

OIL AND GAS LEASE

THIS AGREEMENT, Entered into this the 4th day of December, 1959
between R. M. Bentzinger (a/k/a Rollie M. Bentzinger), and Dorothy Bentzinger, his wife;
of Hickman, Nebraska; and A. E. Bentzinger (a/k/a Arnold E. Bentzinger)
, and Neva B. Bentzinger, of Sprague, Nebraska hereinafter called lessor,
and Robert H. Kirk hereinafter called lessee, does witness:

1. That lessor, for and in consideration of the sum of \$80.00 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, and any reversionary interest therein (with the right to utilize this lease or any part thereof with one or more 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 including core drilling, for the purpose of drilling, mining and operating for, producing and saving all the oil, condensate, gas, casing-head gas casing-head gasoline, and all other gases and their respective constituent vapors, for the purpose of converting city and/or abandoned wells into input or wells in conducting secondary recovery operations with any agency in use in the industry or into disposal wells for the disposal of liquids produced with said minerals, for the purpose of constructing roads, laying pipe lines including oil and gas, and lines for transporting fluids produced with said minerals, building tanks, storing oil, building piers, stations, telephone lines and other structures thereon necessary or convenient for such operations, on said land alone or conjointly with other lands whether or not such other lands or any lease thereon is owned or operated by lessee, and for the purpose of housing and boarding employees, said land being situated in the County of Lancaster and State of Nebraska and described as follows:

The Southeast Quarter (SE $\frac{1}{4}$) of Section 36, Township 7 North,
Range 8 East, and the Southeast Quarter (SE $\frac{1}{4}$)

In Section 31, Township 7 North, Range 9 East, and containing 320 acres, more or less.

2. This lease shall remain in force for a term of ten years from the date hereof and as long thereafter as oil, gas, casinghead gas, casinghead gasoline, condensate, or any of the products covered by this lease is, or can be, produced, and as long as provided in paragraphs 11, 12 and 14, and as long as any of the rights granted hereby are being exercised by lessee.

3. Lessee shall deliver to lessor free of cost on the lease or into the pipe line to which lessee may connect its wells the equal $\frac{1}{2}$ part of the oil and condensate produced and saved from the leased premises, or, at the lessee's option, may pay to lessor for such $\frac{1}{2}$ royalty the market price for the oil and condensate of like grade and quality prevailing on the day such oil and condensate are run into the pipe line or into storage for each input well used as used by lessee for the manufacture of gasoline, or any other product as royalty, $\frac{1}{2}$ of the market value of such gas at the mouth of said well, shall pay lessor for gas used by lessee off the premises $\frac{1}{2}$ of the market value of the gas at the well, and for gas sold $\frac{1}{2}$ of the proceeds of the sale thereof at the mouth of the well and where gas from a well is not sold or used, as royalty, an amount equal to the delay rental provided in paragraph 4 hereof, and while said royalty is so paid or tendered, this lease shall be held in full force and effect, and the lessee shall have no charge from any gas well on the leased premises for stoves and inside lights at the principal dwelling house on said premises by making his own connection with the well, the use of such gas to be at the lessor's sole risk and expense.

4. If operations for the drilling of a well for oil or gas are not commenced on said land on or before the 4th day of December, 1960 this lease shall terminate as to both parties, unless the lessee shall on or before said date pay or tender to the lessor or for the lessor's credit in the Union Bank at Lincoln, Nebraska, or its successors, which Bank and its successors are the lessor's agent and shall continue as the depository of any and all sums payable under this lease regardless of changes of ownership in said land or in the oil and gas or in the rentals to accrue hereunder the sum of Eighty and no/100 Dollars, which shall operate as a rental and cover the privilege of deferring the commencement of operations for drilling for a period of one year. In like manner and upon like payments or tenders the payment of rentals in the same amount and in the same manner and upon like payments or tenders shall be made by check or draft of lessor or any assignee thereof, mailed or delivered on or before the rental paying date, either direct to lessor or assigns or to said depository bank, and it is understood and agreed that the consideration first recited herein, the down payment, covers not only the privilege granted to the date of the first rental but also the privilege of extending the period as aforesaid and any and all other rights conferred. Notwithstanding the death of the lessor, or his successors in interest, the payment of rentals in the manner above shall be binding on the heirs, devisees, executors, and administrators of such persons.

5. Should the first well drilled on the above described land be a dry hole, then, and in that event, if a second well is not commenced on said land within twelve months from the expiration of the last rental period for which rental has been paid, this lease shall terminate as to both parties, unless the lessee on or before the expiration of said twelve months shall resume the payment of rentals in the same amount and in the same manner as hereinbefore provided. And it is agreed that upon the resumption of the payment of rentals, as above provided, that the last preceding paragraph hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments.

