

Cover page for:

Preliminary Title Insurance Schedules **(with copies of recorded exception documents)**

Preliminary title insurance schedules provided by:

Pratt County Abstract Co., Inc. (as Issuing Agent)
& Elk County Title Co. (as Issuing Office)

(File Number: 2311021-1)

Auction Tracts 5 & 6 * **(Elk County, Kansas)**

** Note re. exception #11 in Schedule B-II:*

Tracts 5 & 6 are in **Section 31** of T28S-R10E. However, in the “Salt Water Disposal and Tank Battery Site Lease” identified as exception #11, the “Lessor’s Land” is described as being a part of **Section 36** of T28S-R9E (i.e., Tracts 1 – 4).

For November 28, 2023 auction to be conducted by:

Schrader Real Estate and Auction Company, Inc.

On behalf of:

The Land Project, LLC



First American Title™

ALTA Commitment for Title Insurance

ISSUED BY

First American Title Insurance Company

Schedule A

Transaction Identification Data for reference only:

Issuing Agent: Pratt County Abstract Co., Inc.

Issuing Office: Elk County Title Co.

ALTA® Universal ID:

Loan ID No.:

Commitment No.: 2311021-1

Issuing Office File No.: 2311021-1

Property Address:

Revision No.: 1

SCHEDULE A

1. Commitment Date: November 9, 2023 at 8:00 a.m.

2. Policy to be issued:

(a) ALTA® Owner's Policy
Proposed Insured: BUYER, TBD
Proposed Policy Amount: \$ TBD

(b) ALTA® Policy
Proposed Insured:
Proposed Policy Amount: \$

3. The estate or interest in the Land described or referred to in this Commitment is Fee Simple.

4. Title to the Fee Simple estate or interest in the Land is at the Commitment Date vested in:

THE LAND PROJECT, LLC, a Virginia limited liability company.

5. The Land is described as follows:

The Southwest Quarter (SW/4) and the West Half of the Southeast Quarter (N/2 SE/4) of Section 31, Township 28 South, Range 10 East of the 6th P.M., Elk County, Kansas.

FIRST AMERICAN TITLE INSURANCE COMPANY

By: 
Authorized Signatory

This page is only a part of a 2016 ALTA® Commitment for Title Insurance issued by First American Title Insurance Company. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I—Requirements; Schedule B, Part II—Exceptions; and a counter-signature by the Company or its issuing agent that may be in electronic form.

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**AMERICAN
LAND TITLE
ASSOCIATION**





First American Title™

ALTA Commitment for Title Insurance

ISSUED BY

First American Title Insurance Company

Schedule BI & BII

Commitment No.: 2311021-1

**SCHEDULE B, PART I
Requirements**

All of the following Requirements must be met:

1. The Proposed Insured must notify the Company in writing of the name of any party not referred to in this Commitment who will obtain an interest in the Land or who will make a loan on the Land. The Company may then make additional Requirements or Exceptions.
2. Pay the agreed amount for the estate or interest to be insured.
3. Pay the premiums, fees, and charges for the Policy to the Company.
4. Documents satisfactory to the Company that convey the Title or create the Mortgage to be insured, or both, must be properly authorized, executed, delivered, and recorded in the Public Records.
5. **WARRANTY DEED** from THE LAND PROJECT, LLC, a Virginia limited liability company, executed by one or more of the managers, if the LLC has managers, or by one or more of the members, if the members have retained management duties, vesting fee simple title in BUYER, TBD, together with a KANSAS REAL ESTATE SALES VALIDATION QUESTIONNAIRE, signed by the Seller or the Buyer, to accompany the Deed.
6. Provide issuing agent with a **COPY** of the Operating Agreement of THE LAND PROJECT, LLC, and any amendments thereto.
7. **RELEASE** of the Mortgage from The Land Project, LLC, in favor of Doliver Income Fund 1, LLC, dated May 17, 2023, recorded May 22, 2023, in Book M140, Page 404.

The Kansas court system was affected by a security incident limiting the ability to search, file and/or post documents affecting title to the Land. Closing will not be able to take place until all issues relating to this matter have been resolved and an updated search performed. We reserve the right to make additional requirements and/or exceptions.

If the parties are not willing to delay closing, then the following exceptions will appear on the final policy:

Owner's Policy:

Any defect, lien, encumbrance, adverse claim, or other matter created by or arising out of the inaccessibility of the Kansas court system, including, but not limited to, (i) an inability to search the Public Records, or (ii) any delay in recordation or filing of documents affecting title to the Land in the Public Records.

