

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 _____ **
☒ Gas Lease: No. of Gas Wells 1 **
☐ 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: Cherokee Basin Coal Gas Area

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

Effective Date of Transfer: 8-28-03
KS Dept of Revenue Lease No.: 225327
Lease Name: Creager
_____ Sec. 30 Twp. 29S R. 15 ☒ E ☐ W
Legal Description of Lease: E2 NW; NE w/ exc
County: Wilson
Production Zone(s): Penn Coals
Injection Zone(s): _____

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082603 Creager.pdf

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

Past Operator's License No. 30916- Inactive License
Past Operator's Name & Address: Kayla & Gary Bridwell
871 N 325th Str P O Box 1404 Independence KS 67301
Title: _____
Contact Person: _____
Phone: _____
Date: _____
Signature: Inactive License
Oil & Gas Lease Attached

New Operator's License No. 33074
New Operator's Name & Address: Dart Cherokee Basin Operating Co LLC
P O Box 177 Mason MI 48854-0177
Title: David W Farmer, Sr Vice President of Engr & Ops of its Manager
Contact Person: Beth Oswald
Phone: 517-244-8716
Oil / Gas Purchaser: OneOk
Date: 10-4-12
Signature: David W Farmer

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 _____ PRODUCTION 10-12-12 UIC 10-12-12
Mail to: Past Operator _____ New Operator _____ District _____

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

* Lease Name: Creager

* Location: E2 NW; NE w/ exc Sec 30 T29S-R15E

_____ FSL/FNL _____ FEL/FWL _____ **ALL WITH**

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A separate sheet may be attached if necessary

A separate sheet may be attached if necessary
* Added per B. Oswald 10/11/12.
When transferring a unit which consists of more than one leaf
please indicate which section each well is located.

* Added per B. Oswald 10/11/12.
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 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 # 33074
Name: Dart Cherokee Basin Operating Co LLC
Address 1: P O Box 177
Address 2: _____
City: Mason State: MI Zip: 48854 + 0177
Contact Person: Beth Oswald
Phone: (517) 244-8716 Fax: (517) 676-5887
Email Address: boswald@dartoilandgas.com

Well Location:
_____-_____-_____- Sec. 30 Twp. 29S S. R. 15 ☒ East ☐ West
County: Wilson
Lease Name: Creager Well #: _____

If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:
E2 NW; NE w/ exc

Surface Owner Information:

Name: David & Sue Ella Creager
Address 1: 8964 Jade Rd
Address 2: _____
City: Fredonia State: KS Zip: 66736 + _____

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: October 4, 2012 Signature of Operator or Agent: Beth Oswald Title: Engr Support Supvr

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**OIL AND GAS LEASE
PAID UP**

AGREEMENT: Made and entered into the 28th day of August, 2003, by and between David R. Creager and Sue Ella Creager, Co-Trustees under The Creager Living Trust dated January 25, 2002 of Route 4, Box 91, Fredonia, Kansas 66736 hereinafter called Lessor (whether one or more), and DART CHEROKEE BASIN OPERATING COMPANY LLC of 600 Dart Road, P.O. Box 177, Mason, Michigan 48854-0177, hereinafter called Lessee:

1. Witnesseth: That the said Lessor, for and in consideration of \$10.00 Dollars and other valuable consideration, cash in hand paid, the receipt of which is hereby acknowledged and the covenants and agreements hereinafter contained on 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 exclusively, for the purposes of exploring by geophysical and other methods, drilling, mining, operating for and producing oil and/or gas, coalbed methane gas, gob gas, occluded natural gas, and all natural gas originating, produced or emitted from coal formations or seams, and any related, associated, or adjacent rock material together with all rights, privileges and easements useful or convenient in connection with the foregoing and in connection with treating, storing, caring for, transporting and removing oil and/or gas produced from said land or any other land adjacent thereto, including but not limited to rights to lay pipelines, build roads, drill, establish and utilize wells and facilities for disposition of water, brine or other fluids, and for enhanced production and recovery operations, and construct tanks, power and communication lines, pump and power stations, and other structures and facilities, all that certain tract of land situated in the

County of WILSON, State of KANSAS described as follows, to wit:

TOWNSHIP 29 SOUTH, RANGE 15 EAST

SECTION 5: S/2 NW/4
SECTION 7: NE/4 SE/4, LESS 10.05 ACRES M/L FOR HIGHWAY, IN DEED BOOK 167, PAGE 571
SECTION 29: NW/4
SECTION 30: E/2 NW/4; NE/4, Less a tract commencing at a point 20 feet West of the SE Corner of said NE/4, THENCE West on half section line a distance of 23 ½ rods, THENCE North 7 ½ rods, THENCE East 23 ½ rods, THENCE South 7 ½ rods to the point of beginning.

of Section XX, Township 29 South, Range 15 East, and containing 508.848 acres, more or less and including all lands and interests therein, contiguous or appurtenant to said described land and owned or claimed by Lessor, whether or not specifically described above. If this land is riparian to, bounds, or embraces within its boundaries a stream, lake or other body of water, then all of Lessor's oil and/or gas rights and lands under said bodies of water, and all area now or hereafter added by accretion, are included and covered by this lease. The term "oil" when used in this lease shall mean crude oil and other hydrocarbons, regardless of gravity, produced at the well in liquid form by ordinary production methods, including condensate separated from gas at the well. The term "gas" shall specifically include coal bed methane gas and occluded gas from coal seams, helium, carbon dioxide, gaseous sulphur compounds, and other commercial gases, as well as normal hydrocarbon gases.

2. It is agreed that this lease shall remain in force for a primary term of Three (3) years from this date, and as long thereafter as operations are conducted upon said land or upon a Unit which includes all or part of said land with no cessation for more than 90 consecutive days. Provided, in the event of production of oil and/or gas in paying quantities during said primary term or during any extension of this lease pursuant to other terms hereof, the provision for "no cessation for more than 90 consecutive days" set forth above shall be extended to "no cessation for more than 180 consecutive days." Whenever used in this lease the word "operations" shall refer to any of the following activities: preparing location for drilling, drilling, testing, completing, dewatering, reworking, recompleting, deepening, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil and/or gas, and production of oil and/or gas. For the purpose of developing coal bed gas, the word "operations" shall mean, in addition to those matters covered in the preceding sentence, (1) operations of said wells to remove water or other substances from the coal bed, or to dispose of such water or other

After recording return to:
Dart Oil & Gas Corporation
PO Box 177, 600 Dart Rd.
Mason, MI 48854
Attention: Cheryl Quinn, Land Dept.

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substances, even though such operations do not result in the production of hydrocarbons in paying quantities, (2) shutting-in or otherwise discontinuing production from said wells to allow for surface or underground mining affecting the drill site or well bore or (3) drilling a stratigraphic test hole(s) for the purposes of acquiring stratigraphic information, including but not limited to lithology, porosity, permeability, gas and water characteristics and similar information.

3. Lessee covenants and agrees to pay the following royalties: (a) To deliver to the credit of Lessor into tank reservoirs or into the pipeline to which Lessee may connect its wells, one-eighth (1/8th) of the oil produced and saved from said land, Lessor's interest to bear one-eighth of the cost of treating oil to render it marketable pipeline oil, or from time to time, at the option of Lessee, Lessee may sell the oil produced and saved from said land and pay Lessor one-eighth of the net amount realized by Lessee, computed at the wellhead; (b) To pay Lessor on gas produced from said land (1) when sold by Lessee, one-eighth of the net amount realized by Lessee, computed at the wellhead, or (2) when used by Lessee for purposes other than those specified in Paragraph numbered 9 of this Lease, one-eighth of the net market value at the wellhead of the gas so used. As used in this Lease, the term "net amount realized by Lessee, computed at the wellhead" shall mean the gross proceeds received by Lessee from the sale of oil and gas minus post-production costs incurred by Lessee between the wellhead and the point of sale, and the term "net market value at the wellhead" shall mean the current market value (at the time of production) of the gas at a market point where gas produced in the general area is commonly purchased and sold, minus the post-production costs that would be incurred by Lessee between the wellhead and such market point in order to realize that market value. As used in this Lease, the term "post-production costs" shall mean all cost and expenses of (a) treating and processing oil and/or gas to separate and remove non-hydrocarbons including but not limited to water, carbon dioxide, hydrogen sulfide and nitrogen, and (b) separating liquid hydrocarbons from gas, other than condensate separated at the well, and (c) transporting oil and/or gas, including but not limited to transportation between the wellhead and any production or treating facilities, and transportation to the point of sale, and (d) compressing gas for transportation and delivery purposes, and (e) metering oil and/or gas to determine the amount sold and/or the amount used by Lessee for purposes other than those specified in Paragraph numbered 9 of this Lease, and (f) sales charges, commissions and fees paid to third parties (whether or not affiliated) in connection with the sale of the gas, and (g) any and all other costs and expenses of any kind or nature incurred in regard to the gas, or the handling thereof, between the wellhead and the point of sale. Lessee may use its own pipelines and equipment to provide such treating, processing, separating, transportation, compression and metering services, or it may engage others to provide such services; and if Lessee uses its own pipelines and/or equipment, post-production costs shall include reasonable depreciation and amortization expenses relating to such facilities, together with Lessee's cost of capital and a reasonable return on its investment in such facilities. Prior to payment of royalty, Lessor shall execute a Division Order certifying Lessor's interest in production. Lessee may pay all taxes and fees levied upon the oil and gas produced, including, without limitation, severance taxes and privilege and surveillance fees, and deduct a proportionate share of the amount so paid from any monies payable to Lessor hereunder.

