KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

Form T-1
March 2010
Form must be Typed
Form must be Signed
All blanks must be Filled

IMJ. pd

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

Form KSONA-1, Certification of Compliance with the Kansas Surface Owner Notification Act, MUST be submitted with this form. Check Applicable Boxes: Oil Lease: No. of Oil Wells 10 Effective Date of Transfer: 12-15-2010 Gas Lease: No. of Gas Wells KS Dept of Revenue Lease No.: __121795 Gas Gathering System: Lease Name: Foley Saltwater Disposal Well - Permit No.: D. 26279 Spot Location: 4290 N 1/2 _ nw4 _ Sec. _6 Twp. 35s R. 20 feet from N/VS Line 3960 feet from 🗸 E / 🗌 W Line North Half of the Northwest quarter of Section 6. Legal Description of Lease: Enhanced Recovery Project Permit No.: ___n/a Township 35S, Ranger 20 E containing 80 acres more or less Entire Project: Yes No County: Labette Number of Injection Wells Bartlesville, Mississippi, Arbuckle Production Zone(s): Field Name: Tomey Arbuckle Injection Zone(s): ** Side Two Must Be Completed. Surface Pit Permit No.: _ feet from S Line of Section (API No. if Drill Pit, WO or Haul) feet from W Line of Section Type of Pit: **Emergency** Burn Settling Haul-Off Drilling K Workover 33099 Past Operator's License No. Dale Oglesby Contact Person: Inlan Oceans LLC Phone: 620-202-0111 Past Operator's Name & Address: 100 Schmerhorn Rd. Galena, Ks. 66739 12-15-2010 Signature: Contact Person: J.M. Conroy New Operator's License No. . New Operator's Name & Address: Didomai Oil & Gas LLC Phone: 417-624-3240 4/7-434-5626 512 Virginia Ave. Ste B, Joplin, MO. 64801 Oil / Gas Purchaser: Date: _12-15-2010 Title: My Signature: Acknowledgment of Transfer: The above request for transfer of injection authorization, surface pit permit #_ 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. LLC is acknowledged as is acknowledged as the new operator and may continue to inject fluids as authorized by the new operator of the above named lease containing the surface pit . Recommended action: permitted by No.: RECEIVED Authorized Signature DISTRICT . 7-12-11 Mail to: Past Operator

Side Two

Must Be Filed For All Wells

KDOR Lease No.: 121795

* Lease Name: Foley * Location: N2 NW4 Sec 6 Twp 35S R 20E Well No. API No. Footage from Section Line Type of Well (YR DRLD/PRE '67) Well Status (i.e. FSL = Feet from South Line) (Oil/Gas/INJ/WSW) (PROD/TA'D/Abandoned) FOLEY #1 15-099-20774-00-000 4680 fsl FSL/FNL 3140 fel FED/FWL gas **PROD** fOLEY#2 4160 FSDFNL 15-099-21077-00-00 ~ 2840 FEVFWL OIL PROD FOLEY#3 4640 (FSL)FNL 15-099-21078-00-00 2840 OIL **PROD** FOLEY#4 15-099-21079-00-00 4610 (S) FNL 3290 (EDFWL OIL PROD 15-099-21080-00-00 FOLEY#5 4980 (SI)FNL 3190 (EI)FWL OIL PROD 15-099-21081-00-00 FOLEY#6 5080 FSDFNL 3640 FEDFWL OIL PROD 15-099-21082-00-00 FOLEY#7 4160 (FSDFNL 3290 FEDFWL OIL PROD 15-099-2185-00-00 FOLEY#8 5029 FSDFNL 2765 FEDFWL OIL **PROD** -2186-00-00 -FOLEY#9 15-099 4176 FSLIFNL 3626 FEDFWL PROD FOLEY#10 15-099-21211-00-00 4160 2940 FEDFWL OIL **PROD** FOLEY#12 15-099-21213-00-00 4780 FSD/FNL 3690 FED/FWL OIL PROD FOLEY#1M 3960 FED/FWL SW/DW ACT **FSL/FNL** _ FEL/FWL FSL/FNL FEL/FWL **FSL/FNL** FEL/FWL FSL/FNL FEL/FWL RECEIVED FSL/FNL FEL/FWL DEC 23 2010 FSL/FNL FEL/FWL KCC WICHITA FSL/FNL FEL/FWL FSL/FNL **FEL/FWL** FSL/FNL **FEL/FWL** RECEIVED **FSL/FNL** FEL/FWL JAN 2 4 2011 **FSL/FNL** FEL/FWL KCC WICHITA 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.