Loan Policy:

Any defect, lien, encumbrance, adverse claim, or other matter created by or arising out of the inaccessibility of the Kansas court system, including, but not limited to, (i) an inability to search the Public Records, (ii) any delay in recordation or filing of documents affecting title to the Land and/or the priority of the lien of the Insured Mortgage in the Public Records.

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First American Title™

ALTA Commitment for Title Insurance

ISSUED BY

First American Title Insurance Company

Schedule BI & BII (Cont.)

Commitment No.: 2311021-1

SCHEDULE B, PART II

Exceptions

THIS COMMITMENT DOES NOT REPUBLISH ANY COVENANT, CONDITION, RESTRICTION, OR LIMITATION CONTAINED IN ANY DOCUMENT REFERRED TO IN THIS COMMITMENT TO THE EXTENT THAT THE SPECIFIC COVENANT, CONDITION, RESTRICTION, OR LIMITATION VIOLATES STATE OR FEDERAL LAW BASED ON RACE, COLOR, RELIGION, SEX, SEXUAL ORIENTATION, GENDER IDENTITY, HANDICAP, FAMILIAL STATUS, OR NATIONAL ORIGIN.

The Policy will not insure against loss or damage resulting from the terms and provisions of any lease or easement identified in Schedule A, and will include the following Exceptions unless cleared to the satisfaction of the Company:

1. Any defect, lien, encumbrance, adverse claim, or other matter that appears for the first time in the Public Records or is created, attaches, or is disclosed between the Commitment Date and the date on which all of the Schedule B, Part I—Requirements are met.
2. Rights or claims of parties in possession not shown by the Public Records.
3. Easements, or claims of easements, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation or adverse circumstances affecting Title that would be disclosed by an accurate and complete survey of the Land or that could be ascertained by an inspection of the Land.
5. Any lien, or right to lien, for services, labor, or material heretofore or hereafter furnished, imposed by law and not shown by the Public Records.
6. Taxes, or special assessments, if any, not shown as existing liens by the Public Records.
7. The lien of the General Taxes for the year 2023, and thereafter. 2022 Taxes - \$824.56, paid in full (#00283)
8. Any claim to (a) ownership of or rights to minerals and similar substances, including but not limited to ores, metals, coal, lignite, oil, gas, uranium, clay, rock, sand and gravel located in, on, or under the Land or produced from the Land, wether such ownership or rights arise by lease, grant, exception, conveyance, reservation, or otherwise; and (b) any rights privileges, immunities, rights of way, and easements associated therewith or appurtenant thereto, whether or not the interests or rights excepted in (a) or (b) appear in the Public Records or are shown in Schedule B.
9. Rights of tenants in possession as tenants only under unrecorded leases.

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First American Title™

ALTA Commitment for Title Insurance

ISSUED BY

First American Title Insurance Company

Schedule BI & BII (Cont.)

Commitment No.: 2311021-1

10. Oil and Gas Lease dated May 23, 2002, by and between the John A. Fuqua and Joy D. Fuqua Revocable Trust, dated January 9, 2002, and Cody Oil & Gas Corporation, for a term of 5 years or as long as production, covering the NE/4 & N/2 SE/4 of 36-T28S-R9E, the SW/4 & W/2 SE/4 of 31-T28S-R10E and the E/2 NE/4 of 1-T29S-R9E, Elk County, Kansas, filed August 1, 2002, in Book 57, Page 471. Declaration of Unit filed April 12, 2012, in Book 68, Page 50. Affidavit of Production filed April 12, 2012, in Book 68, Page 54.
11. Salt Water Disposal and Tank Battery Site Lease dated June 6, 2012, by and between Colon A. Fuqua and Layne Energy Operating, LLC, for a disposal well and tank battery, covering a 400 feet by 400 feet tract in the NE/4 & N/2 SE/4 of Section 36-T28S-R9E, Elk County, Kansas, filed June 18, 2012, in Book 68, Page 353.