4. If any well, capable of producing oil and/or gas, or from a well in which dewatering operations have commenced, located on the leased lands, or on lands pooled or communitized with all or part of the leased lands, is at any time shut-in and production therefrom is not sold or used off the premises, nevertheless such shut-in well shall be considered a well producing oil and/or gas and this lease will continue in force while such well is shut-in, whether before or after expiration of the primary term. Lessee shall use reasonable diligence to market oil and/or gas capable of being produced from such shut-in well, but shall be under no obligation to reinject or re-cycle gas, or to market such oil and/or gas under terms, conditions, or circumstances which in Lessee's judgment are uneconomic or otherwise unsatisfactory. For each well shut-in on the leased land, or on lands pooled or communitized with all or part of the leased lands, Lessee shall be obligated to pay or tender to Lessor, or to Lessor's credit in the DIRECT TO LESSOR AT THE ABOVE ADDRESS Bank, at _____ or its successors, as Lessor's agent, which shall continue as the depository regardless of changes in ownership of royalties, shut-in royalties, or other money, within 60 days after expiration of each period one year in length (annual period) during which such well is shut-in, as royalty, the sum of \$1.00 multiplied by the number of acres subject to this lease, provided, however, that if production from said well or wells is sold or used off the premises before the end of any such period, or, if at the end of any such annual period this lease is being maintained in force and effect other than by reason of such shut-in well, Lessee shall not be obligated to pay or tender said sum of money for that annual period for any shut-in well on the leased lands. Lessee is not to be in any way liable for insufficient supply caused by the use of pumping stations, breakage of lines, or otherwise, and nothing herein shall prevent the Lessee from abandoning any well or wells and removing the pipe therefrom. The Lessee shall have the right to utilize all hydrocarbons produced from the premises, free of cost, for power, on this and adjoining premises, including but not limited to any waste or casing head gas produced on the premises.

