KOLAR Document ID: 1659412

For KCC Use:

LIECUV	e	Dale
District	±	

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:	Spot Description:
month day year	
OPERATOR: License#	feet from N / S Line of Section
Name:	feet from L E / W Line of Section
Address 1:	Is SECTION: Regular Irregular?
Address 2:	(Note: Locate well on the Section Plat on reverse side)
City: State: Zip: +	County:
Contact Person:	Lease Name: Well #:
Phone:	Field Name:
CONTRACTOR: License#	Is this a Prorated / Spaced Field?
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: 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:
	Water Source for Drilling Operations:
Directional, Deviated or Horizontal wellbore?	Well Farm Pond Other:
If Yes, true vertical depth:	DWR Permit #:
Bottom Hole Location:	(Note: Apply for Permit with DWR)
KCC DKT #:	Will Cores be taken?
	If Yes, proposed zone:

AFFIDAVIT

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

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

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

Submitted Electronically

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

Remember to:

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

ш

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

API # 15 -___

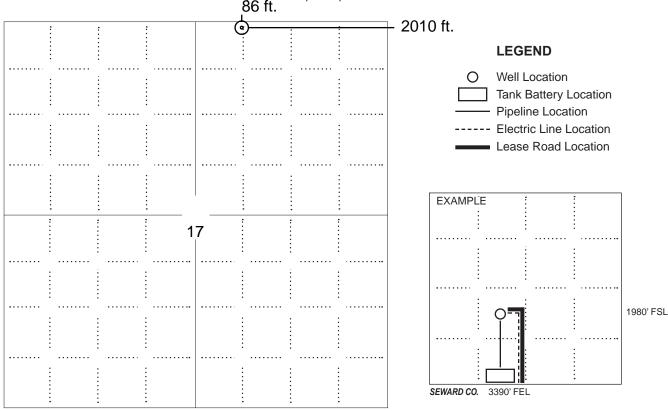
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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

Operator:	Location of Well: County:
Lease:	feet from N / S Line of Section
Well Number:	feet from E / W Line of Section
Field:	Sec Twp S. R E 🗌 W
Number of Acres attributable to well: QTR/QTR/QTR/QTR of acreage:	Is Section: Regular or Irregular
	If Section is Irregular, locate well from nearest corner boundary.
	Section corner used: NE NW SE SW

PLAT

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



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.

Side Two

KOLAR Document ID: 1659412

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

Form CDP-1 May 2010 Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate			
Operator Name:			License Number:
Operator Address:			
Contact Person:			Phone Number:
Lease Name & Well No.:			Pit Location (QQQQ):
Type of Pit:	Pit is:		·
Emergency Pit Burn Pit	Proposed	Existing	SecTwpR East West
Settling Pit Drilling Pit	If Existing, date co	nstructed:	Feet from North / South Line of Section
Workover Pit Haul-Off Pit (If WP Supply API No. or Year Drilled)	Pit capacity:		Feet from East / West Line of Section
		(bbls)	County
Is the pit located in a Sensitive Ground Water A	rea? Yes	No	Chloride concentration: mg/l (For Emergency Pits and Settling Pits only)
Is the bottom below ground level?	Artificial Liner?	10	How is the pit lined if a plastic liner is not used?
Pit dimensions (all but working pits):	m ground level to dee	,	Width (feet)N/A: Steel Pits
If the pit is lined give a brief description of the line material, thickness and installation procedure.	ner		dures for periodic maintenance and determining ncluding any special monitoring.
Distance to nearest water well within one-mile of	of pit:	Depth to shallo Source of infor	west fresh water feet.
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:		over and Haul-Off Pits ONLY:	
Producing Formation: Type of material utilized in drilling/workover:		al utilized in drilling/workover:	
Number of producing wells on lease:		Number of wor	king pits to be utilized:
Barrels of fluid produced daily:		Abandonment	procedure:
Does the slope from the tank battery allow all s flow into the pit?Yes No	pilled fluids to	Drill pits must b	be closed within 365 days of spud date.
Submitted Electronically			
	KCC	OFFICE USE O	NLY
Date Received: Permit Numl	oer:	Permi	

KOLAR Document ID: 1659412

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

CERTIFICATION OF COMPLIANCE WITH THE KANSAS SURFACE OWNER NOTIFICATION ACT

Form KSONA-
July 202
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.

