

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

Form T-1  
July 2014

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 0 \*\*
- ☐ Gas Gathering System: NONE
- ☐ Saltwater Disposal Well - Permit No.: NONE
- Spot Location: 5071 feet from ☐ N / ☒ S Line
- 4336 feet from ☒ E / ☐ W Line
- ☐ Enhanced Recovery Project Permit No.: NONE
- Entire Project: ☐ Yes ☐ No
- Number of Injection Wells 0 \*\*

Field Name: SASSY

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

Effective Date of Transfer: 10/01/2016

KS Dept of Revenue Lease No.: 142303 OIL - 233009 GAS *KJR*

Lease Name: ELLIS #1-19H

W2 Sec. 19 Twp. 31 R. 19 ☐ E ☒ W

Legal Description of Lease: W2 OF 19-T31S-R19W (HOWEVER WELLHEAD

IS LOCATED IN THE NW/4 OF 30-T31S-R19W) 320 GROSS ACRES

County: COMANCHE

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KANSAS CORPORATION COMMISSION

Production Zone(s): MISSISSIPPIAN

**OCT 03 2016**

Injection Zone(s): NONE

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Surface Pit Permit No.: NONE

(API No. if Drill Pit, WO or Haul)

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

Past Operator's License No. 34192

Contact Person: John Suter

Past Operator's Name & Address: SandRidge Expl. & Prod., LLC  
123 Robert S. Kerr Ave., OKC, OK 73102

Phone: 405-429-5500

Date: 11/29/16

Title: COO

Signature: *[Signature]*

*Doc. - Attached*

New Operator's License No. 34320 ✓

Contact Person: BRUCE D. KELSO

**KCC WICHITA**

New Operator's Name & Address: LASSO ENERGY LLC

Phone: 918-633-9655

**DEC 01 2016**

P.O. BOX 465, 1125 SOUTH MAIN

Oil / Gas Purchaser: CHS (OIL), DCP (GAS)

**RECEIVED**

CHASE, KANSAS 67524-0465

Date: 10/01/2016

Title: PRESIDENT

Signature: *[Signature]*

**Acknowledgment of Transfer:** The above request for transfer of injection authorization, surface pit permit # NONE 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 12/1/16 PRODUCTION 12-2-2016 UIC DEC 02 2016  
Mail to: Past Operator \_\_\_\_\_ New Operator \_\_\_\_\_ District \_\_\_\_\_

\* Location: W2 OF 19-T31S-R19W (WELLHEAD IN SECTION 30)

[illegible]

*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 KSONA-1  
July 2014  
**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 # 34320  
Name: LASSO ENERGY LLC  
Address 1: P.O. BOX 465  
Address 2: 1125 SOUTH MAIN  
City: CHASE State: KS Zip: 67524 + 0465  
Contact Person: BRUCE D. KELSO  
Phone: ( 918 ) 633-9655 Fax: ( 620 ) 259-4001  
Email Address: BKELSO@LASSOENERGY.COM

Well Location:  
- - - - - W2 Sec. 19 Twp. 31 S. R. 19 ☐ East ☒ West  
County: COMANCHE  
Lease Name: ELLIS Well #: 1-19H

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

**W2 OF 19-T31S-R19W. 320 GROSS ACRES  
MORE OR LESS. HOWEVER WELLHEAD IS  
LOCATED IN NW/4 OF 30-T31S-R19W.**

**Surface Owner Information:**

Name: LARRY L. ELLIS  
Address 1: 777 AVENUE E  
Address 2: -  
City: COLDWATER State: KS Zip: 67029 + 0000

*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 must provide the name and address of the surface owner by filling out the top section of this form and 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: 10/01/2016 Signature of Operator or Agent:  Title: PRESIDENT

**KCC WICHITA**  
**DEC 01 2016**  
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**OCT 03 2016**

CONSERVATION DIVISION  
WICHITA, KS

000778

AFFIDAVIT OF NON-PRODUCTION

STATE OF KANSAS )  
 ) SS:  
COUNTY OF COMANCHE )

Alan Ellis, Manager of Valley View Farm and Ranch Inc., of lawful age, being first duly sworn under oath, states that affiant is familiar with the following described property, situated in Comanche County, Kansas, described as follows to-wit:

NAME: ELLIS #1-19H LEASE  
LOCATION: 19-T31S-R19W  
DESCRIPTION: NW/4 AND SW/4  
COUNTY: COMANCHE  
GROSS ACRES: 320 MORE OR LESS  
VOLUME: 116  
PAGE: 55  
LESSOR: LARRY L. ELLIS, TRUSTEE OF LARRY L. ELLIS TRUST  
LESSEE: SANDRIDGE EXPLORATION AND PRODUCTION, LLC  
NOTES: WELLHEAD IS LOCATED IN THE NW/4 OF 30-T31S-R19W. HOWEVER THE HORIZONTAL LATERAL GOES INTO AND ALONG THE W2 OF 19-T31S-R19W. SUBJECT WELL IS ONLY PERFORATED AND PRODUCES FROM THE W2 OF 19-T31S-R19W

KCC WICHITA

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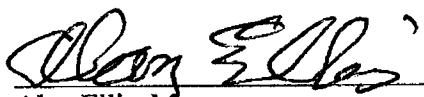
which property is owned by VALLEY VIEW FARM AND RANCH INC.

Affiant states that as of SEPTEMBER 09, 2016, there was no sale of oil production since AUGUST 2015 or gas production since JUNE 2015 upon said land, and as of said date there are no oil and gas operations or development for oil or gas purposes being conducted upon said land, and that all prior oil and gas leases which have been granted covering said land have expired by their terms and are no longer of any legal force or effect. Affiant has not received royalty payments from oil or gas production from described well.

Affiant further saith not.

20160502  
STATE OF KANSAS, COMANCHE COUNTY  
This instrument was filed for Record on  
9/9/2016 at 3:00 PM and duly recorded  
Book 133 Page 778 Fees \$26.00  
Guyneth Snyder, Register of Deeds<sub>gs</sub>

PHOTOCOPIED

  
Alan Ellis, Manager  
Valley View Farm and Ranch Inc.

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OCT 03 2016

CONSERVATION DIVISION  
WICHITA, KS

## ACKNOWLEDGEMENT

STATE OF KANSAS

COUNTY OF Comanche

Before me, the undersigned, a Notary Public, in and for said State, on this 9<sup>th</sup> day of September, 2016, personally appeared Alan Ellis, to me known to be the identical person who subscribed his name to the foregoing instrument as Manager of Valley View Farm and Ranch Inc. and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

Jeffrey M. Hamor  
Notary Public

Seal:



My Commission Expires:

04-29-2018

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CONSERVATION DIVISION  
WICHITA, KS

000779

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Form 71 (Rev. 1981)

**AFFIDAVIT OF POSSESSION****By Fee Owner**

STATE OF KANSAS}

COUNTY OF COMANCHE}

I, Alan Ellis, Manager of Valley View Farm and Ranch Inc., being first duly sworn deposes and says:

My name is Alan Ellis, and that I am of lawful age and reside in Comanche County, in the  
State of Kansas.

Valley View Farm and Ranch is the owner of lands, which are situated in the County of  
Comanche, State of Kansas, described as

follows, to-wit:

Township 31 South, Range 19 West

Section 19: NW/4  
SW/4

and containing 320 acres, more or less.

We have been in open, adverse, exclusive, continuous and undisputed possession of said lands for  
more than one (1) year last past,

We are paying taxes on, occupying and cultivating said land.

This Affidavit is signed by me on the date of acknowledgment of my signature.

PHOTOCOPIED

Further affiant saith not.

Alan Ellis  
Alan Ellis, Manager  
Valley View Farm and Ranch Inc.

20160503  
STATE OF KANSAS, COMANCHE COUNTY  
This instrument was filed for Record on  
9/9/2016 at 3:00 PM and duly recorded  
Book 133 Page 780 Fees \$15.00  
Guyneth Snyder, Register of Deeds

## ACKNOWLEDGEMENT

STATE OF KANSAS

COUNTY OF Comanche

Before me, the undersigned, a Notary Public, in and for said State, on this 9<sup>th</sup> day of  
September, 2016, personally appeared Alan Ellis, to me known to be the identical person who  
subscribed his name to the foregoing instrument as Manager of Valley View Farm and Ranch Inc. and  
acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and  
voluntary act and deed of such corporation, for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above  
written.

