

APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name: Running Foxes Petroleum Inc.		License Number: 33397	
Operator Address: 7060 S TUCSON WAY STE B		CENTENNIAL CO 80112	
Contact Person: Amanda Huffer		Phone Number: 303-617-7242	
Lease Name & Well No.: White 12-7-3		Pit Location (QQQQ): _____ <u>SW</u> _____ <u>NW</u> _____ <u>NW</u> Sec. <u>7</u> Twp. <u>33</u> R. <u>2</u> <input checked="" type="checkbox"/> East <input type="checkbox"/> West <u>990</u> Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section <u>330</u> Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section <u>Sumner</u> County	
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 checked="" type="checkbox"/> Haul-Off Pit <i>(If WP Supply API No. or Year Drilled)</i>		Pit is: <input type="checkbox"/> Proposed <input checked="" type="checkbox"/> Existing If Existing, date constructed: <u>3/28/11</u> Pit capacity: <u>950</u> (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input checked="" 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Artificial Liner? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
How is the pit lined if a plastic liner is not used? Clay			
Pit dimensions (all but working pits): <u>225</u> Length (feet) <u>225</u> Width (feet)		<input type="checkbox"/> N/A: Steel Pits	
Depth from ground level to deepest point: <u>3</u> (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: <u>NA</u> 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 checked="" type="checkbox"/> KDWR	
Emergency, Settling and Burn Pits ONLY: 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		Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: <u>Native Mud</u> Number of working pits to be utilized: <u>1</u> Abandonment procedure: <u>Air dry and back fill. Pump water if necessary.</u> Drill pits must be closed within 365 days of spud date.	
Submitted Electronically			

KCC OFFICE USE ONLY			
Date Received: <u>08/08/2011</u>	Permit Number: <u>15-191-22626-00-00</u>	Permit Date: <u>08/08/2011</u>	Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
		<input type="checkbox"/> Liner <input type="checkbox"/> Steel Pit <input checked="" type="checkbox"/> RFAC <input type="checkbox"/> RFAS	

Kansas Corporation Commission Oil & Gas Conservation Division

HAUL-OFF PIT APPLICATION FILING REQUIREMENTS

82-3-607. DISPOSAL OF DIKE AND PIT CONTENTS.

- (a) Each operator shall perform one of the following when disposing of dike or pit contents:
- (1) Remove the liquid contents to a disposal well or other oil and gas operation approved by the commission or to road maintenance or construction locations approved by the department;
 - (2) dispose of reserve pit waste down the annular space of a well completed according to the alternate I requirements of K.A.R. 82-3-106, if the waste to be disposed of was generated during the drilling and completion of the well; or
 - (3) dispose of the remaining solid contents in any manner required by the commission. The requirements may include any of the following:
 - (A) Burial in place, in accordance with the grading and restoration requirements in K.A.R. 82-3-602 (f);
 - (B) removal and placement of the contents in an on-site disposal area approved by the commission;
 - (C) removal and placement of the contents in an off-site disposal area on acreage owned by the same landowner or to another producing lease or unit operated by the same operator, if prior written permission from the landowner has been obtained; or
 - (D) removal of the contents to a permitted off-site disposal area approved by the department.
- (b) Each violation of this regulation shall be punishable by the following:
- (1) A \$1,000 penalty for the first violation;
 - (2) a \$2,500 penalty for the second violation; and
 - (3) a \$5,000 penalty and an operator license review for the third violation.

Complete and return with Haul-Off Pit Application, Form CDP1(2004)

Haul-off pit will be located in an on-site disposal area: Yes No

Haul-off pit is located in an off-site disposal area on acreage owned by the same landowner:
 Yes No If yes, written permission from the land owner must be obtained. Attach written permission to haul-off pit application.

Haul-off pit is located in an off-site disposal area on another **producing** lease or unit operated by the same operator: Yes No If yes, written permission from the land owner must be obtained. Attach permission and a copy of the lease assignment that covers the acreage where the haul-off pit is to be located, to the haul-off pit application.