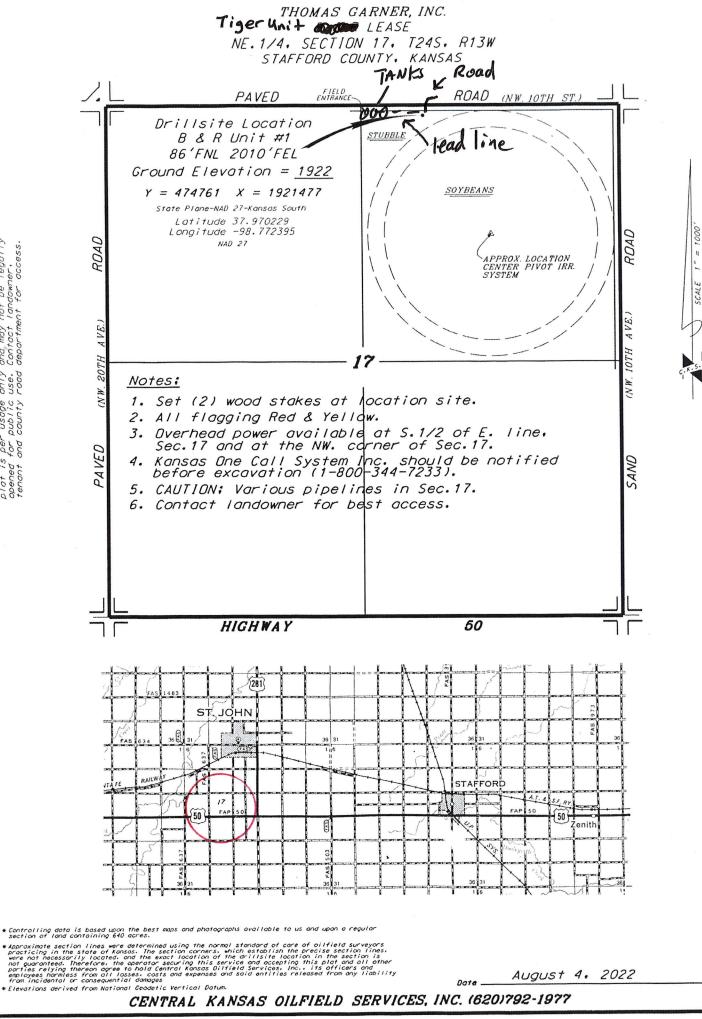
Select one of the following:

□ I certify that, pursuant to the Kansas Surface Owner Notice Act (see Chapter 55 of the Kansas Statutes Annotated), 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



location as shown on this and may not be legally Contact landowner. department for access. use. rood 10 d egress r usage o public u county r per Ingress plot is opened f tenant a plat

Q

Landowner 1 Dorothy Bliss 206 W. 3rd st. 54, John KS 67576

Landowner 2

Ronald T Richardson and Janet F. Richardson 96 S. Hiway 281 54. John KS 67576

OIL AND GAS LEASE

AGREEMENT made and entered into this II day of North and by and between Dorothy I. Bliss. a single person whose address is 206 W. 3rd St. John. KS 67576, hereinafter called Lessor (whether one or more), and Thomas Garner. Inc., whose address is 305 E. 7th Ave. St. John. KS 67576, hereinafter called Lessee.

Lessor, in consideration of ten (10) dollars and other valuable consideration in hand paid, receipt of which is hereby acknowledged and of the royalties herein provided and of the agreements of the Lessee herein contained, herby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, by geophysical and other means, prospecting, drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases, and their respective constituent products, injecting gas, water, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, power stations, telephone lines, and other structures and things thereon to produce, save, take care of, treat, manufacture, process, store and transport said oil, liquid hydrocarbons, gases and their respective constituent products and other products manufactured therefrom, and housing and otherwise caring for its employees, the following described land, together with a reversionary rights and after-acquired interest, therein situated in the county of <u>Stafford</u> state of Kansas, described as follows, to wit: <u>Township 24 South Range 13 West Section 17: NE/4</u> and containing (160) acres, more or less, and all accretions thereto.

