

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

Mail to: KCC - Conservation Division, 130 S. Market - Room 20
 ** Must Amend this well to this docket - Spoke with Operator 10/23/09

Must Be Filed For All Wells

KDOR Lease No.: 101443

* Lease Name: Melander B (new name will be Hayden)

* Location: NE4 Sec 23 T34S R14E MG Co KS

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)
Docket #20,745 - Duplicate Well #337				
E-04451 G11	15-125-90149	4797 ^{Circle} FSL /FNL 737 ^{Circle} FEL /FWL	INJ	Inactive
G11	15-125-90348	3520 ^{Circle} FSL /FNL 2638 ^{Circle} FEL /FWL	INJ	Inactive
B78	15-125-90335 ⁰¹⁹⁴¹⁻⁰⁰⁻⁰¹	4455 ^{Circle} FSL/FNL 1045 ^{Circle} FEL/FWL	INJ	Inactive
B85	15-125-27070 ⁰¹⁹⁴²⁻⁰⁰⁻⁰¹	4260 ^{Circle} FSL/FNL 345 ^{Circle} FEL/FWL	INJ	Inactive
→ B37	15-125-91166 ⁰¹⁹⁴²⁻⁰⁰⁻⁰¹	4894 ^{Circle} FSL/FNL 937 ^{Circle} FEL/FWL	INJ	Inactive
B62	15-125-21394 ✓	5164 ^{Circle} FSL/FNL 1343 ^{Circle} FEL/FWL	Oil	Inactive
B63	15-125-21395 ✓	3854 ^{Circle} FSL/FNL 1837 ^{Circle} FEL/FWL	Oil	Inactive
B64	15-125-21396 ✓	3903 ^{Circle} FSL/FNL 330 ^{Circle} FEL/FWL	Oil	Inactive
65	15-125-21609 ✓	3004 ^{Circle} FSL/FNL 388 ^{Circle} FEL/FWL	Oil	Inactive
66	15-125-21610 ✓	3047 ^{Circle} FSL/FNL 601 ^{Circle} FEL/FWL	Oil	Inactive
67	15-125-21611 ✓	3247 ^{Circle} FSL/FNL 198 ^{Circle} FEL/FWL	Oil	Inactive
68	15-125-21612 ✓	3076 ^{Circle} FSL/FNL 920 ^{Circle} FEL/FWL	Oil	Inactive
69	15-125-21613 ✓	5171 ^{Circle} FSL/FNL 1741 ^{Circle} FEL/FWL	Oil	Inactive
70	15-125-21614 ✓	4715 ^{Circle} FSL/FNL 555 ^{Circle} FEL/FWL	Oil	Inactive
B71	15-125-21650	4874 ^{Circle} FSL /FNL 365 ^{Circle} FEL /FWL	Oil	Inactive
B72	15-125-21651 ✓	4558 ^{Circle} FSL/FNL 359 ^{Circle} FEL/FWL	Oil	Inactive
B74	15-125-21653 ✓	4424 ^{Circle} FSL/FNL 190 ^{Circle} FEL/FWL	Oil	Inactive
B75	15-125-21654 ✓	4431 ^{Circle} FSL/FNL 38 ^{Circle} FEL/FWL	Oil	Inactive
B82	15-125-25916 ✓	4520 ^{Circle} FSL/FNL 770 ^{Circle} FEL/FWL	Oil	Inactive
83	15-125-27102 ✓	4418 ^{Circle} FSL/FNL 18 ^{Circle} FEL/FWL	Oil	Inactive
B83	15-125-25921 ✓	4400 ^{Circle} FSL/FNL 230 ^{Circle} FEL/FWL	Oil	Inactive
B86	15-125-27789 ✓	5164 ^{Circle} FSL/FNL 419 ^{Circle} FEL/FWL	Oil	Inactive
B87	15-125-27799 ✓	5207 ^{Circle} FSL/FNL 826 ^{Circle} FEL/FWL	Oil	Inactive

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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OCT 16 2009

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SEP 09 2009

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Plugged per
CP 13
1/14/78

Must Be Filed For All Wells

KDOR Lease No.: 101443

* Lease Name: Melander B (new name will be Hayden)

