

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

Form T-1  
April 2004

Form must be Typed  
Form must be Signed  
All blanks must be Filled

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

Check Applicable Boxes:

- Oil Lease: No. of Oil Wells 3 \*\*
- Gas Lease: No. of Gas Wells \_\_\_\_\_ \*\*
- Gas Gathering System: \_\_\_\_\_
- Saltwater Disposal Well - Permit No.: 15-159-20309-0001
- Spot Location: 1079 feet from  N /  S Line
- 3548 feet from  E /  W Line
- Enhanced Recovery Project Permit No.: E 25300
- Entire Project:  Yes  No
- Number of Injection Wells \_\_\_\_\_ \*\*

Field Name: Welch-Bornholdt

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

Effective Date of Transfer: 08-12-05

KS Dept of Revenue Lease No.: 104297 UB

Lease Name: Walsten Estate

Sec. 8 Twp. 21S R. 6  E  W

Legal Description of Lease: \_\_\_\_\_

See Attachments

County: Rice

Production Zone(s): Mississippian

Injection Zone(s): Mississippian

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

Type of Pit:  Emergency  Burn  Settling  Haul-Off  Workover  Drilling

Past Operator's License No. 8917 /

Past Operator's Name & Address: Dean Gustus  
PO Box 254 Geneseo, KS 67444

Title: Owner/Operator

Contact Person: Dean Gustus

Phone: 620-562-7082

Date: 3/10/10

Signature: Dean Gustus

New Operator's License No. 33566 /

New Operator's Name & Address: Strube, Kurt J., dba Explorer Oil & Gas,  
608 W. Park St., Claflin, KS 67525

Title: President

Contact Person: Kurt J. Strube

Phone: 620-793-2046

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

Date: 03/10/10

Signature: Kurt J. Strube

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MAR 15 2010

KCC WICHITA

**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.

Explorer Oil & Gas is acknowledged as the new operator and may continue to inject fluids as authorized by Permit No. E-25,300. Recommended action: U3C + MIT Violation (Dean Gustus)  
Date: 4-7-10 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 3-2410 PRODUCTION 4/7/10 UIC 4-7-10  
Mail to: Past Operator 4-7-10 New Operator 4-7-10 District 4-7-10 2

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

081205\_Walsten\_Estate\_IMJ.pdf



OIL AND GAS LEASE

Reorder No. 09-115



PO. Box 783  
Wichita KS, 67201-0783  
1-888-4K3ALLIE  
1-316-264-8244 FAX  
1-316-264-5188 fax  
www.kbp.com • kbp@kbp.com

AGREEMENT. Made and entered into the 1st day of August 2005

by and between IRIS Virginia Walster

whose mailing address is 309 W Rogers Clinton, Mo 64735 hereinafter called Lessor (whether one or more).

and Explorer Oil & Gas hereinafter called Lessee.

Lessor, in consideration of Ten Dollars (\$ 10.00 ) in hand paid, receipt of which is here acknowledged and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring by geophysical and other means, prospecting drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases, and their respective constituent products, 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, and housing and otherwise caring for its employees, the following described land, together with any reversionary rights and after-acquired interest, therein situated in County of Rice State of Kansas described as follows to-wit:

NW/4 and SW/4

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KCC WICHITA

In Section 8 Township 21s Range 6w and containing 320 acres, more or less, and all accretions thereto.

Subject to the provisions herein contained, this lease shall remain in force for a term of 1 years from this date (called "primary term"), and as long thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, or any of them, is produced from said land or land with which said land is pooled.

In consideration of the premises said lessee covenants and agrees:

1st. To deliver to the credit of lessor, free of cost, in the pipe line to which lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay lessor for gas of whatsoever nature or kind produced and sold, or used off the premises, or used in the manufacture of any products therefrom, one-eighth (1/8) at the market price at the well, (but, as to gas sold by lessee, in no event more than one-eighth (1/8) of the proceeds received by lessee from such sales), for the gas sold, used off the premises, or in the manufacture of products therefrom, said payments to be made monthly. Where gas from a well producing gas only is not sold or used, lessee may pay or tender as royalty One Dollar (\$1.00) per year per net mineral acre retained hereunder, and if such payment or tender is made it will be considered that gas is being produced within the meaning of the preceding paragraph.

