

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

REQUEST FOR CHANGE OF OPERATOR  
TRANSFER OF INJECTION OR SURFACE PIT PERMIT

Form T-1  
April 2004  
Form must be Typed  
Form must be Signed  
All blanks must be Filled

Check Applicable Boxes:

- ☒ Oil Lease: No. of Oil Wells 33 \*\*  
☐ Gas Lease: No. of Gas Wells \_\_\_\_\_ \*\*  
☐ Gas Gathering System: \_\_\_\_\_  
☐ Saltwater Disposal Well - Permit No.: \_\_\_\_\_  
Spot Location: \_\_\_\_\_ feet from ☐ N / ☐ S Line  
\_\_\_\_\_ feet from ☐ E / ☐ W Line  
☒ Enhanced Recovery Project Permit No.: E-28238  
Entire Project: ☐ Yes ☐ No  
Number of Injection Wells 20 \*\*

Field Name: Chetopa

**\*\* Side Two Must Be Completed.**

Effective Date of Transfer: Feb 5th, 2007 2-21-07

KS Dept of Revenue Lease No.: 136963 UP

Lease Name: Barr

Sec. 10 Twp. 35S R. 21 ☒ E ☐ W

Legal Description of Lease: Pls See Attached Oil + Gas Use.

County: Labette

Production Zone(s): Bartlesville

Injection Zone(s): Bartlesville

Surface Pit Permit No.: \_\_\_\_\_  
(API No. if Drill Pit, WO or Haul)

Type of Pit: ☐ Emergency ☐ Burn ☐ Settling

☐ Haul-Off ☐ Workover ☐ Drilling OR

Past Operator's License No. 33264 exp. 6/30/06

Past Operator's Name & Address: Central Production Company Inc.  
4595 Lockner Drive, Urbandale, Iowa, 50322

Title: \_\_\_\_\_

Contact Person: Eric Arro

Phone: (705) 549-3348

Date: \_\_\_\_\_

Signature: Pls See Attached Bill of Sale OCT 26 2007

New Operator's License No. 33927 ✓

New Operator's Name & Address: MegaWest Energy Kansas Corp.  
Suite 800, 926 5th Avenue SW, Calgary, AB, Canada, T2P 0N7

Title: \_\_\_\_\_

Contact Person: Wayne Sampson **RECEIVED KANSAS CORPORATION COMMISSION CONSERVATION DIVISION WICHITA, KS**

Phone: (403) 984-6347

Oil / Gas Purchaser: \_\_\_\_\_

Date: OCT 26 2007 E. Wayne Sampson

Signature: Wayne Sampson Vice President, Land

**Acknowledgment of Transfer:** The above request for transfer of injection authorization, surface pit permit # \_\_\_\_\_ has been noted, approved and duly recorded in the records of the Kansas Corporation Commission. This acknowledgment of transfer pertains to Kansas Corporation Commission records only and does not convey any ownership interest in the above injection well(s) or pit permit.

MegaWest Energy Kansas Corp acknowledged as the  
new operator and may continue to inject fluids as authorized by  
Permit No. E-28,238 Recommended action: U3C's  
due 2005-06 on all wells  
Date: 10-29-07 Barbara Montgomery  
Authorized Signature

\_\_\_\_\_ is acknowledged as the  
new operator of the above named lease containing the surface pit  
permitted by No.: \_\_\_\_\_

Date: \_\_\_\_\_

Authorized Signature

DISTRICT \_\_\_\_\_ EPR 10-29-07 PRODUCTION OCT 30 2007 UIC 10-30-07  
Mail to: Past Operator 10-30-07 New Operator 10-30-07 District 10-30-07 3

