

FOR KCC USE:

FORM C-1 7/91

FORM MUST BE TYPED
FORM MUST BE SIGNED
ALL BLANKS MUST BE FILLED

EFFECTIVE DATE: 6-30-97

State of Kansas
NOTICE OF INTENTION TO DRILL

Must be approved by the K.C.C. five (5) days prior to commencing well

DISTRICT # 7
SGA Yes No

Expected Spud Date 06 04 97 APV SW Spot SW SW/4 Sec. 31 Twp. 32 S, Rg. 9 W
Month day year

2140 feet from South North Line of Section

OPERATOR: LICENSE # 8061
Name: OIL PRODUCERS, INC. OF KANSAS
Address: P.O. BOX 8647
City/State/Zip: WICHITA, KANSAS 67208
Contact Person: JOHN S. WEIR/DIANA RICHECKY
Phone: 316-681-0231

* 5080 feet from East West Line of Section
IS SECTION REGULAR IRREGULAR?

(Note: Locate well on the Section Plat on Reverse Side)
County: HARPER
Lease Name: HENDRICKS UNIT #31 Well #: 1
Field Name: _____

CONTRACTOR: License # 5929
Name: DUKE DRILLING CO., INC.

Is this a Prorated / Spaced Field? yes no
Target Formation (s): Lansing Mississippi

Well Drilled For: Well Class: Type Equipment:

Nearest Lease or unit boundary: 200' 500'
Ground Surface Elevation: 1381 feet MSL

X. Oil Enh Rec Infield Mud Rotary
Gas Storage Pool Extension Air Rotary
OWWO Disposal Wildcat Cable
Seismic: # of Holes Other

Water well within one - quarter mile: yes no
Public water supply well within one mile: yes no

If OWWO: old well information as follows:

Depth to bottom of fresh water: 100

Depth to bottom of usable water: 180

Surface Pipe by Alternate: x 1 2

Length of Surface Pipe Planned to be set: 285

Length of Conductor pipe required: _____

Projected Total Depth: 4800

Formation at Total Depth: MISSISSIPPI

Water Source for Drilling Operations: _____

_____ Well _____ Farm Pond other

Directional, Deviated or Horizontal wellbore? yes no
If yes, true vertical depth: _____
Bottom Hole Location: _____

DWR Permit #: _____

Will Cores Be Taken?: yes no

If yes, proposed zone: _____

AFFIDAVIT *UNITIZED WITH LEASE IN SEC 36-32-10W

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-101, 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. IN ALL CASES, NOTIFY DISTRICT OFFICE PRIOR TO ANY CEMENTING.

I hereby certify that the statements made herein are true and to the best of my knowledge and belief.

Date 05/28/97 Signature of Operator or Agent John S. Weir Title PRESIDENT

FOR KCC USE:
 API # 15- 077-213280000
 Conductor pipe required NONE feet
 Minimum surface pipe required 200' feet per Alt
 Approved by: JK 6-25-97
 This authorization expires: 12-25-97
 (This authorization void if drilling not started within 6 months of effective date.)
 Spud date: _____ Agent: _____

REMEMBER TO:

- 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;
- Obtain written approval before disposing or injecting salt water.

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

KANSAS CONSERVATION DIVISION
RECEIVED
MAY 29 1997
5-29-97
32
903

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

PLAT OF ACREAGE ATTRIBUTABLE TO A WELL IN A PRORATED OR SPACED FIELD

If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please show all the wells within 1 mile of the boundaries of the proposed acreage attribution unit for gas wells and within 1/2 mile of the boundaries of the proposed acreage attribution unit for oil wells.

