

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

**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 1 **
☐ 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.: _____
Entire Project: ☐ Yes ☐ No
Number of Injection Wells _____ **

Field Name: _____

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

Effective Date of Transfer: September 18, 2009

KS Dept of Revenue Lease No.: 140550 (Werth Exploration trust)

Lease Name: Inloes Five

_____ - W/2 - SW - NW Sec. 36 Twp. 9 R. 26 ☐ E ☒ W

Legal Description of Lease: W/2 - NW/4

County: Sheridan

Production Zone(s): Lansing/Kansas City

Injection Zone(s): _____

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

_____ feet from ☐ N / ☐ S Line of Section

_____ feet from ☐ E / ☐ W Line of Section

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

Past Operator's License No. 5146

Contact Person: _____

Past Operator's Name & Address: Rains & Williamson

Phone: _____

sold to Lloyd Drig. Lease sat idle, Mineral owners leased to Werth Exploration

Date: _____

Title: _____

Signature: Oil & Gas Lease Attached
Add'l Information On File

New Operator's License No. 30259 /

Contact Person: Andy Werth

New Operator's Name & Address: Werth Exploration Trust

Phone: (785) 625-4968

1308 Schwaller Ave.

Oil / Gas Purchaser: Coffeyville Resources

Hays, KS. 67601

Date: January 2010

Title: Owner/Trustee

Signature: Andy Werth

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.

_____ is acknowledged as
the new operator and may continue to inject fluids as authorized by

Permit No.: _____ . Recommended action: _____

Date: _____

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 2/17/12 PRODUCTION 02-20-12 UIC 2-20-12
Mail to: Past Operator _____ New Operator _____ District _____

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

20100101 10:00 AM

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* Location: W/2 - NW/4; Sec. 36-9s-26w

A separate sheet may be attached if necessary

3+4 intended by Werth (License 30259).

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covers more than the Section
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KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

**CERTIFICATION OF COMPLIANCE WITH THE
KANSAS SURFACE OWNER NOTIFICATION ACT**

Form KSONA-1
July 2010
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.

Select the corresponding form being filed: ☐ C-1 (Intent) ☐ CB-1 (Cathodic Protection Borehole Intent) ☒ T-1 (Transfer) ☐ CP-1 (Plugging Application)

OPERATOR: License # 30259
Name: Werth Exploration Trust
Address 1: 1308 Schwaller Ave.
Address 2: _____
City: Hays State: KS Zip: 67601 + _____
Contact Person: Andy Werth
Phone: (785) 625-4968 Fax: (_____) _____
Email Address: _____

Well Location:
W/2 - SW - NW Sec. 36 Twp. 9 S. R. 26 ☐ East ☒ West
County: Sheridan
Lease Name: Inloes Five Well #: 1

If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:

W/2 - NW/4; Section 36-9s-26w

Surface Owner Information:

Name: Winfred & Margaret Inloes
Address 1: 7830 County Road Cc
Address 2: _____
City: Quinter State: KS Zip: 67752 + 3452

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.

If this form is being submitted with a Form C-1 (Intent) or CB-1 (Cathodic Protection Borehole Intent), you must supply the surface owners and the KCC with a plat showing the predicted locations of lease roads, tank batteries, pipelines, and electrical lines. The locations shown on the plat are preliminary non-binding estimates. The locations may be entered on the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted.

Select one of the following:

☒ I certify that, pursuant to the Kansas Surface Owner Notice Act (House Bill 2032), I have provided the following to the surface owner(s) of the land upon which the subject well is or will be located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form CP-1 that I am filing in connection with this form; 2) if the form being filed is a Form C-1 or Form CB-1, the plat(s) required by this form; and 3) my operator name, address, phone number, fax, and email address.

☐ I have not provided this information to the surface owner(s). I acknowledge that, because I have not provided this information, the KCC will be required to send this information to the surface owner(s). To mitigate the additional cost of the KCC performing this task, I acknowledge that I am being charged a \$30.00 handling fee, payable to the KCC, which is enclosed with this form.