CONSERVATION DIVISION

Timney State Office Building, 130 S. Market, Room 2078, Wichita, KS 67202-3802
(316) 337-6200 • Fax: (316) 337-6211 • <http://kcc.ks.gov/>

Conservation Division
Finney State Office Building
130 S. Market, Rm. 2078
Wichita, KS 67202-3802



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

Mark Sievers, Chairman
Ward Loyd, Commissioner
Thomas E. Wright, Commissioner

Sam Brownback, Governor

August 08, 2011

Amanda Huffer
Running Foxes Petroleum Inc.
7060 S TUCSON WAY STE B
CENTENNIAL, CO 80112

Re: Drilling Pit Application
White 12-7-3
Sec.07-33S-02E
Sumner County, Kansas

Dear Amanda Huffer:

District staff has inspected the above referenced location and has determined that the Haul-Off pit shall be constructed **without slots**, the bottom shall be flat and reasonably level, and the free fluids must be removed. The fluids are to be removed from the Haul-Off pit within 1 week of completion of drilling operations.

NO completion fluids or non-exempt wastes shall be placed in the Haul-Off pit.

The fluids should be taken to an authorized disposal well. Please call the District Office at (316) 630-4000 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.

If you have any questions or concerns please feel free to contact the District Office at (316) 630-4000.

Summary of Changes

Lease Name and Number: White 12-7-3

API/Permit #: 15-191-22626-00-00

Doc ID: 1061061

Correction Number: 1

Field Name	Previous Value	New Value
How Pit is Lined if Plastic Liner Not Used	Native Clay	Clay
KCC Only - Date Received	07/27/2011	08/08/2011
KCC Only - Lease Inspection	Yes	No
KCC Only - Permit Date	07/29/2011	08/08/2011
KCC Only - Permit Number	15-191-22599-00-00	15-191-22626-00-00
Save Link	../kcc/detail/operatorEditDetail.cfm?docID=1060319	../kcc/detail/operatorEditDetail.cfm?docID=1061061

Summary of Attachments

Lease Name and Number: White 12-7-3

Doc ID: 1061061

Correction Number: 1

Attachment Name

72 Hrs CDP1



KANSAS CORPORATION COMMISSION 1060319
OIL & GAS CONSERVATION DIVISION

Form CDP-1
May 2010
Form must be Typed

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Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

Kansas Corporation Commission Oil & Gas Conservation Division

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CONSERVATION DIVISION

Finney State Office Building, 130 S. Market, Room 2078, Wichita, KS 67202-3802
(316) 337-6200 • Fax: (316) 337-6211 • <http://kcc.ks.gov/>

March 24, 2011

Kansas Corporation Commission
Conservation Division
130 S. Market, Room 2078
Wichita, KS 67202-3802
ATTN: Jonelle Rains


RE: Haul Off Pit Landowner Approval

Dear Ms. Rains,

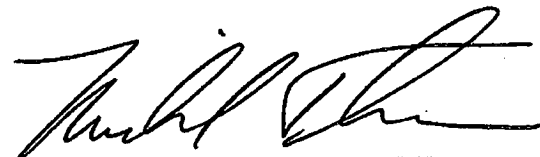
We, Christine Tedesco and Michael Thomsen, President Osceola Production, LLC, are the legal landowners of record of Township 33 South, Range 2 East, Section 7; NW. We are writing this letter granting Running Foxes Petroleum Inc., permission to haul pit contents from another lease to an approved surface pit location on our land.

Please see attached deeds, documenting the chain of title.