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

CERTIFICATION OF COMPLIANCE WITH THE KANSAS SURFACE OWNER NOTIFICATION ACT

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

This form must be submitted with all Forms C-1 (Notice of Intent to Drill); CB-1 (Cathodic Protection Borehole Intent); T-1 (Request for Change of Operator Transfer of Injection or Surface Pit Permit); and CP-1 (Well Plugging Application).

Any such form submitted without an accompanying Form KSONA-1 will be returned.

	CB-1 (Cathodic Protection Borehole Intent) X T-1 (Transfer) CP-1 (Plugging Application)
OPERATOR: License # 33099	Well Location:
Name: Inlan Oceans LLC	
OPERATOR: License # 33099 Name: Inlan Oceans LLC Address 1: 100 Schmerhorn Rd	SecTwpS. R East West County: Labette
Address 2:	Lease Name: Foley Well #:
City: Galena State: Ks Zip: 66739	
Contact Person: Dale Oglesby	the lease below:
Phone: (620) 202-0111 Fax: ()	North Half of the NW Quarter of Sec. 6, Township
Email Address:	35S, Range 20E, containing 80 acres more or less.
Surface Owner Information:	
Name: Rebecca Foley c/o Nancy Logan	When filing a Form T-1 involving multiple surface owners, attach an additional sheet listing all of the information to the left for each surface owner. Surface owner information can be found in the records of the register of deeds for the county, and in the real estate property tax records of the county treasurer.
Name: Rebecca Foley c/o Nancy Logan Address 1: 3410 Pennsylvania #3	
Address 2:	
City: Kansas City State: Mo Zip: 64111 +	
Select one of the following:	ed on the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted.
owner (3) or the rang thorr writer the Subject Melt is of Mill	ce Act (House Bill 2032), I have provided the following to the surface be located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form being filed is a Form C-1 or Form CB-1, the plat(s) required by this ix, and email address.
Was an pe reduien to sello fills lillolitishibit to the clibs.	. I acknowledge that, because I have not provided this information, the e owner(s). To mitigate the additional cost of the KCC performing this fling fee, payable to the KCC, which is enclosed with this form.
f choosing the second option, submit payment of the \$30.00 hand form and the associated Form C-1, Form CB-1, Form T-1, or Form	ling fee with this form. If the fee is not received with this form, the KSONA-1 CP-1 will be returned.
hereby certify that the statements made herein are true and corre	ct to the best of my knowledge and belief.
Date: 12-30-2010 Signature of Operator or Agent:	Title: Pres RECEIVED
	JAN 2 4 2011
	KCC WICHITA

CC WICHITA

OIL AND GAS LEASE

AGREEMENT made and entered into this _____ day of MARCH, 2004, by and between REBECCA FOLEY, a single person, c/o Nancy Logan, 3410 Pennsylvania #3, Kansas City, Missouri 64111, party of the first part, hereinafter called Lessor (whether one or more), and INLAN OCEANS, LLC, 100 N. Schermerhein, Galena, Kansas 66739, party of the second part, hereinafter called Lesses.

WITNESSETH, that the said Lessor, for and in consideration of ---TEN AND MORE--- DOLLARS, cash in hand paid, receipt of which is hereby acknowledged and of the covenants and agreements hereinafter contained on the part of Lessee to be paid, kept and performed, has granted, demised, leased and let and by these presents does grant, demise, lease and let unto the said Lessee, for the sole and only purpose of exploring by geophysical and other methods, mining and operating for oil (including but not limited to distillate and condensate), gas (including casing-head and helium and all other constituents) (hereinafter referred to as "Leased Substances and Component Substances") all strata or any strata that lies between the surface, and for laying pipe lines and building tanks, power stations and structures thereon, to produce, save and take care of sald products, all that certain tract of land, together with any reversionary rights therein, situated in the County of Labette, State of Kansas, described as follows, to-wit:

North Half (N/2) of the Northwest Quarter (NW/4)

of Section 6. Township 35 South, Range 20 East, and containing 80.0 acres, more or less (hereinafter referred to as "Leased Land").