If choosing the second option, submit payment of the \$30.00 handling fee with this form. If the fee is not received with this form, the KSONA-1 form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-1 will be returned.

I hereby certify that the statements made herein are true and correct to the best of my knowledge and belief.

Date: 12/12/2011 Signature of Operator or Agent: Andy Werth Title: Owner

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

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785-628-8517

Fax 785-628-2243

Don C. Staab

Attorney at Law

September 25, 2009

Golden Investments, LLC
202 St. Joseph Street
Morland, KS 67650

1301 Oak Street

Hays, Kansas 67601-3682

COPY

RE: Inloes Lease

Gentlemen:

I represent the Margaret L. Inloes Trust, dated August 23, 1989, as well as the Winfred D. Inloes Trust, dated August 23, 1989, Sharon Lee Dubois, Successor Trustee.

The records indicate you operated an oil and gas lease located on the W/2 NW/4 of 36-9-26, Sheridan County, Kansas.

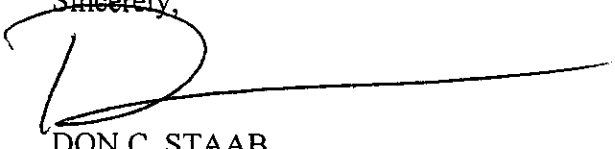
I enclose herein a copies of the top lease Oil and Gas Lease from both Trusts to Andy Werth, an Affidavit of Non-Production, the Oil and Gas Rendition Sheet showing that you only produced 138 bbls of oil in 2008, as well as the Oil and Gas Lease that you were operating under.

I have been authorized by my clients to file suit against you as a working interest holder for the removal of your equipment from the hole.

By the removal of your equipment prior to filing suit you will not be liable for the plugging of the hole.

Unless the equipment is either sold or moved within a period of fourteen (14) days, suit will be filed against you for the removal of the equipment and for failing to develop and produce this oil and gas lease.

Sincerely,


DON C. STAAB
Attorney at Law

DCS:jj
Encs.

✓ cc: Inloes Trusts, Andy Werth

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785-628-8517

Fax 785-628-2249

Don C. Staab

Attorney at Law

January 6, 2010

1301 Oak Street

Hays, Kansas 67601-3682

Coffeyville Resources Refining & Marketing
10 East Cambridge Circle Drive, Suite 250
Kansas City, KS 66103

DIVISION ORDER TITLE OPINION

RE: Inloes Trusts

I have examined title to the above-described property as shown to me by stand-up opinion of the records of the Sheridan County Register of Deeds.

LEGAL DESCRIPTION:

West Half of the Northwest Quarter (W/2 NW/4) of Section Thirty-six (36), Township Nine (9) South, Range Twenty-six (26) West of the 6th P.M., Sheridan County, Kansas

DOCUMENTS EXAMINED:

Stand-up opinion of the records of the Sheridan County Register of Deeds and Sheridan County District Court from date of patent through January 4, 2010 at 11:00 o'clock a.m.

It is my opinion by means of examination of the same that the title to the above-described property was on the last mentioned date above vested as follows:

SURFACE RIGHTS:

Margaret L. Inloes Trust, dated August 23, 1989 50% Interest
Sharon Lee Dubois, Successor Trustee and
Margaret L. Inloes, Trustee

Winfred D. Inloes Trust, dated August 23, 1989 50% Interest
Sharon Lee Dubois, Successor Trustee and
Margaret L. Inloes, Trustee

MINERAL RIGHTS:

Margaret L. Inloes Trust, dated August 23, 1989 50% Interest
Sharon Lee Dubois, Successor Trustee and
Margaret L. Inloes, Trustee

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Winfred D. Inloes Trust, dated August 23, 1989
Sharon Lee Dubois, Successor Trustee and
Margaret L. Inloes, Trustee

50% Interest

OIL AND GAS LEASE:

Lessors:	Margaret L. Inloes Trust, dated August 23, 1989, Sharon Lee Dubois, Successor Trustee and Margaret L. Inloes, Trustee
Lessee:	Andy Werth, d/b/a Werth Exploration Trust
Date:	September 18, 2009
Recorded:	Book 279, Page 388-389
Description:	W/2 NW/4 36-9-26 Sheridan County, Kansas
Term:	One (1) years
Royalty:	One-eighth (1/8 th)
Unusual Provisions:	None

Lessors:	Winfred D. Inloes Trust, dated August 23, 1989, Sharon Lee Dubois, Successor Trustee and Margaret L. Inloes, Trustee
Lessee:	Andy Werth, d/b/a Werth Exploration Trust
Date:	September 18, 2009
Recorded:	Book 279, Page 386-387
Description:	W/2 NW/4 36-9-26 Sheridan County, Kansas
Term:	One (1) years
Royalty:	One-eighth (1/8 th)
Unusual Provisions:	None

DISTRIBUTION OF PROCEEDS FROM OIL AND GAS LEASE:

Margaret L. Inloes Trust, dated August 23, 1989	6.25% RI
Winfred D. Inloes Trust, dated August 23, 1989	6.25% RI
Andy Werth, d/b/a Werth Exploration Trust	75% of 80% WI
Ronald and Audrey Herold, JTROS	25% of 80% WI
Andy Werth, d/b/a Werth Exploration Trust	.04125 ORRI
Gertrude E. Staab Revocable Living Trust	.03125 ORRI

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KCC WICHITA

Coffeyville Resources Refining & Marketing
January 6, 2010
Page 3

DOCUMENTS RELATING TO OIL AND GAS DEVELOPMENT:

Affidavit of Production dated January 4, 2010, recorded in Book 280, Page 147, stating production commenced on the examined acreage on January 1, 2010.

MORTGAGE, LIENS AND ENCUMBRANCES:

None.

EASEMENTS AND RIGHTS OF WAY:

None shown.

TAXES:

The records disclose the taxes for the year 2009 and all prior years are shown paid.

COMMENTS AND REQUIREMENTS:

None.

This opinion is made solely and exclusively for your use and benefit.

Sincerely,

DON C. STAAB
Attorney at Law

DCS:jj

cc: Werth Exploration Trust
1308 Schwaller Avenue
Hays, KS 67601

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EXHIBIT A

OIL AND GAS LEASE

(Form 88 - Producers [Paid-up])

THIS AGREEMENT, Entered into this 18th day of September, 2009, between Sharon Lee Dubois, as Successor Trustee and Margaret L. Inloes, as Trustee of the Margaret L. Inloes Trust dated the 23rd day of August 1989, 7830 County Road CC, Quinter, KS 67752 hereinafter called lessor, and Andy Werth d/b/a Werth Exploration Trust hereinafter called lessee, does witness:

1. That lessor, for and in consideration of the sum of Ten dollars (\$10.00) & other valuable consideration Dollars in hand paid and of the covenants and agreements hereinafter contained to be performed by the lessee, has this day granted, leased, and let and by these presents does hereby grant, lease, and let exclusively unto the lessee the hereinafter described land, with any reversionary rights therein, and with the right to utilize this lease or any part thereof with other oil and gas leases as to all or any part of the lands covered thereby as hereinafter provided, for the purpose of carrying on geological, geophysical and other exploratory work thereon, including core drilling and the drilling, mining, and operating for, producing and saving all of the oil, gas condensate, gas distillate, casinghead gasoline and their respective constituent vapors, and all other gases, found thereon, the exclusive right of injecting water, brine, and other fluids and substances into the subsurface strata, and for constructing roads, laying pipe lines, building tanks, storing oil, building power stations, electrical lines and other structures thereon necessary or convenient for the economical operation of said land alone or conjointly with neighboring lands, to produce, save, take care of, and manufacture all of such substances, and the injection of water, brine, and other substances into the subsurface strata, said tract of land being situated in the County of Sheridan State of Kansas and described as follows:

An undivided one-half (1/2) interest in and to the West Half of the Northwest Quarter (W/2 NW/4) of Section Thirty-six (36), Township Nine (9) South, Range Twenty-six (26) West of the 6th P.M.