Best regards,



Christine Tedesco



Michael Thomsen, Osceola Production

INDEXED
DIRECT
INDIRECT
PHOTO
COMPARED WITH
COPY

State of Kansas, Sumner County SS:
Filed for record on the 12th Day of
May, 2009 A.D. at 10:30
o'clock AM and recorded in photo
Book 783 at page 472
fees \$ 3.00
Joyce A. Lowe Register of Deeds

WARRANTY DEED

The Grantor, RUNNING FOXES PETROLEUM, INC.

Does hereby Convey and Warrant to:

The Grantee, CHRISTINE TEDESCO

The following described real estate situated in Sumner County, State of Kansas
to wit:

- T33S R1E Sec. 11: SW
T33S R1E Sec. 14: SE
T33S R1E Sec. 29: SW except tracts condemned for Highway Purposes
T33S R2E Sec. 7: NW
T34S R1E Sec. 9: E2NE
T34S R2E Sec. 5: Lots 1 and 2 and the S2NE (aka NE)

CONSIDERATION: One Dollar (\$1.00) and other consideration,
the receipt of which is hereby acknowledged

No real estate sales validation questionnaire required Exception #4.

EXCEPT AND SUBJECT TO: Easements and restrictions of record.

DATED: April 30, 2009, but to be made effective as of January 1, 2009

[Signature]
Steven A. Tedesco,
CEO and President of Running Foxes Petroleum, Inc.

STATE OF COLORADO)
) SS:
COUNTY OF ARAPAHOE)

BE IT REMEMBERED, That on this 30th day of April, 2009, before me,
the undersigned, a notary public, in and for the county and state aforesaid, came
Steven A. Tedesco, as CEO and President of Running Foxes Petroleum, Inc. who
is personally known to me to be the same person who executed the within
instrument of writing and duly acknowledged the execution of the same for and
on behalf of said corporation.

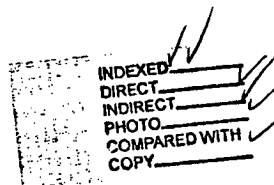
IN WITNESS WHEREOF, I have hereto set my hand and affixed my seal,
the day and year last above written.

Term Expires: Notary Public: Karla Peterson
Karla Peterson

KARLA PETERSON
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expires November 9, 2011



Return: Running Foxes, 7060B S Tucson Way, Centennial CO 80112



PRODUCERS 88-PAID UP
Kansas CBM Form
Prospect:

OIL AND GAS LEASE

This Agreement, made and entered into this 17th day of October, 2006, by and between Robert T. White and Barbara G. White husband and wife, whose address is 170 E. 90th, Wellington, Kansas 67152

hereinafter called Lessor (whether one or more), Norman E. Thole

whose address is 27011 W. 226th St. Spring Hill Kansas 66083 their successors and assigns, hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of TEN AND MORE (\$10.00 +) DOLLARS cash in hand paid, the receipt and sufficiency are hereby acknowledged, and the covenants and agreements hereinafter contained, has granted, demised, leased and let, and by these presents does hereby grant, demise, lease and let exclusively unto the said Lessee, the land hereinafter described, for the purpose of investigating, exploring by geophysical and other methods, drilling, operating, producing and owning oil, gas, and other hydrocarbons and all other minerals or substances, whether similar or dissimilar, including, but not limited to, coalbed methane, water, helium, nitrogen, carbon dioxide, and all substances produced in association therewith from all subsurface formations including coal bearing formations, that may be produced from any well drilled under the terms of this lease ("Leased Substances"), and for the dewatering of subsurface strata to in an effort to produce coalbed methane gas, and for injecting water, produced brine and other fluids, gas, air and other substances into subsurface strata, whether said fluids come from the leased premises or lands operated in conjunction therewith, together with the right to utilize and distribute the acquired data in any manner that Lessee deems appropriate, together with rights of way and easements for accessing, constructing, operating, maintaining and making use of roads, bridges, pipelines, electrical lines, telephone lines, tanks, power stations, and other structures and facilities for drilling, producing, operating or maintaining wells on the leased premises or other wells in the vicinity of said lands, and rights of way and easements for erection of structures and facilities thereon to produce, save, take care of, treat, process, compress, store and transport said products and products manufactured therefrom, and to inject said fluids, and when it relates to operations on or production from the leased premises or lands operated in conjunction therewith, for the housing and care of Lessee's employees, contractors, subcontractors and agents, all that certain tract of land, together with any reversionary, remaindermen and executory rights therein, situated in Sumner County, State of Kansas described as follows, to-wit:

Township 33-South, Range 1-East

Section 10: SW/4 ex 20 acre tract

Section 12: SE/4

And containing 320 acres, more or less. It is the intention of the Lessor to and Lessor does hereby include in this lease and does hereby GRANT, LEASE AND LET unto Lessee for the herein stated purposes all of Lessor's interest in the herein described section(s), township(s) and range(s) whether correctly described herein or not, and all future interests and after acquired interests of Lessor in the described lands (other than those constituting regular 40 acre governmental subdivisions or lots of approximately corresponding size) together with all strips, accretions, islands, submerged lands and lands underlying roads, easements, rights-of-way and other lands which traverse or adjoin the described lands and owned or claimed by Lessor (all foregoing lands together with any lands unitized or pooled therewith being referred to herein as "said land" or "leased premises"). Lessor agrees to execute any supplemental instrument requested by Lessee for a more complete or accurate description of the leased premises and/or to cure any title defects in said land.

1. It is agreed that this lease shall remain in force for a term of three(3) years from this date and as long thereafter as any Leased Substance of whatsoever nature or kind is produced from said leased premises or on acreage pooled therewith, or drilling, re-working or other operations are continued as hereinafter provided. If, at the expiration of the primary term of this lease, no Leased Substance is then being produced on the leased premises or on acreage pooled therewith but Lessee is then engaged in drilling, re-working or other operations thereon, then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises or on acreage pooled therewith; and operations shall be considered to be continuously prosecuted if not more than ninety (90) days shall elapse between the actual conduct of operations, such as, by way of example but not limitation, completion or abandonment of one well and the beginning of operations for the drilling of a subsequent well, operations on a well or wells to remove water or other substances from the producing formation, or operations to dispose of such water or other substances, even though such operations may not result in the production of hydrocarbons in paying quantities. If after discovery of Leased Substances on the leased premises or on acreage pooled therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling, re-working, maintenance or other operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If Leased Substances shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as any Leased Substance is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. 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 on gas produced from said land (1) when sold by Lessee, one-eighth (1/8) of the net proceeds realized by Lessee at the well for such sale, or (2) when used by Lessee in the manufacture of gasoline or other products, the market value, at the well, of one-eighth (1/8) of such gas; Lessor's interest in either case, to bear one-eighth (1/8) of all post-production costs, including, but not limited to, costs of compressing, dehydrating and otherwise treating such gas to render it marketable or usable or transportable in the interstate pipeline system, and one-eighth (1/8) of the costs of gathering, transporting and marketing such gas from the

Return: Rurning Foxes Petroleum, Inc., 7060 B So. Tuscan Way, Centennial, CO 80112