Subject to the provisions herein contained, this lease shall remain in force for a term of **(3)** Years from this date (called "primary term"), and as long thereafter as oil, liquid hydrocarbons or gas or other respective constituent products, or any of them is produced from said land or land with which said land is pooled.

In consideration of the premises, the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor for gas of whatsoever nature or kind produced and sold or used off the premises, or used in the manufacture of any products therefrom, one-eighth (1/8), at the market price at the well, (but, as to gas sold by Lessee, in no event more than one-eighth (1/8) of the proceeds received by Lessee from such sales), for the gas sold, used off the premises, or in the manufacture of products therefrom, said payments to be made monthly. Where gas from a well producing gas only is not sold or used, Lessee may pay or tender as royalty One Dollar per year per net mineral acre retained hereunder, and if such payment or tender is made it will be considered that gas is being produced within the meaning of the preceding paragraph.

This lease may be maintained during the primary term hereof without further payment or drilling operations. If the Lessee shall commence to drill a well within the term of this lease or any extension thereof, the Lessee shall have the right to drill such well to completion with reasonable diligence and dispatch, and if oil or gas, or either of the, be found in paying quantities, this lease shall continue and be in force with like effect as if such well had been completed within the terms of years first mentioned.

If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein provided for shall be paid to the Lessor only in proportion which Lessor's interest bears to the whole and undivided fee.

Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operations thereon, except water from wells of Lessor. No well shall be drilled nearer than (300) feet to the house or barn now on said premises without the written consent of Lessor. Lessee shall pay for damages caused by Lessee's operations on said land. Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

If the estate of either party hereto is assigned and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment or rentals or royalties shall be binding on the Lessee until after the Lessee has been furnished with a written transfer or assignment or a true copy thereof. In case Lessee assigns this lease, in whole or in part, Lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment.

Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligators as to the acreage surrendered.

All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages, for failure to comply therewith, if compliance is prevented by, or if such failure to comply therewith, if compliance is prevented by, or is such failure is the result of, any such law, Order, Rule or Regulation. Lessee and/or assigns or successors, shall indemnify, save, protect and hold Lessor harmless from any breach of governmental regulation or law, and environmental or contamination damage caused by lessee's operations on the leased premises. Lessee agrees to indemnify, hold harmless and defend Lessor against all judgements for damages to person or property, however denominated, caused by Lessee's operations on the leased premises, from that period subsequent to the date of this lease until such time that this lease is terminated.

Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the Lessee shall have the right at any time to redeem for Lessor, by payment any mortgages, taxes or other liens on the above described lands, in the event of default of payment by Lessor, and be subrogated to the rights of the holder thereof, and the undersigned Lessors, for themselves and their heirs, successors, and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, in so far as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease, or any portion thereof, with any land, lease or leases, in the immediate vicinity thereof, when is Lessee's judgment it is advisable to do so in order to properly develop the acreage covered by this lease with other lands by virtue of the development of vertical, directional or horizontal boreholes on such properties so as to promote the conservation of oil, gas or their minerals in and under that may be produced from said premises, such combination to be in unit or units not exceeding 640 acres, plus a ten percent (10%) tolerance, in the event of either an horizontal well or a gas well. The maximum size of a Unit for an Oil Well will not exceed 80 Acres. Lessee shall execute in writing and record in the records of the county in which the land herein leased is situated an instrument identifying and describing the acreage that has been so combined or unitized. The entire acreage so combined into a unit shall be treated for all purposes as if such lands were included in this lease. If production is found on the unitized acreage, it shall be treated as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. Lessor shall receive on production from a unit so formed only such portion of the royalty stipulated herein as the amount of his or her acreage placed in the unit for his or her royalty interest therein on an acreage basis bears to the total acreage in the unit.

In the event the term of this lease has not been extended by production or some other provision contained in the lease, Lessee is hereby given the exclusive right and option to extend the primary term of this lease as to all or any portion of the land covered hereby for an additional (2) Years from the date

Date Recorded: 12/16/2020 10:38:48 AM

Pages Recorded: 3

Lu Ann Brister, Register of Deeds Receipt #: 30136

Stafford County, KS

Book: 281 Page: 437

Total Fees: \$55.00

1

N, B.

