

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 \_\_\_\_\_ \*\*
- Gas Lease: No. of Gas Wells \_\_\_\_\_ \*\*
- Gas Gathering System: \_\_\_\_\_
- Saltwater Disposal Well - Permit No.: \_\_\_\_\_  
Spot Location: \_\_\_\_\_ feet from  N /  S Line  
\_\_\_\_\_ feet from  E /  W Line
- Enhanced Recovery Project Permit No.: \_\_\_\_\_  
Entire Project:  Yes  No  
Number of Injection Wells \_\_\_\_\_ \*\*

Field Name: \_\_\_\_\_

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

Effective Date of Transfer: \_\_\_\_\_

KS Dept of Revenue Lease No.: \_\_\_\_\_

Lease Name: \_\_\_\_\_

\_\_\_\_\_ Sec. \_\_\_\_\_ Twp. \_\_\_\_\_ R.  E  W

Legal Description of Lease: \_\_\_\_\_

County: \_\_\_\_\_

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

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

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

\_\_\_\_\_ feet from  N /  S Line of Section

\_\_\_\_\_ feet from  E /  W Line of Section

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

Past Operator's License No. \_\_\_\_\_

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

Past Operator's Name & Address: \_\_\_\_\_

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

Title: \_\_\_\_\_

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

New Operator's License No. \_\_\_\_\_

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

New Operator's Name & Address: \_\_\_\_\_

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

Title: \_\_\_\_\_

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

\_\_\_\_\_

Oil / Gas Purchaser: \_\_\_\_\_

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

**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 \_\_\_\_\_ UIC \_\_\_\_\_



KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

Form KSONA-1

July 2014

Form Must Be Typed

Form must be Signed

All blanks must be Filled

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

*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 # \_\_\_\_\_

Name: \_\_\_\_\_

Address 1: \_\_\_\_\_

Address 2: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ + \_\_\_\_\_

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

Phone: ( \_\_\_\_\_ ) \_\_\_\_\_ Fax: ( \_\_\_\_\_ ) \_\_\_\_\_

Email Address: \_\_\_\_\_

Well Location:

\_\_\_\_ - \_\_\_\_ - \_\_\_\_ - \_\_\_\_ Sec. \_\_\_\_ Twp. \_\_\_\_ S. R. \_\_\_\_  East  West

County: \_\_\_\_\_

Lease Name: \_\_\_\_\_ Well #: \_\_\_\_\_

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

**Surface Owner Information:**

Name: \_\_\_\_\_

Address 1: \_\_\_\_\_

Address 2: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ + \_\_\_\_\_

*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: \_\_\_\_\_ Signature of Operator or Agent: \_\_\_\_\_ Title: \_\_\_\_\_

LL11.1

Form 88 (Producers) REV 1-83  
Kans - OKLA - COLO

~~RECORDED~~  
~~INDEXED~~  
~~FILED~~  
~~SEARCHED~~  
~~SERIALIZED~~

THIS AGREEMENT, Entered into this 5th day of February, 2013 Between E. W. Stalnaker, Trustee for E. W. Stalnaker Trust UAD 10-01-02 Address: 70 Evergreen Leavenworth, Ks. 66048. Herein after called Lessor, and Keta Oil and Gas, Inc. 2400 N WOODLAWN ST STE 200, WICHITA, KS 67220, Herein after called Lessee, does witness:

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

NW ¼, SEC 17, TWN 33 South, Range 06 East

Containing 160 acres, more or less, ("Leased Premises").

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

3. The Lessee shall deliver to Lessor as royalty, free of cost, on the lease, or into the pipeline to which Lessee may connect its wells the equal sixteen percent (16%) part of all oil produced and saved from the leased premises, or at the Lessee's option may pay to the Lessor for such sixteen percent (16%) royalty the market price at the wellhead for oil of like grade and gravity prevailing on the day such oil is sold into the pipeline or into storage tanks.

4. The Lessee shall pay to the Lessor, as a royalty, sixteen percent (16%) of the proceeds received by the Lessee at the mouth of the well from the sale of gas, gas condensate, gas distillate, casinghead gas, gas used for the manufacture of gasoline or any other product, and all other gases, including their constituent parts, produced from the land herein leased, less a proportionate part of the production, severance and other excise taxes, conservation fees, and the costs incurred by Lessee in processing, gathering, treating, compressing, dehydrating, transportation, and marketing, or otherwise making such gas or other substances ready for sale or use. If such gas is not sold by the Lessee, Lessee may pay or tender annually at or before the end of each yearly period during which such gas is not sold, as a shut-in royalty, whether one or more wells, and while said shut in royalty is so paid or tendered, it will be considered under all provisions of this lease that gas is being produced in paying quantities. The first yearly period during which such gas is not sold shall begin on the date the first well is completed for production of gas. It is expressly agreed and provided that this lease cannot and shall not be maintained after expiration of the primary term solely by the payment of shut-in gas royalties for a longer period than two (2) consecutive years provided however, this right to maintain this leases after the expiration of the primary term for the said two (2) year period shall be contingent on: a monthly royalty payment of \$100.00 per shut in well

5. This lease is a paid-up lease and may be maintained during the primary term without further payments or drilling operations. If a well is not drilled on the lease within the primary term lessee will pay Lessor an \$8,000 penalty for non-development within thirty (30) days of lease termination.

