

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

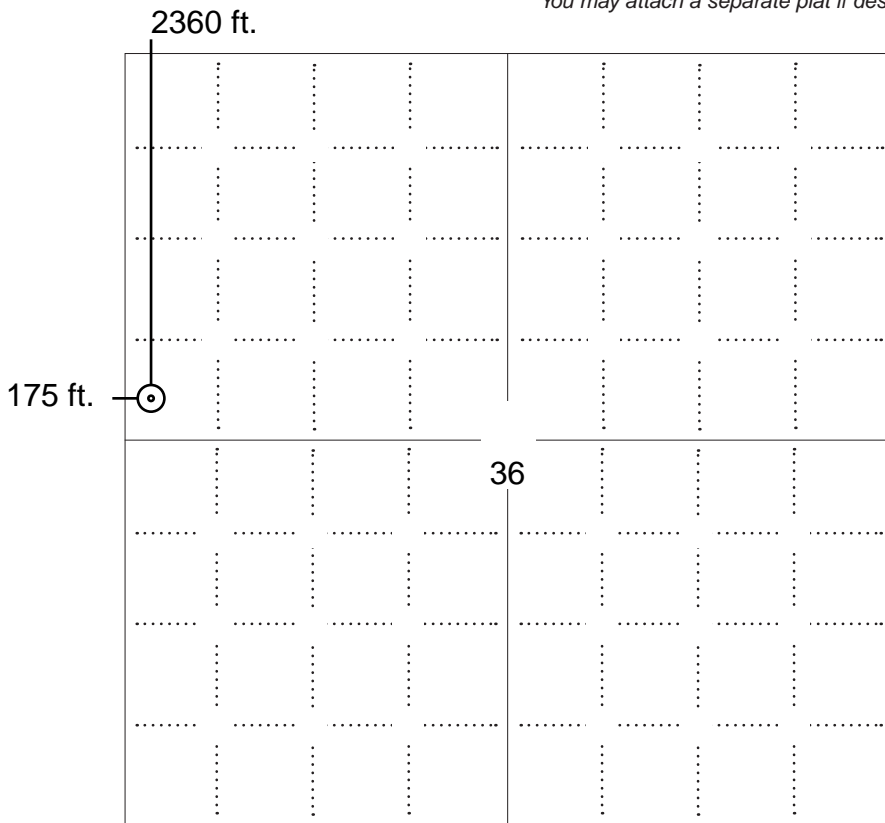
Is Section:  Regular or  Irregular

**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.	
<h2>Submitted Electronically</h2>			

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

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

Form KSONA-1

July 2021

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 (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.*

I Submitted Electronically

I

John Q. Farmer, Inc.  
Darcas C #1 Location Map

1/ 4/23



## OIL AND GAS LEASE

AGREEMENT, Made and entered into this 13th day of September, 2021, by and between

Loren Nels Bishop, a single person

whose mailing address is 1807 Burlington Rd, Emporia, KS 66801, hereinafter called Lessor (whether one or more), and John O. Farmer, Inc., hereinafter called Lessee:

Lessor, in consideration of One and other Dollars (\$ 1.00+ ) in hand paid, receipt of which is here acknowledged and of the royalties herein provided and of the agreements of the Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring by geophysical and other means, prospecting, drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases, and their respective constituent products, injecting gas, water, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, power stations, telephone lines, and other structures and things thereon to produce, save, take care of, treat, manufacture, process, store and transport said oil, liquid hydrocarbons, gases and their respective constituent products and other products manufactured therefrom, and housing and otherwise caring for its employees, the following described land, together with any reversionary rights and after-acquired interest, therein situated in County of Lyon, State of Kansas described as follows to-wit:

The North Half of the Southwest Quarter (N/2 SW/4) of Section 36, Township 16 South, Range 10 East of the 6<sup>th</sup> P.M., Lyon County, Kansas, LESS the following described tract: Beginning on the West line of the N/2 SW/4 of said Section 36, at a point 1370.00 feet North of the Southwest corner of said SW/4 ; thence N.01°20'18"W. (assumed) on the West line of said N/2 SW/4 for a distance of 638.00 feet; thence N.88°39'42"E. at right angle for a distance of 455.40 feet; thence S.01°20'18"E. parallel with the said West line for a distance of 638.00 feet; thence S.88°39'42"W. for a distance of 455.40 feet to the point of beginning, subject to road right of way on the West side thereof,

in Section 36, in Township 16 South, Range 10 East, and containing 73.33 acres, more or less, and all accretions thereto.