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

Side Two

## Must Be Filed For All Wells

KDOR Lease No.: 136963

\* Lease Name: Barr

\* Location: 10-35-21E

Well No.	API No. (YR DRLD/PRE '67)	Footage from Section Line (i.e. FSL = Feet from South Line)		Type of Well (Oil/Gas/INJ/WSW)	Well Status (PROD/TA'D/Abandoned)
B10	15-099-23310 ✓	3336.5	Circle FSL/FNL 1898.7	Oil	Prod
B11	15-099-23311 ✓	3383.0	FSL/FNL 1710.0	Oil	Prod
B12	15-099-23312 ✓	3520.0	FSL/FNL 1631.0	Oil	Prod
B13	15-099-23313 ✓	3520.0	FSL/FNL 1472.0	Oil	Prod
B14	15-099-23314 ✓	3520.0	FSL/FNL 1947.0	Oil	Prod
B15	15-099-23315 ✓	3520.0	FSL/FNL 2106.0	Oil	Prod
B16	15-099-23316 ✓	3658.0	FSL/FNL 2185.0	Oil	Prod
B17	15-099-23317 ✓	3658.0	FSL/FNL 1868.0	Oil	Prod
B18	15-099-23318 ✓	3658.0	FSL/FNL 1710.0	Oil	Prod
B19	15-099-23319 ✓	3658.0	FSL/FNL 1393.0	Oil	Prod
B20	15-099-23320 ✓	3795.0	FSL/FNL 2106.0	Oil	Prod
B21	15-099-23321 ✓	3795.0	FSL/FNL 1947.0	Oil	Prod
B22	15-099-23322 ✓	3795.0	FSL/FNL 1631.0	Oil	Prod
B23	15-099-23323 ✓	3795.0	FSL/FNL 1472.0	Oil	Prod
B24	15-099-23324 ✓	3932.0	FSL/FNL 2185.0	Oil	Prod
B25	15-099-23325 ✓	3932.0	FSL/FNL 1868.0	Oil	Prod
B26	15-099-23326 ✓	3932.0	FSL/FNL 1710.0	Oil	Prod
B27	15-099-23327 ✓	3932.0	FSL/FNL 1393.0	Oil	Prod
B28	15-099-23328 ✓	4070.0	FSL/FNL 2106.0	Oil	Prod
B29	15-099-23329 ✓	4070.0	FSL/FNL 1947.0	Oil	Prod
B30	15-099-23330 ✓	4070.0	FSL/FNL 1631.0	Oil	Prod
B31	15-099-23331 ✓	4070.0	FSL/FNL 1472.0	Oil	Prod
B32	15-099-23332 ✓	4207.0	FSL/FNL 2185.0	Oil	Prod

A separate sheet may be attached if necessary

\* When transferring a unit which consists of more than one lease please file a separate side two for each lease. If a lease covers more than one section please indicate which section each well is located.

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**Must Be Filed For All Wells**

\* Lease Name: Barr

\* Location:

10-35-21E

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Side Two

## Must Be Filed For All Wells

KDOR Lease No.: 136963\* Lease Name: Barr\* Location: 10-35-21E

Well No.	API No. (YR DRLD/PRE '67)	Footage from Section Line (i.e. FSL = Feet from South Line)		Type of Well (Oil/Gas/INJ/WSW)	Well Status (PROD/TA'D/Abandoned)
N-11L	15-099-23365 ✓	4070.0	Circle FSL/FNL 2262.5	INJ	Prod
N-11U	15-099-23364 ✓	4070.0	FSL/FNL 2267.5	INJ	Prod
N-12L	15-099-23367 ✓	3795.0 3975.0	Circle FSL/FNL 2252.5	INJ	Prod
N-12U	15-099-23366 ✓	3795.0	FSL/FNL 2267.5	INJ	Prod
N-13L	15-099-23369 ✓	3520.0	FSL/FNL 2262.5	INJ	Prod
N-13U	15-099-23368 ✓	3520.0	FSL/FNL 2267.5	INJ	Prod
N-1L	15-099-23345 ✓	3520.0	FSL/FNL 1786.5	INJ	Prod
N-1U	15-099-23344 ✓	3520.0	FSL/FNL 1791.5	INJ	Prod
N-2L	15-099-23347 ✓	3658.0	FSL/FNL 1548.5	INJ	Prod
N-2U	15-099-23346 ✓	3658.0	FSL/FNL 1553.5	INJ	Prod
N-3L	15-099-23349 ✓	3658.0	FSL/FNL 2024.5	INJ	Prod
N-3U	15-099-23348 ✓	3658.0	FSL/FNL 2029.5	INJ	Prod
N-4L	15-099-23351 ✓	3795.0	FSL/FNL 1786.5	INJ	Prod
N-4U	15-099-23350 ✓	3795.0	FSL/FNL 1791.5	INJ	Prod
N-5L	15-099-23353 ✓	3932.0	FSL/FNL 1548.5	INJ	Prod
N-5U	15-099-23352 ✓	3932.0	FSL/FNL 1553.5	INJ	Prod
N-6L	15-099-23355 ✓	3932.0	FSL/FNL 2024.5	INJ	Prod
N-6U	15-099-23354 ✓	3932.0	FSL/FNL 2029.5	INJ	Prod
N-7L	15-099-23357 ✓	4070.0	FSL/FNL 1786.5	INJ	Prod
N-7U	15-099-23356 ✓	4070.0	FSL/FNL 1791.5	INJ	Prod
			FSL/FNL		
			FSL/FNL		
			FSL/FNL		