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OIL AND GAS LEASE

PRODUCERS 88-PAID UP Kansas CBM Form

Prospect:

This Agreement, made and entered into this 23rd day of May, 2002, by and between John A. Fuqua and Joy D. Fuqua, Trustees of the John A. Fuqua and Joy D. Fuqua Revocable Trust under trust Agreement dated January 9, 2002

whose address is RR1, Box 51 Piedmont, KS 67122 hereinafter called Lessor (whether one or more) and Cody Oil & Gas Corporation

whose address is P. O. Box 597, Bismarck, ND 58502-0597 their successors and assigns, hereinafter called Lessee:

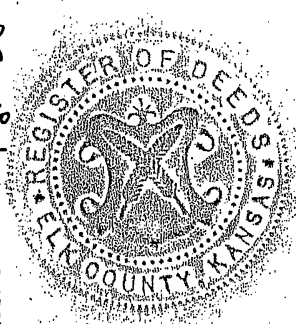
WITNESSETH, That the Lessor, for and in consideration of TEN AND MORE (\$10.00 +) DOLLARS cash in hand paid, the receipt and sufficiency are hereby acknowledged, and the covenants and agreements hereinafter contained, has granted, demised, leased and let, and by these presents does grant, demise, lease and let exclusively unto the said Lessee, the land hereinafter described, with the exclusive right for the purpose of exploring by geophysical and other methods, and operating for and producing therefrom oil, gas, and other hydrocarbons and all other minerals or substances, whether similar or dissimilar, including, but not limited to, coalbed methane, helium, nitrogen, carbon dioxide, and all substances produced in association therewith from coal bearing formations or elsewhere, that may be produced from any well drilled under the terms of this lease, with rights of way and easements for laying pipe lines and servicing or drilling other wells in the vicinity of said lands, and erection of structures thereon to produce, save and take care of said products, including the right to inject salt water and production fluids into strata below those providing fresh water from wells located on the herein leased lands or on adjacent lands, all that certain tract of land, together with any reversionary, remaindermen and executory rights therein, situated in Elk County, State of Kansas described as follows, to-wit:

- Township 28 South, Range 9 East Section 36: NE 1/4, N 1/2 SE 1/4
Township 28 South, Range 10 East Section 31: SW 1/4, W 1/2 SE 1/4
Township 29 South, Range 9 East Section 1: E 1/2 NE 1/4

State of Kansas Elk County SS 16.00

This instrument was filed for record on the 12th day of Aug. 2002 AD 10:30 o'clock AM and duly recorded in Book 57 of Ms. Page 471

Ceva L. Walter Register of Deeds



And containing 560.00 acres, more or less, 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.

1. It is agreed that this lease shall remain in force for a term of Five (5) years from this date and as long thereafter as oil or gas of whatsoever nature or kind 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 re-working operations thereon, 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 re-working 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: 1st. To deliver to the credit of Lessor, free of cost, in the pipe line to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises. 2nd. To pay Lessor one-eighth (1/8) of the net proceeds at the well from proceeds received for gas sold from each well where gas only is found, or the market value at the well of such gas used off the premises. 3rd. To pay Lessor one-eighth (1/8) of the market value at the well for gas produced from any oil well and used off the premises, or for the manufacture of casing-head gasoline or dry commercial gas. 4th. To pay Lessor one-eighth (1/8) of the proceeds received from the sale of any substance covered by this lease, other than oil and gas and the products thereof, which Lessee may elect to produce, save, and market from the leased premises.

4. If any well capable of producing oil and/or gas, whether or not in paying quantities, located on said land or on lands pooled or unitized with all or part of said land, is at any time shut in and production therefrom is not sold or used off the premises, nevertheless such shut-in well shall be considered a well producing oil and/or gas and this lease will continue in force while such well is shut in, notwithstanding expiration of the primary term. In lieu of any implied covenant to market, Lessee expressly agrees to market oil and/or gas produced from Lessee's well located on said lands or on lands pooled or unitized therewith, but Lessee does not covenant or agree to reinject or recycle gas, to market such oil and/or gas under terms, conditions or circumstances which in Lessee's judgement are uneconomic or otherwise unsatisfactory or to bear more than Lessee's revenue interest share of the cost and expense incurred to make the production marketable. If all wells on said land, or on lands pooled or unitized with all or part of said land, are shut in, then within 60 days after expiration of each period of one year in length (annual period) during which all such wells are shut in, Lessee shall be obligated to pay or tender to Lessor at above address via U.S. Mail on or before said date, as royalty, the sum of \$1.00 multiplied by the number of acres subject to this lease, provided, however, that if production from a well or wells located on said land or on lands pooled or unitized therewith is sold or used off the premises before the end of any such period, or if at the end of any such annual period this lease is being maintained in force and effect other than solely by reason of the shut-in well(s), Lessee shall not be obligated to pay or tender said sum of money for that annual period.

