

FOR KCC USE:

10-2-02

EFFECTIVE DATE:

DISTRICT # 1

SGA Yes No

State of Kansas
NOTICE OF INTENTION TO DRILL

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

FORM C-1 7/91
FORM MUST BE TYPED
FORM MUST BE SIGNED
ALL BLANKS MUST BE FILLED

Expected Spud Date: 10-28-2002
Month day year

Spot approx 242' north of East
NW-NE-SE- Sec. 17 Twp. 32 Rg. 15 W West

2552 feet from South North Line of Section

990 feet from East West Line of Section

IS SECTION REGULAR IRREGULAR?

(Note: Locate well on the Section Plat on Reverse Side)

County: BARBER

Lease Name: MARSH Well #: 2-17

Field Name: PERRYFRANCU

Is this a Prorated / Spaced Field? yes no

Target Formation (s): Mississippi

Nearest Lease or unit boundary: 330 to east

Ground Surface Elevation: est 1973 MSL

Water well within one - quarter mile: yes no

Public water supply well within one mile: yes no

Depth to bottom of fresh water: 150

Depth to bottom of usable water: 180

Surface Pipe by Alternate: 1 2

Length of Surface Pipe Planned to be set: 250

Length of Conductor pipe required: NONE

Projected Total Depth: 4900

Formation at Total Depth: Mississippi

Water Source for Drilling Operations:

Well Farm Pond other

Permit #:

Will Cores Be Taken?: yes no

If yes, proposed zone:

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

CONTRACTOR: License # 4958
Name: MALLARD JV, INC.

Well Drilled For: Well Class: Type Equipment:
X Oil Enh Rec Infield Mud Rotary
X Gas Storage Pool Extension Air Rotary
OWWO Disposal Wildcat Cable
Seismic: # of Holes Other

If OWWO: old well information as follows:

Operator:
Well Name:
Comp. Date: Total Depth:

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

AFFIDAVIT

*BASE LEASE = E/2E/2 17

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: 09/23/2002 Signature of Operator or Agent: Diana Richecky Agent:

FOR KCC USE:
API # 15- 007. 22718.00.00
Conductor pipe required NONE feet
Minimum surface pipe required 200 feet per Al. 1
Approved by: RJ P 9-27-02
This authorization expires: 3-27-02
(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.

RECEIVED
SEP 24 2002
7-24-02
KCC WICHITA

17-32-15

Post-It Fax Note	7671	Date	9-26-02	# of Pages	2
To	BOB PETERSON	From	GREG GLEASON		
Co./Dept.	KCC	Co.	OIL PRODUCERS		
Phone #		Phone #	681-0231		
Fax #	337-6211	Fax #	682-3136		

15-007-22718-0000

FORM 88 - (PRODUCER'S SPECIAL)

63U (Rev. 1993)

OIL AND GAS LEASE



AGREEMENT, Made and entered into the 7th day of February 2002

by and between Kenton Dean Marsh, a single man
2416 SW Sun City Rd.
Sun City, Ks. 67143

whose mailing address is J. Fred Harbright, Inc. 125 N. Market #1415 Wichita, Ks. 67202

Lessor, in consideration of One & more Dollars (\$ 1.00+) in hand paid, receipt of which is hereby 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 constituents, producing, collecting, gas, water, other fluids, and all late abundant, seams, laying pipe lines, mooring 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 his employees, the following described land, together with any reversionary rights and after-acquired interest, therein, situated in County of Barber State of Kansas described as follows to-wit:

Township 32 South-Range 15 West

Section 8: SE/4NE/4 & E/2SE/4
Section 17: E/2E/2

In Section _____ Township _____ Range _____ and containing 280 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) of the market price at the well, (but, as to gas sold by lessee, in no event more than one-eighth (1/8) of the proceeds received by lessee from such sales), for the gas sold, used off the premises, or in the manufacture of products therefrom, said payments to be made monthly. Where gas from a well producing gas only is not sold or used, lessee may pay or tender as royalty One Dollar (\$1.00) per year per net mineral acre retained hereunder, and if such payment or tender is made it will be considered that gas is being produced within the meaning of the preceding paragraph.

This lease may be maintained during the primary term hereof without further payment or drilling operations. If the lessee shall commence to drill a well within the term of this lease or any extension thereof, the lessee shall have the right to complete 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.

Lessee 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 of 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 lessor, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, in so far as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

Lessee at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or lessee 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 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 or production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit to his royalty interest therein as an acreage base bears to the total acreage so pooled in the particular unit involved.

Remission is also granted lessee for ingress and egress across Lessor's lands located to the North and East of the leased acreage a right of way for exploration and production use. Excepted from the leased premises is a one acre tract in square surrounding the existing Marsh 1-8 well located in S1/4 Sec. 8. Lessee shall consult with lessor as to all routes of ingress and egress, and lessor shall have the right to designate them.

Q6.
K.M.