This lease may be maintained during the primary term hereof without further payment or drilling operations. If the lessee shall commence to drill a well within the term of this lease or any extension thereof, the lessee shall have the right to drill such well to completion with reasonable diligence and dispatch, and if oil or gas, or either of them, be found in paying quantities, this lease shall continue and be in force with like effect as if such well had been completed within the term of years first mentioned.

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein provided for shall be paid the said lessor only in the proportion which lessor's interest bears to the whole and undivided fee.

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

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

No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of lessor.

Lessee shall pay for damages caused by lessee's operations to growing crops on said land.

Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

If the estate of either party hereto is assigned, and the privileges of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment of rentals or royalties shall be binding on the lessee until after the lessee has been furnished with a written transfer or assignment or a true copy thereof. In case lessee assigns this lease, in whole or in part, lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment.

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

All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated in whole or in part, nor lessee held liable in damages, for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.

Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the lessee shall have the right at any time to redeem for lessor, by payment any mortgages, taxes or other liens on the above described lands, in the event of default of payment by lessor, and be subrogated to the rights of the holder thereof, and the undersigned lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, in so far as said right of dower and homestead may in any way affect the purpose for which this lease is made, as recited herein.

Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, when in lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises, such pooling to be of tracts contiguous to one another and to be into a unit or units not exceeding 40 acres each in the event of an oil well, or into a unit or units not exceeding 640 acres each in the event of a gas well. Lessee shall execute in writing an 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 pooled into a tract or unit shall be treated, for all purposes except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on the pooled acreage, it shall be treated as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere herein specified, lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.

In the event Lessee does not establish production upon the leased premises by August 1, 2006 or if production is established within that time and thereafter there is a period in excess of one (1) year where no oil or gas sales are made, Lessee shall plug existing well bores on the leased premises, abandon the lease and conduct such remedial work as is required by the terms of this lease including removal of oil and gas related personal property and cleanup of the leased premises.

Notwithstanding anything contained in the last preceding paragraph, Lessee shall within one (1) year from August 1, 2005 clean up and remove all existing and gas personal property currently located on the leased premises not utilized in connection with Lessee's operations.

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

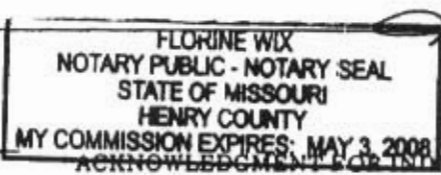
Witnesses:

Iris Virginia Walster



STATE OF Kansas  
 COUNTY OF Rice ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)  
 The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_  
 by \_\_\_\_\_ and \_\_\_\_\_  
 My commission expires \_\_\_\_\_  
 Notary Public

STATE OF Missouri  
 COUNTY OF Henry ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)  
 The foregoing instrument was acknowledged before me this 3rd day of August, 2005  
 by Mrs Virginia Walsten  
 My commission expires 5-3-08  
 Notary Public



STATE OF \_\_\_\_\_  
 COUNTY OF \_\_\_\_\_ ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)  
 The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_  
 by \_\_\_\_\_ and \_\_\_\_\_  
 My commission expires \_\_\_\_\_  
 Notary Public

STATE OF \_\_\_\_\_  
 COUNTY OF \_\_\_\_\_ ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)  
 The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_  
 by \_\_\_\_\_ and \_\_\_\_\_  
 My commission expires \_\_\_\_\_  
 Notary Public