- mouth of the well to the point of sale or use.
- 3rd. To pay Lessor one-eighth (1/8) of the net proceeds at the well received from the sale of any substance covered by this lease, other than oil and gas and the products thereof, which Lessee may elect to produce, save, and market from the leased premises; Lessor's interest to bear one-eighth (1/8) of all post-production costs, including but not limited to costs of treating such substances to render it marketable, usable or transportable, and one-eighth (1/8) of the costs of gathering, transporting and marketing such substances from the mouth of the well to the point of sale or use.
4. If any well capable of producing Leased Substances, including a well drilled and waiting on completion and hook-up, whether or not in paying quantities, located on said land or on lands pooled or unitized with all or part of said land, is at any time shut in and production therefrom is not sold or used on or off the leased premises, nevertheless such shut-in well shall be considered a well producing Leased Substances and this lease will continue in force while such well is shut in, notwithstanding expiration of the primary term. In lieu of any implied covenant to market, Lessee expressly agrees to market oil and/or gas produced from Lessee's well located on said lands or on lands pooled or unitized therewith, but Lessee does not covenant or agree to reinject or recycle gas, to market such oil and/or gas under terms, conditions or circumstances which in Lessee's judgement are uneconomic or otherwise unsatisfactory or to bear more than Lessee's revenue interest share of the cost and expense incurred to make the production marketable. If all wells on said land, or on lands pooled or unitized with all or part of said land, are shut in, then within 60 days after expiration of each period of one year in length (annual period) during which all such wells are shut in, Lessee shall be obligated to pay or tender to Lessor at above address via U.S. Mail on or before said date, as royalty, the sum of \$1.00 multiplied by the number of acres subject to this lease, provided, however, that if production from a well or wells located on the leased premises or on lands pooled or unitized therewith is sold or used on or off the premises before the end of any such period, or if this leases is otherwise being maintained by operations, or if at the end of any such annual period this lease is being maintained in force and effect other than solely by reason of the shut-in well(s), Lessee shall not be obligated to pay or tender said sum of money for that annual period. 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. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.
6. Lessee shall have the right to use or flare, free of cost, gas, oil water and other Leased Substances produced on said land for Lessee's operation thereon, except water from the wells of Lessor.
7. Lessee shall bury Lessee's pipe line below plow depth.
8. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of Lessor.
9. Lessee shall pay for damages caused by Lessee's operations to growing crops on said land.
10. 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.
11. The rights of Lessor and Lessee hereunder may be assigned in whole or part. No change in ownership of Lessor's interest (by assignment or otherwise) shall be binding on Lessee until Lessee has been furnished with notice, consisting of certified copies of all recorded instruments or documents and other information necessary to establish a complete chain of record title from Lessor, and then only with respect to payments thereafter made. No other kind of notice, whether actual or constructive, shall be binding on Lessee. No present or future division of Lessor's ownership as to different portions or parcels of said land shall operate to enlarge the obligations or diminish the rights of Lessee, and all Lessee's operations may be conducted without regard to any such division. If all or any part of this lease is assigned, no leasehold owner shall be liable for any act or omission of any other leasehold owner.
12. Lessee, at its option, is hereby given the right and power at any time and from time to time as a recurring right, either before or after production, as to all or any part of the land described herein and as to any one or more of the formations hereunder, to pool or unitize the leasehold estate and the mineral estate covered by this lease with other land, lease or leases in the immediate vicinity for the production of oil and gas, or separately for the production of either, when in Lessee's judgment it is necessary or advisable to do so, and irrespective of whether authority similar to this exists with respect to such other land, lease or leases. Likewise, units previously formed to include formations not producing oil or gas, may be reformed to exclude such non-producing formations. The forming or reforming of any unit shall be accomplished by Lessee executing and filing of record a declaration of such unitization or reformation, which declaration shall describe the unit. Any unit may include land upon which a well has theretofore been completed or upon which operations for drilling have theretofore been commenced. Production, drilling, dewatering or re-working operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling, dewatering or re-working operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total number of surface acres covered by this lease and included in the unit bears to the total number of surface acres in such unit. In addition to the foregoing, Lessee shall have the right to unitize, pool, or combine all or any part of the above described lands as to one or more of the formations thereunder with other lands in the same general area by entering into a cooperative or unit plan of development or operation approved by any governmental authority and, from time to time, with like approval, to modify, change or terminate any such plan or agreement and, in such event, the terms, conditions and provisions of this lease shall be deemed modified to conform to the terms, conditions, and provisions of such approved cooperative or unit plan of development or operation and, particularly, all drilling and development requirements of this lease, express or implied, shall be satisfied by compliance with the drilling and development requirements of such plan or agreement, and this lease shall not terminate or expire during the life of such plan or agreement. In the event that said above described lands or any part thereof, shall hereafter be operated under any such cooperative or unit plan of development or operation whereby the production therefrom is allocated to different portions of the land covered by said plan, then the production allocated to any particular tract of land shall, for the purpose of computing the royalties to be paid hereunder to Lessor, be regarded as having been produced from the particular tract of land to which it is allocated and not to any other tract of land; and the royalty payments to be made hereunder to Lessor shall be based upon production only as so allocated. Lessor shall formally express Lessor's consent to any cooperative or unit plan of development or operation adopted by Lessee and approved by any governmental agency by executing the same upon request of Lessee.
13. For purposes of promoting the development of shallow gas and associated hydrocarbons and other Leased Substances produced in conjunction therewith, Lessee is granted the power to pool and unitize this lease into a development pooled unit of up to 5,760 acres. This grant shall only be effective if Lessee drills or has drilled no later than one (1) year from declaration of pooling and in no event later than one (1) year after the expiration of the primary term hereof, at least two wells within the pooled unit. This special pooling grant is only effective as to formations hereby defined as geologic formations located from the surface of the earth to one hundred feet (100') below the top of the Mississippian Carbonate formation. To utilize this pooling grant Lessee shall file with the Recorders Office of the relevant county