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

Witness:

Kenton Dean Marsh
Kenton Dean Marsh

SS# 512-54-6686

15-007-22718-0000

FORM 88 -- (PRODUCER'S SPECIAL) (PAID-UP)

83U (Rev. 1993)

OIL AND GAS LEASE

Recorder No. 09-116



AGREEMENT, Made and entered into the 14th day of February 2002

by and between THE PEOPLES BANK, Pratt, Ks. Trustee of the James Thomas Marsh Testamentary Trust
P.O. Drawer C
Pratt, Ks. 67124

whose mailing address is J. Fred Harbright, Inc. 125 N. Market #1415 Wichita, Ks. 67202

Lessor, in consideration of One & more Dollars (\$ 1.00) in hand paid, receipt of which is here acknowledged and of the royalties herein provided and of the agreements of the lessor 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, including gas, water, other fluids, and air in its 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 Barber State of Kansas described as follows to-wit:

Township 32 South Range 15 West

Section 16: SW4

In Section Township Range and containing 160 acres, more or less, and all accretions thereto.

Subject to the provisions herein contained, this lease shall remain in force for a term of 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, to 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) of the market price at the well, that, as to gas sold by lessee, in no event more than one-eighth (1/8) of the proceeds received by lessee from such sales, for the gas sold, used off the premises, or in the manufacture of products therefrom, said payments to be made monthly. Where gas from a well producing gas only is not sold or used, lessee may pay or tender as royalty One Dollar (\$1.00) per year per net mineral acre retained hereunder, and if such payment or tender is made it will be considered that gas is being produced within the meaning of the preceding paragraph.

This lease may be maintained during the primary term hereof without further payment or drilling operations. If the lessee shall commence to drill a well within the term of this lease or any extension thereof, the lessee shall have the right to drill such well to completion with reasonable diligence and dispatch, and if all or part, 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 lessee 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, in so far as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with 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, each pooling to be of tracts contiguous to one 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, 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 the 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 priced in the unit or his royalty interest therein on an acreage basis, bears to the total acreage so pooled in the particular unit involved.

Rider attached hereto and made a part hereof.

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

Witnesses:

The James Thomas Marsh Testamentary Trust

by: Frederick Loomis, V.P. & Trust Officer of THE PEOPLES BANK, Pratt, Ks.

Tax ID# 48-6105962

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 Marsh
 WELL NUMBER #2-17
 FIELD _____

LOCATION OF WELL: COUNTY Barber
2552 feet from south/north line of section
990 feet from east/west line of section
 SECTION 17 TWP 32 S RG 15 W

RECEIVED
 SEP 24 2012
 KCC WICHITA

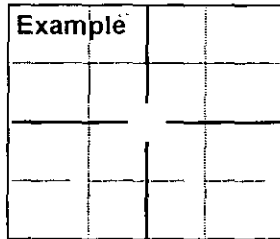
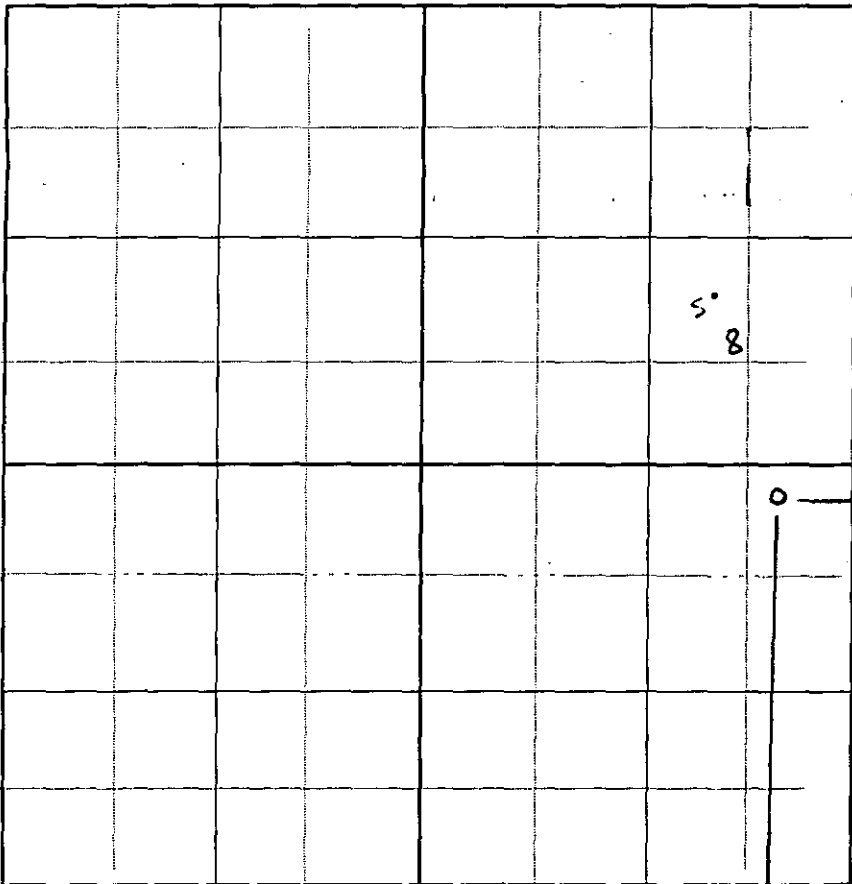
NUMBER OF ACRES ATTRIBUTABLE TO WELL 280
 QTR/QTR/QTR OF ACREAGE _____

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

Section corner used: SE

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.)



SECTION 17 Barber COUNTY, KANSAS

SEWARD CO.

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.