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A separate sheet may be attached if necessary

\* When transferring a unit which consists of more than one lease please file a separate side two for each lease. If a lease covers more than one section please indicate which section each well is located.

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## OIL AND GAS LEASE

0029330  
STATE OF KANSAS  
LABETTE COUNTY  
THIS INSTRUMENT WAS FILED FOR RECORD  
AND DULY RECORDED IN BOOK 259  
OF PAGE 259

40 03  
MAR 16 2007 1:30

Donna Strickland  
REGISTER OF DEEDS

THIS AGREEMENT, made and entered into this 8<sup>th</sup> day of June, 2006, by and between Duane Barr, a single man, and Nadine Barr, mother, whose mailing address is Box 562, Chetopa, Kansas 67336 hereinafter called Lessor (whether one or more) and Deerfield Energy Kansas Corp. whose mailing address is 2300 Main Street - 9th Floor, Kansas City, Missouri 64108, hereinafter called Lessee:

### WITNESSETH:

1. That the Lessor, for and in consideration of the sum of ten thousand U.S. Dollars (\$ 10,000.00), and other good and valuable consideration, receipt of which is hereby acknowledged, and the covenants and provisions contained herein to be kept by Lessee, does hereby grant, demise, lease and let unto the said Lessee, the land hereinafter described, with the exclusive right for the purpose of mining, exploring by geophysical and other methods, operating for, producing, and taking care of all oil, gas and all of the products of oil and gas, with rights of way and easements for laying pipelines, and the erection of structures thereon necessary or convenient to produce, save and take care of all said products on that certain tract of land situated in the County of Labette, State of Kansas, described as follows, to-wit:

Township 35, Range 21, Section 10:

RI0282 NE ¼ excluding ROW and RI0287 SE ¼ excluding ROW.

containing 320 acres, more or less.

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2. It is agreed that this lease shall remain in full force and effect for a primary term of two (2) years from this date, and as long thereafter as oil, gas or the products of oil or gas are produced from said leased premises, or drilling operations are continued as hereinafter provided.

3. This is a PAID-UP LEASE. In consideration of the down payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term, or to make any rental payments during the primary term. Lessee may at any time or times during or after the primary term hereof surrender this lease as to all or a portion of the lands covered herein by delivering to Lessor, or by filing for record a release or releases, and thereafter be relieved of all obligations accruing hereunder as to the acreage surrendered. The lease shall continue in force and effect as to all of the acreage not surrendered.

4. Lessee agrees to pay Lessor a royalty on production covered hereby as follows:

1<sup>st</sup>. Lessee shall deliver to the credit of Lessor as royalty, free of cost, in the pipeline to which Lessee may connect its wells, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises, or at Lessee's option, may pay to the Lessor for such one-eighth (1/8) royalty the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipeline, or into storage tanks.

2<sup>nd</sup>. Lessee shall pay Lessor as royalty on gas marketed from each well one-eighth (1/8) of the proceeds if sold at the well, or if marketed by Lessee, off the leased premises, then one-eighth (1/8) of its market value at the well.

3<sup>rd</sup>. Lessee shall pay Lessor one-eighth (1/8) of the proceeds received by the Lessee from the sale of casinghead gas produced from any oil well and one-eighth (1/8) of the value, at the mouth of the well, computed at the prevailing market price, of the casinghead gas produced from any oil well and

used by Lessee off the leased premises for any purpose or used on the leased premises by Lessee for purposes other than the development and operation thereof.