SCANNED ☒INDEXED ☒CROSS-INDEXED ☒Sheridan County, Kansas
FILED FOR RECORD

This 18th day of Sept, 2009
at 2:10 o'clock P.M.,
Vol 279 Page 388-389
Mary Weimer, Deputy
Register of Deeds

containing 80 acres, more or less.

2. This lease shall remain in force for a term of One (1) year (called "primary term") and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of the products covered by this lease is or can be produced.

3. The lessee shall deliver to lessor as royalty, free of cost, on the lease, or into the pipe line to which lessee may connect its wells the equal one-eighth part of all oil produced and saved from the leased premises, or at the lessee's option may pay to the lessor for such one-eighth royalty the market price at the wellhead for oil of like grade and gravity prevailing on the day such oil is run into the pipe line or into storage tanks.

4. The lessee shall pay to the lessor, as a royalty, one-eighth (1/8th) of the proceeds received by the lessee from the sale of gas, gas condensate, gas distillate, casinghead gas, gas used for the manufacture of gasoline or any other product, and all other gases, including their constituent parts, produced from the land herein leased. If such gas is not sold by the lessee, lessee may pay or tender annually at or before the end of each yearly period during which such gas is not sold, as a shut-in royalty, whether one or more wells, an amount equal to one dollar per net mineral acre, and while said shut in royalty is so paid or tendered, it will be considered under all provisions of this lease that gas is being produced in paying quantities. The first yearly period during which such gas is not sold shall begin on the date the first well is completed for production of gas.

5. This lease is a paid-up lease and may be maintained during the primary term without further payments or drilling operations.

6. In the event 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 to said lessor only in the proportion which his interest bears to the whole and undivided fee; however, in the event the title to any interest in said land should revert to lessor, or his heirs, or his or their grantee, this lease shall cover such reversion.

7. The lessee shall have the right to use, free of cost, oil and water found on said land for its operations thereon, except water from existing wells of the lessor. When required by lessor, the lessee shall bury its pipe lines below plow depth and shall pay for damage caused by its operations to growing crops on said land. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of the lessor. Lessee shall have the right at any time during, or after the expiration of this lease to remove all machinery fixtures, houses, buildings and other structures placed on said premises, including the right to draw and remove all casing.

8. 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 the heirs, devisees, executors, administrators, successors, and assigns, but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of lessee, and no change of ownership in the land or in the royalties or any sum due under this lease shall be binding on the lessee until it has been furnished with either the original recorded instrument of conveyance or a duly certified copy thereof, or a certified copy of the will of any deceased owner and of the probate thereof, or certified copy of the proceedings showing appointment of an administrator for the estate of any deceased owner, whichever is appropriate, together with all original recorded instruments of conveyance or duly certified copies thereof necessary in showing a complete chain of title back to lessor of the full interest claimed, and all advance payments of rentals made hereunder before receipt of said documents shall be binding on any direct or indirect assignee, grantee, devisee, or administrator, executor, or heir of lessor.

9. If the leased premises are now or shall hereafter be owned in severalty or in separate tracts, the premises may nonetheless be developed and operated as one lease, and all royalties accruing hereunder shall be divided among and paid to such separate owners in the proportion that the acreage owned by each separate owner bears to the entire leased acreage. 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 now or hereafter be divided by sale, devisee, descent or otherwise, or to furnish separate measuring or receiving tanks.

10. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the lessee, at its option, may pay and discharge in whole or in part any taxes, mortgages, or other liens, existing, levied, or assessed on or against the above described lands and, in event it exercises such options it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying to the discharge of any such mortgage, tax or other lien, any royalty accruing hereunder.

11. If after the expiration of the primary term, production of oil or gas should cease from any cause, this lease shall not terminate if lessee commences additional drilling or reworking operations within one hundred-twenty (120) days thereafter, or if at the expiration of the primary term, oil or gas is not being produced on said land, but lessee is then engaged in drilling or reworking operations thereon, then in either event, this lease shall remain in force so long as operations are prosecuted either on the same well or any other well thereafter commenced, with no cessation of more than one hundred-twenty (120) consecutive days, and if they result in production of oil or gas, this lease shall remain in effect so long thereafter as there is production of oil or gas under any provision of this lease.