API NO. 15- _____
 OPERATOR OIL PRODUCERS, INC. OF KANSAS
 LEASE HENDRICKS UNIT #31
 WELL NUMBER 1
 FIELD _____

LOCATION OF WELL: COUNTY HARPER
2140 feet from south/north line of section
5080 feet from east/west line of section
 SECTION 31 TWP 32 RG 9 W

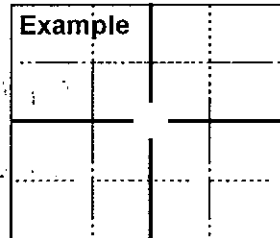
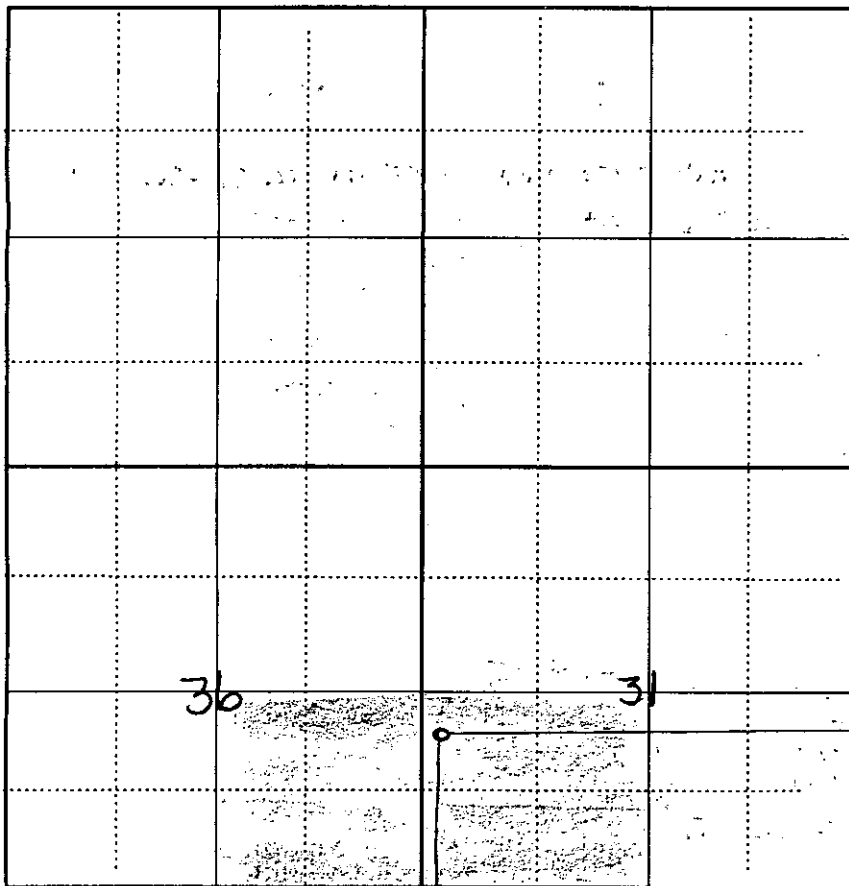
NUMBER OF ACRES ATTRIBUTABLE TO WELL 10
 QTR/QTR/QTR OF ACREAGE _____

IS SECTION X REGULAR or _____ IRREGULAR
IF SECTION IS IRREGULAR, LOCATE WELL FROM NEAREST CORNER BOUNDARY.

Section corner used: _____

PLAT

(Show location of the well and shade attributable acreage for prorated or spaced wells.)
 (Show footage to the nearest lease or unit boundary line.)



SEWARD CO.

RECEIVED
 KANSAS CORP. OFFICE
 1997 MAY 29 A 12:40

SECTION 31

2140'
 HARPER COUNTY, KANSAS

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 section's south/north and east/west; and
- 3) the distance to the nearest lease or unit boundary line.

15-077-21328-0000

Form 68--(Producers)
Kan., Okla. & Colo. (12-63) Rev. B W

OIL AND GAS LEASE



THIS AGREEMENT, Entered into this the 2nd day of June 19 88 between

Jacob G. Harbaugh and Barbara J. Harbaugh, his wife

hereinafter called lessor.