6. In the event said Lessor owns a lesser interest in the above described land than the entire and undivided fee simple estate therein then the royalties herein provided for shall be paid to said Lessor only in the proportion which his interest bears to the whole and undivided fee; however, in the event the title to any interest in said land should revert to Lessor, or his heirs, or his or their grantee, this lease shall cover such reversion.

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

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

9. If the leased premises are now or shall hereafter be owned in severalty or in separate tracts, the premises may nonetheless be developed and operated as one lease, and all royalties accruing hereunder shall be divided among and paid to such separate owners in the proportion that the acreage owned by each separate owner bears to the entire leased acreage. There shall be no obligation on the part of the Lessee to offset wells on separate tracts into which the land covered by this lease may now or hereafter be divided by sale, devise, descent or otherwise, or to furnish separate measuring or receiving tanks.

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

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

16.00 Keta Oil & Gas, 9111 E 21st N. #301, Wichita KS 67206

1 of 3 EWS  
04-25-2013

1-3 125  
207 13

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

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

14. If at the end of the primary term this lease is not otherwise continued in force under the provisions hereof, Lessor and Lessee hereby agree that Lessor shall have the option to agree to Lessee to extend the primary term of this lease for an additional one (1) year on or before the expiration of the primary term of this lease by tendering to Lessor a payment equal to the same per acre paid to Lessor under the original terms of this lease times the net acres actually owned by Lessor and Lessor's successors (if any) on the date the option is exercised. Payment shall be deemed made upon Lessee's tendering of such payment by certified mail to Lessor at Lessor's address shown on this lease on or before the expiration of the primary term hereof. Nothing contained herein nor any separate implied agreement between parties shall serve to bind Lessee to exercise this option and it shall be at Lessor's sole discretion to do so.

15. If at any time within the primary term of this lease and while the same remains in force and effect, Lessor receives any bona fide offer, acceptable to Lessor, to grant 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 which form should reflect all pertinent and relevant terms and conditions of the top lease. Lessee shall have fifteen (15) days after receipt via certified mail, 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, based on that certain proposed Lessee's bona fide offer.

16. Lessee shall have the right, but not the obligation, to pool all or any part of the Leased Premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this Lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the Leased Premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 160 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 640+ 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 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 the gross completion interval in the reservoir exceeds the vertical component in the reservoir. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the Leased Premises shall be treated as if it were production, drilling or reworking operations on the Leased Premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority or as otherwise provided for in this lease and is deemed advisable by Lessee. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the Leased Premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

17. Two (2) years following the expiration of the primary term of this lease or expiration of any extension or renewal of the primary term, whichever occurs last, in the event a portion or portions of the lease premises is pooled with other land so as to form a pooled unit or units, operations on such unit or units will not maintain this lease in force as to land not included in such unit or units. This lease may be maintained in force as to any land covered hereby and not included in such unit or units in any manner provided for herein.

18. It is the intent of the Lessor to lease, and Lessor does hereby grant, demise, lease and let unto Lessee, all oil, gas and other minerals owned by Lessor in Section 17 T33S-R06E. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors of said Lessor and Lessee

NW/4

19. It is agreed between lessor and lessee that, notwithstanding any language herein to the contrary, Lessor's royalty shall be calculated without deduction for the costs and expenses for exploration, drilling, development, and production including dehydration, storage, compression, separation by mechanical means and product stabilization incurred prior to transforming the oil, gas or other production into a marketable form. Provided, however, once such production is in marketable form, Lessor's royalty shall bear its proportionate share of the actual costs incurred by lessee to market, transport, compress, process, stabilize, gather, treat or process the production. Additionally, Lessor's royalty shall bear its proportionate share of ad valorem taxes and production, severance or other excise taxes.

20. at the expiration of the primary term of this lease or any extension thereof which may occur in accordance with any provisions contained in this lease, rights under this lease shall terminate as to all depths below 100 feet the total depth drilled in the deepest well commenced on or before the expiration of the primary term on the lease.

21. If at the expiration of the primary term of the lease or any extension thereof which may occur in accordance with any provisions contained in this lease, any part or parts of the herein leased land that is not included within a well unit or units from which production of either oil or gas is being obtained, this lease shall terminate to such parts. A vertical oil well unit will not exceed 40 acres. A horizontal or gas well unit will not exceed 640 acres.

22. Applicable releases shall be prepared and filed by the lessee within "sixty" (60) days following the expiration of the primary term, extensions, or the termination of any portion of the lease stipulated, in paragraphs 20,21,24 above. If such releases are not filed within a sixty (60) period after written demand of the Lessor, then the lessee shall be subject to damages and for attorney fees incurred by the Lessor in obtaining such releases.

23. All Royalty payments due under this lease shall be made by Lessee and or Crude Oil and gas Purchaser on or before the 25<sup>th</sup> day of each month following the month in which payment is received from the purchaser. All delinquent royalty payments shall bear interest at the rate of 12% per annum until paid.