* Location: NE4 Sec23 T34S R14E

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)		
KM3-4	15-125-28022 ✓	4620	Circle FSL/FNL	600	Circle FEL/FWL	Oil	Inactive
KMB-4	NA 15-125-01921 ✓	4700	FSL/FNL	2270	FEL/FWL	WSW	Inactive
50	15-125-20955 ✓	4625	FSL/FNL	1331	FEL/FWL	Oil	Inactive
52	15-125-21060 ✓	4321	FSL/FNL	1327	FEL/FWL	Oil	Inactive
53	15-125-21061 ✓	4260	FSL/FNL	724	FEL/FWL	Oil	Inactive
54	15-125-21062 ✓	4424	FSL/FNL	559	FEL/FWL	Oil	Inactive
55	15-125-21063 ✓	4558	FSL/FNL	728	FEL/FWL	Oil	Inactive
56	15-125-21064 ✓	4661	FSL/FNL	2235	FEL/FWL	Oil	Inactive
57	15-125-21067 ✓	3817	FSL/FNL	2275	FEL/FWL	Oil	Inactive
58	15-125-21088 ✓	3872	FSL/FNL	2489	FEL/FWL	Oil	Inactive
59	15-125-21089 ✓	3065	FSL/FNL	25	FEL/FWL	Oil	Inactive
B61	15-125-21393 ✓	4054	FSL/FNL	174	FEL/FWL	Oil	Inactive
89	15-125-01882 ✓	3900	FSL/FNL	810	FEL/FWL	Oil	inactive
			FSL/FNL		FEL/FWL		RECEIVED
			FSL/FNL		FEL/FWL		OCT 16 2009
			FSL/FNL		FEL/FWL		KCC WICHITA
			FSL/FNL		FEL/FWL		
			FSL/FNL		FEL/FWL		RECEIVED
			FSL/FNL		FEL/FWL		SEP 09 2009
			FSL/FNL		FEL/FWL		KCC WICHITA
			FSL/FNL		FEL/FWL		
			FSL/FNL		FEL/FWL		

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.

OIL AND GAS LEASE

THIS AGREEMENT made this 10 day of December, 2007, between Calvin Hayden and Kelly Hayden, husband and wife; Robert F. Jackson, Jr. and Francis L. Jackson, husband and wife; Timothy C. Melander and Nancy D. Melander, husband and wife; Mark H. Melander and Diana L. Melander, husband and wife; Sara J. Speaks and Roy E. Speaks, wife and husband; Linda K. Boots and Henry L. Boots, wife and husband; in the proportions set forth in the Declaration of Interests attached hereto; herein called lessor (whether one or more), and Michael P. McClenning d/b/a Production Maintenance Service, lessee:

1. Lessor, in consideration of Ten Dollars (\$10.00), in hand paid, receipt of which is here acknowledged and of the royalties herein provided and the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring, prospecting, drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases, and their respective constituent products, including all associated hydrocarbons produced in a liquid or gaseous form and including gas found in and produced from coal formations or coal seams, shale, and all zones in communication therewith, which gas is sometimes referred to as coal bed methane, coal seam gas or occluded gas and all other gases and their respective constituent vapors, (including coalbed methane gas, helium, and all other constituents and substances produced therewith), including the dewatering for production of coalbed methane gas injecting gas, water, other fluids, and air into 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, the following described land, together with any reversionary rights and after-acquired interest, therein situated in Montgomery County, Kansas, to wit:

The Northeast Quarter (NE/4) of Section 23, Township 34 South, Range 14 East, Montgomery County, Kansas and containing 160 acres, more or less, and all accretions thereto.

2. Subject to the provisions herein contained, including but not limited to the commitment to drill a gas well within two (2) years, as set forth in paragraph 12, this lease shall remain in force for a term of two (2) 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.

