

FOR KCC USE:

FORM C-1 7/91

EFFECTIVE DATE: 12-28-98

State of Kansas

FORM MUST BE TYPED

DISTRICT # 1

NOTICE OF INTENTION TO DRILL

FORM MUST BE SIGNED

SEA7... Yes... No

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

ALL BLANKS MUST BE FILLED

Expected Spud Date DECEMBER 28, 1998

50' W of N2 - N2 - N2 Sec 22 Twp 31 S, Rg 18W East

OPERATOR: License # 5506 Name: WOOLSEY PETROLEUM CORPORATION Address: 125 NORTH MARKET, SUITE 1000 City/State/Zip: WICHITA, KS 67202-1775 Contact Person: DEBRA K. CLINGAN Phone: (316)267-4379 EXT 106

330' FNL 2690' FEL feet from South / North line of Section feet from East / West line of Section IS SECTION X REGULAR IRREGULAR?

CONTRACTOR: License # 5929 Name: DUKE DRILLING CO INC

(NOTE: Locate well on the Section Plat on Reverse Side) County: COMANCHE Lease Name: BOISSEAU Well #: 1 Field Name: WILMBRE

Well Drilled For: Oil, Gas, CWMO, Seismic, # of Holes, Other. Well Class: Infield, Pool Ext., Wildcat, Other. Type Equipment: Mud Rotary, Air Rotary, Cable. Operator: Well Name: Comp. Date: Old Total Depth

Is this a Prorated/Spaced Field? yes X no. Target Formation(s): SIMPSON. Nearest lease or unit boundary: 330'. Ground Surface Elevation: 2160' feet MSL. Water well within one-quarter mile: yes no. Public water supply well within one mile: yes no. Depth to bottom of fresh water: 260'. Depth to bottom of usable water: 280'. Surface Pipe by Alternate: X 1 300'. Length of Surface Pipe Planned to be set: N/A. Length of Conductor pipe required: 5850'. Projected Total Depth: SIMPSON. Formation at Total Depth: SIMPSON. Water Source for Drilling Operations: well farm pond X other

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

Will Cores Be Taken?: yes X no. If yes, proposed zone:

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-101, 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: 12/16/98 Signature of Operator or Agent: DEBRA K. CLINGAN Title: ENGINEERING ASST.

FOR KCC USE: API # 15- 033-20992-00-00 Conductor pipe required NONE feet Minimum surface pipe required 300 feet per Alt. (X) Approved by: DPW 12-23-98 This authorization expires: 6-23-99 (This authorization void if drilling not started within 6 months of effective date.) Spud date: Agent:

RECEIVED KANSAS CORPORATION COMMISSION DEC 18 1998 12-18-98 CONSERVATION DIVISION WICHITA, KS

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.

22 31 18W

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.