5. This lease is a paid up lease for the primary term and shall require no rental payments.
6. If said Lessor owns a less interest in the above described land than the entire undivided fee simple estate therein, then the royalties, shut-in royalties and any extension payment pursuant to Paragraph 15 herein provided for shall be paid to the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.
7. 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 line 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. The amount of such damage payment shall be based upon the fair market value of actual crops destroyed. 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.
8. For the purpose of oil and gas development and production under this lease, Lessor does hereby grant to Lessee the right to pool or communitize said premises, or any part thereof, with other land to comprise an oil development unit of not more than one hundred sixty (160) acres, more or less, and/or a gas development unit of not more than six hundred forty (640) acres, more or less, but Lessee shall in no event be required to drill more than one well on said unit. Each unit may be created by Lessee's recording in the Register of Deeds office within the county or counties in which said unit is situated, an instrument identifying the unit so created. If such gas well or wells as contemplated by this clause shall not be drilled on the premises herein leased it shall nevertheless be deemed to be upon the leased premises within the meaning of all covenants, expressed or implied, in this lease and Lessor shall participate in the one-eighth (1/8) royalty from such oil and or/gas development unit only in the proportion that the number of acres owned by the Lessor within the limitation of such development unit bears to the total number of acres included therein. At the option of Lessee, a diagonal well spacing pattern may be followed.
9. This lease is subject to laws and to rules, regulations and orders of any governmental agency having jurisdiction, from time to time in effect, pertaining to well spacing, pooling, unitization, uniform spacing plans, drilling or production units, or use of material and equipment.
10. 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. Notwithstanding any other actual or constructive knowledge of Lessee, no change in the ownership of the land or assignment of royalties or other monies shall be binding on the Lessee until thirty (30) days after Lessee has been furnished with a written transfer or assignment or a true copy thereof that has been properly filed for record and that shall be necessary in the opinion of Lessee to establish the validity of such change of ownership or division of interests. No change or division in the ownership of said land, royalties or other monies, or any part thereof, however accomplished, shall increase the obligations or diminish the rights of Lessee, including, but not limited to, rights and obligations relating to the location and drilling of wells and the measurement of production. Upon assignment by Lessee, its successors or assigns, the assignor shall be released from, and the assignee shall assume, the responsibility to fulfill the conditions and to perform the covenants of this lease, express or implied, with regard to the interest assigned. Breach of any covenant or failure to fulfill any condition by an owner of any part of the leasehold interest created by this lease shall not defeat or affect the rights of the owner(s) of any other part
11. Lessor expressly grants to Lessee the right to inject water, brine or other fluids produced from these leased premises or lands other than said leased premises for disposal. The injection of water, brine, or other fluids into subsurface strata shall be made only into strata below those furnishing domestic fresh water.
12. Lessor hereby warrants and agrees to defend the title to said lands herein described, and agrees that the Lessee shall have the right at any time to redeem for Lessor, by payments, any mortgage, 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 rights of dower and homestead in the premises herein described, insofar as said right of dower and homestead may in any way affect the purposes for which this lease is made as recited herein.
13. Lessee may at any time surrender this lease as to all or any part of the lands covered thereby, by delivering or mailing a release thereof to the Lessor, if lease is not recorded, or by placing a release thereof of record in the proper county, if lease is recorded; and if surrendered only as to a part of said lands, any delay rentals or acreage payments which

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may thereafter be payable hereunder shall be reduced proportionately.

14. In the interest of conservation, the protection of reservoir pressures, or the recovery of the greatest ultimate yield of oil and gas, Lessee shall have the right to combine the leased premises with other premises in the same general area for the purpose of operating and maintaining, repressuring and re-cycling facilities, and for such purposes may locate such facilities, including input wells, upon the leased premises.

15. At Lessee's option the primary term of this lease may be extended from three (3) years to five (5) years by paying or tendering to Lessor, on or before the expiration of said primary term, a bonus of \$35.00 per acre for the land then covered hereby, said bonus to be paid or tendered to Lessor by U.S. Mail at the above address.

16. If during the primary term of this Lease, or any extension thereof, Lessor receives a bona fide written offer to enter into a new Oil and Gas Lease from any third party and such offer is acceptable to Lessor, Lessee shall have the right to have the new lease executed in its favor, upon the same terms and conditions. Said right shall be exercised by Lessee within thirty (30) days from the date Lessee receives written notice from Lessor or said right shall terminate.

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.

IN TESTIMONY WHEREOF WE SIGN, This the 28th day of August, 2003.

Witnesses:

x David R. Creager

David R. Creager, Co-Trustee under The Creager Living Trust dated January 25, 2002

x Sue Ella Creager

Sue Ella Creager, Co-Trustee under The Creager Living Trust dated January 25, 2002

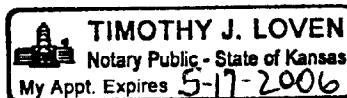
STATE OF KANSAS)
) SS.
COUNTY OF WILSON)

ACKNOWLEDGMENT TO THE LEASE

On this 28th day of August, 2003, before me the undersigned a Notary Public in and for said county, in the State aforesaid personally appeared David R. Creager and Sue Ella Creager, Co-Trustees under The Creager Living Trust dated January 25, 2002 to me known as the persons described in and who executed the foregoing instrument and acknowledged that they had executed the same as their free act and deed.

Timothy J. Lovén
Notary Public

WILSON County, KANSAS.
My Commission Expires:



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EXHIBIT "A"

EXHIBIT "A" ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL AND GAS LEASE DATED August 28, 2003, BY & BETWEEN David R. Creager and Sue Ella Creager, Co-Trustees under The Creager Living Trust dated January 25, 2002 AS LESSORS, AND DART CHEROKEE BASIN OPERATING COMPANY LLC AS LESSEE.