Subject to the provisions herein contained, this lease shall remain in force for a term of three (3) years from this date (called "primary term"), and as long thereafter as oil, liquid hydrocarbons, 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 pipe line 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.

If at any time before or after expiration of the primary term there is not paying production attributable to the lease or other existing facts as would hold the lease beyond its primary term, but there is a well or wells capable of producing oil or gas and such well or wells are shut-in before or after production therefrom without surrendering this lease or portion thereof where the wells are located, Lessee shall be absolutely obligated to pay before the end of the current annual period measured by the end of the primary term and successively by such annual intervals thereafter until production is commenced or resumed, One Dollar (\$1) per year per net mineral acre retained hereunder. It will be considered an absolute binding obligation to make such payment giving rise to an enforceable debt obligation if not paid, and is in law constructive production equivalent to actual production in paying quantities. If Lessee shall surrender this lease or any portion thereof during such annual intervals, Lessee nevertheless shall be obligated to make the current payment on the basis of acreage held at commencement of the interval, it being conclusively intended hereby that the lease was in law a producing lease with this royalty payment obligation incurred being constructive production. It is intended this shut-in provision may be used successively and to cover intervals greater than an annual interval if shut-ins continue so long, but the implied covenants are not suspended hereby. The maximum payment in an annual interval, except as royalty on actual production causes it to be exceeded, shall be the amount computed according to this provision, once for each annual period. Lessee shall be entitled to credit royalties paid on actual production during an annual period against annual shut-in payments, and if not taken at the time a shut-in payment is made may take and adjust for this credit in succeeding annual periods or recoup from royalty on actual production at any time.

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 them, 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 term 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 the said Lessor only in the 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 operation thereon, except water from the wells of Lessor.

When requested by Lessor, Lessee shall bury Lessee's pipe lines below plow depth.

No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of Lessor.

Lessee shall pay for damages caused by Lessee's operations to growing crops 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 of 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 the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages, for failure to comply therewith, if compliance is prevented by, or if such failure 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, insofar 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 other land, lease or leases in the immediate vicinity thereof, 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 oil, gas or other minerals in and under and that may be produced from said premises, such pooling to be of tracts contiguous to one

(Caveat)

another and to be into a unit or units not exceeding 40 acres each in the event of an oil well, or into a unit or units not exceeding 640 acres each in the event of a gas well. Lessee shall execute in writing and record in the conveyance records of the county in which the land herein leased is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit 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 the pooled 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. In lieu of the royalties elsewhere herein specified, Lessor shall receive on production from a unit so pooled only such portion of the royalty 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 so pooled in the particular unit involved.

If the leased premises are now or shall hereafter be owned in severally or in separate tracts, the premises may nevertheless 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 obligation on the part of the lessee to offset wells on separate tracts into which the land covered by this lease may now or hereafter be divided by sale, devise, descent or otherwise, or to furnish separate receiving or measuring tanks or devices.