No. \_\_\_\_\_

**OIL AND GAS LEASE**

FROM \_\_\_\_\_

TO \_\_\_\_\_

Date \_\_\_\_\_

Section \_\_\_\_\_ Twp. \_\_\_\_\_ Rge. \_\_\_\_\_

No. of Acres \_\_\_\_\_ Term \_\_\_\_\_

County \_\_\_\_\_

STATE OF \_\_\_\_\_

Document # 200502265

STATE OF KANSAS

COUNTY OF RICE

This instrument was filed on: 8/12/2005

At 8:00:00 AM and duly recorded in

Book: Oil & Gas 140 Page: 649

Fees \$12

*Rhonda Hunt*  
 Rhonda Hunt, Deputy  
 Rice Co., Register of Deeds

When recorded, return to \_\_\_\_\_

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 FEB 19 2010  
 KCC WICHITA

STATE OF \_\_\_\_\_  
 COUNTY OF \_\_\_\_\_ ACKNOWLEDGMENT FOR CORPORATION (KsOkCoNe)  
 The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_  
 by \_\_\_\_\_  
 of \_\_\_\_\_  
 corporation, on behalf of the corporation.  
 My commission expires \_\_\_\_\_  
 REGISTER OF DEEDS  
 Notary Public

000650

OIL AND GAS LEASE

Reorder No. 09-115



PO. Box 780 Wichita, KS, 67201-0780 1-800-423-5434 1-316-264-8344 Wichita 1-316-264-8188 Fax www.kbp.com • kbp@kbp.com

AGREEMENT, Made and entered into the 1st day of August 2005

by and between Anne Walston

whose mailing address is hereinafter called Lessor (whether one or more),

and Explorer Oil & Gas hereinafter called Lessee:

Lessor, in consideration of Ten Dollars (\$ 10.00 ) in hand paid, receipt of which is here acknowledged and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring by geophysical and other means, prospecting drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases, and their respective constituent products, 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, and housing and otherwise caring for its employees, the following described land, together with any reversionary rights and after-acquired interest therein situated in County of Rice State of Kansas described as follows to-wit:

NW/4 and SW/4

In Section 8 Township 21s Range 6w and containing 320 acres, more or less, and all accretions thereto.

Subject to the provisions herein contained, this lease shall remain in force for a term of 1 years from this date (called "primary term"), and as long thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, or any of them, is produced from said land or land with which said land is pooled.

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

1st. To deliver to the credit of lessor, free of cost, in the pipe line to which lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay lessor for gas of whatsoever nature or kind produced and sold, or used off the premises, or used in the manufacture of any products therefrom, one-eighth (1/8) at the market price at the well, (but, as to gas sold by lessee, in no event more than one-eighth (1/8) of the proceeds received by lessee from such sales), for the gas sold, used off the premises, or in the manufacture of products therefrom, said payments to be made monthly. Where gas from a well producing gas only is not sold or used, lessee may pay or tender as royalty One Dollar (\$1.00) per year per net mineral acre retained hereunder, and if such payment or tender is made it will be considered that gas is being produced within the meaning of the preceding paragraph.

This lease may be maintained during the primary term hereof without further payment or drilling operations. If the lessee shall commence to drill a well within the term of this lease or any extension thereof, the lessee shall have the right to drill such well to completion with reasonable diligence and dispatch, and if oil or gas, or either of them, be found in paying quantities, this lease shall continue and be in force with like effect as if such well had been completed within the term of years first mentioned.

If said lessee owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein provided for shall be paid the said lessor only in the proportion which lessor's interest bears to the whole and undivided fee.

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

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

No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of lessor.

Lessee shall pay for damages caused by lessee's operations to growing crops on said land.

Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment of rentals or royalties shall be binding on the lessee until after the lessee has been furnished with a written transfer or assignment or a true copy thereof. In case lessee assigns this lease, in whole or in part, lessee shall be relieved of all obligation with respect to the assigned portion or portions arising subsequent to the date of assignment.

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

All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated in whole or in part, nor lessee held liable in damages, for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.

Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the lessee shall have the right at any time to redeem for lessor, by payment of any mortgages, taxes or other liens on the above described lands, in the event of default of payment by lessor, and be subrogated to the rights of the holder thereof, and the undersigned lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, in so far as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, when in lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises, such pooling to be of tracts contiguous to one another and to be into a unit or units not exceeding 40 acres each in the event of an oil well, or into a unit or units not exceeding 640 acres each in the event of a gas well. Lessee shall execute in writing a 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 pooled into a tract or unit shall be treated, for all purposes except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on the pooled acreage, it shall be treated as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere herein specified, lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.