Oil Property Management, Inc. and George R. Jones hereinafter called lessee, does witness:

1. That hereon, for and in consideration of the sum of One or More Dollars in hand paid and of the covenants and agreements hereinafter contained to be performed by the lessee, has this day granted, leased, and let and by these presents does hereby grant, lease and let exclusively unto the lessor the hereinafter described land, together with any and every right therein, and with the right to utilize this lease or any part thereof for the purpose of carrying on geophysical, geothermal, and other operations which may include, but not be limited to, casing, well and other gas and all other gases and all constituents of all gases, and for constructing roads, laying pipe lines, building towers, stations, pipelines and electric transmission lines and other structures thereon necessary or convenient for the economical operation of said land alone or conjointly with neighboring lands, to produce, save, take care of, and manufacture all of such substances, said tract of land being situated in the County of Barber with State of Kansas and described as follows:

The Southeast Quarter (SE/4)

Section 36 Township 32 South Range 10 West and containing 160 acres, more or less.

2. This lease shall remain in force for a term of One (1) years from date (herein called "primary term"), and as long thereafter as oil, gas, or any of the substances covered by this lease is or can be produced.

3. The lessee shall drill or cause to be drilled, or to the credit of lessor into the pipe line to which lessee may connect its wells, the deepest well which is or may be drilled, including but not limited to, distribution and condensate produced and saved from the leased premises, or at the lessee's option, the deepest well which is or may be drilled, including but not limited to, the market value of the well in the field or area for oil, gas and gravity prevailing on the day such well is drilled into the pipe line of this lease.

4. The lessee shall pay to lessor for gas of whatever nature or kind (with all of its constituents) produced and used by the lessee for the manufacture of products or for other purposes, the market value of such gas at the mouth of the well; if said gas is sold by the lessee, then as royalty, the proceeds of the sale thereof at the mouth of the well, said payments to be made monthly. During any period (whether before or after expiration of the primary term hereon) when gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or operations on said land or premises, said royalty shall be One Dollar (\$1.00) per acre per net royalty more retained hereon, said royalty to be paid to lessor within the thirty (30) day period following the expiration of the primary term hereon, or to the royalty owners or to the royalty owner's estate, if no such party can be ascertained. When such payment of royalty is made it will be considered that gas is being produced within the meaning of this lease. If at any time no royalty is needed for operations hereunder, the lessee may have, free of charge, gas from any gas well on the leased premises for steam and motive power in the principal dwelling house on said land by making his own connections with the well; the use of such gas to be at the lessor's sole risk and expense.

5. If drilling operations or mining operations are not commenced on the leased premises on or before one year from this date, this lease shall then terminate as to both parties unless before the expiration of said year, said party tender to lessor in the following manner:

Bank at _____ or any successor bank, the sum of _____ Dollars of _____ hereinafter called "rental", which shall extend for twelve months

the time within which drilling operations or mining operations may be commenced. Thereafter, according to the manner and upon like payments or tenders the commencement of drilling operations or mining operations may be deferred for a period of twelve months each during the primary term. Payment or tender of rental may be made by check or draft of lessee, delivered or mailed to the depository bank or lessor at address last known to lessor, or before such time of delivery and the payment of tender will be deemed to have been made when the check or draft is so delivered or mailed. If the name of or any other bank which may, as hereinafter provided, be designated as depository should fail or become inoperative for any reason, or fail to accept rental, lessee shall be held in default for such payment or tender of rental, and thirty days after lessee shall deliver to lessor a proper receiptable instrument naming as the bank or other such payments or tenders. The above named or successor bank or any other bank which may be designated as depository shall be deemed to have accepted rental and operations shall be deemed to be commenced when the first material is placed on the leased premises or when the first material is placed on the leased premises.

6. If at any time prior to the discovery of oil or gas on this land and during the primary term of this lease, the lessee shall drill a dry hole or dry holes on this land, the lessee shall terminate if the lessee commences further drilling operations or commences or resumes the payment of rental or tenders in the amount and percentage provided by the rental paying date; if any cost ensuing after thirty (30) days following the completion of the dry hole, or if there be no such rental paying date, commence such further operations before the expiration of the primary term.