Lessee shall not be liable for delays or defaults in the performance of any agreement or covenant hereunder due to force majeure. The term "force majeure" as employed herein shall mean: any act of God including, but not limited to, storms, floods, washouts, landslides and lightning; acts of the public enemy; wars, blockades, insurrections, riots, strikes or lockouts; epidemics, pandemics or quarantine regulations; laws, acts, orders, demands of federal, state, municipal or other governments or governmental officers, or agents under cover of authority; freight embargoes or failures; exhaustion or unavailability or delays, delivery of any product, labor, service or material not the fault of Lessee; and interference by Lessor. If Lessee is required, ordered or directed by any federal, state or municipal law, executive order, rule, regulation or request, enacted or promulgated under cover of authority to cease drilling, working or producing operations, then, until such time as such law, order, rule, regulation or any other force majeure described in this clause is terminated and for a period equal to the period of the force majeure, but in no event less than ninety (90) days after its termination, each and every provision of this lease that might operate to terminate it or the estate or interest conveyed by it shall be suspended and inoperative and this lease shall continue in full force and effect. If Lessor, by any means, including litigation or physical force, shall prevent or make hazardous operations in the lease, the period of such interference shall be forgiven and the lease shall continue in full force and effect in like manner after the interference is finally removed. Litigation questioning the validity of any part of this leasehold by Lessor, or a partial Lessor holding a portion of it shall be treated as litigation preventing operations inasmuch of the leasehold as is challenged by such litigation and in the entire leasehold if not already held by actual or constructive production.

The terms, covenants, and conditions hereof shall run with the land and herewith and shall be binding upon the parties hereto, their heirs, administrators, devisees, executors, successors and assigns.

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

*Loren Nels Bishop*  
Loren Nels Bishop

ACKNOWLEDGMENT

STATE OF KANSAS, COUNTY OF Lyon, ss:

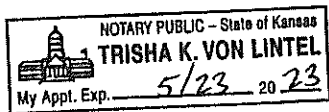
The foregoing instrument was acknowledged before me this 6<sup>th</sup> day of October, 2021, by

Loren Nels Bishop, a single person

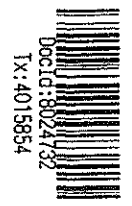
My appointment expires:

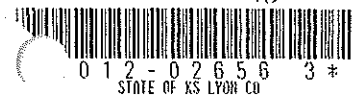
*Trisha K VonLintel*  
Notary Public

Printed: Trisha K VonLintel



56 16 10





STATE OF KANSAS

VICTORIA LOPEZ, REGISTER OF DEEDS

REC FEE: \$16.00 07/24/2012 11:15:56AM

## PAID UP OIL AND GAS LEASE

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

15. Lessor hereby warrants and agrees to defend the title to the Lands. In the event of default of payment by Lessor, Lessor agrees that the Lessee shall have the right at any time to redeem for Lessor by payment, any mortgages, taxes or other liens on the Lands, and thereafter, be subrogated to the rights of the holder thereof, and the Lessor, for themselves and their heirs, successors and assigns. Lessor hereby surrenders and releases all right of dower and homestead in the Lands, insofar as said right of dower and homestead may in any way affect the purposes for which this Lease is made.

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

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

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

Phyllis Dorcas  
Phyllis Dorcas

Glenn E. Dorcas  
Glenn E. Dorcas

(ACKNOWLEDGMENT FOR INDIVIDUAL)

STATE OF KANSAS )

COUNTY OF Clifford ) ss:

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

My commission expires:

4/1/15

Elizabeth A. Collins  
Notary Public

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



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

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

Description of lands :

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

Signed for Identification :

x Phyllis Dorcas  
Phyllis Dorcas

x Glenn E. Dorcas  
Glenn E. Dorcas



12 - 024363 \*  
STATE OF KS LYON CO  
VICTORIA LOPEZ, REGISTER OF DEEDS  
REC FEE: \$16.00 07/09/2012 04:09:15PM

PAID UP OIL AND GAS LEASE

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

Description of lands :

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

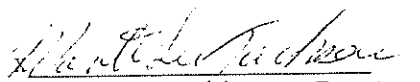
Section 25: NE/4, EXCEPT four (4) acres used for cemetery purposes in the Northeast corner described as follows: Commencing at the Northeast Corner of said Quarter section thence South 32 rods, thence West 20 rods, thence North 32 rods, thence East 20 rods to the place of beginning, and ALSO EXCEPT a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

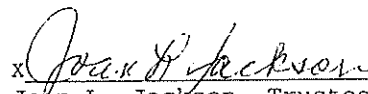
Section 26: S/2SE/4<sup>or 3</sup>

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

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

Signed for Identification :

  
Montie Lee Jackson, Trustee

x   
Joan L. Jackson, Trustee