IN THE EVENT THAT THE TERMS AND CONDITIONS SET FORTH IN THIS EXHIBIT CONFLICT WITH THE OIL AND GAS LEASE TO WHICH THIS EXHIBIT IS ATTACHED, THE TERMS AND CONDITIONS OF THIS EXHIBIT SHALL GOVERN.

17. Before each well is drilled, the Lessee shall pay to the Lessor the sum of \$500.00 for each individual drilling site, tank battery and/or gas compressor location to cover damage to the land resulting from drilling. The drilling site includes the pit area, the well site proper, and a reasonable land area surrounding the well site required for drilling operations, This provision is not intended to limit the Lessor's remedies under the law.

18. It is understood and agreed that the Lessee shall be required to obtain the written consent from the Lessor before any new well is located on the hay meadow in the SE/4 NW/4 of Section 29. Said written consent shall not be unseasonably withheld.

19. Beginning August 28, 2007 (August 28, 2009 if this lease is extended pursuant to Paragraph 15) and continuing every anniversary date of this lease thereafter, if Lessor's annual gross royalty income for the preceding year was less than \$10 per net mineral acre subject to this lease, Lessee shall pay the difference to Lessor within 15 days of receipt of notice from Lessor of the specific amount of the shortfall. Said shortfall notice shall be sent by certified mail to Lessee, at the above address, return receipt requested. As clarification, should Lessee release of record a portion of the net mineral acres originally described on this lease prior to an anniversary date of this lease, the released acreage will not be included in the following year's minimum royalty calculations.

20. Lessee shall indemnify and hold Lessor harmless from any and all claims, damages, costs or expenses that Lessor might incur as a result of Lessee's operations. Lessee and Lessor shall mutually agree on routes of ingress and egress for operations on the leased premises. Lessor acknowledges that Lessee shall require adequate access without delay for personnel and equipment required for Lessee's operations.

21. Lessee agrees to pay for damages caused by its operations on the leased premises.

22. Lessee shall have no right to use water from Lessor's water well or wells.

23. Lessee agrees to restore the surface of the leased premises to its contour and condition existing as of the date hereof, as nearly as is practicable.

24. In the event production of oil and/or gas is obtained under this lease, Lessee and Lessor shall mutually agree upon the location of production equipment such as tanks, pipelines and access roads, and the agreement of Lessor shall not be unreasonably withheld. Lessor acknowledges that such facilities are necessary for the operation of this lease.

25. Lease Appearance: No open salt-water pits or ditches shall ever be maintained on the premises. All storage tanks, separators and compressors shall be kept as a group on the above described drilling and operation sites located on the lease premises and all oil or gas wells shall be neatly, attractively and adequately fenced and enclosed by Lessee so as to reasonably protect persons and livestock from injury. Lessee shall at all times conduct and keep all of its operations including said equipment, neat in appearance, in proper condition and well painted to blend in as naturally as possible with the surroundings and as to not lower the land value of the areas for agriculture and/or industrial use, and consistent with the highest and best standards of the oil and gas industry.

26. Surface Use Limitation; Injection or Disposal Well(s): Lessee shall not use the surface of the land for storage of supplies and equipment except as may be necessary for current oil or gas operations on and benefiting solely Lessor's land. Lessee may not cause living quarters to be constructed or placed upon the property. Lessee shall not install a gas processing plant, dehydration plant, saltwater storage facilities, or other facility which benefits property other than Lessor's property

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except by separate written agreement for agreed compensation.

27. Workmanlike Operations: Lessee shall operate the lease in a workmanlike manner, to close and secure all gates located on the leased premises, to not cut any fences, to repair any fences damaged by Lessee, and to repair terraces or waterways, if damaged.

28. Timber: Lessee shall not cut or remove any timber or timber products without the express written consent of Lessor.

29. Well Plugging: In the event Lessee shall drill a dry hole well on this lease, or in the event a well is permanently abandoned, the well shall be plugged in accordance with Kansas Corporation Commission requirements.

30. Termination: Upon termination of this lease for any reason, Lessee shall pull and plug all wells, remove all Lessee's machinery and other property. If Lessee fails to remove Lessee's equipment and other property within one hundred twenty (120) days after termination of the lease, such property shall, at the option of Lessor, become the property of Lessor free of all right, title or interest of Lessee. Lessee agrees to restore land to the same condition as of the date of this lease as nearly as possible.