or counties a declaration of the exact description of the unit formed pursuant to this clause. Subject to fulfilling the above described drilling requirements, such declaration is all that is required to establish the pooled unit. If such gas well or wells as contemplated by this clause shall not be drilled on the premises herein leased it shall nevertheless be deemed to be upon the leased premises within the meaning of all covenants, expressed or implied, in this lease. Lessor shall receive on hydrocarbon production thus pooled such proportion of the royalty stipulation herein reserved as the amount of Lessor's acreage placed in the unit bears to the total acreage so pooled in the particular declared unit, regardless of which wells the production actually comes from. After one such unit has been declared, Lessee may add other lands to such unit up to the limit of 5,760 acres.

14. 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 agrees that, should Lessee be prevented from complying with any expressed or implied covenants of this lease (except payment of money to Lessor) by reason of scarcity of or inability to obtain or use labor, water, equipment or material (including drilling rig), strike or differences with workmen, failure of carriers to transport or furnish facilities for transportation, wars, fires, storms, storm warnings, floods, riots, epidemics, or any other cause whatsoever beyond its control, whether similar or dissimilar from those enumerated, any such reason shall be deemed an "event of force majeure" and then, while Lessee is so prevented, its obligation to comply with such covenant shall be suspended and excused and the period for performance and the term of this lease shall be extended for an additional period equal to the duration of the event of the force majeure, and Lessee shall not be liable for damages for failure to comply therewith. Upon the occurrence and upon the termination of the event of force majeure, Lessee shall promptly notify Lessor. Lessee shall use reasonable diligence to remedy the event of force majeure, but shall not be required against its better judgment to settle any labor dispute or contest the validity of any law or regulation or any action or inaction of civil or military authority.

15. 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 Lessor hereby agrees that any such payments made by Lessee for the Lessor may be deducted from any amounts of money which may become due the Lessor under the terms of this lease. 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.

16. Any coal mining lease, whether it be for surface mining operations or underground operations, executed during the term of this lease, shall be expressly subject to the rights granted Lessee by this lease, especially including those set forth in paragraph 17. Furthermore, any subsequent coal mining lease shall expressly exclude occluded natural gas or methane in coal seams.

17. It is understood and agreed that in order to obtain maximum efficient recovery of coalbed gas and other Leased Substances, Lessee may treat and stimulate coal seams and other subsurface strata in such manner as Lessee may determine in its sole discretion. Such treatment and stimulation may include, but is not limited to, hydraulic stimulation or the injection of gas, water, brine or other fluids into subsurface strata. Lessor hereby releases and agrees to hold harmless Lessee from any and all claims, actions, damages, liability, and expenses (including costs, attorney's fees and expert fees) by through or under Lessor, which may arise in connection with any damage or injury to any coal seam or other subsurface strata as a result of such activities conducted under this lease.