Jeffrey M. Hamor  
Notary Public  
Seal:

My Commission Expires:  
04-29-2018



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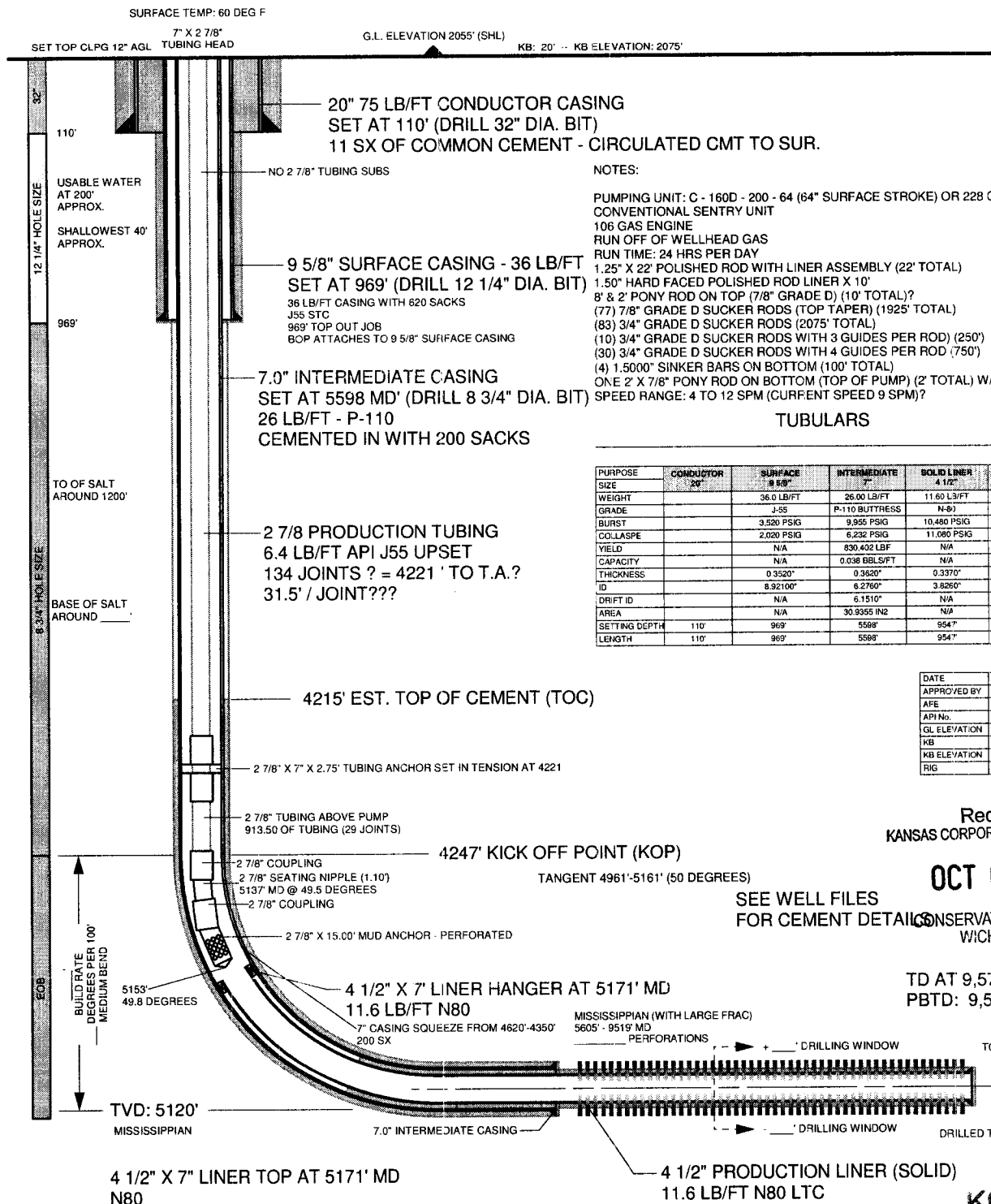
OCT 03 2016

CONSERVATION DIVISION  
WICHITA, KS

REVISION: LOCATION:  
19 - T31S - R19W COMANCHE COUNTY, KANSAS

WELL No: 1-19H REV.