31. Damages: Restoration of Surface: Lessee shall pay for damages caused by Lessee's operations to crops on the leased premises and to pay for all other damages caused by Lessee, including but not limited to damages to livestock, waterways and terraces. In addition, when Lessee's operations or lines damage Lessor's irrigation lines and/or related electric lines, Lessee shall repair and restore the same at Lessee's expense. Lessee acknowledges it may be necessary to place Lessee's lines below Lessor's buried irrigation lines and/or related electric lines. Lessee or his assigns agree in the event of drilling operations to restore the surface of the land to its original contour and condition as nearly as as reasonably practicable. Lessee or his assigns shall consult with Lessor as to route of ingress and egress and location of equipment on the leased premises.

32. Pits: Lessee shall not make any pits except when necessary to drill or service a well; within ninety (90) days after drilling or servicing and completing a well, a pit shall be pumped out, filled in with original soil and leveled. All top soil shall be piled separately and returned to the surface when the pits are filled.

33. CRP: If any part of the leased premises are subject to or enrolled in the Conservation Reserve Program, Lessee shall re-seed to grass all areas thereof affected by Lessee's operations and hold Lessor harmless from penalties or liquidated damages assessed by the Department of Agriculture, the Soil Conservation Service or the Agricultural Stabilization and Conservation Service under the Conservation Reserve Program as a result of Lessee's operations.

34. Lessee Use: Lessee shall have the right to use, free of cost, gas, oil, and water produced on said land for his operations thereon. Water from wells of Lessor, or from ponds of Lessor may not be used without Lessor's written consent.

35. Lessor Operations: It is understood that Lessor shall continue to use the surface for farming and agricultural and other purposes, and Lessor shall not be liable to Lessee for interruption or damage to Lessee's operations under this lease unless Lessor acts are willful, wanton, or constitute gross negligence.

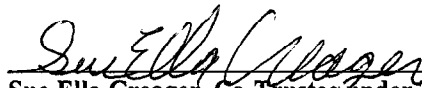
36. In the event a well capable of producing natural gas or a facility for processing hydrocarbons produced from a well on a unit inclusive of the leased premises or from a unit contiguous to said unit, is located on the leased premises, then in that event Lessor, at Lessor's sole risk and expense and subject to the conditions and limitations hereafter set forth and further subject to Lessee's reasonable safety regulations as may be imposed from time to time, may use 200,000 cubic feet of gas from said well to heat and light Lessor's one (1) dwelling for residential use on the leased premises, to the extent such gas is surplus to gas needed by Lessee for its operations in developing, producing, treating and transporting the oil, gas and minerals authorized to be so developed and produced hereunder. If more than one Lessor of separate tracts of land is entitled to the use of natural gas from the same well and there is insufficient surplus gas to satisfy the requirements of both, the available surplus gas shall be prorated equally by tract amongst all such Lessors. If more than one person is the Lessor of a tract entitled to free gas as above, the cumulative quantity of gas available to all such Lessors in a given tract shall be as limited above to a single Lessor. Any interconnect with facilities of Lessee required to provide Lessor with the natural gas for Lessor's use as above, shall be at a point on Lessee's facility reasonably required by Lessee and such gas shall be

metered by a device satisfactory to Lessee, provided and maintained to Lessee's standards at the sole cost of Lessor. Lessee shall not be required to treat or process Lessor's gas beyond that treatment or processing Lessee would provide for gas it is using for its own operations or, if such gas is being sold to third parties, beyond that required for such sale. If the gas to which Lessor would otherwise be entitled hereunder contains impurities or has a British thermal unit (Btu) content which does not meet normally acceptable standards for domestic use, Lessee may at its discretion refuse to provide the same to Lessor under the provisions of this paragraph unless Lessor demonstrates its ability to, and in fact does, bring said gas up to domestic use standards. In no event, in order to supply gas to Lessor, shall Lessee be required to substantially alter its operating methods, nor shall Lessee incur any obligation or liability to Lessor if the supply of gas to Lessor is interrupted for any reason related to Lessee's operations or lack thereof under the terms of this Lease. If Lessor's utilization of natural gas under this paragraph requires Lessor to obtain an easement to transport gas from the interconnect with Lessee's facility to the leased premises, the responsibility for obtaining such easement shall be solely that of Lessor.

SIGNED FOR IDENTIFICATION:



David R. Creager, Co-Trustee under The Creager
Living Trust dated January 25, 2002



Sue Ella Creager, Co-Trustee under The Creager
Living Trust dated January 25, 2002

RECEIVED
OCT 09 2012
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