Book: 281 Page: 438

of the expiration of the original primary term. This option may be exercised by Lessee at any time during the last year of the original primary term hereof by paying or tendering to Lessor, or its successor, the sum of (25) Dollars (\$25.00) per net mineral acre covered by this lease. Should this option be exercised as herein provided, it shall be considered for all purposes as though this lease originally provided for a paid-up primary term of (5) years. Payment shall be considered made and option exercised by mailing payment to last known address of Lessor or its assigns.

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

SEE ADDENDUM attached hereto and made a part hereof.

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

Worthy J., Bless

ACKNOWLEDGMENT

STATE OF KANSAS

COUNTY OF STAFFORD

Signed or attested before me on thi 2th day of Weller, 2020, by Dorothy I. Bliss. a single person whose address is 206 W. 3rd St. John. KS 67576

Notary Public Commission Expires: 8/17/21

A KRISTIN BURGAN ■ Notary Public - State of Kansas My Appt. Expires

ADDENDUM to Oil and Gas Lease dated About 25, 2020 by and between Dorothy I. Bliss. a single person whose address is 206 W. 3rd St. John. KS 67576 Lessor, and Thomas Garner Inc. whose address is 305 E. 7th Ave. St. John. Ks 67576, as Lessee, covering the following lands in Stafford County. Kansas:

LEGAL DESCRIPTION

Township 24-South. Range 13-West Section : 17 NE/4

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

- Lessee shall have one (1) year, hereinafter called "shut in period", commencing at the end of the primary term, in which to make pipeline connection for the production or marketing of gas. This shut in period may be extended for a period not to exceed two (2) additional years at the option of Lessee. During the shut-in period, Lessee shall pay to Lessor shut in royalty at the rate of ten dollars (\$10.00) per acre, which royalty shall be due and payable on or before the anniversary date of this lease.
- 2. Lessee shall not be permitted to use any well drilled on these leased premises as a salt-water disposal well without the written consent of landowner and without compensating landowner for the use thereof. However, the terms of this paragraph do not apply to the disposal of salt water produced from wells located on lands covered by this lease or lands unitized therewith.
- 3. Lessee shall, upon the completion of any "dry hole" test drilling operation, or upon the abandonment of any producing well, restore the surface of the land, including topsoil, as nearly as possible to its original condition and remove all equipment, fixtures, structures and hard surface areas within (6) months.
- 4. The undersigned hereby gives the exclusive right to Lessee, and/or its assigns to enter the above described property with the necessary equipment for the purpose of conducting a seismic and/or geological survey. Lessee and/or its assigns shall conduct all operations in a careful, diligent, workmanlike manner. Necessary line clearance and tree trimming is authorized.
- 5. Lessee shall consult with Lessor regarding the route of ingress and egress on or through the leased premises relative to exploration, drilling, production and other lease operations prior to engaging in such operations.
- 6. Lessee shall be liable for, and agrees to pay for or remediate, at Lessee's discretion, damage shown to be directly caused by its operations on or under the lease premises, including without limitation, damage to Lessor's personal property, existing water wells, appurtenances, improvements, existing and growing crops, grasses, or viable trees, loss of pasture as a result hereof. In the event Lessee uses existing roads of Lessor, Lessee shall maintain such roads. In those areas of the leased premises where cattle or other livestock are grazed, Lessee agrees to fence, or use other reasonable techniques, around its drill sites, corresponding pits, pumping units, tank batteries and other equipment, so as to restrain said cattle or livestock. There shall be no oil road surfaces or hard surfacing of any access roads without the written consent of Lessor. Lessee agrees to restore the surface to its original condition as nearly as is practicable upon completion of its operations thereon. Lessee agrees to pay a fixed minimum

D.B.