WELLHEAD IN 30 - T31S - R19W



NOTES:  
PUMPING UNIT: C - 160D - 200 - 64 (64" SURFACE STROKE) OR 228 OR 320 OR 456  
CONVENTIONAL SENTRY UNIT  
106 GAS ENGINE  
RUN OFF OF WELLHEAD GAS  
RUN TIME: 24 HRS PER DAY  
1.25" X 22' POLISHED ROD WITH LINER ASSEMBLY (22' TOTAL)  
1.50" HARD FACED POLISHED ROD LINER X 10'  
8" & 2" PONY ROD ON TOP (7/8" GRADE D) (10' TOTAL)?  
(77) 7/8" GRADE D SUCKER RODS (TOP TAPER) (1925' TOTAL)  
(83) 3/4" GRADE D SUCKER RODS (2075' TOTAL)  
(10) 3/4" GRADE D SUCKER RODS WITH 3 GUIDES PER ROD (250')  
(30) 3/4" GRADE D SUCKER RODS WITH 4 GUIDES PER ROD (750')  
(4) 1.5000" SINKER BARS ON BOTTOM (100' TOTAL)  
ONE 2" X 7/8" PONY ROD ON BOTTOM (TOP OF PUMP) (2' TOTAL) W/ ROD GUIDE  
SPEED RANGE: 4 TO 12 SPM (CURRENT SPEED 9 SPM)?

TUBULARS

PURPOSE	CONDUCTOR 20"	SURFACE 9 5/8"	INTERMEDIATE 7"	SOLID LINER 4 1/2"	PROD. TUBING 2 7/8"
SIZE					
WEIGHT		36.0 LB/FT	26.00 LB/FT	11.60 LB/FT	6.40 LB/FT
GRADE		J-55	P-110 BUTTHRESS	N-80	L-80
BURST		3,520 PSIG	9,955 PSIG	10,480 PSIG	10,567 PSIG
COLLAPSE		2,020 PSIG	6,232 PSIG	11,080 PSIG	11,165 PSIG
YIELD		N/A	830,402 LBF	N/A	144,962 LBF
CAPACITY		N/A	0.038 DBL/FT	N/A	0.243 GAL/FT
THICKNESS		0.3520"	0.3620"	0.3370"	0.2170"
ID		8.92100"	6.2760"	3.8260"	2.4410"
DRIFT ID		N/A	6.1510"	N/A	2.3470"
AREA		N/A	30.9355 IN <sup>2</sup>	N/A	4.6798 IN <sup>2</sup>
SETTING DEPTH	110'	969'	5598'	9547'	5200'
LENGTH	110'	969'	5598'	9547'	5200'

DATE	09/12/2016
APPROVED BY	B. KELSO
AFE	TBD
API No.	15033216050100
GL ELEVATION	2055' SH
KB	20' KB
KB ELEVATION	2075'
RIG	KELSO

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SEE WELL FILES  
FOR CEMENT DETAILS  
CONSERVATION DIVISION  
WICHITA, KS

TD AT 9,574' MD  
PBSD: 9,550' MD

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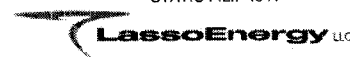
DOWN HOLE SUCKER ROD PUMP:

2.0000" RWT INSERT PUMP (2.5 X 2 X 16) (130" MAX STROKE)  
PUMP LENGTH: 16" (NICARD AND SS)  
BOTTOM HOLD DOWN TYPE  
TRAVELING BARREL  
2" X 7/8" (D) PONY ROD ON TOP OF PUMP WITH ROD GUIDE  
6" GAS SEPARATOR ON THE BOTTOM  
PUMP INTAKE DEPTH: 5137" (SEATING NIPPLE (50 DEGREES))

**ELLIS #1-19H**  
COMANCHE COUNTY, KANSAS  
19-T31S-R19W - SASSY FIELD  
W2 - 320 GROSS ACRES  
SHL: 200 FSL, 660 FWL (IN SEC 30)  
BHL: 764' FNL, 704' FWL (IN SEC 19)  
API NO.: 15-033-21605-0100

2 7/8" PRODUCTION TUBING  
6.4 LB/FT API J55 UPSET  
GAS LIFT VALVES AND PACKER IN THE HOLE  
SEE WELL FILE

CASING PRESSURE: 470 PSIG  
STATIC F.L.: 4941'



PHOTOCOPIED

20160504

STATE OF KANSAS, COMANCHE COUNTY

This instrument was filed for Record on  
9/9/2016 at 3:00 PM and duly recorded

Book 133 Page 781 Fees \$70.00

Guyneth Snyder, Register of Deeds

OIL AND GAS LEASE  
(Paid-Up)

AGREEMENT, made and entered into this 1st day of September, 2016, by and between Valley View Farm and Ranch Inc., 777 Avenue E, Coldwater, Kansas 67029 party of the first part, hereinafter called Lessor (whether one or more), and Lasso Holding LLC, PO Box 465 Chase, Kansas 67524, party of the second part, hereinafter called Lessee.