6. In the event said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein then the royalties and rentals herein provided for shall be paid the said lessor only in the proportion which his interest bears to the whole and undivided fee, however, in the event the title to any such land should revert to lessor, or his heirs, or assigns, this lease shall cover such reversion, and rentals hereunder shall be increased at the next succeeding rental anniversary after written notice of such reversion by lessor to lessee, provided said notice is received by lessee at least 30 days prior to any such rental anniversary.

7. The lessee shall have the right to use, free of cost, water, gas and oil found or located on said land for its operations thereon, except water from the wells of the lessor. Lessee shall pay the surface owner of said land \$100 per foot for each rod of line other than oil or gas lines, and water lines used in connection with the drilling and the production of oil and minerals on said land, and shall pay the surface owner \$200.00 per well per year for each input well used on such other land or the lease thereon is owned or operated by lessee, and shall pay the surface owner for any other land or the lease thereon as owned or operated by lessee. In the disposal of liquids produced from any other land whether or not all of said land or the lease thereon are owned or operated by lessee. When required by lessor, lessor may on the depth below the surface shall pay for any damage to the lessor's operations to growing crops on said land. No well including the right to draw water from the discharge of the well shall be under no obligation to restore the surface to its original condition, where any alterations or changes were due to operations reasonably necessary under this lease.

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 of ownership in the land or in the rentals or 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, or a duly certified copy of the proceedings upon appointment of an administrator for the estate of any deceased owner, or if there be no administration, a death certificate, together with a decree of heirship which ever 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 to the full interest claimed, and all payments of rentals made hereunder, before receipt of said documents shall be binding on any direct or indirect assignee, grantee, devisee, administrator, executor, or heir of lessor or any owner.

9. If the leased premises are now or shall hereafter be owned in severally or in separate tracts, the premises nevertheless shall be developed and operated as one lease, and all royalties accruing hereunder shall be treated as an entirety and shall be divided among and paid to such owners and operators 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 or any assignee to effect separate tracts into separate leases, but lessor shall be assigned as to a part or parts of the above described land, or otherwise or to whom such default shall not operate to defeat or affect this lease insofar as it covers a part of said land upon which the lessee or any assignee hereof shall make due payment of said rentals.

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, (including the right to acquire delinquent tax sales certificates), mortgages, or any other liens existing, levied, or assessed on or against the above described lands, and, in event it exercises such option, it shall be subrogated to the rights of any holder or holders thereof and may be reimbursed therefor by the discharge of such mortgages, tax, or other lien, any royalty or rentals accruing hereunder, or may foreclose such lien by an appropriate suit in a court of competent jurisdiction.

11. Notwithstanding anything in this lease contained to the contrary, it is expressly agreed that if lessee shall commence operations for drilling at any time while this lease is in force, this lease shall remain in force and its term shall continue so long as such operations are prosecuted and, if production of any of the minerals covered by this lease results therefrom, then as long as such production continues.

12. If within the primary term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate provided operations for the drilling of a well shall be commenced before or on the next ensuing rental paying date; or provided lessee begins or resumes the payment of rentals in the manner and amount hereinbefore provided. After the expiration of the primary term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate provided lessee commences operations for drilling a well within sixty (60) days from such cessation, and this lease shall remain in force during the prosecution of such operations, and if production of any of the minerals covered by this lease results therefrom, then as long as such production continues.

13. Lessee may at any time surrender or cancel this lease as to all or any part of said lands or as to all or any part of the rights granted hereby as to all or any part of said lands by delivering or mailing such release to lessor or by placing same of record in the proper county recording office, in case this lease is surrendered and cancelled as to only a portion of the acreage covered hereby and cancelled as to a part hereof and in the event of the termination, and the rental hereunder shall continue until six months after said order is suspended and/or said equipment is available, but the lessee shall pay one half of an annual delay rental hereunder for such extended time.

14. 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 now or hereafter enacted, entered, or promulgated which shall be a part hereof and this lease shall not be in any way terminated wholly or partially thereby, nor shall the lessee be liable in damages for failure to comply with any of the express or implied provisions hereof if such failure occurs in compliance with such laws, orders, rules or regulations (or interpretations thereof). If lessee should be prevented or if lessee should be unable during said period to drill a well hereunder due to equipment necessary in the drilling thereof not being available, then, in any case, the primary term of this lease shall be extended until such equipment is available, but the lessee shall pay one half of an annual delay rental hereunder for such extended time.