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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 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, oil 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 pipe line 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, at its option, 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 re-working 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 re-working 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 above 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 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.
13. For purposes of promoting the development of shallow gas and associated hydrocarbons produced in conjunction therewith, Lessee is granted the power to pool and unitize this lease into a development pooled unit of up to 5,760 acres. This grant shall only be effective if Lessee drills or has drilled no later than one (1) year from declaration of pooling and in no event later than one (1) year after the expiration of the primary term hereof, at least two wells within the pooled unit. This special pooling grant is only effective as to formations hereby defined as geologic formations located from the surface of the earth to one hundred feet (100') below the top of the Mississippian Carbonate formation. To utilize this pooling grant Lessee shall file with the Recorders Office of the relevant county or counties a declaration of the exact description of the unit formed pursuant to this clause. Subject to fulfilling the above described drilling requirements, such declaration is all that is required to establish the pooled unit. If such gas well or wells as contemplated by this clause shall not be drilled on the premises herein leased it shall nevertheless be deemed to be upon the leased premises within the meaning of all covenants, expressed or implied, in this lease. Lessor shall receive on hydrocarbon production thus pooled such proportion of the royalty stipulation herein reserved as the amount of Lessor's acreage placed in the unit bears to the total acreage so pooled in the particular declared unit, regardless of which wells the production actually comes from. After one such unit has been declared, Lessee may add other lands to such unit up to the limit of 5,760 acres.
14. 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 in 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.
15. 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 Lessor hereby agrees that any such payments made by Lessee for the Lessor may be deducted from any amounts of money which may become due the Lessor under the terms of this lease. 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.
16. 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.
17. Lessor and Lessee hereby made, as express provisions of this lease, the following: It is agreed that this lease shall remain in force for a term of **Five (5)** year(s) from the date, and as long thereafter as oil or gas, or either of them, is produced from said land by the Lessee, its successors and assigns. Lessee has the option to extend this lease for an additional term of **Five (5)** year(s) from the expiration of the primary term of this lease, and as long thereafter as oil or gas, or either of them, is produced from said land by the Lessee, its successors and assigns, said renewal to be under the same terms and conditions as contained in this lease. Lessee, its successors or assigns, may exercise this option to renew if on or before the expiration date of the primary term of this lease, Lessee pays or tenders to the Lessor or to the Lessor's credit, the sum of **Ten (\$10.00)**, dollars per net mineral acre.

18. Bonuses may be paid by check or draft and may be remitted by mail. Mailing of bonuses on or before the bonus paying date shall be deemed a timely tender thereof and shall preclude termination of this lease.

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

John A. Fuqua
John A. Fuqua, Trustee
ID# 533-05-3222-A

Joy D. Fuqua
Joy D. Fuqua, Trustee
455-50-6858

State of Kansas

County of GW

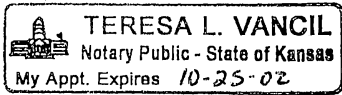
ACKNOWLEDGEMENT-INDIVIDUAL

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 23 day of May, 2002, Personally appeared John A. Fuqua, Trustee & Joy D. Fuqua, Trustees to me known to be the person(s) described in and that executed the foregoing instrument and acknowledged to me that each executed the same in his (her,their) free act and deed.

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

MY COMMISSION EXPIRES:

Teresa L. Vancil
Notary Public:
Address: SEVERY KS 67137



State of _____

County of _____

ACKNOWLEDGEMENT-CORPORATE

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ day of May, 2002, Personally appeared _____ to me known to be the President of the _____ who is described in and that executed the foregoing instrument and acknowledged to me that he executed the same in his (her,their) free act and deed and as the free and voluntary act and deed of said corporation for the uses and purposes therein setforth.

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

MY COMMISSION EXPIRES:

Notary Public:
Address:

OTHER PROVISIONS

- 19. Lessee and Lessor agree that any access roads, well sites, or pipelines to be constructed under the terms of this lease shall be done in consultation with the Lessor, provided however, the Lessor shall not attempt to prohibit said construction or make unreasonable requests of the Lessee.
- 20. Lessee agrees that as soon as is reasonably possible, following completion of its operations, Lessee shall restore its well site, as nearly as possible, to its original condition and land contour.
- 21. Lessee agrees to be a prudent operator and will keep all surface disturbances to the minimum area necessary to conduct its operations.
- 22. Lessee shall indemnify and hold Lessor harmless from any and all liability, liens, claims and environmental liability arising out of Lessee's operations under the terms of this lease.
- 23. Pursuant to paragraph #9 of this lease, Lessee agrees that within thirty (30) days of commencement of operations on the herein described lands, Lessee agrees to pay Lessor a one-time damage payment of \$500 for each acre of actual damage caused to Lessor's property as a direct result of Lessee's operations under the terms of this lease.