4<sup>th</sup>. Lessee shall pay to Lessor one-eighth ( $\frac{1}{8}$ ) of the proceeds from the sale of all other products of oil and gas not otherwise referred to hereinabove.

5. Where there is a gas well, or wells on the lands covered by this Lease, or acreage pooled therewith, whether it be before or after the primary term hereof, and such well or wells are shut-in, and there is no other production, drilling operations or other operations being conducted capable of keeping this Lease in force under any of its provisions, Lessee shall pay as royalty to Lessor the sum of Ten Dollars (\$10.00) per year per net royalty acre, such payment to be made on or before the anniversary date of this Lease next ensuing after the expiration of 90 days from the date such well or wells are shut-in, and thereafter on the anniversary date of this Lease during the period such wells are shut-in, and upon such payment it shall be considered that this Lease is maintained in full force and effect.

6. If the Lessor owns a lesser interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the said Lessor only in the proportion which Lessor's interests bear to the whole and undivided fee.

7. Notwithstanding anything in this lease contained to the contrary, it is expressly agreed that if Lessee shall commence operations for drilling a well at any time while this lease is in force, this lease shall remain in force and its term shall continue so long as such operations are prosecuted as set out in Paragraph 8 hereof, and if production results therefrom, then so long as production continues.

8. If at the expiration of the primary term of this lease, oil, gas, or the products of oil and gas are not being produced on the leased premises but Lessee has been engaged in drilling or reworking operations thereon, then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises; and operations shall be considered to be continuously prosecuted if not more than sixty (60) days shall elapse between the completion or the abandonment of one well and the beginning of operations for the drilling of a subsequent well. If, after the discovery of oil or gas or the products of oil or gas on said land or on acreage pooled therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or re-working operations within sixty (60) days from the date of cessation of production or from date of completion of a dry hole. If oil, gas or the products of oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil, gas, or the products of oil or gas shall be produced from the leased premises.

9. 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 the Lessor. When requested by Lessor, Lessee shall bury pipelines below plow depth. No well shall be drilled nearer than 200 feet to any house or barn on said premises as of the date of this lease without written consent of the 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, but shall not have the obligation to do so.

10. The rights of the Lessor and Lessee hereunder may be assigned in whole or in part; however, no change in ownership of Lessor's interest (by assignment or otherwise) shall be binding on Lessee until the Lessee has been furnished with notice, consisting of certified copies of all recorded instruments or documents and other information necessary to establish a complete chain of record title from the Lessor, and then only with respect to payments thereafter made. No other notice of any kind or character, whether actual or constructive, shall be binding on the Lessee. No present or future

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division of Lessor's ownership as to different portions or parcels of said land shall operate to enlarge the obligations, or to diminish the rights of the Lessee, and all of Lessee's operations may be conducted without regard to any such division. If all or any part of this lease is assigned, no leasehold owner shall be liable for any act or omission on the part of any other leasehold owner.

11. Lessee, at its option, is hereby given the right and power to voluntarily pool or combine the lands covered by this lease, or any portion thereof, as to the oil and gas, or either of them, with any other land, lease or leases adjacent thereto when in a Lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said premises, such pooling to be into units not exceeding eighty (80) acres for an oil well, plus a tolerance of ten per-cent (10%), and not exceeding six hundred forty (640) acres for a gas well, plus a tolerance of ten per-cent (10%), except that larger units may be created to conform to any spacing or well unit pattern that may be prescribed by governmental authorities having jurisdiction. Lessee shall execute in writing and record in the County Records an instrument identifying and describing the pooled acreage. The entire acreage so pooled into units shall be treated for all purposes, except the payment of royalties, as if it were included in this lease, and drilling or reworking operations thereon or production of oil or gas therefrom, or the completion thereon of a well as a shut-in gas well, shall be considered for all purposes, except the payment of royalties, as if such operation were on, or such production were from, or such completion was on the land covered by this lease, whether or not the well or wells be located on the premises covered by this lease. In lieu of royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive from a unit so formed only such portion of the royalties stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein bears to the total acreage so pooled.