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

The primary term of this lease is for one year from this date and as long thereafter as oil or gas or its constituent products or other hydrocarbons are produced in paying quantities from said land, or lands with which said land is unlitzed. If production proceeds credited to Lessee's net revenue interest do not exceed operating expenses during any twelve consecutive month period, this lease will be deemed not to be producing in paying quantities. If, at the expiration of the primary term, oil and/or gas is not being produced from the premises or lands unitized therewith, this lease shall

If on the last day of the primary term, Operations are being conducted on the Leased Land, this Lease will extend beyond the te for so long as Operations are being diligently pursued. If Production results from the Operations, this Lease will remain in effect for so long as operations are being diligently pursued. If Production results from the Operations, this Lease will remain in effect for so long as there is production in paying quantities as that term is defined herein. If Operations result in a Dry Hole, Lessee, at its option, has 60 days following the date the Dry Hote is drilled to begin Operations on a new well. There is no limit on the number of Dry Hotes Lessee can drill under this section. As used in this Lease the following terms will have the indicated meaning: "Operations": The actual drilling of a well with the equipment capable of drilling to the formation specified in the drilling permit. "Dry Hole": A well not capable of Production in Paying Quantities as that term is defined herein.

Lessee will pay to lessor a Royalty as follows:

- A. Lessor's Share of Production Proceeds. An amount of money equal to 1/8th of the Current Market Value of all Leased Substances and Component Substances produced from the Leased Land, or a Pooled Unit in which all or a part of the Leased Land is included. If Lessee, or any affiliate or contractor of Lessee, Processes a Leased Substance, Lessee will pay to Lessor an amount of money equal to 1/8th of the Current Market Value of the Products obtained from processing or 1/8th of the Current Market Value of the Leased Substance, whichever results in the largest current payment of Royalty to the Lessor.
- Costs. Lessor's Royalty will not be subject to any expense, charge, or deduction relating to the developing producing operating, treating, dehydrating, gathering, compressing, or marketing Leased Substances. Lessee will be solely responsible for costs associated with putting Leased Substances into a marketable condition and moving them to a Centralized Marketing Point.

Taxes. Properly assessed taxes, levied against Lessor's Royalty, can be deducted from Lessor's Royalty to reimburse Lessee

- or any third party that has properly paid such taxes.

 D. Payment. Payment of Royalty will be made within 90 days following initial production from a well completed on the Leased Land (or a Pooled Unit in which all or part of the Leased Land Is Included). Royalty on subsequent production from the well will be made no later than 60 days following the end of the calendar month in which Leased Substances are produced from the well. Any amount not paid when due under this Subsection will bear interest at an annual percentage rate of 18%, compounded monthly. With each Royalty payment Lessee will provide Lessor with the necessary information that will enable Lessor to ensure that their Royalty has been properly calculated.
- Whenever Lessee receives payment from a third party for production subject to Royalty under this Lease, Lessee will place all amounts due Lessor in a separate trust account until it is distributed to Lessor. With regard to Royalty due Lessor, Lessee will be held to the standard of a trustee in all matters concerning its receipt, protection, payment, and accounting. Lessor is given the right, at all reasonable times, personally or through representatives, to inspect and copy the books, accounts, contracts, records, and data of Lessee pertaining to any matter within the
- Division Order. Since title to all Leased Substances Produced under this Lease will be in Lessee. Lessor will not be required to execute any sort of division order or similar document for Royalty payments made by Lessee. If Royalty payments are to be made directly to Lessor by a third party purchaser, Lessor may elect to negotiate a division order with the third party purchaser or require that all payments be made to Lessee, whereupon Lessee will make all distributions to Lessor pursuant to the terms of this Lesse.
- F. Minimum Annual Royalty. During each calendar year beginning with the calendar year 2005, Lessee shall pay to Lessor minimum royalties in an amount of \$2,000.00. The Minimum Royalty may be paid in monthly royalty payments calculated under the other sections of this Lease or by supplemental cash royalty payments made at any time during the applicable calendar year or a combination of both. If Lessee falls to pay Lessor the minimum royalty on or before the last day of each calendar year, then this Lease Agreement shall automatically terminate.
 - Definitions. As used in this Lease the terms listed below will have the following meaning:

 1. Royalty. The compensation payable to Lessor pursuant to the terms of this Lease.
 - 2. Current Market Value. The market value of production, at a Centralized Marketing Point, at the time it is removed from the Leased Land (or a Pooled Unit in which all or part of the Leased Land is Included) or the Gross Proceeds received by the Lessee in a sale of production, whichever results in the largest current payment of Royalty to the Lessor.
 - Gross Proceeds. The total consideration received by Lessee from a sale of production to a third party purcha
 - 4. Centralized Marketing Point. A centralized point at or near the field of production where Leased Substances can be readily sold and/or transported to third parties. For gas, a centralized marketing point is the point on a local distribution system, intrastate pipeline or interstate pipeline where the gas has left the field gathering system and entered the distribution or pipeline transportation system. For oil, a centralized marketing point is the point where oil is delivered to a purchaser's pipeline or other centralized crude collection point operated by the purchaser or a third party.
 - 5. Market Value of Production. The monthly index price for spot gas delivered to interstate and intrastate pipelines in Oklahoma as reported in Inside FERC's Gas Market Report or other similar reported index if the Inside FERC index is no longer published.
 - 6. Products. All marketable substances obtained from the processing or treatment of a Leased Substance, to include, without limitation, hydrocarbon liquids and residue gas

7. Processes. A Leased Substance is separated into various products or otherwise treated or altered to enhance its value or marketability

or marketability.

If Production in paying quantities from the Leased Land ceases regardless of the cause, Leasee has 90 days following the date of such cessation to begin Operations or Reworking Activities in an effort to regain Production in paying quantities from the Leased Land. If Operations are conducted within the stated period of time, Leasee's rights will be governed by paragraph 1 of this Lease. If Leasee commences Reworking Activities within the stated period of time, this Lease will remain in effect for so long as Reworking Activities are diligently pursued. If Production results from the Reworking Activities, this Lease will remain in effect for so long as there is Production in paying quantities. If Reworking Activities result in a Dry Hole, Lessee at its option, has 60 days following the date the dry hole is drilled to begin Operations on a new well. As used in this Lease the term "Reworking Activities" means actual work conducted on the well in an effort to restore or increase Production.

If the Leased Land is capable of Production in paying quantities, but Lessee is unable to market Production, Lessee may Declare one or more of the wells on the Leased Land to be Shut-in. The duration of this Lease, will extend beyond the termination date for so long as the Shut-in well exists on the Leased Land and Lessee complies with the minimum royalty payment provision contained in this Lease. As used in this Lease the following terms will have the indicated meaning: "Declare": Lessee provides Lessor with a written notice stating Production from a well is Shut-In due to a loss in market. "Shut-In": A well capable of production in paying quantities which is not being produced and marketed.

- A. Lessee is hereby granted the right at any time and from time to firme to unlitize the leased premises or any portion or portions thereof, as to all strata or any stratum or strata covered by this lease, for the as to all strates or any susmem of such as developed the transfer of the production primarily of oil or primarily of gas with or without distillate. However, no unit for the production primarily of oil shall embrace more than 40 acres, or for the production primarily of gas with or without distillate more than 640 acres, provided that if any governmental regulation shall prescribe a spacing or for me production primarily or gas with or window distintant more than one grass, provided that it any governmental regulation shall product a production allowable based on acreage per well, then any such unit may embrace as much additional acreage as may be so prescribed or as may be used in such allocation of allowable. Lesses shall file written unit designations in the county in which the leased premises are located. Operations upon and production from the unit shall be treated as if such operations were upon or such production were from the leased premises whether or not the well or wells are located thereon. The entire acreage within a unit shall be treated for all purposes as if it were covered by and included in this lease, except that the royalty on production from the unit shall be as below provided, and except that in calculating the mount of any shut in gas royalties, only the part of the acreage originally leased and then actually embraced by this lease shall be counted. In respect to production from the unit, Lessee shall pay Lessor, in lieu of other royalties thereon, only such proportion of the royalties 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 in the unit.
- If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the roya herein provided shall be paid to the Lessor only in the proportion which his interest bears to the whole and undivided fee.