24. The installation of any salt-water disposal equipment by lessee in the operation of the lease shall be subject to the approval of the Lessor. Lessee shall not be permitted to use any well drilled on the premises as a salt-water disposal well without written consent of the Lessor and without compensating Lessor for the use hereof. Provisions herein do not apply to the disposal of salt water produced from wells located on lands covered by this lease or land unitized therewith.

25. Lessee and Lessor both agree that damages for drilling each well will be \$5,500.00, paid prior to spudding which will cover land and

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89 B EWS  
02-25-2013

crop damages for a 2.5 acre well site. Any additional acreage needed will cost \$2,500.00 per acre or portion thereof for land and crop damages. Lessee further agrees in good faith to minimize crop and land damages. Lessee further agrees to restore land to as near as practical to pre-exploration contour and condition. Crop and land damages for electrical and pipe lines installed will be computed and paid at rate of \$40.00 per rod to include reasonable and responsible removal of gravel placed during exploration or production at termination of applicable lease or portion of.

26. In the unlikely event either party should find it necessary to defend or enforce this agreement, the prevailing party shall be entitled to reimbursement for attorney and other related expenses.

Cowley County, Kansas whether or not properly and completely described herein. In the event it is determined that Lessor actually owns more net mineral acres than that assumed by the parties in the calculation of lease bonus and paid by Lessee, Lessor and Lessee agree that Lessee shall pay Lessor for such additional net acreage at the same bonus price per acre agreed upon for the execution of this oil and gas lease. Likewise, in the event it is determined that Lessor owns less net acres, or it is determined that Lessor's acreage is currently leased under a prior oil and gas lease, then the Lessor agrees to reimburse Lessee for the bonus per acre paid for the acreage not owned by Lessor or under the prior oil and gas lease.

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

X E. W. Stalnaker X  
E. W. Stalnaker, Trustee for the E. W. Stalnaker Trust UAD 10-01-02

STATE OF Kansas ) (ACKNOWLEDGEMENT FOR INDIVIDUAL)  
 ) SS.  
COUNTY OF Leavenworth )

The foregoing instrument was acknowledged before me this 25th day of February, 2013, by Ernest Wayne Stalnaker AKA E. W. STALNAKER TRUSTEE 7-25-13 EWT

My Commission expires: CARRIE CARNOALI  
Notary Public - State of Kansas  
My Appt. Expires 10-7-10 Carrie Carnoali

1053436 Jimmie Seacat  
Commission Number:

STATE OF Kansas ) (ACKNOWLEDGEMENT FOR INDIVIDUAL)  
 ) SS.  
COUNTY OF Cowley )

The foregoing instrument was acknowledged before me this 27 day of February, 2013, by David and Peggy Stalnaker

David Stalnaker  
DAVID STALNAKER  
Peggy Stalnaker  
PEGGY STALNAKER

JIMMIE SEACAT  
Notary Public - State of Kansas  
My Appt. Expires 9-1-14

34.3 00  
2-27-13  
3983 EWT  
02-25-2013

16.00 KETA OIL & GAS, INC  
2400 N Woodlawn St  
STE 200  
Wichita KS 67220

LL11.1

Form 88 (Producers) REV 1-83  
Kans - OKLA - COLO

COMPARED \_\_\_\_\_  
NUMERICAL \_\_\_\_\_  
DIRECT \_\_\_\_\_  
INDIRECT \_\_\_\_\_  
REGISTRATION \_\_\_\_\_



THIS AGREEMENT, Entered into this 5th day of February, 2013 Between David L. Stalnaker and Peggy A Stalnaker husband and wife, Address: 11524 101<sup>st</sup> RD, Winfield, Kansas 67156. Herein after called Lessor, and Keta Oil and Gas, Inc. 2400 N WOODLAWN ST STE 200, WICHITA, KS 67220, Herein after called Lessee, does witness:

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

NW 1/4 SEC. 17, TWN 33 South, Range 06 East

Containing 160 acres, more or less, ("Leased Premises").

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

3. The Lessee shall deliver to Lessor as royalty, free of cost, on the lease, or into the pipeline to which Lessee may connect its wells the equal sixteen percent (16%) part of all oil produced and saved from the leased premises, or at the Lessee's option may pay to the Lessor for such sixteen percent (16%) royalty the market price at the wellhead for oil of like grade and gravity prevailing on the day such oil is sold into the pipeline or into storage tanks.