7. In case said lessee owns a less interest in the above described land than the entire and undivided fee simple estate therein then the royalties and rentals herein provided for shall be paid the said lessor only in the proportion which his interest bears to the whole and undivided fee. However, such rental shall be increased at the next succeeding rental anniversary after any reversion occurs to cover the interest so notified.

8. The lessee shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of the lessor. When required by lessor, the lessee shall bury its pipe lines below plow depth and shall pay for damage caused by its operations to growing crops on said land. No well shall be drilled nearer than 200 feet to the house or barn now or hereafter on said premises without written consent of the lessor. Lessee shall have the right to draw and remove all casing, but lessee shall be under an obligation to use and shall lessee be under any obligation to restore the surface to its original condition, where any alterations or changes were due to operations reasonably necessary under this lease.

9. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to their heirs, devisees, executors, administrators, successors and assigns; however, no change or division in ownership of the lands, rentals, or royalties shall release the obligations or diminish the rights of the lessee. No change of ownership in the lands, rentals, or royalties or any sum due under this lease which has been furnished to the lessor shall constitute the original record instrument of conveyance or a duly certified copy thereof or a duly certified copy of the will of any deceased owner and of the probate thereof, or a certified copy of the proceedings showing appointment of an administrator for the estate of any deceased owner, whichever is appropriate, together with all original records of conveyance or duly certified copies thereof necessary in showing a complete chain of title back to lessor to the full interest in the lands, and all advance payments of rentals made hereunder before receipt of said documents shall be binding on any and all direct or indirect assignees, grantees, devisees, administrators, executors, or heirs of lessor. In the event title to the land shall be assigned as to a part or as to parts of the above described land and the holder or holders of the lease as to any such part or parts shall make default in the payment of the proportionate part of the rent due from him or them, such default shall not operate to defeat or affect this lease insofar as it covers a part or parts of said land upon which the lessee or any assignee hereof shall make due payment of said rentals.

10. If the leased premises are now or shall hereafter be owned in severalty 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 whole acreage owned. 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 receipts or measuring tanks or devices.

11. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the lessee, at its option, may pay and discharge in whole or in part any taxes, mortgages or other liens existing hereon, or assumed or assumed to exist, in event it exercises such option, it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying to the discharge of any such mortgage, tax or other lien, any royalty or rentals accruing hereunder.

12. Notwithstanding anything in this lease contained to the contrary, it is expressly agreed that if lessee shall commence to drill a well or commence reworking operations on an existing well, at any time while this lease is in force, this lease shall remain in force and its terms shall continue so long as such operations are prosecuted and, if production results therefrom, then as long as production continues.

13. Lessee may at any time and from time to time surrender or renew this lease in whole or in part by detaching or making such release to the lessor, or by filing same of record in the proper county. In case said lease is surrendered and canceled as to only a portion of the acreage covered hereby, by all payments and liabilities thereafter accruing under the terms of said lease as to the portion canceled shall cease and terminate and any rentals thereafter paid shall be retained in the proportion that the acreage covered hereby is reduced by each such release, but as to the portion of the acreage not released the terms and provisions of this lease shall continue and remain in full force and effect for all purposes.

14. All provisions hereof, express or implied, shall be subject to all federal and state laws and the orders, rules or regulations (and interpretations thereof) of all governmental agencies administering the same, and this lease shall not be in any way terminated wholly or partially nor shall the lessee be liable in damages therefor. If lessee should be prevented during the last six months of the primary term hereon by the order of any such laws, orders, rules or regulations for the production of gas, or if lessee should be unable during said period to drill a well hereunder due to equipment necessary in the drilling thereof not readily available in the area, or if any cause, the primary term of this lease shall continue until six months after said order is suspended and/or said equipment is available, but the lessee shall pay delay rentals herein provided during such extension time.