When requested by the Lessor, Lessos shall bury his pipe lines below plow depth.

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

Lessee shall pay for all damages caused by its operations to growing crops on said land.

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

Lessee assumes the following liabilities associated with the Leased Land: Lessee acknowledges that it is entering into this 11. Lease without relying on any representations by Lessor concerning the condition, environmental or otherwise, of the Leased Land, Instead, Lessee is relying solely upon its independent investigation to determine the status of the Leased Land. As partial consideration for this Lease, agrees to assume all liabilities it may incur as an owner or operator of the Leased Land, including any environmental cleanup obligations that may be imposed under any local, state, or federal law, including the common law. Leasee further agrees to hold Leasor harmless from any claim Lessee may have or acquire, in contribution or otherwise, associated with the condition of the property or Lessee's liability as an owner or operator. This includes, without limitation, any claim or cause of action Lessee may have at common law or under any local, state, or federal statute such as the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) or a state or local counterpart. Lessee agrees to assume all liabilities associated with any activity conducted on the Leased Land, by Lessee, its contractors, and any other person or entity exercising or purporting to exercise rights through Lessee or on Lessee's behalf.

Lessee agrees to remedy any Environmental Problem resulting from, arising out of, or in any manner associated with any activity by Lessee, its contractors, and any other person or entity exercising or purporting to exercise rights through Lessee or on Lessee's behalf, that presently impacts, or is likely to impact, the Lessee Land. In the event an Environmental Problem is identified, Lessor will give Lessee notice of the Environmental Problem and Lessee will, at its sole risk and expanse, take the necessary action to define and remedy the Environmental Problem. For purposes of this section, "Environmental Problem" means any situation which: violates any local, state, or federal requirement, is reportable under any environmental law, gives rise to a cleanup, sampling, testing, monitoring, assessment, or similar obligation under any common law, statutory, or regulatory theory, concerns conditions, structures, or substances that require special environmental handling for their proper renovation, demolition, or disposal, or exposes Lessor to a substantial threat of liability associated with the health, safety, and w

the public workers or the environment.

C. Lesses will protect, indemnify hold harmless, and defend Lessor against any claim, demand, cost, liability, loss, or damage suffered by Lessor (Including Lessor's reasonable attorney fees and illigation costs) resulting from, arising out of, or associated with one or more of the following events: Lessee's breach of any covenant, obligation, or duty created by the terms of this Lesse. Lessee's failure to comply with the Lessor's retained rights under this Lesse. Any matter encompassed by Lessee's assumption of liabilities, including anvironmental liabilities, under the terms of this Lesse. Any activity expressly or impliedly authorized or required by this Lesse. Any matter associated with producing wells. nonproducing wells, existing wellbores, unplugged wells, or previously plugged wellbores. Any matter associated with the management, use, and disposal of produced water and wastes or substances associated with the development or operation of the Leased Land. Any matter associated with the generation, processing, handling, transportation, storage, treatment, recycling, marketing, use, disposal, release or discharge, or threatened release or discharge, of oil, natural gas, natural gas liquids, all other petroleum substances, any waste material, or any "hazardous substance" or "pollutant or contaminant" as those terms are defined (now or in the future) under CERCLA and its state counterpart. Any matter relating to Lessee's ownership, use, or occupancy of the Leased Land or any area impacting the Leased Land. Lessee's obligations created by this Section are continuing obligations which will remain in effect, and be enforceable by Lessor, even after the Lease terminates or otherwise ceases to burden the Leased Land. In the event Lessor conveys or assigns all or any part of its interest in the Leased Land, Lessor will nevertheless continue to be covered by Lessee's indemnity. However, Lessor's grantees or assignees will also be covered by Lessee's indemnity to the extent of the Interest they receive in the Leased Land. Lessee's Indemnity obligation will apply even though the basis for Lessor's liability

arises out of Lessor's statutory or common law strict liability, sole or concurrent negligence, or any other statutory, tort, or contract theory.

