production from the unit so pooled only such portion of the royalty stipulated herein as the amount of his net royalty interest therein on an acreage basis bears to the total mineral acreage so pooled in the particular unit involved.

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

16. The breach of any obligation under any provision or covenant of this lease, express or implied, shall not work a forfeiture or termination of this lease nor be grounds for cancellation unless Lessor first notifies Lessee in writing of the breach and the facts relied upon as constituting such breach, together with a demand for the specific performance thereof, and the Lessee, if in default, fails within a reasonable time thereafter to commence compliance with the obligation imposed.

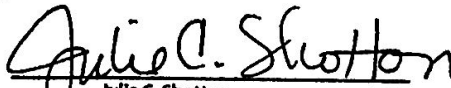
17. For the consideration first stated above, first stated above, Lessor conditionally grants to Lessee easement(s) and right of way(s) as provided herein. The use of such easement(s) and right of way(s) are conditioned upon Lessee first paying or tendering to Lessor the sum of Ten Dollars (\$10.00) per linear rod. Such payment or tender may be made at any time while this lease is in effect. Such easement(s) and right of way(s) are described as follows: Lessor grants to Lessee a strip of land forty (40) feet wide for the purpose of laying, constructing, operating, inspecting, maintaining, repairing, replacing and removing pipeline(s) for the transportation of water, brines, oil, gas and other substances, and electrical line(s), at a location or locations to be determined by Lessee, on, in, over and through the land described hereinabove. The centerline of such easement(s) and right of way(s) shall be the center of the pipeline(s) and/or electric line(s) as actually laid. Lessee will consult with Lessor on course, route and direction of line(s) so as to minimize interference with surface use by Lessor. Such pipeline(s) and electric line(s) shall be buried when reasonably possible below depth, of least 36 inches. Lessee shall pay for actual damages to growing crops, grasses, fences or other structures of Lessor that are caused by the construction, maintenance and operation of the rights granted herein. The easement(s) and right of way(s) shall be constructed as if conveyed by separate instrument, without regard to the oil and gas lease or the term thereof, provided, however, that if use of such easement(s) and right of way(s) is not actually commenced within the term of said oil and gas lease or any extension or renewal thereof then this easement(s) and right of way(s) and all rights granted thereunder shall cease and terminate on the date said oil and gas lease expires. The easement(s) and right of way(s) are independent of, and are not a substitute for, the rights of Lessee under said lease, which rights are not hereby diminished or affected, it being understood that the easement(s) and right of way(s) provides for the transporting products mentioned herein which may be produced, obtained, stored, or transported upon or a cross lands adjacent thereto or in the vicinity thereof. The easement(s) and right of way(s) granted herein are a covenant running with the land and shall extend to Lessee and Lessee's successors and assigns, and shall remain in force for the use by Lessee, its successors term of said oil and gas lease and as long thereafter as such easement(s) and right of way(s) are and assigns, for the purposes herein mentioned.

18. If at the end of the primary term this lease is not continued in force under the provisions hereof, the lease shall expire, unless Lessee on or before the end of the primary term shall pay or tender to Lessor the sum of Seventy-Five Dollars (\$75.00) multiplied by the number of net mineral acres owned by Lessor in the land above described and then subject to this lease; and subject to the other provisions of this lease, this lease shall thereby be modified and the primary term shall be extended for an additional term of Three (3) years from the end of the primary term. Said payment may be made by check or draft of Lessee or any assignee thereof, mailed or delivered direct to Lessor at the address first provided above, on or before the end of the primary term. Lessee, at its sole discretion, has the option to extend any portion or the entire land herein described above. Should Lessee chose to only extend a portion of said land, they shall file a partial release of oil and gas lease in said county prior to tendering payment to Lessor and provide Lessor a copy of said partial release. The option payment tendered shall then reflect any change in net acres.

See ADDENDUM attached hereto and made a part hereof

IN WITNESS WHEREOF, we sign the day and year first above written.

  
 \_\_\_\_\_  
 Bradford L. Shotton

  
 \_\_\_\_\_  
 Julie C. Shotton

**ACKNOWLEDGMENT**

STATE OF KANSAS )  
 ) ss.  
 COUNTY OF COMANCHE )

Before me, the undersigned, a Notary Public, on this 3rd day of September, 2019, personally appeared Bradford L. Shotton and Julie C. Shotton, husband and wife, to me personally known to be the identical person(s) who executed the within and foregoing instrument and acknowledged to me that they executed the same as a free and voluntary act and deed for the uses and purpose therein set forth.

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

My commission expires: 31 Oct 2023

(seal)

  
 \_\_\_\_\_  
 Notary Public

Renee Blasi  
 \_\_\_\_\_  
 (Print name)



## Addendum

The following agreements and provisions of this addendum shall control and supersede the provisions in the printed form text of this lease, and shall inure to the benefit of, and be binding upon the parties hereto and their respective heirs, representatives, successors and assigns.

