

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 \_\_\_\_\_ \*\*
- ☐ 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: Hinzsite South**\*\* Side Two Must Be Completed.**Effective Date of Transfer: 1-1-2017KS Dept of Revenue Lease No.: 123532 ✓ KCRLease Name: Angell, Elmer\_\_\_\_\_ S2 \_\_\_\_\_ SE \_\_\_\_\_ SE Sec. 35 Twp. 32 R. 14 ☐ E ☒ WLegal Description of Lease: S2SESE Sec 35-32-14WCounty: Barber

Production Zone(s): \_\_\_\_\_

Injection Zone(s): \_\_\_\_\_

Surface Pit Permit No.: \_\_\_\_\_  
(API No. if Drill Pit, WO or Haul)Type of Pit: ☐ Emergency ☐ Burn ☐ Settling☐ Haul-Off ☐ Workover OR ☐ DrillingPast Operator's License No. N/APast Operator's Name & Address: N/ATitle: O+G lease Attached

Contact Person: \_\_\_\_\_

Phone: \_\_\_\_\_

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

**KCC WICHITA****FEB 13 2017****RECEIVED**New Operator's License No. 33936 ✓New Operator's Name & Address: Charles N Griffin

PO Box 347 Pratt KS 67124

Title: PresidentContact Person: Charles N GriffinPhone: 972-342-4648Oil / Gas Purchaser: N/ADate: 2/8/17Signature: [Signature]

**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 2/17/17 PRODUCTION FEB 20 2017 UIC FEB 20 2017

Mail to: Past Operator \_\_\_\_\_ New Operator \_\_\_\_\_ District \_\_\_\_\_

\* Location: 35-32-14W

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\* 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 # 33936  
Name: Charles N Griffin  
Address 1: PO Box 347  
Address 2: \_\_\_\_\_  
City: Pratt State: KS Zip: 67124 + \_\_\_\_\_  
Contact Person: Charles N Griffin  
Phone: ( 972 ) 342-4648 Fax: ( 620 ) 672-5280  
Email Address: lferrell@profsecservices.com

Well Location:  
\_\_\_\_\_-\_\_\_\_\_-\_\_\_\_\_- Sec. 35 Twp. 32 S. R. 14 ☐ East ☒ West  
County: Barber  
Lease Name: Angell, Elmer Well #: 2

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

**Surface Owner Information:**

Name: Angell Family Revocable Trust  
Address 1: Harold Angell, Successor Trustee  
Address 2: 803 N Walnut  
City: Medicine Lodge State: KS Zip: 67104 + \_\_\_\_\_

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*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: 2/8/17 Signature of Operator or Agent: [Signature] Title: President

**EXHIBIT "A" To Oil and Gas Lease**

Between The Agreement of the Angell Family Revocable Trust, Under Trust Agreement dated March 9, 2010, by Harold Angell, as Successor Trustee, and Griffin Management, LLC.

All of the property described below is located in Barber County Ks.: being 1680.0 acres, more or less.

**T33S-R14West of 6<sup>th</sup> P.M**

Sec. 1: W/2; W/2E/2 480 acres m/l

Sec.2: SW/4; S/2NW/4; E/2 560 acres m/l

Sec. 11: N/2 320 acres m/l

Sec 12: S/2NE/4; NW/4 240 acres m/l

**T32S-R14West of 6<sup>th</sup> P.M**Sec. 35: S/2SE/4  
Less Road Right of Way 80 acres m/l

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## OIL AND GAS LEASE

AGREEMENT, Made and entered into the 30th day of December, 2016, by and between The Agreement of the Angell Family Revocable Trust, Under Trust Agreement dated March 9, 2010, by Harold Angell as Successor Trustee, (hereinafter "Lessor"), hereinafter called Lessor (whether one or more) and Griffin Management LLC, whose post office address is P.O. Box 347, Pratt, Ks. 67124 hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten and more (\$10.00+) DOLLARS cash in hand paid, the receipt of which is hereby acknowledged, and the covenants and agreements hereinafter contained, has granted, demised, leased, and let, and by these presents does grant, demise, lease, and let exclusively unto the said Lessee, the land hereinafter described, with the exclusive right for the purpose of mining, exploring by geophysical and other methods, and operating for and producing therefrom oil and all gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, with rights of way and easements for laying pipe lines, and erection of structures thereon to produce, save, and take care of said products, all that certain tract of land situated in the County of Barber State of Kansas, described as follows, to-wit:

Further described in Exhibit "A" made a part of Lease by this reference.

together with any reversionary rights therein, and together with all strips or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing 1680.0 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of one(1) year from this date and as long thereafter as oil or gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, is produced from said leased premises or on acreage pooled therewith, or drilling operations are continued as hereinafter provided. If, at the expiration of the primary term of this lease, oil or gas is not being produced on the leased premises or on acreage pooled therewith but Lessee is then engaged in drilling or reworking operations thereof, then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises or on acreage pooled therewith; and operations shall be considered to be continuously prosecuted if not more than ninety (90) days shall elapse between the completion or abandonment of one well and the beginning of operations for the drilling of a subsequent well. If after discovery of oil or gas on said land or on acreage pooled therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or reworking operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.
2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.
3. 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 Lessee may connect wells on said land, the equal five-thirty-seconds (5/32) part of all oil produced and saved from the leased premises.
  - b. To pay Lessor for gas of whatsoever nature or kind (with all of its constituents) produced and sold or used off the leased premises, or used in the manufacture of products therefrom five-thirty-seconds (5/32) of the actual amount received by the Lessee, said payments to be made monthly.
4. During any period (whether before or 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 anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut in and thereafter on the anniversary date of this lease during the period such well is shut in, to the royalty owners. When such payment or tender is made, it will be considered that gas is being produced within the meaning of the entire lease.
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 (including any shut-in gas royalty) herein provided for shall be paid to the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.
6. Lessee shall have the right to use, free of cost, gas, and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.
7. When requested by Lessor, Lessee shall bury Lessee's pipeline below plow depth.
8. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of Lessor.
9. Lessee shall pay for damages caused by Lessee's operations to growing crops on said land.
10. Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.
11. The rights of Lessor and Lessee hereunder may be assigned in whole or part. No change in ownership of Lessor's interest (by assignment or otherwise) shall be binding on Lessee until Lessee has been furnished with notice, consisting of certified copies of all recorded instruments or documents and other information necessary to establish a complete chain of record title from Lessor, and then only with respect to payments thereafter made. No other kind of notice, whether actual or constructive, shall be binding on Lessee. No present or future division of Lessor's ownership as to different portions or parcels of said land shall operate to enlarge the obligations or diminish the rights of Lessee, and all Lessee's operations may be conducted without regard to any such division. If all or any part of this lease is assigned, no leasehold owner shall be liable for any act or omission of any other leasehold owner.

12. Lessee is hereby given the right and power at any time and from time to time as a recurring right, either before or after production, as to all or any part of the land described herein and as to any one or more of the formations hereunder, to pool or unitize the leasehold estate and the mineral estate covered by this lease with other land, lease, or leases in the immediate vicinity for the production of oil and gas, or separately for the production of either, when in Lessee's judgment it is necessary or advisable to do so, and irrespective of whether authority similar to this exists with respect to such other land, lease, or leases. Likewise, units previously formed to include formations not producing oil or gas may be reformed to exclude such non-producing formations. The forming or reforming of any unit shall be accomplished by Lessee executing and filing of record a declaration of such unitization or reformation, which declaration shall describe the unit. Any unit may include land upon which a well has theretofore been completed or upon which operations for drilling have theretofore been commenced. Production, drilling, or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling, or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total number of surface acres covered by this lease and included in the unit bears to the total number of surface acres in such unit. In addition to the foregoing, Lessee shall have the right to unitize, pool, or combine all or any part of the described lands as to one or more of the formations thereunder with other lands in the same general area by entering into a cooperative or unit plan of development or operation approved by any governmental authority and, from time to time, with like approval, to modify, change, or terminate any such plan or agreement and, in such event, the terms, conditions, and provisions of this lease shall time to time, with like approval, to modify, change, or terminate any such plan or agreement and, in such event, the terms, conditions, and provisions of this lease shall be deemed modified to conform to the terms, conditions, and provisions of such approved cooperative or unit plan of development or operation and, particularly, all drilling and development requirements of this lease, express or implied, shall be satisfied by compliance with the drilling and development requirements of such plan or agreement, and this lease shall not terminate or expire during the life of such plan or agreement. In the event that said above described lands or any part thereof, shall hereafter be operated under any such cooperative or unit plan of development or operation whereby the production therefrom is allocated to different portions of the land covered by said plan, then the production allocated to any particular tract of land shall, for the purpose of computing the royalties to be paid hereunder to Lessor, be regarded as having been produced from the particular tract of land to which it is allocated and not to any other tract of land; and the royalty payments to be made hereunder to Lessor shall be based upon production only as so allocated. Lessor shall formally express Lessor's consent to any cooperative or unit plan of development or operation adopted by Lessee and approved by any governmental agency by executing the same upon request of Lessee. No unit shall exceed 160 acres for vertical well and must include all leased acres.