12. Lessee may at any time surrender or cancel this lease in whole or in part by delivering or mailing such release to the lessor, or by placing same of record in the proper county. In case said lease is surrendered and canceled as to only a portion of the acreage covered thereby, then all payments and liabilities thereafter accruing under the terms of said lease as to the portion canceled shall cease and determine, but as to the portion of the acreage not released the terms and provisions of this lease shall continue and remain in full force and effect for all purposes.

13. All provisions hereof, express or implied, shall be subject to all federal and state laws and the orders, rules, or regulations (and interpretations thereof) of all governmental agencies administering the same, and this lease shall not be in any way terminated wholly or partially nor shall the lessee be liable in damages for failure to comply with any of the express or implied provisions hereof if such failure accords with any such laws, orders, rules or regulations (or interpretations thereof). If lessee should be prevented during the last six months of the primary term hereof from drilling a well hereunder by the order of any constituted authority having jurisdiction thereover, the primary term of this lease shall continue until six months after said order is suspended.

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BOOK 280 PAGE 149

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14. Lessee, at its option, is hereby given the right and power to pool or combine into one or more units the land covered by this lease, or any portion thereof, with other land covered by another lease, or leases 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 such minerals in and under said land, such pooling to be in 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 and/or condensate or distillate well, plus a tolerance of ten percent (10%) to conform to Governmental Survey quarter sections. Lessee shall execute in writing and file for record in the county in which the land is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a unit or units shall be treated for all purposes, except the payments of royalties on production from the pooled unit, as if it were included in this lease. If production is found on any part of the pooled acreage it shall be treated as if production is had from this lease whether any well is located on the land covered by this lease or not. Any well drilled on any such unit shall be and constitute a well hereunder. In lieu of the royalties elsewhere herein specified lessor shall receive on production from the unit so pooled only such portion of the royalty stipulated herein as the amount of his net royalty interest therein on an acreage basis bears to the total mineral acreage so pooled in the particular unit involved.

16. Lessee shall be responsible in supervising any work crew that accesses the aforementioned acreage as to not cause unnecessary damage while conducting services. Furthermore Lessee shall pay any damages deemed unjust in accordance with said service provided. Both parties to the lease provisions herein contained will agree as to any damages to be paid by the Lessee..

17. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors of said lessor and lessee.

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

MARGARET L. INLOES TRUST DATED THE 23RD DAY OF AUGUST 1989

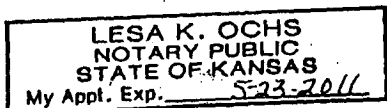
Sharon Lee DuBois
SHARON LEE DUBOIS, SUCCESSOR TRUSTEE

Margaret L. Inloes
MARGARET L. INLOES, TRUSTEE

STATE OF Kansas
COUNTY OF Sheridan Polle, ss.

BE IT REMEMBERED, That on this 18th day of September, 20 09, before me, the undersigned, a notary public in and for the County and State aforesaid, came Sharon Lee Dubois, as Successor Trustee and Margaret L. Inloes, as Trustee of the Margaret L. Inloes Trust dated the 23rd day of August 1989 who is/are personally known to me to be the same person(s) who executed the foregoing deed, and duly acknowledged the execution of the same.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my official seal on the day and year last above written.



Lesia K. Ochs
Notary Public

My commission expires: 5-23-2011

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BOOK 280 PAGE 150

AFFIDAVIT OF PRODUCTION

Sheridan County, Kansas

FILED FOR RECORD

This 5th day of Jan, 2010
at 10:45 o'clock A.M. in
Vol. 280 Page 147
Mary Williams, Deputy
Register of Deeds

STATE OF KANSAS)
) ss:
COUNTY OF ELLIS)



SCANNED ✓
INDEXED ✓
CROSS-INDEXED ✓

Andy Werth, of lawful age, being first duly sworn upon his oath deposes and says that he is the owner of Werth Exploration Trust; that he has personal knowledge of the facts hereinafter set forth, and that he is the duly authorized agent of the owner of the Oil and Gas lease (a) hereinafter described to make this affidavit.