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damage of \$3,200.00 for each drill site, payable to the surface owner prior to preparation of the location. Lessee shall pay for any additional damages in the event such damages are in excess of \$3,200.00

- Lessee agrees to conduct operations, as is reasonably practicable, upon the leased premises in a manner so as not to interfere with existing overhead pivot irrigation systems located on the leased premises. As such, Lessee agrees that no drilling operations shall be commenced between April 1 and November 1 of any given year on lands located underneath an overhead pivot irrigation system, without the written consent of Lessor, Notwithstanding anything contained in this paragraph, it is expressly understod and agreed that any drilling operations commenced prior to April 1 will be allowed to continue, undisturbed, until such drilling and subsequent completion operations are concluded. In the event a well, capable of producing oil or gas, is located underneath a then-existing overhead pivot irrigation system, Lessee agrees to utilize such techniques and/or equipment to allow the passage of said overhead pivot irrigation system. Lessee further agrees to make a reasonable attempt to locate any related tank battery and gather treating equipment on lands outside the path of the overhead pivot irrigations system, with a preference for such location to be at the corners of the leased premises. Any oil or gas production equipment or machinery needed to be located under the irrigation circle shall be located between the irrigation wheel tracks and be of a height and size that will not interfere with the passage of said irrigation system. Nothing within this paragraph shall be construed to limit, in any way the ability of Lessee to conduct onormal operations, work overs, maintenance, emergency operations or seismic studies during any time of the year. However, seismic studies conducted underneath a pivot irrigate land. Unless prior written permission is obtained from the surface owner, drilling pits shall be located outside of the lands covered by a circle irrigation system from April 1 st to November 1st time period would be limited to placement of sensors only: said sensors to be hand walked onto the irrigated land. Un
- 8. In the event of production and continued use of the surface by Lessee, Lessee or its assigns, will maintain restore and repair the lands that are affected by the lease operations.
- Lessee shall have no right to lay pipelines, install or construct other structures except those directly relating to production of oil and/or gas from the real estate described in this lease.
- 10. The provisions of this lease, including this addendum, shall be binding upon the successors and assigns of the parties.
- 11. Lessee's obligations and liabilities under this lease and addendum are extended to the acts and omissions of Lessee's employees, agents, partners, principals, operators, contractors, invitees, successors, and assigns.
- 12. Lessee shall install and maintain (at lessee's expense) fencing around Lessee's oil or gas well sites and tank battery sites to protect any livestock from injury by equipment or by ingestion of oil, salt water or other liquids. Lessee shall install a cattle guard fence crossing where lease road crosses permanent fencing.
- 13. Upon the completion of any drilling operations or any seismographic testing the Lessee shall leave no waste material, litter or other debris on said premises and shall restore said premises as nearly as practicable to the condition the premises were in prior to lessee's operations.
- 14. All Pipelines and electric lines shall be buried and maintained to a minimum depth of four (4) feet below the surface so that farming and ranching operations, including irrigation, terracing and subsoil tillage may be safely performed.
- 15. It is agreed between the Lessor and Lessee that, notwithstanding any language herein to the contrary, all oil, gas or other proceeds accruing to the Lessor under this lease or by state law shall be without deduction, directly or indirectly, for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting and marketing the oil, gas and other products produced to transform the products into marketable form: however, any such costs which result in enhancing the value of the production, so long as they are based on Lessee's actual cost of such enhancement. However, in no event will either the Lessor or the Lesser retrieve a better price than the other party. It is further understood and agreed that this paragraph does not prohibit the Lessee from deducting applicable taxes associated with the Lessor's part of production.
- 16. In the event this lease is pooled or unitized as provided for in the oil and gas lease for with other land, lease or leases in the immediate vicinity, it is understood and agreed that said pooling or unitization will not alter any of the surface provisions incorporated in this oil and gas lease.
- 17. This lease covers only producing oil, liquid hydrocarbons, all gases, and their respective constituent products. Lessor reserves all right to grant, lease, mine and/or produce any other minerals from said premises so long as such activity by Lessor is subject and subordinate to this oil and gas lease and Lessee's operations there under.
- 18. For all pits dug or used in connection with the development and production of this lease, Lessee shall dig pits to minimum 4' depth, keep top-soil piled separately from sub-soil and return top-soil to original when the pits are leveled. Lessee further agrees that after drilling operations have been completed, lessee will fill and level the pits within 90 days after such pits have dried and cured. Prior to filling any pits containing a plastic liner, the liner will be removed.
- 19. In the event Lessee causes seismic testing operations to be conducted on the leased premises, Lessee agrees to pay the current tenant a minimum of \$5.00/Acre for normal damages associated with a geophysical survey. Lessee shall pay for any additional damages caused by its operations due to neglect or damage to personal property and access roads.
- 20. In the event Lessor must take action to enforce any provision of the lease or addendum, any future Operator of this lease shall indemnify and hold Lessor harmless from all costs thereof including reasonable attorney's fees, such fees shall only be payable if Lessor is rendered a successful judgement in a court of law. This clause does not apply to Thomas Garner Inc., while Thomas Garner Inc., and/or Thomas Garner, is operating said lease.