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Notwithstanding anything contained in the last preceding paragraph, Lessee shall within one (1) year from August 1, 2005 clean up and remove all existing and gas personal property currently located on the leased premises not utilized in connection with Lessee's operations.

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

Witnesses:

X Anne Walston

RECEIVED

FEB 19 2010

KCC WICHITA

CC0645

Original Compared with Record



STATE OF Kansas ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)  
 COUNTY OF Rice  
 The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_  
 by ANNE WALSTON and \_\_\_\_\_  
 My commission expires \_\_\_\_\_ *Wen.*  
 Notary Public

STATE OF NEW HAMPSHIRE ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)  
 COUNTY OF BELKNAP  
 The foregoing instrument was acknowledged before me this 27<sup>TH</sup> day of JULY, 2005  
 by ANNE WALSTON and \_\_\_\_\_  
 My commission expires MARCH 2007 *Wendy White*  
 Notary Public  
 WENDY L. WHITE, Notary Public  
 My Commission Expires March 20, 2007

STATE OF \_\_\_\_\_ ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)  
 COUNTY OF \_\_\_\_\_  
 The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_  
 by \_\_\_\_\_ and \_\_\_\_\_  
 My commission expires \_\_\_\_\_  
 Notary Public

STATE OF \_\_\_\_\_ ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)  
 COUNTY OF \_\_\_\_\_  
 The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_  
 by \_\_\_\_\_ and \_\_\_\_\_  
 My commission expires \_\_\_\_\_  
 Notary Public

No. \_\_\_\_\_  
**OIL AND GAS LEASE**  
 FROM \_\_\_\_\_  
 TO \_\_\_\_\_  
 Date \_\_\_\_\_  
 Section \_\_\_\_\_ Twp. \_\_\_\_\_ Rge. \_\_\_\_\_  
 No. of Acres \_\_\_\_\_ Term \_\_\_\_\_  
 County \_\_\_\_\_  
 Document # 200502263  
 STATE OF KANSAS  
 COUNTY OF RICE  
 This instrument was filed on: 8/12/2005  
 At 8:00:00 AM and duly recorded in  
 Book: Oil & Gas 140 Page: 645  
 Fees: \$12  
*Rhonda Hunt*  
 Rhonda Hunt, Register of Deeds  
 Rice Co., Register of Deeds  
 When recorded, return to \_\_\_\_\_

RECEIVED  
 FEB 19 2010  
 KCC WICHITA

STATE OF \_\_\_\_\_ ACKNOWLEDGMENT FOR CORPORATION (KsOkCoNe)  
 COUNTY OF \_\_\_\_\_  
 The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_  
 by \_\_\_\_\_  
 of \_\_\_\_\_ a \_\_\_\_\_  
 corporation, on behalf of the corporation.  
 My commission expires \_\_\_\_\_  
 Notary Public  
 REGISTER OF DEEDS

RECEIVED  
 AUG 12 2005

OIL AND GAS LEASE



AGREEMENT, Made and entered into the 1st day of August 2005

by and between Jack Walsten

whose mailing address is hereinafter called Lessor (whether one or more),

and Explorer Oil & Gas hereinafter called Lessee:

Lessor, in consideration of Ten Dollars (\$ 10.00 ) in hand paid, receipt of which is here acknowledged and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring by geophysical and other means, prospecting drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases, and their respective constituent products, 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 and housing and otherwise caring for its employees, the following described land, together with any reversionary rights and after-acquired interest, therein situated in County of Rice State of Kansas described as follows to-wit:

NW/4 and SW/4

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

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If said lessor owns a less interest in the above described land than one eighth and undivided fee simple estate therein, then the royalties herein provided for shall be paid the said lessor only in the proportion which lessor's interest bears to the whole and undivided fee.

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

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

No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of lessor.

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If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment of rentals or royalties shall be binding on the lessee until after the lessee has been furnished with a written transfer or assignment or a true copy thereof. In case lessee assigns this lease, in whole or in part, lessee shall be relieved of all obligation with respect to the assigned portion or portions arising subsequent to the date of assignment.