4. The Lessee shall pay to the Lessor, as a royalty, sixteen percent (16%) of the proceeds received by the Lessee at the mouth of the well from the sale of gas, gas condensate, gas distillate, casinghead gas, gas used for the manufacture of gasoline or any other product, and all other gases, including their constituent parts, produced from the land herein leased, less a proportionate part of the production, severance and other excise taxes, conservation fees, and the costs incurred by Lessee in processing, gathering, treating, compressing, dehydrating, transportation, and marketing, or otherwise making such gas or other substances ready for sale or use. If such gas is not sold by the Lessee, Lessee may pay or tender annually at or before the end of each yearly period during which such gas is not sold, as a shut-in royalty, whether one or more wells, and while said shut in royalty is so paid or tendered, it will be considered under all provisions of this lease that gas is being produced in paying quantities. The first yearly period during which such gas is not sold shall begin on the date the first well is completed for production of gas. It is expressly agreed and provided that this lease cannot and shall not be maintained after expiration of the primary term solely by the payment of shut-in gas royalties for a longer period than two (2) consecutive years provided however, this right to maintain this lease after the expiration of the primary term for the said two (2) year period shall be contingent on a monthly royalty payment of \$100.00 per shut in well

5. This lease is a paid-up lease and may be maintained during the primary term without further payments or drilling operations. If a well is not drilled on the lease within the primary term lessee will pay Lessor an \$8,000 penalty for non-development within (30) days of lease termination.

6. In the event said Lessor owns a lesser interest in the above described land than the entire and undivided fee simple estate therein then the royalties herein provided for shall be paid to said Lessor only in the proportion which his interest bears to the whole and undivided fee; however, in the event the title to any interest in said land should revert to Lessor, or his heirs, or his or their grantee, this lease shall cover such reversion.

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

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

9. If the leased premises are now or shall hereafter be owned in severalty or in separate tracts, the premises may nonetheless be developed and operated as one lease, and all royalties accruing hereunder shall be divided among and paid to such separate owners in the proportion that the acreage owned by each separate owner bears to the entire leased acreage. There shall be no obligation on the part of the Lessee to offset wells on separate tracts into which the land covered by this lease may now or hereafter be divided by sale, devise, descent or otherwise, or to furnish separate measuring or receiving tanks.

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

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

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

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

14. If at the end of the primary term this lease is not otherwise continued in force under the provisions hereof, Lessor and Lessee hereby agree that Lessee shall have the option to extend the primary term of this lease for an additional one (1) year on or before the expiration of the primary term of this lease by tendering to Lessor a payment of \$8,000 under the original terms of this lease. Payment shall be deemed made upon Lessee's tendering of such payment by certified mail to Lessor at Lessor's address shown on this lease on or before the expiration of the primary term hereof. Nothing contained herein nor any separate implied agreement between parties shall serve to bind Lessee to exercise this option and it shall be at Lessor's sole discretion to do so.

15. If at any time within the primary term of this lease and while the same remains in force and effect, Lessor receives any bona fide offer, acceptable to Lessor, to grant 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 which form should reflect all pertinent and relevant terms and conditions of the top lease. Lessee shall have fifteen (15) days after receipt via certified mail, 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, based on that certain proposed Lessee's bona fide offer.

16. Lessee shall have the right, but not the obligation, to pool all or any part of the Leased Premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this Lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the Leased Premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 160 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 640+ 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 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 the gross completion interval in the reservoir exceeds the vertical component in the reservoir. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the Leased Premises shall be treated as if it were production, drilling or reworking operations on the Leased Premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority or as otherwise provided for in this lease and is deemed advisable by Lessee. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the Leased Premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

17. Two (2) years following the expiration of the primary term of this lease or expiration of any extension or renewal of the primary term, whichever occurs last, in the event a portion or portions of the lease premises is pooled with other land so as to form a pooled unit or units, operations on such unit or units will not maintain this lease in force as to land not included in such unit or units. This lease may be maintained in force as to any land covered hereby and not included in such unit or units in any manner provided for herein.

18. It is the intent of the Lessor to lease, and Lessor does hereby grant, demise, lease and let unto Lessee, all oil, gas and other minerals owned by Lessor in Section NW/4 SECTION 17 T33S-R06E. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors of said Lessor and Lessee

19. It is agreed between lessor and lessee that, notwithstanding any language herein to the contrary, Lessor's royalty shall be calculated without deduction for the costs and expenses for exploration, drilling, development, and production including dehydration, storage, compression, separation by mechanical means and product stabilization incurred prior to transforming the oil, gas or other production into a marketable form. Provided, however, once such production is in marketable form, Lessor's royalty shall bear its proportionate share of the actual costs incurred by lessee to market, transport, compress, process, stabilize, gather, treat or process the production. Additionally, Lessor's royalty shall bear its proportionate share of ad valorem taxes and production, severance or other excise taxes.

20. at the expiration of the primary term of this lease or any extension thereof which may occur in accordance with any provisions contained in this lease, rights under this lease shall terminate as to all depths below 100 feet the total depth drilled in the deepest well commenced on or before the expiration of the primary term on the lease.

21. If at the expiration of the primary term of the lease or any extension thereof which may occur in accordance with any provisions contained in this lease, any part or parts of the herein leased land that is not included within a well unit or units from which production of either oil or gas is being obtained, this lease shall terminate to such parts. A vertical oil well unit will not exceed 40 acres. A horizontal or gas well unit will not exceed 640 acres.

22. Applicable releases shall be prepared and filed by the lessee within "sixty" (60) days following the expiration of the primary term, extensions, or the termination of any portion of the lease stipulated, in paragraphs 20,21,24 above. If such releases are not filed within a sixty (60) period after written demand of the Lessor, then the lessee shall be subject to damages and for attorney fees incurred by the Lessor in obtaining such releases.