15. Lessee is hereby granted the right at any time and from time to time, either before or after production is obtained, to form or reform a unit or units covering the leased premises or any portion or portions thereof, as to all strata or any stratum or strata, with any other lands as to all strata or any stratum or strata, for the production primarily of oil or primarily of gas with or without drainage therefrom. Lessee shall file written designations in the county in which the leased premises are located in order to form or reform or to dissolve a unit or units, operations in and production from the unit shall be treated for all purposes as if such operations were operated as a unit, and any such tolerance as may be appropriate by reason of various legal subdivisions; provided that if any governmental regulation shall prescribe a tolerance as may be so prescribed, or as may be used in such allocation of tolerance. Lessee shall file written designations in the county in which the leased premises are located in order to form or reform or to dissolve a unit or units, operations in and production from the unit shall be treated for all purposes as if such operations were operated as a unit, and any such tolerance as may be appropriate by reason of various legal subdivisions; provided that if any governmental regulation shall prescribe a tolerance as may be so prescribed, or as may be used in such allocation of tolerance. The entire acreage within a unit shall be treated for all purposes as if such operations were operated as a unit, and any such tolerance as may be appropriate by reason of various legal subdivisions; provided that if any governmental regulation shall prescribe a tolerance as may be so prescribed, or as may be used in such allocation of tolerance. In respect to production from the unit, lessee shall pay lessor, in lack of other royalty, royalty such production from the unit shall be treated as the royalty stipulated herein as the amount of gas or water placed in the unit, or his royalty interest therein on an average basis bears to the total acreage in the unit.

16. Should any one or more of the parties above 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 means the party or parties who execute this lease as lessor, although not named above.

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

Jacob G. Harbaugh
Barbara J. Harbaugh

15-077-21328-0000



Form 88—(Producers)
Kan., Okla. & Colo. 1942 Rev.

B W OIL AND GAS LEASE

THIS AGREEMENT, Entered into this the 13th day of November, 19 96
between Richard L. Hendricks and Monica Marie Hendricks, his wife
4564 Catapa Road Sharon, Kansas 67138

hereinafter called lessor,
and Oil Producers, Inc. Of Kansas PO Box 8647 Wichita, Kansas hereinafter called lessee, does witness:

1. That lessor, for and in consideration of the sum of \$1.00 (or more) Dollars in hand paid and of the covenants and agreements hereinafter contained to be performed by the lessee, has this day granted, leased, and let and by these presents does hereby grant, lease, and let exclusively unto the lessee the hereinafter described land, and with the right to unitize this lease or any part thereof with other oil and gas leases as to all or any part of the lands covered thereby as hereinafter provided, for the purpose of carrying on geological, geophysical and other exploratory work, including core drilling, and the drilling, mining, and operating for, producing, and saving all of the oil, gas, casinghead gas, casinghead gasoline and all other gases and their respective constituent vapors, and for constructing roads, laying pipe lines, building tanks, storing oil, building powers, stations, telephone lines and other structures thereon necessary or convenient for the economical operation of said land alone or conjointly with neighboring lands, to produce, save, take care of, and manufacture all of such

substances, and for housing and boarding employees, said tract of land with any reversionary rights therein being situated in the County of Harper State of Kansas and described as follows:
Lots Three (3) and Four (4) and the East Half of the Southwest Quarter (E/2 SW/4, also described as all of the Southwest Quarter (SW/4)

in Section 31 Township 32 South Range 9 West and containing 160 acres, more or less.

2. This lease shall remain in force for a term of Three years and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of the products covered by this lease is or can be produced.

3. The lessee shall deliver to lessor as royalty, free of cost, on the lease, or into the pipe line to which lessee may connect its wells the equal one-eighth part of all oil produced and saved from the leased premises, or at the lessee's option may pay to the lessor for such one-eighth royalty the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line or into storage tanks.