3. The royalties to be paid by lessee are (a) on oil, and other liquid hydrocarbons saved at the well, three sixteenths (3/16ths) of that produced and saved from said land, same to be delivered free of cost at the wells or to the credit of lessor in the pipe line to which the wells may be connected; (b) on gas, including casinghead gas and all gaseous substances, produced from said land and sold or used off the premises or in the manufacture of gasoline or other products therefrom, three sixteenths (3/16ths) of the proceeds of the gas so sold or used; and (c) at any time, either before or after the expiration of the primary term of this lease, if there is a gas well or wells on the above land (and for the purpose of this clause (c)) the term "gas well" shall include wells capable of producing natural gas, condensate, distillate or any gaseous substance and wells classified as gas wells by any governmental authority) and such well or wells are shut-in, either during or after the primary term, and whether before or after production therefrom, such well or wells shall nevertheless be deemed to be producing for purposes of maintaining this lease. If for a period of ninety (90) consecutive days, such well or wells are shut-in, or gas therefrom is not being sold or used, then lessee or any assignee hereunder may pay or tender as royalty to the royalty owners five dollars (\$5.00) per net mineral acre per year, such payment or tender to be made on or before the anniversary date of the lease next ensuing after the expiration of ninety (90) days from the date such well is shut-in and thereafter on or before the anniversary date of this lease during the period such well is shut-in, for the acreage then held under this lease by the party making such payments or tenders, and if such payments or tenders are made it shall be considered under all provisions of this lease that gas is being produced from the leased premises in paying quantities. In the event there is no actual production of any of the leased substances hereunder during the secondary term hereof for three consecutive years, the lease shall thereupon expire, terminate, and be of no further force or effect.

4. Ancillary Rights. The rights granted to Lessee hereunder shall include the right of ingress and egress on the leased premises or lands pooled or unitized therewith, along with such rights as may be reasonably necessary to conduct operations for exploring, developing, producing and marketing Oil and Gas Substances, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to explore, discover, produce, store, treat and/or transport Oil and Gas Substances and water produced from the leased premises or other lands that share central facilities and are jointly operated with the leased premises for gathering, treating, compression and water disposal. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from the Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled or unitized therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled or unitized therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands of Lessor used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operation to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time, not exceeding ninety (90) days thereafter. Lessor shall have the privilege, at his risk and expense, of using gas from any gas well on said land for stoves and inside lights in the principal dwelling thereon, out of any surplus gas not needed for operations hereunder.

5. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to the heirs, executors, administrators, successors, and assigns, but no change or division in ownership of the land, rentals or royalties, however accomplished, shall operate to enlarge the obligation or diminish the rights of lease. No such change or division in the ownership of the land, rentals or royalties shall be binding upon lessee for any purpose until such person acquiring any interest has furnished lessee with the instrument or instruments, or certified copies thereof, constituting his claim of title from the original lessor. In the event of an assignment of this lease as to a segregated portion of said land, the rentals payable hereunder shall be apportioned as between the several leasehold owners ratably according to the surface areas of each, and default in rental payment by one shall not affect the rights of other leasehold owners hereunder. An assignment of this lease, in whole or in part, shall, to the extent of such assignment, relieve and discharge lessee of any obligations hereunder, and, if lessee or assignee of part or parts hereof shall fail or make default in the payment of the proportionate part of the rentals due from such lessee or assignee or fail to comply with any other provision of the lease, such default shall not affect this lease in so far as it covers a part of said land upon which lessee or any assignee thereof shall make payment of said rentals.

6. Lessee shall not be liable for delays or defaults in its performance of any agreement or covenant hereunder due to force majeure. The term "force majeure" as employed herein shall mean: any act of God including but not limited to storms, floods, washouts, landslides, and lightning; acts of the public enemy; wars, blockades, insurrections, or riots; strikes or lockouts; epidemics or quarantine regulations; laws, acts, order or request of federal, state, municipal or other governments or governmental officers or agents under color of authority; freight embargoes or failures; exhaustion or unavailability or delays in delivery of any product, labor, service, or material. If lessee is required, or ordered or directed by any federal, state or

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-John Horst, Attorney
P.O. Box 560
Caney, KS. 67333

(Recording on page 3)

BOOK: 574
PAGE: 745

municipal law, executive order, rule, regulation or request enacted or promulgated under color of authority to cease drilling operations, reworking operations or producing operations on the land covered by this lease or if lessee by force majeure is prevented from conducting drilling operations, reworking operations or producing operations, then until such time as such law, order, rule, regulation, request or force majeure is terminated and for a period of ninety (90) days after such termination each and every provision of this lease that might operate to terminate it or the estate conveyed by it shall be suspended and inoperative and this lease shall continue in full force. If any period of suspension occurs during the primary term, the time thereof shall be added to such term.