Affiant further states that Werth Exploration Trust is the owner of the following described Oil and Gas Leases, to wit:

1. An Oil and Gas Lease dated September 18, 2009, executed by Sharon Lee Dubois, Successor Trustee and Margaret L. Inloes, Trustee of the Margaret L. Inloes Trust dated August 23, 1989 to Andy Werth, d/b/a Werth Exploration Trust covering the following described lands situated in Sheridan County, Kansas, to-wit:

2. An Oil and Gas Lease dated September 18, 2009, executed by Sharon Lee Dubois, Successor Trustee and Margaret L. Inloes, Trustee of the Winfred D. Inloes Trust dated August 23, 1989 to Andy Werth, d/b/a Werth Exploration Trust covering the following described lands situated in Sheridan County, Kansas, to-wit:

West Half of the Northwest Quarter (W/2 NW/4) of Section Thirty-six (36), Township Nine (9) South, Range Twenty-six (26) West of the 6th P.M., Sheridan County, Kansas

and appearing of record in the office of the Register of Deeds of Graham County, Kansas, in Book 279 at Pages 386-389.

That the Oil and Gas Leases is for the definite term years therein provided and as long thereafter as oil or gas or either of them is produced from said land by the lessee and/or if lessee shall commence drilling operations at any time while said leases are in force, said leases shall remain in force, and their terms shall continue as long as such operations continue with due diligence, and if production results therefrom, then as long as production continues.

That public notice is hereby given under K.S.A. 55-205, that said lessee above named is now the owner of the above described lease as hereinbefore set forth; that an oil well, producing oil, in paying quantities has been completed upon the **West Half of the Northwest Quarter (W/2 NW/4) of Section Thirty-six (36), Township Nine (9) South, Range Twenty-six (26) West of the 6th P.M., Sheridan County, Kansas** said well having been commenced on or about January 1, 2010; that said lessee is now in possession of the above described lands and is entitled by the terms of said lease to continue in possession and in operation of said well and of said lease as long as oil or gas or either of them is produced from the above described land.

By: Andy Werth
ANDY WERTH, Owner
Werth Exploration Trust

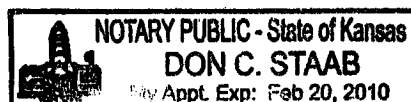
STATE OF KANSAS)
) ss:
COUNTY OF ELLIS)

The foregoing instrument was acknowledged before me this 4th day of January 2010 by Andy Werth, Owner of Werth Exploration Trust, and acknowledged to me that he executed the same for the purposes and consideration therein express, acting for and on behalf of said Werth Exploration Trust is his capacity as owner.

GIVEN under my hand and seal of office the day and year last above written.

Don C. Staab
NOTARY PUBLIC

My Appointment Expires:



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BOOK 280 PAGE 147

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EXHIBIT B
OIL AND GAS LEASE
(Form 88 - Producers (Paid-up))

THIS AGREEMENT, Entered into this 18th day of September, 2009, between Sharon Lee Dubois, as Successor Trustee and Margaret L. Inloes, as Trustee of the Winfred D. Inloes Trust dated the 23rd day of August 1989, 7830 County Road CC, Quinter, KS 67752 hereinafter called lessor, and Andy Werth d/b/a Werth Exploration Trust hereinafter called lessee, does witness:

1. That lessor, for and in consideration of the sum of Ten dollars (\$10.00) & other valuable consideration Dollars in hand paid and of the covenants and agreements hereinafter contained to be performed by the lessee, has this day granted, leased, and let and by these presents does hereby grant, lease, and let exclusively unto the lessee the hereinafter described land, with any reversionary rights therein, and with the right to unitize this lease or any part thereof with other oil and gas leases as to all or any part of the lands covered thereby as hereinafter provided, for the purpose of carrying on geological, geophysical and other exploratory work thereon, including core drilling and the drilling, mining, and operating for, producing and saving all of the oil, gas condensate, gas distillate, casinghead gasoline and their respective constituent vapors, and all other gases, found thereon, the exclusive right of injecting water, brine, and other fluids and substances into the subsurface strata, and for constructing roads, laying pipe lines, building tanks, storing oil, building power stations, electrical lines and other structures thereon necessary or convenient for the economical operation of said land alone or conjointly with neighboring lands, to produce, save, take care of, and manufacture all of such substances, and the injection of water, brine, and other substances into the subsurface strata, said tract of land being situated in the County of Sheridan State of Kansas, and described as follows:

An undivided one-half (1/2) interest in and to the West Half of the Northwest Quarter (W/2 NW/4) of Section Thirty-six (36), Township Nine (9) South, Range Twenty-six (26) West of the 6th P.M.



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INDEXED ✓
CROSS-INDEXED ✓

Sheridan County, Kansas
FILED FOR RECORD
This 18th day of Sept, 2009
at 2:05 o'clock P.M.
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Mary L. Werth, Deed
Register of Deeds

containing 80 acres, more or less.

2. This lease shall remain in force for a term of One (1) year (called "primary term") and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of the products covered by this lease is or can be produced.

3. The lessee shall deliver to lessor as royalty, free of cost, on the lease, or into the pipe line to which lessee may connect its wells the equal one-eighth part of all oil produced and saved from the leased premises, or at the lessee's option may pay to the lessor for such one-eighth royalty the market price at the wellhead for oil of like grade and gravity prevailing on the day such oil is run into the pipe line or into storage tanks.

4. The lessee shall pay to the lessor, as a royalty, one-eighth (1/8th) of the proceeds received by the lessee from the sale of gas, gas condensate, gas distillate, casinghead gas, gas used for the manufacture of gasoline or any other product, and all other gases, including their constituent parts, produced from the land herein leased. If such gas is not sold by the lessee, lessee may pay or tender annually at or before the end of each yearly period during which such gas is not sold, as a shut-in royalty, whether one or more wells, an amount equal to one dollar per net mineral acre, and while said shut in royalty is so paid or tendered, it will be considered under all provisions of this lease that gas is being produced in paying quantities. The first yearly period during which such gas is not sold shall begin on the date the first well is completed for production of gas.

5. This lease is a paid-up lease and may be maintained during the primary term without further payments or drilling operations.

6. In the event 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 to said lessor only in the proportion which his interest bears to the whole and undivided fee; however, in the event the title to any interest in said land should revert to lessor, or his heirs, or his or their grantee, this lease shall cover such reversion.

7. The lessee shall have the right to use, free of cost, oil and water found on said land for its operations thereon, except water from existing wells of the lessor. When required by lessor, the lessee shall bury its pipe lines below plow depth and shall pay for damage caused by its operations to growing crops on said land. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of the lessor. Lessee shall have the right at any time during, or after the expiration of this lease to remove all machinery fixtures, houses, buildings and other structures placed on said premises, including the right to draw and remove all casing.

8. 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 the heirs, devisees, executors, administrators, successors, and assigns, but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of lessee, and no change of ownership in the land or in the royalties or any sum due under this lease shall be binding on the lessee until it has been furnished with either the original recorded instrument of conveyance or a duly certified copy thereof, or a certified copy of the will of any deceased owner and of the probate thereof, or certified copy of the proceedings showing appointment of an administrator for the estate of any deceased owner, whichever is appropriate, together with all original recorded instruments of conveyance or duly certified copies thereof necessary in showing a complete chain of title back to lessor of the full interest claimed, and all advance payments of rentals made hereunder before receipt of said documents shall be binding on any direct or indirect assignee, grantee, devisee, or administrator, executor, or heir of lessor.

9. If the leased premises are now or shall hereafter be owned in severalty or in separate tracts, the premises may nonetheless be developed and operated as one lease, and all royalties accruing hereunder shall be divided among and paid to such separate owners in the proportion that the acreage owned by each separate owner bears to the entire leased acreage. 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 now or hereafter be divided by sale, devisee, descent or otherwise, or to furnish separate measuring or receiving tanks.

10. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the lessee, at its option, may pay and discharge in whole or in part any taxes, mortgages, or other liens, existing, levied, or assessed on or against the above described lands and, in event it exercises such options it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying to the discharge of any such mortgage, tax or other lien, any royalty accruing hereunder.

11. If after the expiration of the primary term, production of oil or gas should cease from any cause, this lease shall not terminate if lessee commences additional drilling or reworking operations within one hundred-twenty (120) days thereafter, or if at the expiration of the primary term, oil or gas is not being produced on said land, but lessee is then engaged in drilling or reworking operations thereon, then in either event, this lease shall remain in force so long as operations are prosecuted either on the same well or any other well thereafter commenced, with no cessation of more than one hundred-twenty (120) consecutive days, and if they result in production of oil or gas, this lease shall remain in effect so long thereafter as there is production of oil or gas under any provision of this lease.

12. Lessee may at any time surrender or cancel this lease in whole or in part by delivering or mailing such release to the lessor, or by placing same of record in the proper county. In case said lease is surrendered and canceled as to only a portion of the acreage covered thereby, then all payments and liabilities thereafter accruing under the terms of said lease as to the portion canceled shall cease and determine, but as to the portion of the acreage not released the terms and provisions of this lease shall continue and remain in full force and effect for all purposes.

13. All provisions hereof, express or implied, shall be subject to all federal and state laws and the orders, rules, or regulations (and interpretations thereof) of all governmental agencies administering the same, and this lease shall not be in any way terminated wholly or partially nor shall the lessee be liable in damages for failure to comply with any of the express or implied provisions hereof if such failure accords with any such laws, orders, rules or regulations (or interpretations thereof). If lessee should be prevented during the last six months of the primary term hereof from drilling a well hereunder by the order of any constituted authority having jurisdiction thereover, the primary term of this lease shall continue until six months after said order is suspended.

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14. Lessee, at its option, is hereby given the right and power to pool or combine into one or more units the land covered by this lease, or any portion thereof, with other land covered by another lease, or leases 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 such minerals in and under said land, such pooling to be in 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 and/or condensate or distillate well, plus a tolerance of ten percent (10%) to conform to Governmental Survey quarter sections. Lessee shall execute in writing and file for record in the county in which the land is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a unit or units shall be treated for all purposes, except the payments of royalties on production from the pooled unit, as if it were included in this lease. If production is found on any part of the pooled acreage it shall be treated as if production is had from this lease whether any well is located on the land covered by this lease or not. Any well drilled on any such unit shall be and constitute a well hereunder. In lieu of the royalties elsewhere herein specified lessor shall receive on production from the unit so pooled only such portion of the royalty stipulated herein as the amount of his net royalty interest therein on an acreage basis bears to the total mineral acreage so pooled in the particular unit involved.

16. Lessee shall be responsible in supervising any work crew that accesses the aforementioned acreage as to not cause unnecessary damage while conducting services. Furthermore Lessee shall pay any damages deemed unjust in accordance with said service provided. Both parties to the lease provisions herein contained will agree as to any damages to be paid by the Lessee.

17. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors of said lessor and lessee.

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

WINFRED D. INLOES TRUST DATED THE 23RD DAY OF AUGUST 1989

Sharon Lee Dubois
SHARON LEE DUBOIS, SUCCESSOR TRUSTEE

Margaret L. Inloes
MARGARET L. INLOES, TRUSTEE

STATE OF Kansas
COUNTY OF Sheridan True ss.

BE IT REMEMBERED, That on this 18th day of September, 20 09, before me, the undersigned, a notary public in and for the County and State aforesaid, came Sharon Lee Dubois, as Successor Trustee and Margaret L. Inloes, as Trustee of the Winfred D. Inloes Trust dated the 23rd day of August 1989 who is/are personally known to me to be the same person(s) who executed the foregoing deed, and duly acknowledged the execution of the same.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my official seal on the day and year last above written.



Les K Ochs
Notary Public

My commission expires: 5-23-2011

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