18. Should any one or more of the parties hereinabove named as Lessor fail to execute this Lease, it shall nevertheless be binding upon all such parties who do execute it as Lessor. The word "Lessor", as used in this lease, shall mean any one or more or all of the parties who execute this lease as Lessor. All the provisions of this lease shall be binding on the heirs, successors and assigns of Lessor and Lessee.

19. Lessor and Lessee hereby made, as express provisions of this lease, the following: It is agreed that this lease shall remain in force for a term of three(3) year(s) from the date, and as long thereafter as Leased Substances, or any of them, is produced from said land by the Lessee, its successors and assigns. Lessee has the option to extend this lease for an additional term of three(3) year(s) from the expiration of the primary term of this lease, and as long thereafter as Leased Substances, or any of them, is produced from said land by the Lessee, its successors and assigns, said renewal to be under the same terms and conditions as contained in this lease. Lessee, its successors or assigns, may exercise this option to renew if on or before the expiration date of the primary term of this lease, Lessee pays or tenders to the Lessor or to the Lessor's credit, the sum of twenty (20), dollars per net mineral acre.

20. Bonuses may be paid by check or draft and may be remitted by mail. Mailing of bonuses on or before the bonus paying date shall be deemed a timely tender thereof and shall preclude termination of this lease.

21. In the event Lessor considers that Lessee has not complied with all its obligations hereunder, both expressed and implied, Lessor shall notify Lessee in writing, setting out specifically in what respects Lessee has breached this contract. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by Lessor. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all of its obligations hereunder. Should it be asserted in any notice given to the Lessee under the provision of this paragraph that Lessee has failed to comply with any implied obligation or covenant hereof, this lease shall not be subject to cancellation for any such cause except after final judicial ascertainment that such failure exists and Lessee has then been afforded a reasonable time to prevent cancellation by complying with and discharging its obligations as to which Lessee has been judicially determined to be in fault. If this lease is cancelled for any cause, it shall nevertheless remain in force and effect as to (1) sufficient acreage around each well as to which there are operations to constitute a drilling or maximum allowable unit under applicable governmental regulations, (but in no event less than forty acres), such acreage to be designated by Lessee as nearly as practicable in the form of a square centered at the well, or in such as then existing spacing rules require; and (2) any part of said land included in a pooled unit on which there are operations. Lessee shall also have such easements on said land as are necessary to operations on the acreage so retained and other lands operated in conjunction therewith.

22. Lessee shall not be liable for any environmental or operational costs associated with existing wells (and associated surface facilities) already located on the lands covered hereby, which wells were drilled or operated prior to the date of this lease. Furthermore, it is understood and agreed that this lease shall cover the lands described, less and except a tract of land in the form of a square being 50 feet by 50 feet centered around any inactive or abandoned well that may exist thereon as of the date hereof. Lessee shall have the right, with no obligation, at Lessee's option to plug any such well and thereafter the land surrounding said well, which were originally excluded from this lease, shall be incorporated with and become part of the premises covered by this lease the same as if said lands had originally been included herein.

IN WITNESS WHEREOF, this instrument is executed as of the date first above written.

Robert T. White
Robert T. White

Barbara G. White
Barbara G. White

SS #/Tax ID# _____

State of KANSAS
County of SUMNER

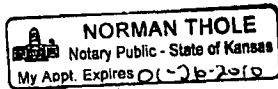
ACKNOWLEDGEMENT

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 17th day of October, 2006, Personally appeared Robert T. White and Barbara G. White, husband and wife, to me known to be the person(s) described in and that executed the foregoing instrument and acknowledged to me that each executed the same in his (her,their) free act and deed.