7. Lessor hereby warrants and agrees to defend the title to said land, and agrees that lessee, at its option, may discharge any tax, mortgage, or other lien upon said land, and in the event lessee does so, it shall be subrogated to such lien with the right to enforce same and apply rentals and royalties accruing hereunder toward satisfying same. In case said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties, including substitute gas royalty, and rentals herein provided for shall be paid the said lessor only in the proportion that his interest bears to the whole and undivided fee; however, such rental shall be increased at the next succeeding rental anniversary after the acquisition of any reversionary interest or after-acquired title to cover the interest so acquired, and Lessor agrees to notify Lessee in writing upon acquisition of any additional interest in the above described property, whether it be by reversion or after-acquired title, or if such additional acquisition occurs after production has been obtained, then the royalty shall be increased to cover the interest so acquired. Should any one or more of the parties named above as Lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties, executing the same.

8. If the leased premises shall hereafter be owned in severalty or in separate tracts, the premises, nevertheless, shall be developed and operated as one lease, and all royalties accruing hereunder shall be treated as an entirety and shall be divided equally among and paid to such owners. There shall be no obligation on the part of the lessee to offset wells on separate tracts into which the land covered by this lease may be hereafter divided by sale, devise, or otherwise, or to furnish separate or receiving tanks.

9. Lessee and lessee's successor and assigns shall have the right at any time to surrender this lease, in whole or in part, to Lessor or his heirs and assigns by delivering or mailing a release thereof to the Lessor, or by placing a release thereof of record in the country in which said land is situated; thereupon lessee shall be relieved from all obligations, expressed or implied, of this agreement as to the acreage so surrendered, and thereafter the rentals payable hereunder shall be reduced in the proportion that the acreage covered hereby is reduced by said release or releases.

10. It is hereby agreed and understood that the location of any road, well, pipelines or production facility on the leased premises shall be by mutual consent between Lessor and Lessee and Lessor's Consent shall not be unreasonably withheld. It is the intent of Lessor and Lessee that the location of any road, or production facility shall be such as to cause the least possible amount of inconvenience on the Lessor in the use of the surface, but at the same time allow Lessee to fully exercise the rights granted to it by the terms of this lease.

11. Location damages shall be set at \$ 500.00 per location which shall include pit location, wellsite, and access road. It is agreed by the parties hereto that Calvin Hayden and Kelly Hayden are the sole owners of the surface of the above-described real estate, and that all location damages shall be paid to them.

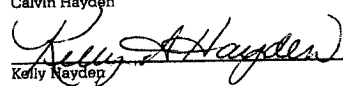
12. Lessee agrees to drill a gas well within two (2) years of the date of inception of this lease. The date of inception of this lease is defined as the date this lease is executed by the last of the lessors above-named to sign this lease. The phrase "drill a gas well" shall mean either: (a) drill a new well to a sufficient depth to test for gas producible from a geologic formation or formations known to produce gas in the geographic area of the above-described property; such geologic formations shall include existing sandstone, limestone, coal seam or shale formations; or (b) recompletion or deepening of an existing production, disposal or injection/enhanced recovery well for the purpose of testing such geologic formation or formations which may be capable of producing gas. The determination of what formations are capable of producing gas shall be within the sole discretion of the lessee.

In the event the lessee fails to drill a gas well as above defined within two (2) years of the date of inception of this lease, the lessee's right to produce gas shall thereupon expire, terminate, and be of no further force or effect; PROVIDED, that lessee may produce gas producible in association with oil wells, including casinghead gas, now existing or hereafter drilled and completed upon the leasehold premises.