12. In the absence of production, Lessee may terminate any unitized area by filing in the county records a Notice of Termination of the unit. All express or implied covenants of this lease shall be subject to all federal and state laws, executive orders, rules or regulations of governmental bodies having jurisdiction, and this lease shall not terminate in whole or in part, nor shall Lessee be 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.

13. 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 land in the event of failure of payment by the Lessor, and be subrogated to the rights of the holder thereof, and in addition Lessee may reimburse itself for such payments out of any royalties or rentals payable to a Lessor.

14. All the provisions of this Lease shall be binding on the heirs, successors, assigns, and legal representatives of the Lessor and Lessee.

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IN WITNESS WHEREOF this instrument is executed on the day and year first hereinabove set out.

LESSOR:

Duane Barr  
Duane Barr

Nadine Barr  
Nadine Barr

LESSEE: DEERFIELD ENERGY LLC

By:

George T. Stapleton II  
George T. Stapleton II, Director

Attest:

Raymond T. Pirraglia  
Raymond T. Pirraglia, Director

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WICHITA, KS

ACKNOWLEDGEMENT BY LESSEE

STATE OF NEW YORK )  
 ) ss:  
COUNTY OF RICHMOND )

On this 3rd day of October, 2006, before me appeared Raymond T. Pirraglia, to me personally known, who being by me duly sworn did say that he is a Director of Deerfield Energy Kansas Corp., a Delaware corporation, and that said instrument was signed and sealed in behalf of said company by authority of its board of directors, and acknowledged said instrument to be the free act and deed of said company.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at my office in Staten Island, NY, the day and year last above written.

9/10/09

My Commission Expires:

Carol Baglioni  
Notary Public

CAROL BAGLIONI  
Notary Public - State of New York  
No. 01BA6028805  
Qualified in Richmond County  
My Commission Expires September 10, 2009

ACKNOWLEDGEMENT BY LESSOR

STATE OF KANSAS )

COUNTY OF Labette ) ss.

**[Note - Complete the correct choice (only one) and mark the others out]**

On this 11<sup>th</sup> day of October, 2006, before me personally appeared Dwaine Barr, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that s/he executed the same as his/her free act and deed, and further declared himself/herself to be single and unmarried.

*[For a trustee]*

On this \_\_\_ day of \_\_\_\_\_, 20\_\_, before me personally appeared \_\_\_\_\_, Trustee, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that s/he executed the same as his/her free act and deed as such Trustee.

*[For a husband & wife]*

On this \_\_\_ day of \_\_\_\_\_, 20\_\_, before me personally appeared \_\_\_\_\_ and \_\_\_\_\_, husband and wife, to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

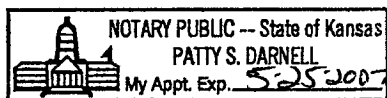
*[For a corporation or LLC]*

On this \_\_\_ day of \_\_\_\_\_, 20\_\_, before me appeared \_\_\_\_\_, to me personally known, who being by me duly sworn, did say that he/she is the \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_, and that said instrument was signed and sealed in behalf of said company by authority of its \_\_\_\_\_, and acknowledged said instrument to be the free act and deed of said company.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at my office in Chetopa, Kansas, the day and year last above written.

Patty S. Darnell  
Notary Public

My Commission Expires: 5-25-2007



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ACKNOWLEDGEMENT BY LESSOR

STATE OF KANSAS )

COUNTY OF Labette ) ss.

**[Note - Complete the correct choice (only one) and mark the others out]**

On this 4<sup>th</sup> day of October, 2006 before me personally appeared Nadine Barr <sup>[For a single person]</sup>, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that s/he executed the same as his/her free act and deed, and further declared himself/herself to be single and unmarried.

*[For a trustee]*

On this \_\_\_ day of \_\_\_\_\_, 20\_\_, before me personally appeared \_\_\_\_\_, Trustee, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that s/he executed the same as his/her free act and deed as such Trustee.