23. All Royalty payments due under this lease shall be made by Lessee and or Crude Oil and gas Purchaser on or before the 25<sup>th</sup> day of each month following the month in which payment is received from the purchaser. All delinquent royalty payments shall bear interest at the rate of 12% per annum until paid.

24. The installation of any salt-water disposal equipment by lessee in the operation of the lease shall be subject to the approval of the Lessor. Lessee shall not be permitted to use any well drilled on the premises as a salt-water disposal well without written consent of the Lessor and without compensating Lessor for the use hereof. Provisions herein do not apply to the disposal of salt water produced from wells located on lands covered by this lease or land unitized therewith.

25. Lessee and Lessor both agree that damages for drilling each well will be \$5,500.00, paid prior to spudding which will cover land and crop damages for a 2.5 acre well site. Any additional acreage needed will cost \$2,500.00 per acre or portion thereof for land and crop damages. Lessee further agrees in good faith to minimize crop and land damages. Lessee further agrees to restore land to as near as





ASSIGNMENT OF OIL AND GAS LEASES AND BILL OF SALE

STATE OF KANSAS                    §  
  §                    KNOW ALL MEN BY THESE PRESENTS:  
COUNTY OF COWLEY            §

This Assignment of Oil and Gas Leases and Bill of Sale (the "Assignment"), is made by Toto Energy, LLC, whose address is 25815 Oak Ridge Drive, Spring, TX 77380 (hereinafter collectively referred to as "Assignor") to SNR Kansas Operating, LLC with an address of 301 NW 63<sup>rd</sup>, Suite 400, Oklahoma City, OK 73116 ("Assignee").

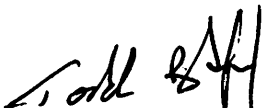
THAT, for Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Assignor does hereby GRANT, BARGAIN, SELL, CONVEY, ASSIGN, TRANSFER, SET OVER AND DELIVER unto "Assignee", subject to the terms and conditions hereinafter recited, all of Assignor's right, title and interest in and to the Oil and Gas Leases ("Leases") described in Exhibit "A", and the well bores ("Wells") listed in Exhibit "B", including, if applicable, the well casings, equipment, facilities and/or materials placed on or associated with, or for the service of said Wells. The Exhibits herein referred to are attached to this Assignment and are hereinafter made a part hereof.

Assignee shall assume its proportionate share of all costs and liabilities associated with the plugging and abandonment of any wells located on the premises. Plugging and abandonment shall be performed in accordance with the rules and regulations of any governmental body asserting jurisdiction over the lands on which said wells are located.

In addition to this Assignment, Assignor shall execute, acknowledge, and deliver to Assignee, in a timely manner and without further consideration, any documents or instruments that Assignee may reasonably require, including, without limitation, further assignments or conveyances required by any state or federal authority, deeds and consents to further evidence the assignment and conveyances of the Leases by Assignor to Assignee.

This Assignment shall be effective as of 12:00 PM of July 1<sup>st</sup>, 2019, (the "Effective Time").

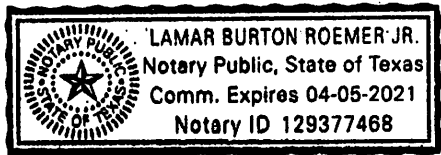
EXECUTED this 8<sup>th</sup> day of August, 2019.  
"Assignor"

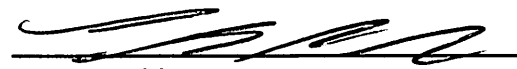
By:   
Print Name: Todd Blackford  
Title: COO  
Date: 8/8/19

STATE OF TEXAS            )  
  )  
COUNTY OF MONTGOMERY )

BE IT REMEMBERED that on this 8<sup>th</sup> day of August, 2019, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came Todd Blackford of Toto Energy, LLC a corporation of the State of Delaware, to me personally known to be such officer and to be the same person who executed as such officer the foregoing instrument of writing on behalf of said corporation, and acknowledged the execution of the same for himself and for said corporation for the uses and purposes therein set forth.

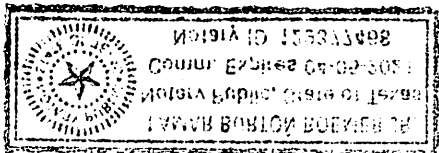
IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.



  
Notary Public

My Appointment Expires:  
4/5/21

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**Exhibit A**  
**Oil and Gas Wells and Units**

**Adams 35-1** in Section 35, T32S-R5E, 2100' FNL, 660' FEL including a 160 acre oil and gas lease held by production and all equipment (1 producing well).

**Lease Description**

Seventy Percent (0.70000000) Gross Working Interest of the right, title and interest in and to the oil and gas lease described below including seventy percent (0.70000000) right, title and interest in and to the equipment located on the lease held by Toto Energy, LLC.

Twenty Percent (0.20000000) Gross Working Interest of the right, title and interest in and to the oil and gas lease described below including twenty percent (0.20000000) right, title and interest in and to the equipment located on the lease held by Harbortown, Inc.