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



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

15. Should any one or more of the parties hereinabove named as Lessor fail to execute this lease, it shall nevertheless be binding upon all such parties who do execute it as Lessor. The word "Lessor," as used in this lease, shall mean any one or more or all of the parties who execute this lease as Lessor. All the provisions of this lease shall be binding on the heirs, successors, and assigns of Lessor and Lessee.

16. Attachment "A" attached hereto and incorporated herein by this reference.

IN WITNESS WHEREOF, this instrument is executed as of the date first above written.

Harold Angell  
Harold Angell, Successor Trustee of The Agreement  
Of the Angell Family Revocable Trust, Under Trust  
Agreement dated March 9, 2010

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STATE OF KANSAS )  
COUNTY OF Bahece ) ss

ACKNOWLEDGMENT—Trustee

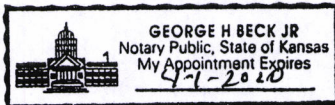
BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 31<sup>st</sup> day of December, 20 16  
personally appeared Harold Angell as Successor Trustee, of The Agreement Of the Angell Family Revocable Trust, Under Trust Agreement dated March 9, 2010

to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that they duly executed the same as their free and voluntary act and deed for the purposes therein set forth.

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

My Commission Expires 4-1-2020

[Signature]  
Notary Public





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## Attachment "A"

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Attached to and made part of that certain oil and gas lease dated December 30, 2016 by and between The Agreement of the Angell Family Revocable Trust, Under Trust Agreement dated March 9, 2010, by Harold Angell as Successor Trustee, Lessor, and Griffin Management, LLC, as Lessee, covering 1680.0 acres more or less of Barber Co., Kansas land to wit:

As Described in Exhibit "A"

The provision of this Attachment "A" shall control and supersede terms of the attached oil and gas lease when terms conflict.

**COMMENCEMENT:** Commencement of a well according to the terms of this lease will require that a drilling rig capable of drilling to total depth be on location and drilling on or before expiration of the primary term, and that the drilling of said well be continued with due diligence until completion. Construction of a well location without actual drilling as detailed above will not be deemed commencement of a well.

Prior to the commencement of any surface operations on the leased premises, Lessee agrees to consult with Lessor regarding the proposed location of any well sites and related routes of ingress and egress to and from said well sites. Lessee further agrees to consult with Lessor regarding the location and subsequent construction of any pipelines and/or any other easements deemed necessary by lessee to facilitate production and/or marketing of oil and/or gas from the leased premises. Lessor's consent related to Lessee's use of the surface as described herein cannot not be unreasonably withheld.

**EXTENSION BY DRILLING:** The primary term of this lease shall be extended for six (6) months by each well drilled within the primary term or extended primary time of this lease.