STATE OF KANSAS, ELK COUNTY
REGISTER OF DEEDS, NEVA L WALTER
Book: MS68 Page: 50
Receipt #: 14533 Total Fees: \$20.00
Pages Recorded: 4
Date Recorded: 4/12/2012 3:05:42 PM

DECLARATION OF UNIT

WHEREAS, Layne Energy Sycamore, LLC, as LESSEE, is the holder of title to the following described oil and gas leases:

1. **LESSOR:** John A. Fuqua and Joy D. Fuqua, Trustees of the John A. Fuqua and Joy D. Fuqua Revocable Trust
 RR#1 Box 51
 Piedmont, KS 67122

LESSEE: Cody Oil and Gas Corporation
 P.O. Box 597
 Bismarck, ND 58502-0597

DATE: 5/23/02

RECORDED: 08/01/02 Book 57 Page 471

PROPERTY: Elk County, Kansas
 Township 28 South Range 9 East
 Section 36:
 NE/4; N/2SE/4
 Township 28 South Range 10 East
 Section 31:
 SW/4; W/2SE/4
 Township 29 South Range 9 East
 Section 1:
 E/2NE/4



2. **LESSOR:** Verna L. Blanchat, Trustee of the Verna L. Blanchat Revocable Trust
 404 W. 22nd
 Harper, KS 67058

LESSEE: Cody Oil and Gas Corporation
 P.O. Box 597
 Bismarck, ND 58502-0597

DATE: 07/20/1992

RECORDED: 08/01/02 Book 57 Page 498

PROPERTY: Elk County, Kansas
 Township 29 South Range 10 East
 Section 6:
 NE/4; S/2
 Township 28 South Range 10 East
 Section 31:
 N/2

3. **LESSOR:** LeRoy G. Jordan and Viola A. Jordan
 RR2, Box 78
 Piedmont, KS 67122

LESSEE: Cody Oil and Gas Corporation
 P.O. Box 597
 Bismarck, ND 58502-0597

DATE: 06/06/2002

RECORDED: 08/05/2002 Book 57 Page 564

PROPERTY: Elk County, Kansas
 Township 28 South Range 9 East
 Section 36:
 E/2NW/4; NE/4SW/4; S/2S/2
 Township 29 South Range 9 East
 Section 1:
 The South ¾ths of the SE/4SE/4 & SW/4SW/4
 Section 2:
 SE/4

AND WHEREAS, the said Layne Energy Sycamore, LLC has proposed the formation of a Production Unit covering the following described lands, 158.113 acres to wit:

Elk County, Kansas
Township 28 South Range 9 East
Section : 36

↙ From the NE Corner of said section 36 go 1,950' south to point of beginning, thence West 1,709' thence South 2,460' thence East 1,709', thence North 2,460' to point of beginning

↘ Township 28 South Range 10 East
Section 31:

From the NW Corner of said section 31 go 1,950' south to point of beginning, thence East 436' thence South 2,460' thence West 436', thence North 2,460' to point of beginning

NOW THEREFORE, the undersigned, under the authority, terms and conditions granted by said oil and gas leases, does hereby create, declare and form a Production Unit upon the following terms and conditions:

1. The Production Unit shall be called the Fuqua Production Unit.
2. The Production Unit covers and includes the following described land, to wit:

Elk County, Kansas

Township 28 South Range 9 East

Section : 36

From the NE Corner of said section 36 go 1,950' south to point of beginning, thence West 1,709' thence South 2,460' thence East 1,709', thence North 2,460' to point of beginning

Township 28 South Range 10 East

Section 31:

From the NW Corner of said section 31 go 1,950' south to point of beginning, thence East 436' thence South 2,460' thence West 436', thence North 2,460' to point of beginning

3. Unitized Substances means all oil, gas, gaseous substances, condensate, distillate and all associated liquids.

4. Unit Well means the Fuqua #9-36.

5. Unitized formations include all the subsurface portions of the unit area.

6. Operations on and production from the Production Unit shall be treated as if such operations were upon or such production were from all the leased premises within the Production Unit, without regard to upon which lease the well or wells might be located.