21. Lessee agrees to release all formations, strata and substratum 100' below deepest formations.

SIGNED FOR INDENTIFCATION

Dorothy J. Bless Dorothy J. Bliss

3

OIL AND GAS LEASE

AGREEMENT made and entered into this <u>30</u> day of <u>Splember</u>, <u>2020</u> by and between <u>Ronald T. Richardson & Janet F. Richardson. husband and</u> wife. whose address is 96 S. US HWY 281. St. John. KS 67576 hereinafter called Lessor (whether one or more), and <u>Thomas Garner. Inc., whose address</u> is 305 E. 7th Ave. St. John. KS 67576, hereinafter called Lessee.

Lessor, in consideration of ten (10) dollars and other valuable consideration in hand paid, receipt of which is hereby acknowledged and of the royalties herein provided and of the agreements of the Lessee herein contained, herby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, by geophysical and other means, prospecting, drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases, and their respective constituent products, injecting gas, water, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, power stations, telephone lines, and other structures and things thereon to produce, save, take care of, treat, manufacture, process, store and transport said oil, liquid hydrocarbons, gases and their respective constituent products and other products manufactured therefrom, and housing and otherwise caring for its employees, the following described land, together with a reversionary rights and after-acquired interest, therein situated in the county of **Stafford** state of Kansas, described as follows, to wit: **Township 24 South Range 13 West Section 8: SE/4** and containing (160) acres, more or less, and all accretions thereto.

Subject to the provisions herein contained, this lease shall remain in force for a term of (3) Years from this date (called "primary term"), and as long thereafter as oil, liquid hydrocarbons or gas or other respective constituent products, or any of them is produced from said land or land with which said land is pooled.

In consideration of the premises, the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor for gas of whatsoever nature or kind produced and sold or used off the premises, or used in the manufacture of any products therefrom, one-eighth (1/8), at the market price at the well, (but, as to gas sold by Lessee, in no event more than one-eighth (1/8) of the proceeds received by Lessee from such sales), for the gas sold, used off the premises, or in the manufacture of products therefrom, said payments to be made monthly. Where gas from a well producing gas only is not sold or used, Lessee may pay or tender as royalty One Dollar per year per net mineral acre retained hereunder, and if such payment or tender is made it will be considered that gas is being produced within the meaning of the preceding paragraph.

This lease may be maintained during the primary term hereof without further payment or drilling operations. If the Lessee shall commence to drill a well within the term of this lease or any extension thereof, the Lessee shall have the right to drill such well to completion with reasonable diligence and dispatch, and if oil or gas, or either of the, be found in paying quantities, this lease shall continue and be in force with like effect as if such well had been completed within the terms of years first mentioned.

If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein provided for shall be paid to the Lessor only in proportion which Lessor's interest bears to the whole and undivided fee.

Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operations thereon, except water from wells of Lessor. No well shall be drilled nearer than (300) feet to the house or barn now on said premises without the written consent of Lessor. Lessee shall pay for damages caused by Lessee's operations on said land. Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

If the estate of either party hereto is assigned and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment or rentals or royalties shall be binding on the Lessee until after the Lessee has been furnished with a written transfer or assignment or a true copy thereof. In case Lessee assigns this lease, in whole or in part, Lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment.

Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligators as to the acreage surrendered.