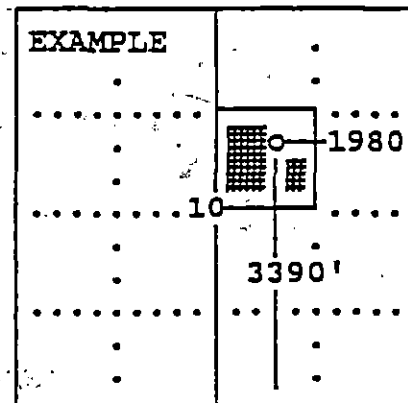
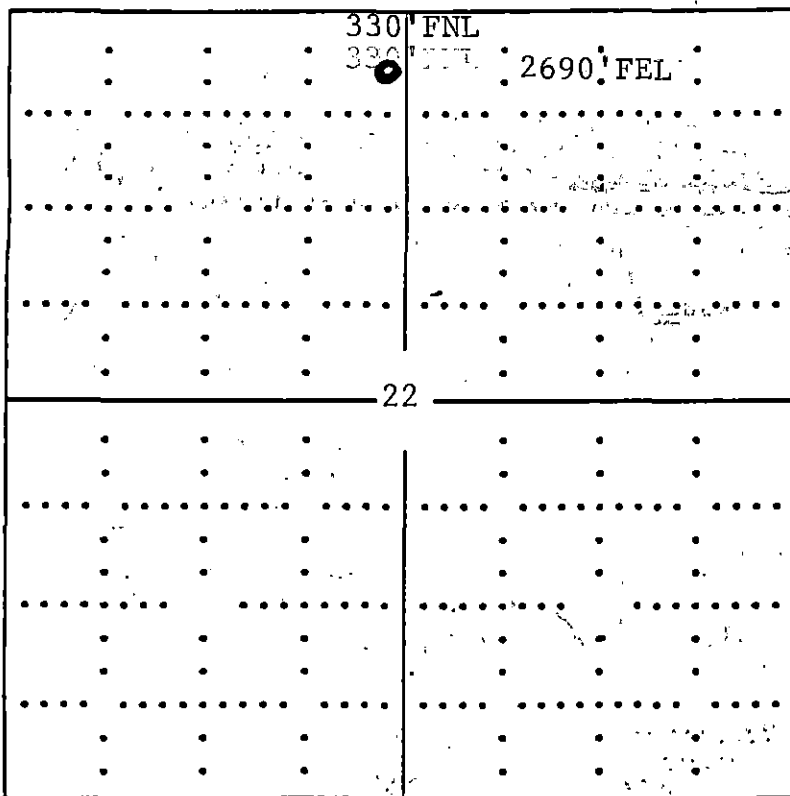
API NO. 15- _____
 OPERATOR WOOLSEY PETROLEUM CORPORATION LOCATION OF WELL: COUNTY COMANCHE
 LEASE BOISSEAU 330' FNL feet from south/north line of section
 WELL NUMBER 1 2690' FEL feet from east/west line of section
 FIELD _____ SECTION 22 TWP 31S RG 18W

NUMBER OF ACRES ATTRIBUTABLE TO WELL _____ IS SECTION X REGULAR or _____ IRREGULAR
 QTR/QTR/QTR OF ACREAGE _____ IF SECTION IS IRREGULAR, LOCATE WELL FROM NEAREST
CORNER BOUNDARY.

Section corner used: _____ NE _____ NW _____ SE _____ SW

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.

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.

FORM 08 - (PRODUCER'S SPECIAL) (PAID-UP)

634J (Rev. 1992)

OIL AND GAS LEASE

Recorder No. 08-116



AGREEMENT, Made and entered into this 29th day of JANUARY 1997

by and between Roy R. Boisneau, a single person

HC 54 - Box 16 Coldwater, Kansas 67029

whose mailing address is hereinafter called Lessor (whether one or more) and J. Fred Hambright - 125 N. Market, Suite 1415, Wichita, Kansas 67202

Lessor, in consideration of One and 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 a now, lease and let irrevocably 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 all like substances...

The Northwest Quarter (NW/4)

In Section 22 Township 31-South Range 18-West and containing 160 acres, more or less, and all accretions thereon.

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 so 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 with on said land, the actual one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay lessee for gas of whatever 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, less, 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 proceeds to be made monthly. When gas from a well producing gas only is not sold or used, lessee shall pay no bonus or royalty One Dollar (\$1.00) per acre 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 payments on drilling operations. If the lessee shall commence to drill a well within the term of this lease or any extension thereof, the lessee shall have the right to drill such well to completion with reasonable diligence and dispatch, and if oil or gas, or either of them, is found in paying quantities, this lease shall continue and be in force with full effect as if such well had been completed within the term of years first mentioned.

If said lessee drills a well in the above described land that the lessee and individual no steps were therein, then the royalties herein provided shall be paid the said lessee only in the proportion which lands' interest bears to the whole and provided for.

Lessee shall have the right to use, free of cost, gas, oil and water produced on said land as lessee's operations thereon, except water from the wells of lessee.

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

No well shall be drilled nearer than 200 feet to the house or barn nor on said premises without written consent of lessee.

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 herein is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, assigns, administrators, executors or assigns, but no change in the ownership of the land or assignment of part or whole 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 terminate and deliver to lessee or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease on as such portions or portions and be released of all obligations to the acreage surrendered.