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

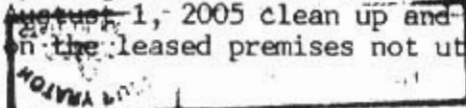
All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated in whole or in part, nor lessee held liable in damages, for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.

Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the lessee shall have the right at any time to redeem for lessor, by payment any mortgages, taxes or other liens on the above described lands, in the event of default of payment by lessor, and be subrogated to the rights of the holder thereof, and the undersigned lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, in so far as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, when in lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises, such pooling to be of tracts contiguous to one another and to be into a unit or units not exceeding 40 acres each in the event of an oil well, or into a unit or units not exceeding 640 acres each in the event of a gas well. Lessee shall execute in writing an 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 pooled into a tract or unit shall be treated, for all purposes except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on the pooled acreage, it shall be treated as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere herein specified, lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.

In the event Lessee does not establish production upon the leased premises by August 1, 2006 or if production is established within that time and thereafter there is a period in excess of one (1) year where no oil or gas sales are made, Lessee shall plug existing well bores on the leased premises, abandon the lease and conduct such remedial work as is required by the terms of this lease including removal of oil and gas related personal property and cleanup of the leased premises.

Notwithstanding anything contained in the last preceding paragraph, Lessee shall within one (1) year from August 1, 2005 clean up and remove all existing oil and gas personal property currently located on the leased premises not utilized in connection with Lessee's operations.



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

Witnesses:

Jack Walsten

RECEIVED

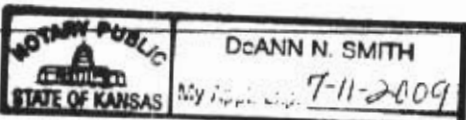
FEB 19 2010

KCC WICHITA

Original Compared with Record



STATE OF Kansas  
 COUNTY OF Rice Johnson ACKNOWLEDGMENT FOR INDIVIDUAL (KaOkCoNe)  
 The foregoing instrument was acknowledged before me this 29 day of July 2005  
 by Jack Walsten and \_\_\_\_\_

My commission expires \_\_\_\_\_  
  
 \_\_\_\_\_  
 Notary Public

STATE OF \_\_\_\_\_  
 COUNTY OF \_\_\_\_\_ ACKNOWLEDGMENT FOR INDIVIDUAL (KaOkCoNe)  
 The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_  
 by \_\_\_\_\_ and \_\_\_\_\_

My commission expires \_\_\_\_\_  
 Notary Public

STATE OF \_\_\_\_\_  
 COUNTY OF \_\_\_\_\_ ACKNOWLEDGMENT FOR INDIVIDUAL (KaOkCoNe)  
 The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_  
 by \_\_\_\_\_ and \_\_\_\_\_

My commission expires \_\_\_\_\_  
 Notary Public

STATE OF \_\_\_\_\_  
 COUNTY OF \_\_\_\_\_ ACKNOWLEDGMENT FOR INDIVIDUAL (KaOkCoNe)  
 The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_  
 by \_\_\_\_\_ and \_\_\_\_\_

My commission expires \_\_\_\_\_  
 Notary Public

No. _____	OIL AND GAS LEASE	FROM _____	TO _____	Date _____	Section _____	Twp. _____	Rge. _____	No. of Acres _____	Term _____	County _____	STATE OF KANSAS COUNTY OF RICE	Document # 200502264 This instrument was filed on: 8/12/2005 At 8:00:00 AM and duly recorded in Book Oil & Gas 140 Page: 647 Fees: \$12 <i>Rhonda Just</i> Rice Co., Register of Deeds	When recorded, return to _____

RECEIVED  
 FEB 19 2010  
 KCC WICHITA

STATE OF Kansas  
 COUNTY OF Johnson ACKNOWLEDGMENT FOR CORPORATION (KaOkCoNe)  
 The foregoing instrument was acknowledged before me this 29 day of July 2005  
 by Jack Walsten  
 of \_\_\_\_\_ a \_\_\_\_\_  
 corporation, on behalf of the corporation.  
 My commission expires \_\_\_\_\_

RECEIVED  
 Notary Public  
 AUG 12 2005

CC0643

REGISTER OF DEEDS