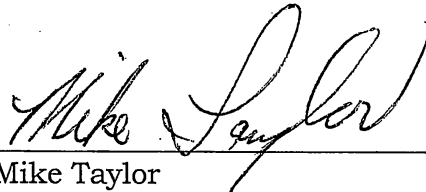
7. The entire acreage within the Production Unit shall be treated as if it were covered by and included in each of the Leases described herein, except that the royalty on production from the Production Unit shall be as provided herein and except that in calculating the amount of any shut-in royalties, only that part of the acreage originally covered by each lease shall be counted in calculating shut-in royalty payable to each lessor. With respect to actual production from the Production Unit, lessee shall pay each lessor, in lieu of other royalties thereon, only such proportion of the royalties provided for in the applicable lease as the amount of such lessor's acreage placed in the unit, or lessor's royalty interest thereon on an acreage basis, bears to the total acreage in the Production Unit.

8. The Production Unit shall remain in force so long as the above described leases, or any of them, remain in force, unless the Production Unit is modified or dissolved by written agreement filed of record in the county records.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands effective as of April 1, 2012.

LESSEE


Layne Energy Sycamore, LLC

By: 
 Mike Taylor
 Operations Manager

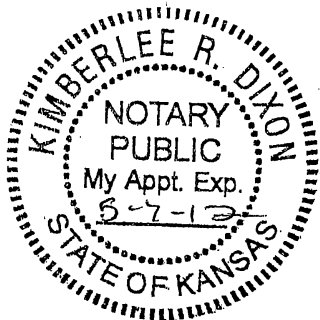
STATE OF KANSAS)
) SS:
 COUNTY OF MONTGOMERY)

BE IT REMEMBERED that on this 11th day of April, 2012, before me, a Notary Public in and for the County and State aforesaid, came Mike Taylor, Operations Manager of Layne Energy Sycamore, LLC, a Kansas limited liability company, and who is personally known to me to be such officer and who is personally known to me to be the same person who executed, as such officer, the within instrument of writing on behalf of said company, and such person duly acknowledged the execution of the same to be the act and deed of said company.

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


 Notary Public

My appointment expires: May 7, 2012



STATE OF KANSAS, ELK COUNTY
 REGISTER OF DEEDS, NEVA L. WALTER
 Book: MS68 Page: 54
 Receipt #: 14533 Total Fees: \$16.00
 Pages Recorded: 3
 Date Recorded: 4/12/2012 3:05:43 PM

AFFIDAVIT OF PRODUCTION



STATE OF KANSAS)
) SS:
 COUNTY OF ELK)

Michael Taylor, of lawful age being first duly sworn upon his oath states:

1. That he is the Operations Manager of Layne Energy Sycamore, LLC.; that he has personal knowledge of the facts hereinafter set forth; and that he is duly authorized by Layne Energy Sycamore, LLC. to make this affidavit.

2. That Layne Energy Sycamore, LLC is the present owner of the following described Oil and Gas Leases, to wit:

- 1. **LESSOR:** John A. Fuqua and Joy D. Fuqua, Trustees of the John A. Fuqua and Joy D. Fuqua Revocable Trust
 RR#1 Box 51
 Piedmont, KS 67122
- LESSEE:** Cody Oil and Gas Corporation
 P.O. Box 597
 Bismarck, ND 58502-0597
- DATE:** 5/23/02
- RECORDED:** 08/01/02 Book 57 Page 471
- PROPERTY:** Elk County, Kansas
 - ✓ Township 28 South Range 9 East
 Section 36:
 NE/4; N/2SE/4
 - ✓ Township 28 South Range 10 East
 Section 31:
 SW/4; W/2SE/4
 - ✓ Township 29 South Range 9 East
 Section 1:
 E/2NE/4

2. **LESSOR:** Verna L. Blanchat, Trustee of the Verna L. Blanchat Revocable Trust
 404 W. 22nd
 Harper, KS 67058
- LESSEE:** Cody Oil and Gas Corporation
 P.O. Box 597
 Bismarck, ND 58502-0597
- DATE:** 07/20/1992
- RECORDED:** 08/01/02 Book 57 Page 498
- PROPERTY:** Elk County, Kansas
 ↘ Township 29 South Range 10 East
 Section 6:
 NE/4; S/2
 ↘ Township 28 South Range 10 East
 Section 31:
 N/2
3. **LESSOR:** LeRoy G. Jordan and Viola A. Jordan
 RR2, Box 78
 Piedmont, KS 67122
- LESSEE:** Cody Oil and Gas Corporation
 P.O. Box 597
 Bismarck, ND 58502-0597
- DATE:** 06/06/2002
- RECORDED:** 08/05/2002 Book 57 Page 564
- PROPERTY:** Elk County, Kansas
 ↘ Township 28 South Range 9 East
 Section 36:
 E/2NW/4; NE/4SW/4; S/2S/2
 ↘ Township 29 South Range 9 East
 Section 1:
 The South ¾ths of the SE/4SE/4 & SW/4SW/4
 ↘ Section 2:
 SE/4