Ten Percent (0.10000000) Gross Working Interest of the right, title and interest in and to the oil and gas lease described below including ten percent (0.10000000) right, title and interest in and to the equipment located on the lease held by Navon Consulting Corp.

**Adams Lease**

Pertains to certain oil and gas lease, dated April 27, 2009 recorded in Misc. Book 834 Page 148 in the office of the Register of Deeds of Cowley County, Kansas, insofar as said lease covers the following property, to wit:

Date of Lease:	April 27, 2009
Name of Lease:	Adams Lease
Lessor(s):	Donald L. Adams and Lena E. Adams, husband and wife
Lessee:	Lotus Operating Company, LLC
Term:	Two (2) Years with One (1) Year Option
County and State:	Cowley County, Kansas
Number of Acres:	160 Gross
Legal Description:	<u>Township 22 South, Range 5 East Cowley County, Kansas</u> Section 35: NE Quarter

**Baker 19-1** in Section 19, T33S-R6E, 660' FSL, 1980' FWL including a 306 acre oil and gas lease held by production and all equipment (1 producing well).

**Lease Description**

Seventy Percent (0.70000000) Gross Working Interest of the right, title and interest in and to the oil and gas lease described below including seventy percent (0.70000000) right, title and interest in and to the equipment located on the lease held by Toto Energy, LLC.

Thirty Percent (0.30000000) Gross Working Interest of the right, title and interest in and to the oil and gas lease described below including thirty percent (0.30000000) right, title and interest in and to the equipment located on the lease held by Harbortown, Inc.

### Baker Lease

Pertains to certain oil and gas lease, dated November 9, 2010 recorded in Misc. Book 862 Page 49 in the office of the Register of Deeds of Cowley County, Kansas, insofar as said lease covers the following property, to wit:

Date of Lease: November 9, 2010  
Name of Lease: Baker Lease  
Lessor(s): Keith E. Baker, a widower  
Lessee: Keta Oil and Gas  
Term: Three (3) Years with One (1) Year Option  
County and State: Cowley County, Kansas  
Number of Acres: 306 Gross  
Legal Description: Township 33 South, Range 6 East Cowley County, Kansas  
Section 19: Lots One (1), Two (2), Three (3) and Four (4) and the East Half of the Northwest Quarter (E2 NW/4) and the East Half of the Southwest Quarter (E/2 SW/4) A/K/A West Half (W/2)

Best Sellers 1 in Section 26, T32S-R5E, 900' FNL and 990' FEL and Sellers "B" 3 in Section 26, T32S-5E, 1650' FNL and 990' FEL including a 265 acre oil and gas lease held by production and all equipment (2 producing wells).

### Lease Description

Seventy Percent (0.70000000) Gross Working Interest of the right, title and interest in and to the oil and gas lease described below including seventy percent (0.70000000) right, title and interest in and to the equipment located on the lease held by Toto Energy, LLC.

Thirty Percent (0.30000000) Gross Working Interest of the right, title and interest in and to the oil and gas lease described below including thirty percent (0.30000000) right, title and interest in and to the equipment located on the lease held by Harbortown, Inc.

### Sellers B Lease

Pertains to certain oil and gas lease, dated April 15, 2009 recorded in Misc. Book 853 Page 363 in the office of the Register of Deeds of Cowley County, Kansas, insofar as said lease covers the following property, to wit:

Date of Lease: April 15, 2009  
Name of Lease: Sellers B Lease  
Lessor(s): Eugene G. Sellers and Marjorie M. Sellers, Trustees of the Eugene G. Sellers and Marjorie M. Sellers Revocable Trust dated 11/12/2003  
Lessee: Lotus Operating Company, LLC  
Term: Two (2) Years  
County and State: Cowley County, Kansas  
Number of Acres: 265 Gross  
Legal Description: Township 32 South, Range 5 East Cowley County, Kansas  
Section 26: E/2 NE/4, E/2 W/2 NE/4  
Section 25: NW/4, Exc. Tract beg. NE/CNW/4 then W to pint of bluff W of Spring Creek, then along foot of said bluff in a Southeasterly dir. To center of Spring Creek, then down the center of Spring Creek to its intersection with the E. line of said quarter sec. the N on the E line of said quarter section to POB.

**Call Me Maybe 1** in Section 36, T32S-R5E, 330' FNL, 330' FWL, **Call Me Maybe 2** in Section 36, T32S-R5E, 330' FNL, 1,420' FWL, **Lester 1** in Section 26, T32S-R5E, 2310' FSL and 330' FEL, **Lil' Red Kevette 1** in Section 36, T32S-R5E, 330' FSL, 450' FWL and **Wonderful World 1** in Section 25, T32S-R5E, 1040' FSL, 990' FWL including a 640 acre oil and gas lease held by production and all equipment (5 producing wells).

#### Lease Description

Seventy Percent (0.70000000) Gross Working Interest of the right, title and interest in and to the oil and gas lease described below including seventy percent (0.70000000) right, title and interest in and to the equipment located on the lease held by Toto Energy, LLC.