All covenants 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 enforceable, 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 covenants and agrees to defend the title to the lands herein described, and agrees that the lessee shall have the right at any time to release for lessee, by mortgage or mortgage, lease or other liens on the above described lands, in the event of default of payment by lessee, and to subrogate to the rights of the holder thereof, and the undersigned lessee, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, so far as said rights 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 prudently develop and operate said lease premises so as to produce the maximum amount of oil, gas or other minerals in and under and that may be produced from said premises, such pooling to be of lessee's convenience to the operator and to be into a well or wells and extending to any well or wells in the event of an oil well, or into a well or wells not producing oil or gas in the event of a gas well. Lessee shall maintain in writing and record in the appropriate 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 well or wells shall be leased, for all purposes except the payment of royalties on production from the pooled well, 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 the event the separate otherwise herein specified, lessee shall receive no production from a well or pooled well except production from the pooled acreage to the extent of his acreage placed in the well or the royalty interest therein on an acreage basis to the total acreage so pooled in the particular well involved.

See Rider attached hereto and made a part hereof.

STATE OF KANSAS } COMANCHE COUNTY } ss This instrument was filed for Record on the 17 day of March 19 97 at 2:10 o'clock P.M. and duly recorded in Book 84, Page 883, Fees \$ 10.00 J. Fred Hambright Registrar of Deeds

IN WITNESS WHEREOF, the undersigned execute this instrument as of the day and year first above written. Witness: Roy R. Boisneau (Roy R. Boisneau) S.S.

15033 209920000 *320

Form 88 - (PRODUCERS SPECIAL) (PAID-UP)

SSU (Rev. 1993)

OIL AND GAS LEASE

Register No. 09-116

AMARILLO BLUE PRINT CO. INC. 215-24-0217 P.O. Box 700000, LUFKIN, TEXAS

AGREEMENT, Made and entered into the 29th day of JANUARY 19 97 by and between Roy R. Boisseau, a single person, MC 64 - Box 16, Coldwater, Kansas 67029

whose mailing address is Kansas Bar called Lessor (whether one or more), and J. Fred Hambricht - 125 N. Market, Suite 1415, Wichita, Kansas 67202

Lessor, in consideration of One and Nine Dollars (\$ 1.00) in hand paid, receipt of which is here acknowledged and of the royalties herein provided and of the agreement of the lessee herein contained, hereby grants, lets and lets conclusively 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, carbon dioxide, and air less substances gases, liquid hydrocarbons, and other substances and things that are produced, even, but not limited to, coal, steam, methane, propane, ethane and other gases and their respective constituent products and other products manufactured therefrom, and leasing and otherwise caring for its employees, the following described land, together with any reversionary rights and other acquired interests, situated in County of Comanche State of Kansas described as follows to-wit:

The Northeast Quarter (NE/4)

In Section 32, Township 31-South, Range 18-West, and containing 160 acres, more or less, and all accretions thereon.

Subject to the provisions herein contained, this lease shall remain in force for a term of THREE (3) years from the date stated "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 lessee, free of cost, to the pipe line to which pipes 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 lessee for gas of whatsoever nature or kind produced and sold, or used off the premises, or used in the manufacture of any products therefrom, one-eighth (1/8) at the market price at the well, first, 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 run and used, lessee may pay or tender as royalty One Dollar (\$1.00) per year for net mineral acre retained hereunder, and if such payment or tender is made it will be considered that gas is being produced within the meaning of the preceding paragraph.

This lease may be maintained during the primary term hereof without further payment or drilling operations. If the lessee shall commence to drill a well within the term of this lease or any extension thereof, the lessee shall have the right to drill such well to completion with reasonable diligence and dispatch, and if oil or gas, or either of them, is 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 ceases a well intended to the above described land then the entire and undivided fee simple estate therein, then the royalties herein provided for shall be paid the said lessee only to the proportion which lessee's interest bears to the whole and undivided fee.

Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for lessee's operations thereon, except water from the wells of lessee. When requested by lessee, lessee shall bury lessee's pipe lines below pipe depth. No well shall be drilled closer than 200 feet to the lease or burn over on said premises without written consent of lessee. 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 herein is assigned, and the privilege of conveying in whole or in part is expressly allowed, the covenants herein shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment of estate or operation shall be binding on the lessee until after the lessee has been furnished with a written transfer or assignment of 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 relating subsequent to the date of assignment.