3. That pursuant to that certain Declaration of Unit dated April 1, 2012, and recorded at Book Ms68, Page 50, in the Office of the Register of Deeds for Elk County, Kansas, the aforementioned Oil and Gas Leases have been unitized into a

C010350

production unit, the Fuqua Production Unit, and that a well, the Fuqua 9-36, the unit well, was completed on March 26, 2012

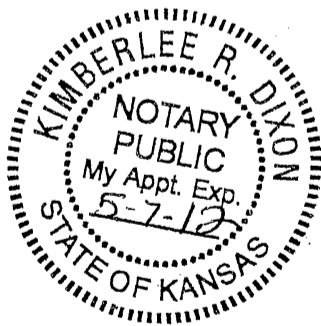
4. That said Oil and Gas Leases are for a definite term of years therein provided and as long thereafter as oil or gas or either of them is produced from said land by the Lessee.

5. That public notice is hereby given pursuant to KSA 55-205 that Layne Energy Sycamore, LLC is now the owner of said Oil and Gas Leases; that a well or wells producing oil or gas in paying quantities has been completed upon the said leases; that said Oil and Gas Leases remain in full force and effect beyond their primary terms; and the lessee thereunder is now, and is entitled to remain, in possession of said leases so long as oil or gas or either of them is produced from the above described lands.

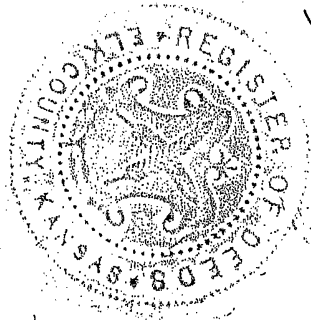
Layne Energy Sycamore, LLC

By: Michael Taylor
Michael Taylor
Operations Manager

SUBSCRIBED AND SWORN TO before me this 11th day of April, 2012.



Kimberlee R. Dixon
Kimberlee R. Dixon, NOTARY PUBLIC
My Appointment Expires: May 7, 2012



STATE OF KANSAS, ELK COUNTY
REGISTER OF DEEDS, NEVA L WALTER
Book: MS68 Page: 353
Receipt #: 14657 Total Fees: \$16.00
Pages Recorded: 3
Date Recorded: 6/18/2012 11:56:03 AM

SALT WATER DISPOSAL AND TANK BATTERY SITE LEASE

This Salt Water Disposal/ Compressor Site Lease (the "Lease"), is made and entered into this 6 day of June, 2012 (the "Effective Date"), between Conlon A. Fuqua, a single person, whose address is 1929 Rd 10, Piedmont, KS 67122, referred to as the "Lessor", and Layne Energy Operating, LLC, whose address is 1900 Shawnee Mission Parkway, Mission Woods, KS 66205, referred to as the "Lessee".

Lessor, for Ten Dollars (\$10.00), and other valuable consideration, the receipt of which is acknowledged, demises, leases and lets to Lessee, its successors or assigns the following lands located in Elk County, Kansas, for the purposes provided for in this Lease:

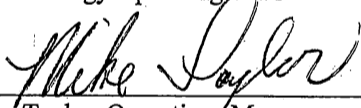
An area of land measuring 400 feet by 400 feet (hereinafter referred to as the "Lease Premises") being a portion of the following described tract (hereinafter referred to as "Lessor's Land"):