Thirty Percent (0.30000000) Gross Working Interest of the right, title and interest in and to the oil and gas lease described below including thirty percent (0.30000000) right, title and interest in and to the equipment located on the lease held by Harbortown, Inc.

#### Lester Lease

Pertains to certain oil and gas lease, dated November 1, 2010 recorded in Misc. Book 861 Page 531 in the office of the Register of Deeds of Cowley County, Kansas, insofar as said lease covers the following property, to wit:

Date of Lease: November 1, 2010

Name of Lease: Lester Lease  
Lessor(s): Jerry K. Lester and Kevette E. Lester  
Lessee: Mako Exploration, LLC  
Term: One (1) Year with One (1) Year Option  
County and State: Cowley County, Kansas  
Number of Acres: 640 Gross  
Legal Description: Township 32 South, Range 5 East Cowley County, Kansas  
Section 25: W/2 SW/4  
Section 26: E/2 SE/4  
Section 36: N/2, W/2 SW/4, NE/4 SE/4  
  
Township 32 South, Range 6 East Cowley County, Kansas  
Section 31: Lot 2 ada SW/4 NW/4

Lester Correction Lease

Date of Lease: November 1, 2010  
Name of Lease: Lester Lease  
Lessor(s): Jerry K. Lester and Kevette E. Lester  
Lessee: Mako Operating Company, LLC  
Term: One (1) Year with One (1) Year Option  
County and State: Cowley County, Kansas  
Number of Acres: 640 Gross  
Legal Description: Township 32 South, Range 5 East Cowley County, Kansas  
Section 25: W/2 SW/4  
Section 26: E/2 SE/4  
Section 36: N/2, W/2 SW/4, NE/4 SE/4  
  
Township 32 South, Range 6 East Cowley County, Kansas  
Section 31: Lot 2 ada SW/4 NW/4

**Defore 19-1** in Section 19, T33S-R6E, 660' FNL, 1980' FEL and **Defore 19-2** (saltwater disposal well) in Section 19, T33S-R6E, 330' FNL and 660' FEL including an 80 acre oil and gas lease held by production, a saltwater disposal agreement with the landowner, a month to month, verbal, third party water disposal agreement with Val Energy for disposal of water from 2 Val Energy wells, a third party water disposal agreement with SNR Kansas Operating for disposal of water from 1 SNR Kansas Operating well and all equipment (1 producing well, 1 disposal well and agreements to dispose of water from 3 third party wells).

Lease Description



Seventy Percent (0.70000000) Gross Working Interest of the right, title and interest in and to the oil and gas lease described below including seventy percent (0.70000000) right, title and interest in and to the equipment located on the lease held by Toto Energy, LLC.

Thirty Percent (0.30000000) Gross Working Interest of the right, title and interest in and to the oil and gas lease described below including thirty percent (0.30000000) right, title and interest in and to the equipment located on the lease held by Harbortown, Inc.

**Defore Lease**

Pertains to certain oil and gas lease, dated November 23, 2010 recorded in Misc. Book 862 Page 882 in the office of the Register of Deeds of Cowley County, Kansas, insofar as said lease covers the following property, to wit:

Date of Lease: November 23, 2010  
Name of Lease: Defore Lease  
Lessor(s): Dan A. Defore and Karen K. Defore, husband and wife  
Lessee: Keta Oil and Gas  
Term: Two (2) Years with One (1) Year Option  
County and State: Cowley County, Kansas  
Number of Acres: 80 Gross  
Legal Description: Township 33 South, Range 6 East Cowley County, Kansas  
Section 19: N/2 NE/4

**It'll Do Ranch 17-1** in Section 17, T33S-R6E, 660' FSL and 660' FWL including an 80 acre oil and gas lease held by production and all equipment (1 producing well).

**Lease Description**

Seventy Percent (0.70000000) Gross Working Interest of the right, title and interest in and to the oil and gas lease described below including seventy percent (0.70000000) right, title and interest in and to the equipment located on the lease held by Toto Energy, LLC.

Thirty Percent (0.30000000) Gross Working Interest of the right, title and interest in and to the oil and gas lease described below including thirty percent (0.30000000) right, title and interest in and to the equipment located on the lease held by Harbortown, Inc.

**It'll Do Ranch Lease (formerly Glasse Lease)**

Pertains to certain oil and gas lease, dated November 17, 2010 recorded in Misc. Book 862 Page 406 in the office of the Register of Deeds of Cowley County, Kansas, insofar as said lease covers the following property, to wit:

Date of Lease: November 17, 2010  
Name of Lease: It'll Do Ranch Lease (formerly Glasse Lease)  
Lessor(s): Dana Glasse, a single person  
Lessee: Keta Oil and Gas  
Term: Three (3) Years  
County and State: Cowley County, Kansas  
Number of Acres: 80 Gross  
Legal Description: Township 33 South, Range 6 East Cowley County, Kansas  
Section 17: W/2 SW/4 except a tract of land described as follows:  
commencing at the SW corner of said SW quarter; thence N 0 deg. 00  
min. east (assumed) along the W line of said quarter section 214 feet;  
thence North 81 deg. 01 min. 06 sec., W 206.3 feet to the point of  
beginning.