Lessee may at any time execute and deliver to lessee or place of record a release or releases covering any portion or portions of the above described premises and thereby novate this lease as to such portion or portions and be relieved of all obligations as to the acreage so novated.

All covenants 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 subject to, in whole or in part, and lessee hold forth in contempt, for failure to comply therewith, if compliance is prevented by, or if such failure to the extent of, any such Law, Order, Rule or Regulation.

Lessee hereby warrants and agrees to defend the title to the lands herein described, and agree that the lessee shall have the right at any time to re-lease for lessee, by payment any mortgages, taxes or other liens on the above described lands, in the event of default of payment by lessee, and be understood to the rights of the holder thereof, and the under-leased lessee, 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 recombine 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 all gas or other minerals in and under and that may be produced from said premises, such pooling to be of such magnitude 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 80 acres each in the event of a gas well. Lessee may 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 unit 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 had been from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties otherwise herein specified, lessee shall receive an production from a unit as pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein bears to the total acreage so pooled in the particular unit involved.

See Rider attached hereto and made a part hereof:

STATE OF KANSAS, COMANCHE COUNTY } as This instrument was filed for Record on the 17 day of March 19 97 at 2:17 PM and duly recorded in Book 84 Page 877 Page 10-00 [Signature] Register of Deeds

IN WITNESS WHEREOF, the undersigned executes this instrument as of the day and year first above written. Witness: Roy R. Boisseau (Roy R. Boisseau) S.S. [Signature]

*321 *320

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

OSU (Rev. 1992)

OIL AND GAS LEASE



Recorder No. 08-115

AMERICAN BLUE PRINT Co. Inc. 3535 S. W. 10th St. Ft. Worth, TX 76104-1578 (817) 342-1000

AGREEMENT, Made and entered into this 29th day of January 19 97

by and between Roy R. Boisseau a single person HC 64 - Box 16 Coldwater, Kansas 67029

whose mailing address is J. Fred Hambright - 125 N. Market, Suite 1415, Wichita, Kansas 67202 hereinafter called Lessor (whether one or more), and hereinafter called Lessee

Lessee, in consideration of One and More Dollars (\$ 1.00) in hand paid, receipt of which is here acknowledged and of the royalties herein provided and of the agreement of the Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring for geophysical and other means, prospecting drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases, and their respective components products, including gas, water, other fluids, and air line substances steam, kerosene oil, kerosene, tar, grease, wax, asphaltum, bitumen, lignite, coal, and other substances and things therein to produce, mine, take care of, mine, manufacture, produce, store and transport as oil, liquid hydrocarbons, gas and their respective components products and other products manufactured therefrom, and housing and otherwise caring for its employees, the following described land, together with any necessary rights and after-acquired interests, situated in County of Comanche State of Kansas described as follows to-wit:

The Southeast Quarter(SE/4)

in Section 22 Township 11-South Range 18-West and containing 160 acres, more or less, and all accretions thereon.

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 so long thereafter as oil, liquid hydrocarbons, gas or other respective component 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 Lessee, free of cost, in the pipe line in which Lessee may connect with said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessee for gas or whatever nature or kind produced and sold, or sent 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 sale), for the gas sold, and off the premises, or in the manufacture of products therefrom, said payments to be made monthly, when gas from a well producing gas only is not sold or used, Lessee may pay or tender as royalty One Dollar (\$1.00) per acre per month as stated 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 anticipate 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 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 Lessee within the above described land then the entire well subdivided for single acres thereof, then the royalties herein provided for shall be paid the said Lessee only in the proportion which Lessee's interest bears to the whole and subdivided lot.

Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operations thereon, except water from the wells of Lessee.

When requested by Lessee, Lessee shall bury Lessee's plug flow below plug depth.

No well shall be drilled below that (20) feet in the horizon or basin now on said premises without written consent of Lessee.

Lessee shall pay for damages caused by Lessee's operations or 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 down and remove casing.