All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages, for failure to comply therewith, if compliance is prevented by, or if such failure to comply therewith, if compliance is prevented by, or is such failure is the result of, any such law, Order, Rule or Regulation.

Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the Lessee shall have the right at any time to redeem for Lessor, by payment any mortgages, taxes or other liens on the above described lands, in the event of default of payment by Lessor, and be subrogated to the rights of the holder thereof, and the undersigned Lessors, for themselves and their heirs, successors, and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, in so far as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease, or any portion thereof, with any land, lease or leases, in the immediate vicinity thereof, when is Lessee's judgment it is advisable to do so in order to properly develop the acreage covered by this lease with other lands by virtue of the development of vertical, directional or horizontal boreholes on such properties so as to promote the conservation of oil, gas or their minerals in and under that may be produced from said premises, such combination to be in unit or units not exceeding 640 acres, plus a ten percent (10%) tolerance, in the event of either an oil well or a gas well. Lessee shall execute in writing and record in the records of the county in which the land herein leased is situated an instrument identifying and describing the acreage that has been so combined or unitized. The entire acreage so combined into a unit shall be treated for all purposes as if such lands were included in this lease. If production is found on the unitized acreage, it shall be treated as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. Lessor shall receive on production from a unit so formed only such portion of the royalty stipulated herein as the amount of his or her acreage placed in the unit for his or her royalty interest therein on an acreage basis bears to the total acreage in the unit.

In the event the term of this lease has not been extended by production or some other provision contained in the lease, Lessee is hereby given the exclusive right and option to extend the primary term of this lease as to all or any portion of the land covered hereby for an additional (2) Years from the date of the expiration of the original primary term. This option may be exercised by Lessee at any time during the last year of the original primary term hereof by paying or tendering to Lessor, or its successor, the sum of (25) Dollars (\$25.00) per net mineral acre covered by this lease. Should this option be exercised as

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herein provided, it shall be considered for all purposes as though this lease originally provided for a paid-up primary term of (5) years. Payment shall be considered made and option exercised by mailing payment to last known address of Lessor or its assigns.

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

SEE ADDENDUM attached hereto and made a part hereof.

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

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ACKNOWLEDGMENT

STATE OF KANSAS

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COUNTY OF STAFFORD

Signed or attested before me on this 30 day of SETY. 2020, by Ronald T. Richardson

- Willin 74 Notary Public:

KYLE WILLIAM BUNKER

Notary Public - State of Kansas

My Appt. Expires //~/7-23

STATE OF KANSAS

COUNTY OF STAFFORD

Signed or attested before me on this Andrew of Sept. 2020, by Janet F. Richardson

Notary Public:

Commission Expires:

	KYLE WILLIAM BUNKER Notary Public - State of Kansas
Μ y Α	oppt. Expires //- /7-23

ADDENDUM to Oil and Gas Lease dated 9-30-2020, by and between **Ronald T. Richardson & Janet F. Richardson, husband and wife, whose address is 96 S. US HWY 281. St. John. KS 67576.** Lessor, and **Thomas Garner Inc. whose address is 305 E. 7th Ave. St. John. KS 67576, as Lessee, covering the following lands in <u>Stafford County, Kansas</u>:**

LEGAL DESCRIPTION Township 24 South. Range 13 West Section: 8 SE/4

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

- Lessee shall have one (1) year, hereinafter called "shut in period", commencing at the end of the primary term, in which to make pipeline 1. connection for the production or marketing of gas. This shut in period may be extended for a period not to exceed two (2) additional years at the option of Lessee. During the shut-in period, Lessee shall pay to Lessor shut in royalty at the rate of ten dollars (\$10.00) per acre, which royalty shall be due and payable on or before the anniversary date of this lease.
- 2. Lessee shall not be permitted to use any well drilled on these leased premises as a salt-water disposal well without the written consent of landowner and without compensating landowner for the use thereof. However, the terms of this paragraph do not apply to the disposal of salt water produced from wells located on lands covered by this lease or lands unitized therewith.