WITNESSETH, that the said Lessor, for and in consideration of Ten Dollars, cash in hand paid, and other good and valuable consideration receipt of which is hereby acknowledged and the covenants and agreements hereinafter contained on the part of the Lessee to be paid, kept and performed, has granted, desmised, leased and let unto the said Lessee, for the sole and exclusive right to explore by geophysical and other methods, for mining and operating for oil (including but not limited to distillate and condensate), gas (including casinghead gas and helium and all other constituents), and for laying pipelines, and building drill sites, access roads, tanks, power stations and structures thereon, to produce, save and take care of said products, all that certain tract of land, together with any reversionary rights therein, situated in the County of Comanche, State of Kansas, described as follows, to-wit:

W2 Section 19-31S-19W

*However wellhead for W2 of Section 19-31S-19W is located in 30-31S-19W*

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

Containing 320.00 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of One (1) year from October 1, 2016, (herein called primary term) and so long thereafter as oil or gas, or either of them, is produced from said land or lands pooled therewith.

2. In consideration of the premises the said Lessee covenants and agrees:

A. To deliver to the credit of Lessor free of cost, in the pipeline to which it may connect its wells, a 3/16th part of all oil (including but not limited to condensate and distillate) produced and saved from the leased premises.

B. To pay Lessor for gas (including casinghead gas) and all other substances covered hereby, a royalty of 3/16th of the proceeds realized by Lessee from the sale thereof, less a proportionate part of the production, severance and other excise taxes and the cost incurred by Lessee in processing, gathering, treating, compressing, dehydrating, transporting, and marketing, or otherwise making such gas or other substances ready for sale or use, said payments to be made monthly. During any period after expiration of the primary term hereof when gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or operations on said leased premises sufficient to keep this lease in force, Lessee shall pay or tender a royalty of One Dollar (\$1.00) per year per net royalty acre retained hereunder, such payment or tender to be made, on or before the later of ninety (90) days following the date of shut in or the anniversary date of this lease during the period such well is shut in, to the Lessor. When such payment or tender is made it will be considered that gas is being produced within the meaning of the entire lease.

3. If, at the expiration of the primary term, there is no production in paying quantities on the leased land or on lands pooled therewith but Lessee is conducting operations for drilling, completing or reworking a well, this lease nevertheless shall continue as long as such operations are prosecuted or additional operations are commenced and prosecuted (whether on the same or successive wells) with no cessation of more than one hundred eighty (180) days, and if production is discovered, this lease shall continue as long thereafter as oil or gas are produced. In addition, if at any time or times after the primary term, there is a total cessation of all production, for any cause (other than an event of force majeure), this lease shall not terminate if Lessee commences or resumes any drilling or reworking operations or production within one hundred eighty days (180) days after such cessation. Drilling operations or mining operations shall be deemed to be commenced when the first material is placed on the leased premises or when the first work other than surveying or staking the location is done thereon which is necessary for such operations. Any off lease operation intended to result in production from an interval under the leased premises or lands pooled therewith shall be considered for all purposes hereunder as if such operations were commenced and conducted on the lease premises.

4. Lessee is hereby granted the right at any time and from time to time to pool or unitize the leased premises or any portion or portions thereof, as to all strata or any stratum or strata, with

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WICHITA, KS

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any other lands as to all strata or any stratum or strata, for the production primarily of oil or primarily of gas with or without distillate. The creation of a unit by such pooling shall be based on the following criteria (hereinafter called "pooling criteria"): A unit for an oil well (other than a horizontal completion) shall not exceed 160 acres plus a maximum acreage tolerance of 10%, and a unit for a gas well or a unit for a horizontal completion shall not exceed 960 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, oil well means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on a 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means a well in which the horizontal component of gross completion internal in the reservoir exceeds the vertical component thereof. Lessee shall file written unit designations in the county in which the leased premises are located unless the pooling or unitization results from governmental order or rule, in which case no such written designation shall be required. 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 amount 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.

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

6. Lessee shall have the right to use, free of cost, gas, oil, and water produced on said land for its operations thereon, except water from wells of Lessor.

7. 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. 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. 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. In case Lessee assigns this lease, in whole or in part, Lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment.