Lessee hereby agrees to pay for any and all damages occasioned by its operations hereunder, including crop damage caused by pipelines installed on or removed from the Land. Lessee shall pay surface owner a reasonable amount, which includes crop damages, but not less than \$2,500.00 for each Vertical well drilled on the Land and \$4,500.00 for each Horizontal well drilled on the Land. Upon completion of Lessee's operations on each well, Lessee agrees to restore the Land to as nearly as reasonably practicable the same condition they were in prior to the commencement of operations hereunder. All trash and debris shall be removed before the surface of the Land is restored. As further consideration hereunder, Lessee agrees to pay surface owner crop damages for any pipeline installed or constructed on the Land that is not used for the production of a well or wells on the Land or on land unitized therewith.

All pipelines and power lines shall be buried a minimum of 36 inches in depth.

Prior to the construction of any roads, pipelines, tank batteries or installation of other equipment on the Land, Lessee and the surface owner shall mutually agree as to the location and direction of same, and owner's consent shall not be unreasonably withheld. There shall be no oil road surfaces or hard surfacing of any access roads without the written consent of Lessor. The surface owner may require use of electric pumping units.

It is the intention of the parties hereto to cause as little interference with farming operations on the Land as possible, including but specifically not limited to the operation of pivotal irrigation sprinkler systems, or any other irrigation method. Any production equipment will be placed on the Land as such a level or with the height of such equipment at a level, which will permit circular sprinkler systems to operate on the Land.

In the event there is no production in paying quantities found by any operations undertaken by Lessee and there is an abandonment of this lease, the Lessee shall fill all pits, ponds, remove all structures and reasonably restore the Land as nearly as reasonably practicable to the condition existing at the time the lease is executed. Within six (6) months after the expiration of the lease by its terms, Lessee shall have the obligation to restore, as nearly as reasonably practicable, the Land to the same condition as received, natural wear and tear and damages by the elements excepted.

Notwithstanding anything in the lease to the contrary, the shut-in gas well royalty clause shall not have the effect of extending the term of this lease for a period in excess of three (3) years, consecutive or otherwise, after the expiration of the primary term. If said well is shut-in past the primary term, Lessee agrees to pay \$5.00 per net mineral acre per year as shut-in gas royalties.

Any gas unit for a vertical well created pursuant to the lease shall be limited to 160 acres.

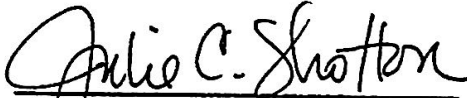


Use of water from sources on the real estate described in the lease, including water wells drilled, developed or rehabilitated by Lessee requires a separate written agreement with the surface owner. Lessee shall not drill or rehabilitate a water well, or use water from any source on the subject real estate without first obtaining a separate written agreement with surface owner that includes provisions compensating the surface owner for water and defining authorized uses and limitations.

Lessee shall install and maintain cattle guards in fence lines of any permanent fencing and shall keep any gates of temporary or permanent fencing closed when livestock are kept on the premises. Cattle guards shall be left in place permanently. Lessee shall install and maintain cattle panels, or fencing approved by the surface owner, around Lessee's oil or gas well sites and tank battery sites to protect any livestock from injury by equipment or by ingestion of oil, salt water or other liquids.

Horizontal Pugh clause: If the lease is in force and effect four (4) years after the expiration of the primary term or any extension of the primary term, this lease shall then terminate as to the oil and gas rights in all zones or formations of the leased premises 100 feet or more below the stratigraphic equivalent of the deepest formation penetrated by any well drilled by Lessee under this lease, unless operations are being conducted at the time for the development and production of those deeper formations.

  
Bradford L. Shotton

  
Julie C. Shotton

## NOTICE

### Nearest Lease or Unit Boundary Line

K.A.R. 82-3-108 provides that all oil and gas well locations must comply with setback requirements, unless an exception has been granted by the Commission. Depending upon whether the subject well is an oil well or gas well, and also depending upon the county in which the well is located, the setback may be 330 feet or 165 feet from the nearest lease or unit boundary.

This Intent to Drill (“C-1”) form indicates that the distance between the well and the nearest lease or unit boundary will comply with the setback requirement. Accordingly, the C-1 has been approved. However, the C-1 also stated that the well location is very near a boundary line of a Section or a Quarter-Section. This notice is being sent as a courtesy reminder, in case an error was made on the C-1.

As the operator of the proposed well, you must independently verify that the proposed well location complies with the applicable regulatory setback. If at any time it should appear that a well does not comply with the regulatory setback, the well may be subject to being shut-in pending Commission approval of an application for a well location exception. In addition, if such an application is not granted by the Commission, you may be required to plug the well.

If the proposed well location will comply with the regulatory setback, this notice may be disregarded. Please contact the KCC Production Department with any questions or concerns.

August 31, 2021

Bobby Patton  
Thoroughbred Associates L.L.C.  
8100 E 22ND ST STE 6006  
WICHITA, KS 67226-2307

Re: Drilling Pit Application  
Shotton Unit 6-1  
NW/4 Sec.06-32S-18W  
Comanche County, Kansas

Dear Bobby Patton:

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

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

KEEP PITS away from draw/drainage.  
KEEP PITS on Southwest side of stake.

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

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

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