**EARNED ACREAGE:** Upon obtaining commercial production from any new well on the above land, Lessee shall within one-hundred twenty (120) days after the completion of such well declare an "earned acreage unit" for the well by filing of record in the office of the Registrar of Deeds of Barber County a declaration designating the unit, which shall for 160 acres for a gas well or for 160 acres for an oil well plus a tolerance of 10 percent (10%) plus or minus to conform to governmental survey quarter-quarter-sections and the irregular land description. Each production unit shall then constitute a separate lease as to the land within the unit of the same terms and conditions set forth in the Lease and subject to this Agreement so that production from or operations on a unit as set forth in the Lease will continue the Lease only as to the land in said unit. Within five(5) years following formation of each production unit, Lessee agrees to cause to be drilled a second well in said unit or release acreage except for the eighty (80) acres immediately surrounding each producing well.

**Retained acreage from abandoned wellbores located on leased property:** Upon obtaining commercial production from an already existing abandoned well on the above land, Lessee shall within one-hundred twenty (120) days after the completion of such well declare an "earned acreage unit" for the well by filing of record in the office of the Registrar of Deeds of Barber County a declaration designating the unit, which shall for 80 acres for a gas well or for 80 acres for an oil well plus a tolerance of 10 percent (10%) plus or minus to conform to governmental survey quarter-quarter-sections and the irregular land description. Each production unit shall then constitute a separate lease as to the land within the unit of the same terms and conditions set forth in the Lease and subject to this Agreement so that production from or operations on a unit as set forth in the Lease will continue the Lease only as to the land in said unit.

**Cleanup and Plugging responsibility for abandoned wellbores located on leased property:** Lessee assumes all plugging liability for said wells to meet standards of the Kansas Corporation Commission. All surface equipment will remain Lessors property. Lessee can purchase any of said equipment at fair salvage value. Any downhole equipment i.e. casing, tubing, rods, and downhole pumps stay with wells and are property of Lessee. At time when each of wells are deemed non-commercial, Lessee will plug and cleanup locations.

1. Lessor and Lessee agree that any and all damage claims that arise from Lessee's operation shall be settled within three (3) months after egress of drilling equipment.
2. Minimum surface damages of \$3,000.00 for a four (4) acre wellsite (drillsite, tank battery pad, flow line to tank battery, and new cut roadway) per well shall be paid by Lessee in advance of ingress of drilling equipment, as a deposit toward damages to land and grass caused by Lessee's operations thereon. In the event damages are greater than the amount paid, Lessee shall settle promptly for excess damages. In the event damages are less than or equal to the deposit paid, no additional amount will be owed. Any acreage damaged by operations over the four (4) acres will be measured and damages calculated at \$1,000.00 per acre. In the event of production, Lessee shall restrict the production site to as small a dimension as is reasonably possible for prudent operations. Lessee has a continuous duty to preserve, protect, and restore the surface, without limitation: separating top soil from subsoil and replacing top soil after subsoil is replaced, removing stabilizing materials, leveling roads, filling and leveling pits, re-grading contours, rebuilding terraces, repairing waterways, reconditioning soil, pulling wells, removing equipment, structures and other personal property, and removing debris and junk.
3. Lessee shall pay for all loss of crops and damages to the land, personal property, and/ or livestock located on leased property occasioned by its operations and reasonably restore the premises as nearly as to its original contour and the condition existing at the time the lease is executed including but not limited to the filling of all pits/ponds, and the removal of all structures placed thereon during the term of said lease; and upon abandonment, Lessee shall similarly comply with the provisions of restoration set forth within six (6) months from the date of abandonment. Lessee is required to remove all equipment and pipe within six (6) months of abandonment.
4. Lessee is permitted to use any existing well or any well drilled on the leased premises as a salt water disposal well for the disposal of salt water. Lessee agrees to pay Lessor \$5,000.00 dollars per year for use of well. Royalties, according to terms of this lease, will be paid to Lessor on any oil carried over to SWD and skimmed to be sold. Said saltwater disposal well does not extend lease on any acreage except three (3) acres around wellbore. Saltwater from "non- Angell Family" well(s) is not permitted without written consent of Lessor and compensating Lessor therefor. A water injection well is not to be construed as a saltwater disposal well. Lessee shall fully comply with the requirements of the Kansas Corporation Commission.
5. Lessee shall consult with surface owner upon the placement of any tank, pipelines, and lease roads and cattle guards necessitated by its operations on the property, and shall be utilize its best efforts to minimize interference with surface owner's farming and ranching operations. Cattle guard a minimum of 20' wide and adequate strength. Surface owner will be consulted with before fences cut for placement of cattle guards with proper H-bracing. In the event Lessee installs a cattle guard, also known as an autogate, on leased premises, Lessee shall, upon request by Lessor, leave said cattle guard for Lessor after termination of this lease.
6. Lessee shall maintain production site in a clean and uncluttered condition.
7. No well shall be located closer than 400 feet to existing dwellings, barns, and outbuildings on leased premises without prior written permission.
8. No water may be used from ponds, creeks, streams, or wells of Lessor without written consent of Lessor and compensating Lessor therefor.
9. In the drilling of any well, in the restoration of the surface in all operations, including the plugging of any well, Lessee shall fully comply with the requirements of the Kansas Corporation Commission unless the lease or its exhibit imposes any greater obligation on Lessee.
10. Any pipelines or roadway constructed for servicing wells other than those on premises owned by Lessor shall be subject to separate agreement and compensating Lessor therefor.
11. In the event Lessee drills a well on the leased premises, Lessee shall segregate the topsoil from other excavated soil and leave any excavated topsoil on the leased premises. As soon as possible after drilling operations, Lessee shall close all pits it has dug replacing the excavated soil to confines in which it was removed, i.e. by returning the topsoil to the surface of the filled pits and burying any subsurface rock brought to the surface.