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- 3. Lessee shall, upon the completion of any "dry hole" test drilling operation, or upon the abandonment of any producing well, restore the surface of the land, including topsoil, as nearly as possible to its original condition and remove all equipment, fixtures, structures and hard surface areas within (6) months.
- 4. The undersigned hereby gives the exclusive right to Lessee, and/or its assigns to enter the above described property with the necessary equipment for the purpose of conducting a seismic and/or geological survey. Lessee and/or its assigns shall conduct all operations in a careful, diligent, workmanlike manner. Necessary line clearance and tree trimming is authorized.
- Lessee shall consult with Lessor regarding the route of ingress and egress on or through the leased premises relative to exploration, drilling, production and other lease operations prior to engaging in such operations.
- 6. Lessee shall be liable for, and agrees to pay for or remediate, at Lessee's discretion, damage shown to be directly caused by its operations on or under the lease premises, including without limitation, damage to Lessor's personal property, existing water wells, appurtenances, improvements, existing and growing crops, grasses, or viable trees, as a result hereof. In the event Lessee uses existing roads of Lessor, Lessee shall maintain such roads. In those areas of the leased premises where cattle or other livestock are grazed, Lessee agrees to fence, or use other reasonable techniques, around its drill sites, corresponding pits, pumping units, tank batteries and other equipment, so as to restrain said cattle or livestock. There shall be no oil road surfaces or hard surfacing of any access roads without the written consent of Lessor. Lessee agrees to restore the surface to its original condition as nearly as is practicable upon completion of its operations thereon. If after nine months, there remains evidence of drilling mud or salt damage, the lessee agrees to restore surface to original condition.
- 7. In the event of production and continued use of the surface by Lessee, Lessee or its assigns, will maintain restore and repair the lands that are affected by the lease operations.
- Lessee shall have no right to lay pipelines, install or construct other structures except those directly relating to production of oil and/or gas from the real estate described in this lease.
- 9. The provisions of this lease, including this addendum, shall be binding upon the successors and assigns of the parties.
- 10. Lessee's obligations and liabilities under this lease and addendum are extended to the acts and omissions of Lessee's employees, agents, partners, principals, operators, contractors, invitees, successors, and assigns.
- 11. Lessee shall install and maintain (at lessee's expense) fencing around Lessee's oil or gas well sites and tank battery sites to protect any livestock from injury by equipment or by ingestion of oil, salt water or other liquids. Lessee shall install a cattle guard fence crossing where lease road crosses permanent fencing.
- 12. Upon the completion of any drilling operations or any seismographic testing the Lessee shall leave no waste material, litter or other debris on said premises and shall restore said premises as nearly as practicable to the condition the premises were in prior to lessee's operations.
- 13. All Pipelines and electric lines shall be buried and maintained to a minimum depth of four (4) feet below the surface so that farming and ranching operations, including irrigation, terracing and subsoil tillage may be safely performed.
- 14. It is agreed between the Lessor and Lessee that, notwithstanding any language herein to the contrary, all oil, gas or other proceeds accruing to the Lessor under this lease or by state law shall be without deduction, directly or indirectly, for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting and marketing the oil, gas and other products produced to transform the products into marketable form: however, any such costs which result in enhancing the value of the production, so long as they are based on Lessee's actual cost of such enhancement. However, in no event will either the Lessor or the Lessee retrieve a better price than the other party. It is further understood and agreed that this paragraph does not prohibit the Lessee from deducting applicable taxes associated with the Lessor's part of production.
- 15. Lessee agrees not to pool acreage covered in this lease for the purpose of Natural Gas production without written consent of the Lessor(s).
- 16. In the event this lease is pooled or unitized as provided for in the oil and gas lease for with other land, lease or leases in the immediate vicinity, it is understood and agreed that said pooling or unitization will not alter any of the surface provisions incorporated in this oil and gas lease.

SIGNED FOR INDENTIFCATION

all Ronald T. Richardson and Ka ichand Dor t F. Richardson

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

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

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

August 10, 2022

Tom Garner Thomas Garner, Inc. 20 NE 20TH AVE ST JOHN, KS 67576-8318

Re: Drilling Pit Application Tiger Unit 1 NE/4 Sec.17-24S-13W Stafford County, Kansas

Dear Tom Garner:

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

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

If production casing is set all completion fluids shall be removed from the working pits daily. <u>NO</u> 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.