12. If the estate of either party hereto is easigned, 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. However, no change or division in ownership of the land or royalties shall enlarge the obligations or diminish the rights of Lessee. No change in the ownership of the land 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.

This lease shall be effective as to each Lessor on execution thereof as to his or her interest and shall be binding on those signing. notwithstanding some of the Lessors above named may not join in the execution hereof. The word "Lessor" as used in this lease means the party or parties who execute this lease as Lessor, although not named above.

14. Lessee may at any time and from time to time surrender this lease as to any part or parts of the leased premises or any strata covered by this lease by delivering or mailing a release thereof to Lessor, or by placing a release of record in the proper County.

Lessor does not warrant the title to the lands herein described, but to the extent allowed by law, Les see 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.

Lessee shall construct the necessary fance, gates and cattle guards, and fence all drill sites, pits, tanks, and other drilling or production

facilities on the Leased Land, and otherwise adjust its operations to accommodate Lessor's use of the Leased Land for raising livestock;

17. Lessee, with regard to activities associated with its operations, will be strictly liable for any damage to or interference with: cultivated land, growing crops, pasture land, unimproved land, livestock, fences, roads, ditches, culverts, trees, turf, terraces, springs, streams, ponds, lakes, water wells, groundwater, personal property, flutures, or improvements on the Leased Land. Lessee will minimize its disruption of the Leased Land and whenever excavation is necessary, Lessee will remove and store the topsoil and when the excavation is to be closed, Lessee will remove all foreign substances from the excavation, fill it with soil, and then replace the topsoil. The affected area will then be graded to its original contour, seeded, fertilized, and maintained until the original cover in the affected area is reestablished.

18. Lessee will provide Lesser with written notice at least 15 days before conducting any surface operations on the Leased Land, to include geophysical operations and activities preparatory to drilling operations. The notice will include a plat showing the portion of the Leased Land to be affected by such operations and the Lessee's proposed route across the Lessed Land. However, notice to Lessor, and Lessor's fallure to object to the planned

surface use and operations, will not affect Lessor's rights, or the limitations and obligations imposed on Lessee by this Lease.

19. Notwithstanding the other provisions contained in this Lease, Lessee acknowledges that it shall not have the right and is specifically prohibited from locating any high pressure pipelines, compressors and centralized metering stations on the Leased Land covered by this Lease. Lessee shall have the right to construct an underground gas gathering system that directly connects the wells on the Leased Land to Leasee's gathering system located adjacent to the Leased Land, however, Leasee shall not have the right and shall be prohibited from constructing a gathering system across the Leased Land covered by this Lease that is constructed to transport gas from other wells on other leases. Lessee will construct above ground facilities only at the well sites. As used in this Lease the following terms will have the indicated meaning: "High Pressure Pipelines": any pipeline other than the pipeline that runs from a wellhead located on the Leased Land covered by this Lease to a pipeline used by Lessee to gather gas from other leases,

20. Notwithstanding the other provisions contained in this Lease, Lessee agrees that it shall not assign operating responsibility or a majority of the working interest to a party which is not known within the gas industry to be financially, operationally and ethically capable and responsible of fulfilling all of the obligations under this agreement.

IN TESTIMONY WHEREOF, we sign this the 24 day of Nevember , 2004.

Lessor

STATE OF KANSAS

COUNTY OF Labette

ACKNOWLEDGMENT FOR INDIVIDUAL

The foregoing instrument was acknowledged before me this 24 day of WON con bid., 2004, by REBECCA FOLEY, a single person.

Notary Public

My Commission Expires: 44/2005

Notary Public - State of Kansus My Appl. Expires Y-V- 2005

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