**Miller 1** saltwater disposal well in Section 26, T32S-R5E, 2,275' FSL, 2970' FEL including a saltwater disposal agreement with the landowner, a third party water disposal agreement with SNR Kansas Operating for 2 wells and all equipment (1 disposal well).

**Moon 1** in Section 26, T32S-R5E, 2310' FSL, 2310' FEL and **Moon 2** (saltwater disposal well) in Section 26, T32S-R5E, 1650' FSL, 1650' FEL including an 80 acre oil and gas lease held by production, a legacy disposal relationship with the landowner and all equipment (1 producing well and 1 disposal well).

#### Lease Description

Seventy Percent (0.70000000) Gross Working Interest of the right, title and interest in and to the oil and gas lease described below including seventy percent (0.70000000) right, title and interest in and to the equipment located on the lease held by Toto Energy, LLC.

Twenty Percent (0.20000000) Gross Working Interest of the right, title and interest in and to the oil and gas lease described below including twenty percent (0.20000000) right, title and interest in and to the equipment located on the lease held by Harbortown, Inc.

Ten Percent (0.10000000) Gross Working Interest of the right, title and interest in and to the oil and gas lease described below including ten percent (0.10000000) right, title and interest in and to the equipment located on the lease held by SuperNova, Inc.

#### Moon Lease

Pertains to certain oil and gas lease, dated July 17, 1969 recorded in Misc. Book 184 Page 308 in the office of the Register of Deeds of Cowley County, Kansas, insofar as said lease covers the following property, to wit:

Date of Lease: July 17, 1969  
Name of Lease: Moon Lease  
Lessor(s): James Howard Moon and Nancy Jane Moon  
Lessee: Ralph F. Henderson  
Term: Five (5) Years  
County and State: Cowley County, Kansas  
Number of Acres: 80 Gross  
Legal Description: Township 32 South, Range 5 East Cowley County, Kansas  
Section 26: W/2 SE/4

**Stalnaker 17-1** in Section 17, T33S-R6E, 990' FNL, 990' FWL including a 160 acre oil and gas lease held by production and all equipment (1 producing well).

#### Lease Description

Seventy Percent (0.70000000) Gross Working Interest of the right, title and interest in and to the oil and gas lease described below including seventy percent (0.70000000) right, title and interest in and to the equipment located on the lease held by Toto Energy, LLC.

Thirty Percent (0.30000000) Gross Working Interest of the right, title and interest in and to the oil and gas lease described below including thirty percent (0.30000000) right, title and interest in and to the equipment located on the lease held by Harbortown, Inc.

#### Stalnaker Lease

Pertains to certain oil and gas lease, dated February 5, 2013 recorded in Misc. Book 916 Page 756 in the office of the Register of Deeds of Cowley County, Kansas, insofar as said lease covers the following property, to wit:

Date of Lease: February 15, 2013  
Name of Lease: Stalnaker Lease  
Lessor(s): E.W. Stalnaker, Trustee of the E.W. Stalnaker Trust UAD 10/1/2002  
Lessee: Keta Oil and Gas  
Term: Two (2) Years One (1) Year Option  
County and State: Cowley County, Kansas  
Number of Acres: 160 Gross  
Legal Description: Township 33 South, Range 6 East Cowley County, Kansas  
Section 17: NW/4

**Exhibit B**

<b>Well Name</b>	<b>API Number</b>	<b>Status *</b>	<b>S</b>	<b>T</b>	<b>R</b>	<b>WI**</b>	<b>NRI</b>	<b>Producing Formation</b>
Adams 35-1	15-035-24530	P	35	32S	5E	1.00	.815	Miss
Baker 19-1	15-035-24522	P	19	33S	6E	1.00	.815	Miss.
<u>Sellers Lease</u>						1.00	.815	
Best Sellers 1	15-035-24571	P	26	32S	5E			Miss.
Sellers B 3	15-035-20641	P	26	32S	5E			Arbuckle
<u>Lester Lease</u>						1.00	.815	
Call Me Maybe 1	15-035-24582	P	36	32S	5E			Miss.
Call Me Maybe 2	15-035-24611	P	36	32S	5E			Miss.
Lester 1	15-035-24436	P	26	32S	5E			Miss.
Lil' Red Kevette 1	15-035-24575	P	36	32S	5E			Miss.
Wonderful World 1	15-035-24610	P	25	32S	5E			Miss.
<u>Defore Lease</u>						1.00	.815	
Defore 19-1	15-035-24574	P	19	33S	6E			Miss.
Defore 19-2	15-035-24598	I	19	33S	6E			Miss.
It'll Do Ranch 17-1	15-035-24526	P	17	33S	6E	1.00	.81	Miss.
Miller 1	15-035-24534	I	26	32S	5E			Miss.
<u>Moon Lease</u>						1.00	.82	
Moon 1	15-035-20261	P	26	32S	5E			Miss.
Moon 2	15-035-20290	I	26	32S	5E			Miss.
Stalnaker 17-1	15-035-24525	P	17	33S	6E	1.00	.825	Miss.