9. If at any time within the primary term of this lease or any continuation thereof, Lessor receives any bona fide offer, acceptable to Lessor, to grant an additional lease (top lease) covering all or part of the aforescribed lands, Lessee shall have the continuing option by meeting any such offer to acquire such top lease. Any offer must be in writing and must set forth the proposed Lessee's name, bonus consideration and royalty consideration to be paid for such lease, and include a copy of the lease form to be utilized reflecting all pertinent and relevant terms and conditions of the top lease. Lessee shall have fifteen (15) days after receipt from Lessor of a complete copy of any such offer to advise Lessor in writing of its election to enter into an oil and gas lease with Lessor on equivalent terms and conditions. If Lessee fails to notify Lessor within the aforesaid fifteen (15) day period of its election to meet any such bona fide offer, Lessor shall have the right to accept said offer. Any top lease granted by Lessor in violation of this provision shall be null and void.

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

11. This lease shall be effective as to each Lessor on execution hereof as to his or her interest and shall be binding on those signing, notwithstanding some of the Lessors above named may

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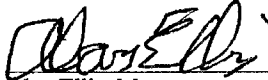
CONSERVATION DIVISION  
WICHITA, KS

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.

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

13. Lessor hereby warrants and agrees to defend the title to the lands herein described and to indemnify Lessee of all adverse claims thereto, and all expenses incurred by Lessee in defending such claims, including reasonable attorney fees, and agrees that the Lessee shall have the right at any time to redeem for Lessor by payment any mortgages, taxes, or other liens on the above described lands, in the event of default of payment by Lessor, and be subrogated to the rights of the holder thereof.

IN TESTIMONY WHEREOF, we sign this the 9 day of September 2016.



Alan Ellis, Manager  
Valley View Farm and Ranch Inc.

KCC WICHITA  
DEC 01 2016  
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KANSAS CORPORATION COMMISSION

OCT 03 2016

CONSERVATION DIVISION  
WICHITA, KS

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## ACKNOWLEDGEMENT

STATE OF KANSAS

COUNTY OF Comanche

Before me, the undersigned, a Notary Public, in and for said State, on this 9<sup>th</sup> day of September, 2016, personally appeared Alan Ellis, to me known to be the identical person who subscribed his name to the foregoing instrument as Manager of Valley View Farm and Ranch Inc. and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

Jeffrey M. Hamor  
Notary Public

Seal:



My Commission Expires:

04-29-2018

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**Exhibit "A"**

This Exhibit "A" is attached to and made a part thereof that certain Oil and Gas Lease dated this 1<sup>st</sup> day of September, 2016. Between Valley View Farm and Ranch Inc. Lessor (whether one or more), and Lasso Holding, LLC, 1125 South Main, Chase, Kansas 67524, party of the second part, hereinafter called Lessee.

**LEGAL**

And any conflict between the lease provisions printed on the attached form and the provisions provided in this addendum, shall be resolved in favor of the provisions contained herein, and the following provisions shall control.

1. It is understood and agreed that the below defined tracts shall constitute separate and individual leases according to the terms set herein.

Tract 1: Township 31 South, Range 19 West: Section 19; NW/4

Tract 2: Township 31 South, Range 19 West: Section 19; SW/4

2. Lessee shall pay Lessor, as royalty, three-sixteenths (3/16ths) of all oil, gas liquid hydrocarbons and their constituent products produced under the lease, free of all production, treatment and marketing costs. Royalties shall be paid on a monthly basis. Royalty payments accruing to Lessor under this lease shall not be conditioned upon execution of division order or similar document. The provisions of this lease shall not be amended by a division order.
3. The leased premises are now or may be operated under an overhead sprinkler irrigation system, Lessee shall not commence any operations on said premises without prior permission except during the months of November, December, January, and February. Lessee, to the extent practical, shall consult with the Lessor in regard to and shall conduct its operations in such a manner as will least disturb, interfere with, or damage Lessor's irrigation systems or the surface contours of leases premises.
4. Lessee or assigns shall not place any well bore, cellar or drilling pits across any sprinkler tracks. Lessee shall consult with Lessor prior to any dirt work as to location of any and all pits. Lessee or assigns will not dig any drilling pits inside any irrigation circle.
5. Lessee agrees to remove all drilling and production equipment from said premises once operations have ceased. No drilling or production equipment shall be stored on said premises without prior written permission from Lessor.
6. The rights, whether expressed or implied, acquired by Lessee hereunder to use any part of the surface of the leased premises are limited to an access road along such route as Lessor shall designate, that shall not be hard surfaced; an area of reasonable size for a well location and reasonable size for a well location and reasonable temporary adjacent area necessary for Lessee's drilling operations, together with the right to lay and maintain one gathering pipeline and one power line along and adjacent to the access road; and such area in the corners of the leased premises as shall be reasonably necessary for the location and construction of any and all other surface structures incident and necessary to Lessee's reasonable operations hereunder. Consent to lay and maintain additional lines as may be necessary, for operations herein, shall not be unreasonably withheld. All such rights and operations incident to their farming and remain subservient to the rights of the Lessor to use the surface for all reasonable uses and operations incident to their farming and agriculturally related activities as now or hereafter conducted on the leased premises.
7. Lessor reserves all rights to grant, lease, mine and/or produce and market any and all other minerals from said lands except interests in gas and oil and their constituent products herein leased to Lessee.
8. In addition to all other consideration herein stated, Lessee, or its assigns, shall pay to Lessor, before any drilling operations are commenced, the minimum sum of \$2,500 as consideration for each such well site located on the leased premises.
9. At such time as Lessee desires to commence drilling operations thereon, Lessee shall consult with Lessor in regard to and shall conduct its operations in such a manner as will