13. This lease shall not be pooled or unitized with any other lease unless mutually agreed to by Lessor and Lessee.

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


Calvin Hayden


Kelly Hayden

STATE OF KANSAS)

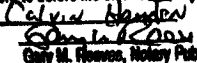
COUNTY OF JOHNSON)

This instrument was acknowledged before me this 11 day of Dec, 2007 by Calvin Hayden and Kelly Hayden, husband and wife.


Notary Public

My Appointment Expires:



State of Kansas)
County of Johnson)
Signed and sworn to before me on this 11 day of Dec, 2007, by Calvin Hayden

Gary M. Reeves, Notary Public

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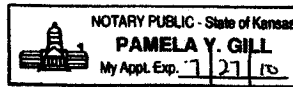
Robert F. Jackson, Jr.
Robert F. Jackson, Jr.
Francis L. Jackson
Francis L. Jackson

STATE OF Kansas)
COUNTY OF Johnson) ss:

This instrument was acknowledged before me this 26th day of December, 2007 by Robert F. Jackson, Jr. and Francis L. Jackson, husband and wife.

Pamela Y. Gill
Notary Public

My Appointment Expires:



STATE OF KANSAS MONTGOMERY COUNTY
FILED FOR RECORD
MARILYN CALHOUN, REGISTER OF DEEDS
11:04:05 AM, 3/27/2008 Receipt No.: 30902
LEASE \$6.00
ADDITIONAL PAGES \$30.00
TECHNOLOGY FUND \$32.00
BOOK: 574 PAGE: 745



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Timothy C. Melander
Timothy C. Melander

Nancy D. Melander
Nancy D. Melander

STATE OF _____)

COUNTY OF _____)

This instrument was acknowledged before me this _____ day of _____, 2007 by Timothy C. Melander and Nancy D. Melander, husband and wife.

Notary Public

My Appointment Expires:

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Acknowledgement

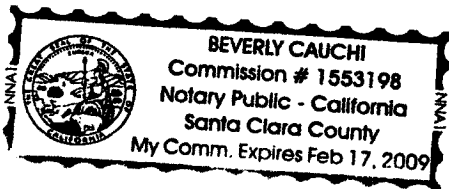
State of California

County of Santa Clara

On December 24, 2007 before me, BEVERLY CAUCHI, notary public,
personally appeared: _____

Timothy C Melander & Nancy D. Melander

personally known to me (or ~~proved to me on the basis of satisfactory evidence~~)
to be the person(s) whose name(s) is/are subscribed to the within instrument
and acknowledged to me that he/she/they executed the same in his/her/their
authorized capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted, executed
the instrument.



NOTARY PUBLIC SEAL

WITNESS my hand and official seal

Beverly Cauchi
Beverly Cauchi, Notary Public

Title of Document: Oil & Gas Lease
Document Date: 12/24/07
Number of Pages: 17 + Notary

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Mark H. Melander
Mark H. Melander

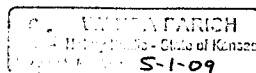
Diana L. Melander
Diana L. Melander

STATE OF KANSAS)
COUNTY OF NEOSHO)ss:

This instrument was acknowledged before me this 12 day of Dec., 2007 by Mark H. Melander and Diana L. Melander, husband and wife.

Wanda Parish
Notary Public

My Appointment Expires:

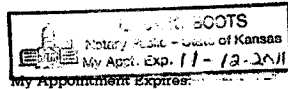


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Sara J. Speaks
Sara J. Speaks
Roy E. Speaks
Roy E. Speaks

STATE OF Kansas)
COUNTY OF Montgomery) ss:

This instrument was acknowledged before me this 18 day of December, 2007 by Sara J. Speaks and Roy E. Speaks, wife and husband.



Linda K. Boots
Notary Public

My Appointment Expires: November 12, 2011

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Linda K. Boots

Linda K. Boots

H. E. Boots

Henry E. Boots

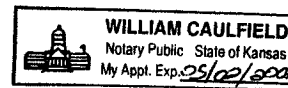
#8

STATE OF KANSAS)
)ss:
COUNTY OF MONTGOMERY)

This instrument was acknowledged before me this 10 day of December, 2007 by Linda K. Boots and Henry E Boots, wife and husband.

William Caulfield
Notary Public

My Appointment Expires: 05/02/2009



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KCC WICHITA