If the nature of either party herein is assigned, and the privilege of assigning is whole or in part is expressly allowed, the covenants herein shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment of same 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 remove and deliver to Lessee or place of record a release or releases covering any portion or portions of the above described premises and thereby terminate this lease as to such portion or portions and its removal 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 obtain for Lessee, by payment any necessary, lease or other items on the above described lands, in the event of default of payment by Lessee, and is not bound to the rights of the holder thereof, and the undersigned Lessee, for themselves and their heirs, successors and assigns, hereby surrender and release all right of discovery and maintenance in the premises described herein, in as far as said right of discovery and maintenance may in any way affect the purposes for which this lease is made, as recited herein.

Lessee, or its option, or hereby gives the right and power to pool or combine the acreage covered by this lease in any portion thereof with other land; lease or lands 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 better the conservation of all gas or other minerals to and under and that may be produced from said premises, such pooling to be of force constituting to one another and to be into a unit, or units not exceeding 80 acres such in the event of an oil well, or into a unit or units not exceeding 80 acres such 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 unit or unit shall be treated, for all purposes except the payment of royalties on production from the pooled acre, 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 the event the royalties otherwise herein provided, Lessee shall receive on production from a well so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the well or his royalty interest therein as an acreage bears to the total acreage so pooled to the particular well involved.

See Rider attached hereto and made a part hereof:

STATE OF KANSAS, COMANCHE COUNTY } as This instrument was filed for Record on the 17 day of March 19 97 at 2:10 o'clock P.M. and duly recorded in Book 84, Page 873 Fees \$10.00. Guyath, Register of Deeds

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

Witness: Roy R. Boisseau (Roy R. Boisseau) S.S. &

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

88U (Rev. 1993)

OIL AND GAS LEASE



Recorder No. 09-116

AFRAPH PRINT CO. INC. 702-242-4444

AGREEMENT, Made and entered into this 29th day of January, 1997

by and between Roy R. Boisseau, a single person, HC 64 - Box 16, Coldwater, Kansas 67029

whom mailing address is J. Fred Hembright - 125 N. Market, Suite 1415, Wichita, Kansas 67202

Lessee, in consideration of One and Noth Dollars (\$ 1.00 -) in hand paid, receipt of which is here acknowledged and of the royalties herein provided and of the operations of the lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of prospecting, including by geophysical and other means, prospecting, drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases, and their respective constituent products, injecting gas, water, other fluids, and any non-detrimental steam, laying pipe lines, setting oil, building crabs, power stations, telephone lines, and other necessary and things necessary to produce, store, take care of, treat, transportation, process, store and transport and oil, liquid hydrocarbons, gases and their respective constituent products and other products enumerated throughout, and having and otherwise caring for its employees, the following described land, together with any reversionary rights and after-acquired interest, located situated in County of Comanche State of Kansas described to follow to-wit:

The Southwest Quarter(SW/4)

In Section 22 Township 31-South Range 18-West and containing 160 acres, more or less, and all accretions thereon.

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 so long thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, or any of them, is produced from said land or land which said land is pooled.

In consideration of the premises the said lessee covenants and agrees:

1st. To deliver to the credit of lessee, 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 lease fee of gas of whatsoever nature or kind produced and sold, or used off the premises, or used in the manufacture of any products therefrom, one-eighth (1/8) at the market price of the well, first as to gas sold by lessee, in no event more than one-eighth (1/8) of the proceeds received by lessee from such sales, but 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 acre-foot once retained for use, 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 continued during the primary term 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 in compliance 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 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 lessee only in the proportion which his or her interest bears to the whole and undivided fee.

Lessee shall have the right to run, flow or cast, gas, oil and water produced on said land for lessee's operation (except, except water from the well of lessee).

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

No well shall be drilled nearer than 200 feet to the house or barn upon an arid premises without written consent of lessee.

Lessee shall pay for damage 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 water.