*[For a husband & wife]*

On this \_\_\_ day of \_\_\_\_\_, 20\_\_, before me personally appeared \_\_\_\_\_ and \_\_\_\_\_, husband and wife, to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

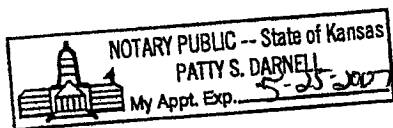
*[For a corporation or LLC]*

On this \_\_\_ day of \_\_\_\_\_, 20\_\_, before me appeared \_\_\_\_\_, to me personally known, who being by me duly sworn, did say that he/she is the \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_, and that said instrument was signed and sealed in behalf of said company by authority of its \_\_\_\_\_, and acknowledged said instrument to be the free act and deed of said company.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at my office in Chickpea, Kansas, the day and year last above written.

Patty S. Darnell  
Notary Public

My Commission Expires: 5-25-2007



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**BILL OF SALE AND ASSIGNMENT AND ASSUMPTION AGREEMENT**

THE STATE OF TEXAS )  
COUNTY OF FORT BEND )

KNOWN BY ALL MEN BY THESE PRESENTS:

THIS BILL OF SALE AND ASSIGNMENT AND ASSUMPTION AGREEMENT (this "*Agreement*") is effective as of November 8, 2006 (the "*Closing Date*"), by and between Central Production Company, Inc., a Kansas corporation ("*Assignor*"), and Deerfield Energy Kansas Corp., a Delaware corporation ("*Assignee*").

Assignee is a party to that certain Asset Purchase Agreement dated as of September 12, 2006 by and among Assignee and Assignor (the "*Purchase Agreement*"). The Purchase Agreement contemplates the making and delivery of this Agreement. Capitalized terms used in this Agreement but not otherwise defined herein shall have the meanings given to such terms in the Purchase Agreement.

NOW, THEREFORE, as contemplated by the Purchase Agreement, and for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Effective as of the Closing Date, Assignor hereby sells, conveys, assigns, transfers, and delivers to Assignee, its successors and assigns, forever, and Assignee hereby accepts, all of Assignor's right, title, and interest in and to all of the properties, assets and agreements listed on Exhibit A attached hereto (the "*Assigned Assets*"), free and clear of all liens, charges, security interests, encumbrances, and restrictions of whatever nature, except as otherwise set forth pursuant to the Purchase Agreement, and the Assignor does hereby bind itself and its successors and assigns to WARRANT and FOREVER DEFEND, all and singular, title to the Assigned Assets unto the Assignee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same, or any part thereof. Except as otherwise set forth pursuant to the Purchase Agreement, it is agreed that the Assignee shall not be responsible for the discharge and performance of any duties or obligations required to be performed and/or discharged in connection with the Assigned Assets on or prior to the Closing Date, and Assignor agrees to indemnify, as set forth in Article VII of the Purchase Agreement, save, and hold harmless the Assignee from and against any and all losses, costs, damages, liabilities, expenses (including reasonable attorneys' fees) actions, claims, or causes of action existing in favor of or asserted by any party arising from or related to any failure by the Assignor to perform or discharge its obligation as the owner of the Assigned Assets on and prior to the Closing Date.

2. Effective as of the Closing Date, Assignee hereby assumes and agrees to pay, discharge, and perform when due certain of Assignor's debts, liabilities, and obligations (whether accrued, absolute, contingent or otherwise, whether known or unknown, whether due or to become due, and regardless of when or by whom asserted) (the "*Assumed Liabilities*") listed

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on Exhibit B attached hereto. Assignee hereby indemnifies, as set forth in Article VII of the Purchase Agreement, and holds harmless Assignor from and against any and all liabilities, costs, losses, and expenses arising from or relating to the Assumed Liabilities.

3. The Assignor hereby constitutes and appoints the Assignee as the Assignor's true and lawful attorney, with full power of substitution, for it and in its name, place, and stead, or otherwise, but on behalf of and for the benefit of the Assignee, to demand and receive from time to time any and all Assigned Assets and Assumed Liabilities, hereby sold, assigned, and conveyed, or intended so to be, and to get receipts and release for and in respect of the same or any part thereof, and from time to time to institute and prosecute in the name of the Assignor or otherwise, but at the expense and for the benefit of the Assignee, any and all proceedings at law, inequity or otherwise, that the Assignee may deem proper in order to collect, assert, or enforce any claim, right, or title, of any kind, in and to the Assigned Assets and Assumed Liabilities hereby assigned and conveyed, or intended so to be, and to defend and compromise any and all actions, suits, or proceedings relating to any of the said Assigned Assets and Assumed Liabilities, and generally to do all and any such acts and things in relation thereto as the Assignee shall deem advisable.