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12. If this lease is in force and effect for three (3) years after expiration of the primary term, or any extension or renewal provided for herein, then such date this Lease shall terminate as to all rights and depths located one hundred (100) feet and more below the stratigraphic equivalent of the deepest formation penetrated in the well or wells located on the leased premises or land unitized therewith.

10. No unitization of this lease is allowed unless by separate unitization agreement.

11. All pipelines shall be laid to a minimum depth of 36" below surface. Depth to be adjusted deeper as needed for terraced farm ground.


12. No gas well shall be shut in more than one year beyond the primary term hereof or the date of completion as a well capable of producing oil and/or gas, whichever is later. If said well is shut-in for more than one (1) year, Lessee agrees to pay \$20.00 per acre annum as shut-in royalties. After the end of the primary term, this lease may not be maintained in force solely by reason of the shut-in royalty payments, as provided for in this lease, for any one shut-in period of more than three (3) years.

13. It is agreed that Lessor shall bear no cost of gas treatment, dehydration, compression, transportation, marketing or water hauling charged to the lease by Lessee, however, that the cost of gathering paid to a third party gas purchaser to market gas produced from the leased premises shall be an allowable deduction. It is further agreed that Lessor shall receive Lessors' proportionate royalty share of all monies received by lessee for oil and/or gas production attributable to this lease, including any premiums, rebates and refunds of any kind or nature paid to Lessee and any take-or-pay payments, production payments, contract buy downs which directly reduce the amount of royalty revenue Lessor would otherwise receive from oil and/or gas production from this lease. Lessor will be responsible only for properly assessed taxes against Lessor's royalty. However, in no event shall Lessor receive a price that is less than, or more than, the price received by Lessee.

14. Pipeline right of ways will be measured and calculated at \$20.00 per rod total for R/O/W and Damages.

15. In the event Lessor considers that Lessee has not complied with all its obligations hereunder, either express or implied, Lessor shall notify Lessee in writing, setting out specifically in what respects Lessee has breached this Lease. Lessee shall then have thirty (30) days after service of said notice within which to meet or commence to meet all or any part of the breaches alleged by Lessor. The service of said notice shall be a condition precedent to the bringing of any action by Lessor on this Lease for any cause, and no such action shall be brought until the lapse of thirty (30) days after service of said notice. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform its obligations hereunder. This Lease shall never be forfeited or cancelled for the failure to perform in whole or in part any of its implied covenants, conditions, or stipulations until determination is made that such failure exists and Lessee fails within a reasonable time to satisfy any such covenants, conditions, or stipulations.

Acknowledged and accepted

By   
Harold Angell, successor Trustee

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