15. Lessee, at its option, is hereby given the right and power to pool or combine into one or more units the acreage covered by this lease or any portion thereof with other acreage covered by any lease or leases or any portion thereof and/or unleased acreage or unleased mineral rights adjoining same or in operations of the pooling acreage. The entire acreage so pooled into a unit or units shall be developed for oil and gas in accordance with the development for gas shall not exceed 800 acres. Such units for development for gas may embrace contiguous and non-contiguous tracts. Lessee shall execute in writing and file for record in the records of the recorder of the county in which the land herein leased is situated a pooling agreement and describing the pooling acreage. The entire acreage so pooled into a unit or units shall be treated for all purposes except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is made from the pooled acreage, it shall be treated as if and constitute a well hereunder. In the event of the royalty elsewhere herein specified, lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of the royalty acreage placed in a unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.

16. This lease and all its terms, conditions and stipulations shall extend to and be binding on all successors of said lessor and lessee in ownership of the rights hereunder, however succeeding.

IN WITNESS WHEREOF, we on this day and year first above written,
A. E. Bentzinger (SEAL)
R. M. Bentzinger (SEAL)
Dorothy Bentzinger (SEAL)
Neva B. Bentzinger

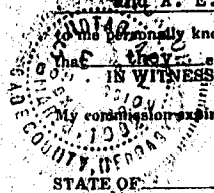


STATE OF Nebraska } ss. ACKNOWLEDGMENT FOR INDIVIDUAL (Kans., Okla., and Colo.)
COUNTY OF Nebraska

Before me, the undersigned, a Notary Public, within and for said county and state, on this 4 th day of December, 1959, personally appeared R. M. Bentzinger (a/k/a Rollie M. Bentzinger) and Dorothy Bentzinger, his wife; and A. E. Bentzinger a/k/a Arnold E. Bentzinger) and Neva B. Bentzinger, his wife

to me personally known to be the identical person who executed the within and foregoing instrument and acknowledged to me that they executed the same as their free and voluntary act and deed 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.

My commission expires Mar 8 - 1962 W. E. Erickson
Notary Public.



STATE OF _____ } ss. ACKNOWLEDGMENT FOR INDIVIDUAL (Kans., Okla., and Colo.)
COUNTY OF _____

Before me, the undersigned, a Notary Public, within and for said county and state, on this _____ day of _____, 19____, personally appeared _____ and _____

to me personally known to be the identical person _____ who executed the within and foregoing instrument and acknowledged to me that _____ executed the same as _____ free and voluntary act and deed 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.

My commission expires _____ Notary Public.

STATE OF _____ } ss. ACKNOWLEDGMENT FOR CORPORATION
COUNTY OF _____

On this _____ day of _____, A. D., 19____, before me, the undersigned, a Notary Public in and for the county and state aforesaid, personally appeared _____ to me personally known to be the identical person _____ who signed the name of the maker thereof to the within and foregoing instrument as its _____ President and acknowledged to me that _____ executed the same as _____ free and voluntary act and deed, and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

Given under my hand and seal the day and year last above written.

My commission expires _____ Notary Public.

ENTERED
INDEXED
No. 391 PAGED
COMPARED

OIL AND GAS LEASE

FROM

R. M. Bentzinger et al

TO

Robert H. Kirk

Date _____, 19____

Section _____, Twp _____, Rge _____

No. of Acres _____ Term _____

County _____

STATE OF Nebraska
County of Otoe

This instrument was filed for record on the 29 day of March, 1960 at 10:30 o'clock A.M., and duly recorded in Book 25 Miscel. Page 483 of the records of this office.

Francis W. Kirk
Register of Deeds.

By _____
When recorded, return to _____

THE KANSAS BLUE PRINT CO.
117 NORTH MARKET ST. WICHITA, KANSAS
PHOTOSTAT SERVICE-UP-TO-DATE OIL MAPS

Fee \$7.60

NOTE: When signature by mark in Kansas, said mark to be witnessed by at least one person and also acknowledged. For acknowledgment by mark, use regular Kansas acknowledgment.

STATE OF _____ } ss. ACKNOWLEDGMENT FOR INDIVIDUAL (Kans., Okla., and Colo.)
COUNTY OF _____

Before me, the undersigned, a Notary Public, within and for said county and state, on this _____ day of _____, 19____, personally appeared _____ and _____

to me personally known to be the identical person _____ who executed the within and foregoing instrument and acknowledged to me that _____ executed the same as _____ free and voluntary act and deed 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.

My commission expires _____ Notary Public.

STATE OF NEBRASKA }
Lancaster County
Entered in Miscellaneous Index and filed for record in the Register of Deeds Office of said County on the _____ day of _____, 19____ at _____ o'clock _____ and _____ minutes Book _____ Page _____

12 day of April, 1960
at _____ o'clock _____ and _____ minutes
Book _____ Page _____

Robert H. Kirk
Notary Public.

\$7.50

Maid to Kirk
Robert H. Kirk
337 Union Center Bldg
Wichita, Kansas

8-167
mailed
GENERAL
COMPARED
PAGED