4. The lessee shall pay to lessor for gas produced from any oil well and used by the lessee for the manufacture of gasoline or any other product as royalty $\frac{1}{4}$ of the market value of such gas at the mouth of the well; if said gas is sold by the lessee, then as royalty $\frac{1}{2}$ of the proceeds of the sale thereof at the mouth of the well. The lessee shall pay lessor as royalty $\frac{1}{2}$ of the proceeds from the sale of gas as such at the mouth of the well where gas only is found and where such gas is not sold or used, lessee shall pay or tender annually at the end of each yearly period during which such gas is not sold or used, as a royalty, an amount equal to the delay rental provided in paragraph 5 hereof, and while said royalty is so paid or tendered this lease shall be held as if producing lease under paragraph 2 hereof; the lessor to have gas free of charge from any gas well on the leased premises for stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of such gas to be at the lessor's sole risk and expense.

5. If operations for the drilling of a well for oil or gas are not commenced on said land on or before the 19 day of 19, this lease shall terminate as to both parties, unless the lessee shall on or before said date pay or tender to the lessor or for the lessor's credit in the

First National Bank at Medicine Lodge, Kansas, or its successors, which Bank and its successors are the lessor's agent and shall continue as the depository of any and all sums payable under this lease regardless of changes of ownership in said

land or in the oil and gas or in the rentals to accrue hereunder, the sum of One Hundred Sixty (\$160.00) Dollars, which shall operate as a rental and cover the privilege of deferring the commencement of operations for drilling for a period of one year. In like manner and upon like payments or tenders the commencement of operations for drilling may further be deferred for like periods successively. All payments or tenders may be made by check or draft of lessee or any assignee thereof, mailed or delivered on or before the rental paying date, either direct to lessor or assigns or to said depository bank, and it is understood and agreed that the consideration first recited herein, the down payment, covers not only the privilege granted to the date when said first rental is payable as aforesaid, but also the lessee's option of extending that period as aforesaid and any and all other rights conferred. Notwithstanding the death of the lessor or his successors in interest, the payment or tender of rentals in the manner above shall be binding on the heirs, devisees, executors, and administrators of such persons.

6. If at any time prior to the discovery of oil or gas on this land and during the term of this lease, the lessee shall drill a dry hole, or holes on this land, this lease shall not terminate, provided operations for the drilling of a well shall be commenced by the next ensuing rental paying date, or provided the lessee begins or resumes the payment of rentals in the manner and amount hereinbefore provided, and in this event the preceding paragraphs hereof governing the payment of rentals and the manner and effect thereof shall continue in force.

7. In case said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein then the royalties and rentals herein provided for shall be paid the said lessor only in the proportion which his interest bears to the whole and undivided fee. However, such rental shall be increased at the next succeeding rental anniversary after any reversion occurs to cover the interest so acquired.

8. The lessee shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of the lessor. When required by lessor, the lessee shall bury its pipe lines below plow depth and shall pay for damage caused by its operations in growing crops on said land. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of the lessor. Lessee shall have the right at any time during, or after the expiration of, this lease to remove all machinery, fixtures, houses, buildings and other structures placed on said premises, including the right to draw and remove all casing, but lessee shall be under no obligation to do so, nor shall lessee be under any obligation to restore the surface to its original condition, where any alterations or changes were due to operations reasonably necessary under this lease.

9. If the estate of either party hereto is assigned (and the privilege of assigning in whole or in part is expressly allowed), the covenants hereof shall extend to the heirs, devisees, executors, administrators, successors, and assigns, but no change of ownership in the land or in the rentals or royalties or any sum due under this lease shall be binding on the lessee until it has been furnished with either the original recorded instrument of conveyance or a duly certified copy thereof or a certified copy of the will of any deceased owner and of the probate thereof, or certified copy of the proceedings showing appointment of an administrator for the estate of any deceased owner, whichever is appropriate, together with all original recorded instruments of conveyance or duly certified copies thereof necessary in showing a complete chain of title back to lessor to the full interest claimed, and all advance payments of rentals made hereunder before receipt of said documents shall be binding on any direct or indirect assignee, grantee, devisee, administrator, executor, or heir of lessor.