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- least disturb, interfere with, or damage the surface contours of the leased premises. Lessee shall promptly restore any damage caused by it to surface contours to their former condition as nearly as possible including restoration of topsoil. In the event of production and continued use of the surface, Lessee will restore or prepare the surface so that Lessee's use thereof will not prohibit use of remaining ground. Lessee shall consult with Lessor in regard to the route or ingress and egress on said premises for the purpose of drilling and production as to use of the surface for such ingress and egress
10. Lessee covenants not to interfere with any center pivot irrigation system now installed upon the leased premises. When requested by Lessor, his heirs, successors or assigns, Lessee shall install and place in operations "low profile pumping unit".
  11. Notwithstanding anything contained in this lease to the contrary, this lease shall terminate three (3) years after expiration of the primary term hereinabove stated as to any and all zones and strata 100 feet below the deepest zone penetrated by Lessee with regard to this land or with regard to any land unitized with the above described land. Provided however, production from land unitized with the above described land, shall be considered production from the above described land as the zone or strata so producing.
  12. In the event a gas well is drilled on the above described lands, or lands unitized therewith, it is agreed that "shut-in, or in lieu" royalty in the amount of \$5 per net mineral acre may only be paid for three (3) yearly periods, successive or otherwise, past the date of completion as said well. The above described shut-in payments do not pertain to any oil well.
  13. The use of water provided for hereunder is limited to use for drilling and completing operations on leased premises only. Fresh water from the leased premises shall not be used for the purpose of water flooding or injecting in any water flooding program or program for secondary recovery without Lessors prior consent. No well shall be used as a salt water disposal well without the written consent of Lessor and the payment to Lessor of such compensation as Lessor shall determine. However, this clause does not apply to disposal of water from wells of Lessor on leased premises.
  14. Lessee agrees to conduct its operations in strict compliance with all federal, state, and local environmental, health, and safety laws and will protect, indemnify, hold harmless, and defend Lessor against any claim, demand, cost, liability, loss, or damage suffered by Lessor, including reasonable attorney fees and litigation costs, arising out of or associated in any way with activities conducted by Lessee (or those having a contractual relationship with Lessee) on or impacting the leased land.
  15. The following provisions shall apply with respect to unitization or pooling of this lease:  
(A) In case of a vertical well, unitization for gas production shall be limited to 320 acres and oil pooling limited to 160 acres. In the event of unitization or pooling, all of the land described in the attached lease must be included in the unit or pool. (B) In case of a horizontal well, any unit which includes this lease shall be limited to 640 acres and must include all of the land described in the attached leases.
  16. Lessor grants to Lessee a salt water pipeline right of way at no additional cost from the existing tank battery at the Ellis #1-19H Well to the Lessee's Harlow 3119 #1-28H tank battery site in 28-T31S-R19W. This includes providing a right of way in all of sections 19, 29 and 30 of Township 31S Range 19W. Lessee will get the recommended route of the salt water pipeline from Lessor prior to trenching.

**THIS LEASE AND ADDENDUM**, and all of its terms, conditions and covenants shall extend to and be binding upon the parties, their heirs, successors, administrators, executors, trustees, legal and personal representatives and assigns.

**IN WITNESSS WHEREOF**, Lessor has hereunto set his hand the day and year hereinabove stated, for identification purposes.