✓ Township 28 South, Range 9 East, Section 36: NE/4 and the N/2 SE/4

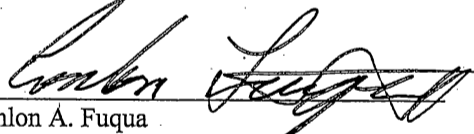
1. Lessee shall have the exclusive right to use the Lease Premises and a disposal well to be located on the Lease Premises, in connection with the disposal of oil and natural gas field brine and other waste water, by Lessee, and their injection into the substrata of the Lease Premises; and for the digging of pits; for the erection of tanks and receptacles necessary in receiving, treating, and disposing of brine and waste water; and, for the erection of structures, pipeline, appliances, engines and machinery necessary in connection with the operation of the drilled well as a salt water disposal input well. For the same consideration recited herein below, the Lessor hereby grants unto the Lessee, its successors and assigns, rights-of-way for access, electric lines, and pipelines over, across and through Lessor's Land described for the purpose of implementing or facilitating the rights contemplated herein.
2. Lessee shall have the exclusive right to use the Lease Premises for a tank battery site to be located on the Lease Premises, in connection with the production, separation, storage and taking care of oil and gas. For the same consideration recited herein below, the Lessor hereby grants unto the Lessee, its successors and assigns, rights-of-way for access, electric lines, and pipelines over, across and through Lessor's Land described for the purpose of implementing or facilitating the rights contemplated herein.
3. The primary term of this Lease is Ten (10) years from the Effective Date stated above, and as long thereafter as Lessee continues to use a salt water disposal well (the "Well") to be drilled on the Lease Premises or a tank battery site for the purposes set out, with no cessation of use of more than one year.
4. In consideration for the rights conveyed herein, Lessee shall pay Lessor, the sum of \$500.00 plus an annual fee of \$500.00, payable each year on the anniversary date of the Effective Date of this Agreement (the "Rentals"). All payments and tenders may be made by draft or check of Lessee or its agent, and considered paid when deposited in any post office and addressed to Lessor. No change in the ownership of the Lease Premises shall be binding on Lessee until and unless it shall have first been furnished a copy of the recorded conveyance effecting a transfer of title.
5. Lessee shall have the right to use the Lease premises and the Well for the injection of oil or natural gas field brine and waste water into the substrata of the lands, whether produced on lands operated for oil and gas by Lessee or those operated by others.
6. Lessee shall have the right to use the Lease premises and tank battery to gather, separate, store and take care of all oil and gas, water, and other products in connection to the production of oil and gas.

- 7. Lessee shall have the right, during the term of this Lease or within one hundred and eighty (180) days after its termination to remove from the Lease Premises all materials, equipment, and other personal property placed on the Lease Premises by Lessee.
- 8. The terms of this Lease shall extend to and be binding on Lessee and Lessor and their heirs, successors or assigns.
- 9. Lessee has the right at any time prior to, and the duty and responsibility within 180 days after the termination of this Lease, to remove any and all improvements and equipment owned or placed by Lessee on the Lands. Lessee has the right to surrender this Lease at any time by filing a release of record in the county named above, or by delivery of a release, in recordable form, to Lessor.
- 10. If Lessee fails to timely pay any monies when due, or comply with any of the obligations of this Lease, that failure shall not constitute a forfeiture or termination of this Lease unless written notice of the default, by certified or registered mail, is delivered to Lessee by Lessor at the last known address for Lessee, and Lessee fails to remedy the default within sixty (60) days after receipt of said notice. If Lessee remains in default for more than sixty (60) days after receipt of said notice, this lease shall then terminate automatically.
- 11. Lessor warrants title to Lessor's Land and agrees that Lessee has the free right of ingress and egress and the right to lay pipelines and electric lines on, over and across Lessor's Land to the Lease Premises.
- 12. If the Lease Premises is in pasture land, Lessee at its cost shall install appropriate fencing to separate the Lease Premises from Lessor's Land.

This Lease is executed by Lessor and Lessee on the date of the acknowledgement below, but is effective as of the Effective Date stated above.

LESSEE:
 Layne Energy Operating, LLC


 Mike Taylor, Operations Manager

LESSOR:


 Conlon A. Fuqua

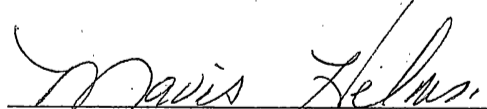
Acknowledgement
 STATE OF KANSAS)
)
 COUNTY OF ELLIS)

ss.

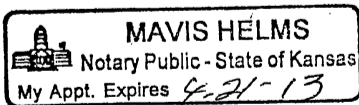
On this 6 day of June, 2012, before me, the undersigned notary public, personally appeared Conlon A. Fuqua, a single person, known to me to be the person whose name is subscribed to the within instrument and acknowledged he/she/they executed the same for the purposes therein contained.

In witness whereof, I hereunto set my hand and official seal.

My Commission Expires: 4-21-13



 Notary Public



STATE OF Kansas)
)
COUNTY OF Montgomery) ss.

On this 11th day of June, 2013 before me, the undersigned notary public, personally appeared Mike Taylor, Operations Manager, of Layne Energy Operating, LLC, known to me to be the person whose name is subscribed to the within instrument and acknowledged he/she executed the same for the purposes therein contained on behalf of Layne Energy Sycamore, LLC.

In witness whereof, I hereunto set my hand and official seal.

My Commission Expires: May 7, 2016

Kimberlee R Dixon
Notary Public