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

MY COMMISSION EXPIRES: 01-26-2010

Norm Thole
Notary:



State of Kansas, Sumner County SS:
Filed for record on the 17th Day of
March 2007 A.D. at 8:00
o'clock PM and recorded in photo
Book 736 at page 262
fees \$ 20.00
Joyce A Lowe
Joyce A Lowe Register of Deeds

norman-c

ORDER FOR PAYMENT

OFP#

Lessee/Grantee shall, subject to its approval of title, make payment as indicated herein by check at completion of pipeline. The right to receive this payment shall not be assigned, whether as collateral or otherwise.

If the Agreement referenced herein covers less than the entire undivided interest in such land, then the dollar amount listed herein shall be paid to the payee only in the proportion which the interest in said lands covered by the Agreement bears to the entire undivided interest therein. Further, should Lessor/Grantor own more or less than the net interest defined herein, Lessee/Grantee may increase or reduce the dollar amount payable hereunder proportionately.

PAYEE: Robert T. White and Barbara G. White, husband and wife

Address: ¹⁷⁹~~170~~ E. 90th
Wellington, Ks 67152

The amount of: One Thousand Six Hundred and 00/100.....\$1,600.00

This payment is for the following Agreement, which covers property described as follows:
Township 33-South, Range 1-East
Section: 12: SE/4

Agreement Type: Easement and Right of way

Dated: 12- 22 -2008

Gross Rods: 160

Net Rods: 160

\$ Per Net Rod: \$10.00

Completed by: Norman Thole

Robert T. White

Barbara G. White

SS#

Norman Thole, Agent

Forward to Lessee/Grantee: Running Foxes Petroleum Inc.
7060 B So. Tuscan Way
Centennial Co. 80112

FOR OFFICE USE ONLY

Date Received:

Date Due:

Document # _____
Project: _____ AFE#: _____
Approved by: _____ Date: _____
Date Paid: _____ Check # _____



RUNNING FOXES PETROLEUM INC.

December 22, 2008

Robert T. White and Barbara G. White
170 E. 90th
Wellington, KS 67152

Dear Robert and Barbara,

Please find enclosed Running Foxes check# 8033, in the amount of \$1,600.00, as payment for your Right of Way and easement dated October 8, 2008 covering the following lands situated in Sumner County, KS:

T33S R1E
Section 12: SE4

Containing a total of 160 rods (2,640 linear feet), more or less.

Please sign and date the enclosed "Receipt for Right of Way and Easement Payment" and please return it to me in the provided envelope

I am also enclosing a business card so that you can reach me anytime. Please feel free to call me if you have any questions or concerns.

Thank you for your time and cooperation.

Sincerely,

Kent Keppel
Running Foxes Petroleum, Inc.

Conservation Division
Finney State Office Building
130 S. Market, Rm. 2078
Wichita, KS 67202-3802



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

Mark Sievers, Chairman
Ward Loyd, Commissioner
Thomas E. Wright, Commissioner

Sam Brownback, Governor

July 29, 2011

Amanda Huffer
Running Foxes Petroleum Inc.
7060 S TUCSON WAY STE B
CENTENNIAL, CO 80112

Re: Drilling Pit Application
White 12-7-3
Sec.07-33S-02E
Sumner County, Kansas

Dear Amanda Huffer:

District staff has inspected the above referenced location and has determined that the Haul-Off pit shall be constructed **without slots**, the bottom shall be flat and reasonably level, and the free fluids must be removed. The fluids are to be removed from the Haul-Off pit within 1 week of completion of drilling operations.

NO completion fluids or non-exempt wastes shall be placed in the Haul-Off pit.

The fluids should be taken to an authorized disposal well. Please call the District Office at (316) 630-4000 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.

If you have any questions or concerns please feel free to contact the District Office at (316) 630-4000.