Signed for identification:

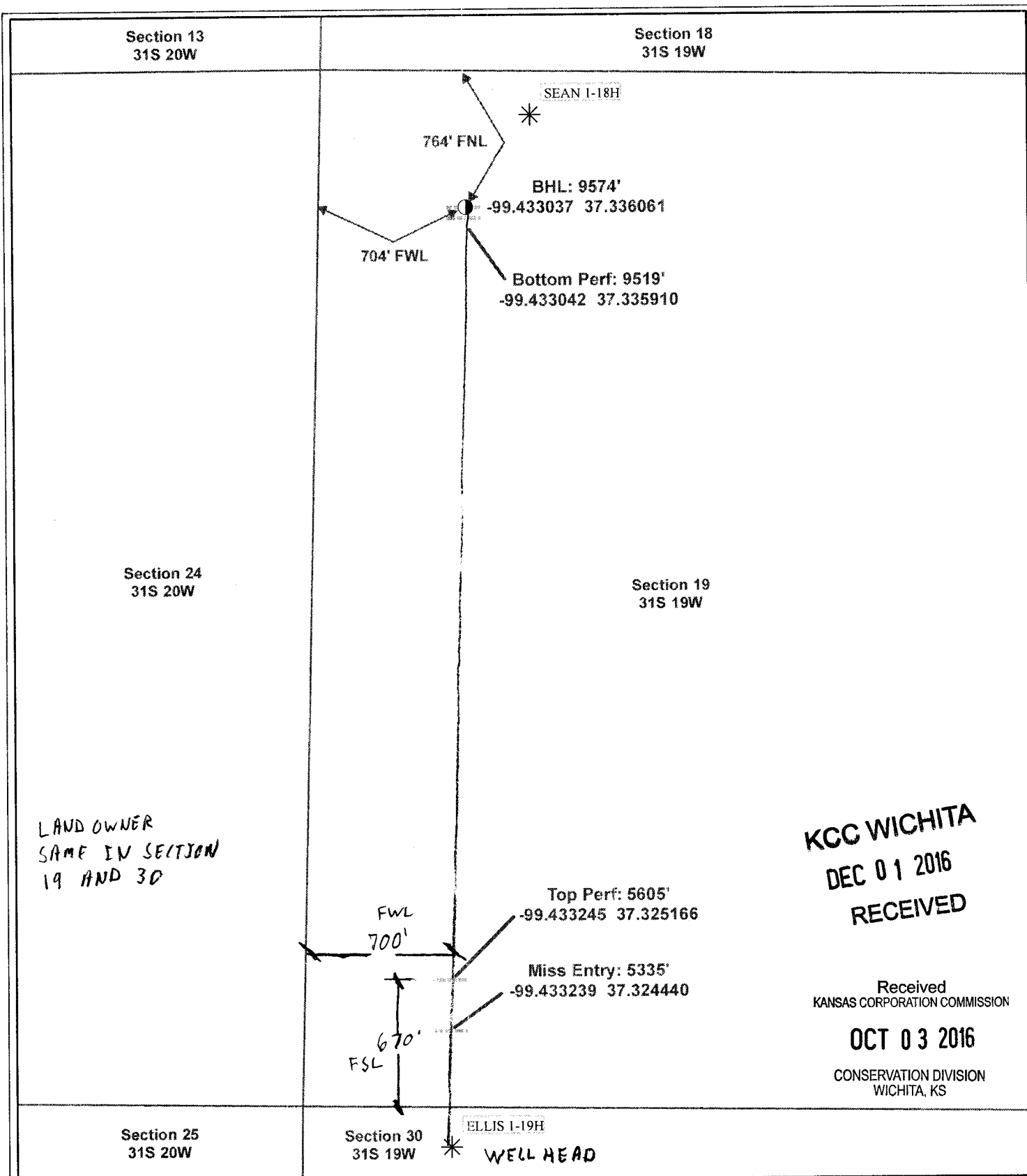


Alan Ellis, Manager  
Valley View Farm and Ranch Inc.

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● Actual BH Location

\* SandRidge Wells

□ Perf

□ PLSS Sections

Actual Bottom-Hole Location of Ellis 1-19H  
Comanche County, Kansas  
T&R: 31S 19W

Section: 19, 764' FNL & 704' FEL  
Long: -99.433037, Lat: 37.336061

1 in = 650 ft

0 480 960 1,920 Feet



Draftsman:  
Matt White

Draft Date: 2/13/2012

Drawing Name/Number:

Addendum\_Ellis\_1-19H.mxd

Coordinate System:

NAD 1927 State Plane  
Kansas South FIPS: 1502