10. If the leased premises are now or shall hereafter be owned in severalty or in separate tracts, the premises nevertheless shall be developed and operated as one lease, and all royalties accruing hereunder shall be treated as an entirety and 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 be hereafter divided by sale, devise, descent or otherwise or to furnish separate measuring or receiving tanks. It is hereby agreed that in the event this lease shall be assigned as to a part or as to parts of the above described land and the holder or owner of any such part or parts shall make default in the payment of the proportionate part of the rent due from him or them, such default shall not operate to defeat or affect this lease insofar as it covers a part of said land upon which the lessee or any assignee hereof shall make due payment of said rentals.

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

12. Notwithstanding anything in this lease contained to the contrary, it is expressly agreed that if lessee shall commence operations for drilling at any time while this lease is in force, this lease shall remain in force and its terms shall continue so long as such operations are prosecuted and, if production results therefrom, then as long as production continues.

13. If within the primary term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate provided operations for the drilling of a well shall be commenced before or on the next ensuing rental paying date; or, provided lessee begins or resumes the payment of rentals in the manner and amount hereinbefore provided. If, after the expiration of the primary term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate provided lessee resumes operations for drilling a well within sixty (60) days from such cessation, and this lease shall remain in force during the prosecution of such operations and, if production results therefrom, then as long as production continues.

14. Lessee may at any time surrender or cancel this lease in whole or in part by delivering or mailing such release to the lessor, or by placing same of record in the proper county. In case said lease is surrendered and canceled as to only a portion of the acreage covered thereby, then all payments and liabilities thereafter accruing under the terms of said lease as to the portion canceled shall cease and determine and any rentals thereafter paid may be

Liabilities thereafter accruing under the terms of said lease as to the portion canceled shall cease and determine and any rentals thereafter paid may be apportioned on an acreage basis, but as to the portion of the acreage not released the terms and provisions of this lease shall continue and remain in full force and effect for all purposes.

15. All provisions hereof, express or implied, shall be subject to all federal and state laws and the orders, rules, or regulations (and interpretations thereof) of all governmental agencies administering the same, and this lease shall not be in any way terminated wholly or partially nor shall the lessee be liable in damages for failure to comply with any of the express or implied provisions hereof if such failure accords with any such laws, orders, rules or regulations (or interpretations thereof). If lessee should be prevented during the last six months of the primary term hereof from drilling a well hereunder by the order of any constituted authority having jurisdiction thereover, or if lessee should be unable during said period to drill a well hereunder due to equipment necessary in the drilling thereof not being available on account of any cause, the primary term of this lease shall continue until six months after said order is suspended and/or said equipment is available, but the lessee shall pay delay rentals herein provided during such extended time.

16. The unitization of this lease or any portion thereof with any other lease or leases or portions thereof shall be accomplished by the execution and filing by lessee in the recording office of said county of an instrument declaring its purpose to unitize and describing the leases and land unitized, which unitization shall cover the gas rights only and comprise an area not exceeding approximately 640 acres. The royalty provided for herein with respect to gas from gas wells shall be apportioned among the owners of such royalty on minerals produced in the unitized area in the proportion that their interests in the minerals under the lands within such unitized area bear to the minerals under all of the lands in the unitized area. Any well drilled on such unit shall be for all purposes a well under this lease and shall satisfy the rental provision of this lease as to all of the land covered thereby; Provided, however, lessee shall be under no obligation, express or implied, to drill more than one gas well on said Unit.

17. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors of said lessor and lessee.

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

In the event of drilling Lessee agrees to restore the land as near as possible to its original state.

(SEAL)

(SEAL)

(SEAL)

(SEAL)
Richard L. Hendricks (SEAL)
Richard L. Hendricks (SEAL)
Monica Marie Hendricks (SEAL)
Monica Marie Hendricks