If the estate of either party herein is assigned, and the privileges of assigning in whole or in part is expressly allowed, the assignee hereof shall succeed in this lease, executor, administrator, successor or assigns, but no change in the ownership of the land or assignment of estate or interests 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 lessee 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 covenants 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 reduce by lessee, by payment any mortgages, liens or other liens on the above described lands, in the event of default of payment by lessee, and its subcontractors in the rights of the holder thereof, and the authorized lessee, for themselves and their heirs, successors and assigns, hereby waives and releases all right of defense and recoupment in the premises described herein, in so far as said right of defense and recoupment 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 to be to produce the maximum of oil, gas or other minerals in and under and that may be produced from said premises, such pooling to be of broad scope to one another and to be into a unit or units not exceeding 80 acres each in the event of an oil well, or into a unit or units not exceeding 160 acres each in the event of a gas well. Lessee shall execute in writing and record in the appropriate 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 unit or units shall be treated, for all purposes except the payment of royalties on production from the pooled acre, 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 the event the royalty elsewhere herein specified, lessee shall receive on production from a well so pooled only such portion of the royalty stipulated herein as the acreage of his acreage pooled in the well or his royalty interest bears on an acreage basis bears to the total acreage so pooled in the particular well involved.

See Rider attached hereto and made a part hereof:

STATE OF KANSAS } 63
COMANCHE COUNTY }
This instrument was filed for record on
the 17 day of March, 1997
at 2:00 PM in and duly recorded
in Book 84 Page 262 Fees \$10.00
Bryant Register
Register of Deeds

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

Witness: Roy R. Boisseau (Roy R. Boisseau) S.S.#

RIDER

If the lands covered hereby are irrigated by the use of a self-propelled overhead sprinkler system, presently in operation or installed hereafter, the Lessee, prior to conducting operations hereon, shall consult with the Lessor in regard to said drilling operations. Said operations shall be conducted in such a manner as will least disturb or interfere with Lessor's irrigation system or the surface contours of the leased premises. Should any alterations to the surface contours be caused by its operations, Lessee, or his assigns, shall restore said surface contours to their former condition as nearly as is practicable. In the event of production and continued use of the surface, Lessee, or his assigns, will restore or prepare the surface and situate and install all equipment needed in connection therewith, so that Lessee's use thereof will not interfere with the passage of said overhead sprinkler irrigation system. Lessee shall consult with Lessor in regard to the route of ingress and egress on said premises for the purpose of drilling and production.

This lease shall be null and void unless a test well for oil and gas purposes is commenced or caused to be commenced at a location in Section 22-T31S-R18W on or before January 29, 1999.

Lessor shall have the right to take in kind the royalty, or any portion thereof, provided for gas herein by using gas from any gas well on the land above described for farming and agricultural purposes on said land. Any gas so taken by Lessor shall be taken at or near the mouth of the well at a point to be designated by Lessee. All equipment necessary for the taking of gas and the measuring of same shall be furnished by Lessor at his own expense. The method of taking of gas and the point of connection for taking must be such as to not interfere with the operation of the well and must be submitted to Lessee or his assigns and accepted by him or it before gas is taken. For gas so taken by Lessor in an amount less than the full royalty fraction provided for gas in this lease, Lessee shall have the right to make a corresponding deduction in gas royalty payments due Lessor, said payments to be made in accordance with the terms of the lease. Lessee or his assigns shall never be liable to Lessor, Lessor's agents or employees or any other person as regards the gas taken, the use thereof, the equipment use, the manner of its use, the use to which put or anything incident thereto or resulting therefrom. Lessee or his assigns shall never be under any obligation to produce gas from any well unless practical or economical to do so. Lessee or his assigns shall at all times have dry land access to and from and around any equipment used by Lessor for taking gas and metering same and Lessor's irrigation operations and equipment shall be at all times be so situated and operated as to not interfere with any operations by Lessee for or in the production of oil or gas on said land.

The leased premises is now under flood irrigation. At such time as Lessee desires to commence drilling operations thereon, Lessee shall consult with Lessor in regard to and shall conduct its operations in such a manner as will least disturb, interfere with, or damage Lessor's irrigation system or the surface contours of the leased premises. Lessee shall promptly restore any damage caused by it to said irrigation system and/or surface contours to their former condition as nearly as possible. In the event of production and continued use of the surface, Lessee will restore or prepare the surface so that Lessee's use thereof will not prohibit use of remaining ground. Lessee shall consult with Lessor in regard to the route of ingress and egress on said premises for the purpose of drilling and production as to use of the surface for such ingress and egress.