4. Notwithstanding any other provision in this Agreement to the contrary, in the event that any Assigned Asset is not legally or equitably assignable (whether pursuant to its express terms or otherwise) at the Closing Date, or if the purported assignment of such Assigned Asset pursuant to this Agreement would adversely affect, or diminish the value to Assignee of, such Assigned Asset, then in any such case (a) such Assigned Asset shall not be deemed assigned to Assignee hereunder, (b) Assignor shall, until such time as such Assigned Asset is so assignable without any such adverse effect or diminution in value, hold such Assigned Asset in trust for the benefit of Assignee, and act as agent of Assignee in order to obtain for Assignee the economic and other benefits of such Assigned Asset as though such Assigned Asset had been assigned to Assignee hereunder, (c) Assignor shall transfer or deliver to Assignee any and all sums, proceeds and other consideration received or collected by Assignor in respect of such Assigned Asset or as a result of any liquidation or other capitalization thereof, and (d) if and when such Assigned Asset thereafter becomes so assignable without any such adverse effect or diminution in value, then Assignor shall promptly, at Assignee's reasonable request and without further consideration, execute and deliver such instruments of conveyance and transfer and take such action to effect, consummate, confirm and evidence the transfer to Assignee of such Assigned Asset.

5. Each party hereby covenants that, from and after the Closing Date, upon the other party's reasonable request and without further consideration, such party shall execute and deliver such further instruments of conveyance and transfer and take such additional action to effect, consummate, confirm and evidence the transfer to Assignee of the Assigned Assets and the assumption by Assignee of the Assumed Liabilities.

6. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which shall constitute one and the same Agreement.

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7. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, WITHOUT GIVING EFFECT TO THE CONFLICT OF LAWS RULES OR CHOICE OF LAWS RULES THEREOF.

8. This instrument shall insure to the benefit of, and be binding upon, the parties hereto and their respective successors and assigns.

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IN WITNESS WHEREOF, Assignor and Assignee have caused this Agreement to be executed and delivered as of the date first written above.

**ASSIGNOR:**

CENTRAL PRODUCTION COMPANY, INC.

By: 

Name: Eric Arro

Title: Secretary

**ASSIGNEE:**

DEERFIELD ENERGY KANSAS CORP.

By: 

Name: GEORGE T. STAPLETON II

Title: DIRECTOR

**Attachments:**

Exhibit A – Assigned Assets

Exhibit B – Assumed Liabilities

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ACKNOWLEDGMENT

THE STATE OF Iowa )

COUNTY OF polk )

On this 14 day of Sept 2006, before me appeared Eric Arnd, to me personally known, who being by me duly sworn, did say that he is the secretary of Central Production Company, Inc., a Kansas corporation, and that said instrument was signed and sealed in behalf of said company by authority of its \_\_\_\_\_, and acknowledged said instrument to be the free act of said company.

Rhonda Mackey  
Notary Public



My commission expires

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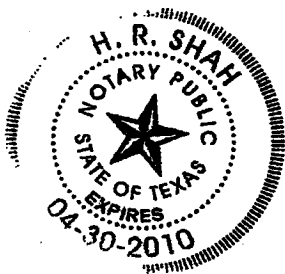
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WICHITA, KS

ACKNOWLEDGMENT

THE STATE OF TEXAS )  
COUNTY OF FORT BEND )

On this 8<sup>th</sup> day of NOVEMBER 2006, before me appeared George T. Stapleton, II, to me personally known, who being by me duly sworn, did say that he is the Director of Deerfield Energy LLC, a limited liability company, and that said instrument was signed and sealed in behalf of said company by authority of its Board of Directors, and acknowledged said instrument to be the free act of said company.



H. R. Shah  
Notary Public

[SEAL]

04-30-2010  
My commission expires

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