

LyonCounty *Title*™

423 Commercial Street  
Emporia, KS, 66801  
(620) 343-1490  
Fax: (620) 343-1492

Date: 2/3/2023

To: Griffin Real Estate  
Attn: Chuck

In Re: A tract in Chase County consisting of 76.84 acres  
Larry & Thelma Blosser  
#23-14888

STATEMENT

Report	\$0
Copies	\$0
	<hr/>
Total Amount Due	\$0

THANK YOU !!!

**Larry E. Blosser was given complete ownership of this property description in the probate of Byron A. Blosser, filed December 30, 1998 under Case No. 98P68 in the office of the Clerk in the District Court of Chase County, Kansas.**

**LYON COUNTY TITLE, L.L.C.**  
423 Commercial  
Emporia, KS 66801

Agent For: **FIRST AMERICAN TITLE INSURANCE COMPANY**

**“INFORMATIONAL REPORT ONLY”**

---

Prepared For: Griffin Real Estate

Schedule A

---

REPORT NO.: 23-14888

FILE NO.: TI-23-14888

EFFECTIVE DATE: February 2, 2023 at 7:55 o'clock A.M.

Inquiries Should Be Directed To: Shirley Crist  
343-1490

1. Title to the fee simple estate or interest in the land described or referred to in this Report is at the effective date hereof vested in:

Larry Blosser

2. The land referred to in this Report is described as follows:

The East half of the Northeast Quarter (E ½ NE ¼) of Section 21, Township 21, Range 6, East of the 6<sup>th</sup> P.M., Chase County, Kansas.

LYON COUNTY TITLE, L.L.C.

Agent For: FIRST AMERICAN TITLE INSURANCE COMPANY

“INFORMATIONAL REPORT ONLY”

---

Schedule B-I

---

REPORT NO: 23-14888

1. NOTE: This is NOT a commitment to insure and has been issued as a report as to the status of title only, and as such should not be relied upon for a Real Estate Transaction. This is not a commitment to insure, and no insurance is provided by this report; nor is the Company liable for errors or omissions in this report.  
If a Commitment for Title Insurance is desired, the identity of the entities to be insured and policy amounts must be disclosed to this Company, and this Company will then issue a Commitment for Title Insurance disclosing all requirements for issuance of the policy, as well as any additional exceptions which may then be necessary.

Limitation of Liability for Informational Report

IMPORTANT-READ CAREFULLY: This report is not an insured product or service or a representation of the condition of title to real property. It is not an abstract, legal opinion, opinion of title, title insurance commitment or preliminary report, or any form of title insurance of guaranty. This report is issued exclusively for the benefit of the applicant therefor, and may not be used or relied upon by any other person. This report may not be reproduced in any manner without First American's prior written consent. First American does not represent or warrant that the information herein is complete or free from error, and the information herein is provided without any warranties of any kind, as-is, and with all faults. As a material part of the consideration given in exchange for the issuance of this report, recipient agrees that First American's sole liability for any loss or damage caused by an error or omission due to inaccurate information or negligence in preparing this report shall be limited to the fee charged for the report. Recipient accepts this report with this limitation and agrees that First American would not have issued this report but for the limitation of liability described above. First American makes no representation or warranty as to the legality or propriety of recipient's use of the information herein.

SPECIAL EXCEPTIONS

1. General taxes for the year of 2023 and subsequent years, together with any special assessments due and payable therewith. (Tax ID#1-02930) (2022 taxes were in the amount of \$612.51) (2022 taxes are paid, 2023 taxes are not due or payable.)
2. An oil and gas lease by Byron Blosser and Lilly Blosser, a married couple, to Phillips Petroleum Company, filed May 17, 1984 at 8:30 o'clock A.M., in Book L-69, page 145, in the office of the Register of Deeds, Chase County, Kansas.

*Special Exceptions Continued Next Page:*

3. An affidavit of possession of land for agricultural purposes, by Terry Soyez, filed October 18, 1984 at 2:35 o'clock P.M., in Book L-72 of Land, page 56, in the office of the Register of Deeds, Chase County, Kansas.
4. An oil and gas lease by Larry E. Blosser and Thelma E. Blosser, a married couple, to Penn Virginia Oil & Gas Corporation, filed July 2, 2003 at 9:45 o'clock A.M., in Book L-142 of Land, page 72 & 73, in the office of the Register of Deeds, Chase County, Kansas.
5. Rights of Agricultural Tenants in possession, if any.
6. Terms and conditions of contracts, if any, with the United States Department of Agriculture.
7. Any right of ways for roads or highways.

END OF SCHEDULE B

# OIL AND GAS LEASE

THIS AGREEMENT, Entered into this the 9th day of April, 1984  
between Byron Blosser and  
Lilly Blosser his wife  
RR#2, Peabody, Kansas - 66866  
and Phillips Petroleum Company - 2929 Central Expressway, hereinafter called lessor,  
Richardson, Texas 75080 hereinafter called lessee, does witness:

1. That lessor, for and in consideration of the sum of ten and more 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 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, including core drilling and the drilling, mining, and operating for, producing, and saving all of the oil, gas, casinghead gas, casinghead gasoline and their respective constituent vapors, and all other gases and for constructing roads, laying pipe lines, building tanks, storing oil, building powers, stations, telephone 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, said tract of land with any reversionary rights therein being situated in the County of Chase State of Kansas, and described as follows:

Township 21-South, Range 6-East  
Section 21: E $\frac{1}{2}$ NE $\frac{1}{4}$

containing 80 acres, more or less.

2. This lease shall remain in force for a term of five (5) years and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of the products covered by this lease is or can be produced.

3. The lessee shall deliver to lessor as royalty, free of cost, on the lease, or into the pipe line to which lessee may connect its wells the equal one-eighth part of all oil produced and saved from the leased premises, or at the lessee's option may pay to the lessor for such one-eighth royalty the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line or into storage tanks.

4. The lessee shall pay to lessor for gas produced from any oil well and used by the lessee for the manufacture of gasoline or any other product as royalty 1/8 of the market value of such gas at the mouth of the well; if said gas is sold by the lessee, then as royalty 1/8 of the proceeds of the sale thereof at the mouth of the well. The lessee shall pay lessor as royalty 1/8 of the proceeds from the sale of gas as such at the mouth of the well where gas, condensate, distillate or other gaseous substance is found, and where such gas is not sold or used lessee may pay or tender annually at the end of each yearly period dating from the completion of the first such gas well during which such gas is not sold or used, as in lieu royalty, whether one or more wells, an amount equal to the delay rental provided in paragraph 5 hereof and while said in lieu 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 lessor to have gas free of charge from any gas well on the leased premises for stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of such gas to be at the lessor's sole risk and expense.

5. If operations for the drilling of a well for oil or gas are not commenced on said land on or before the 9th day of April, 1985 this lease shall terminate as to both parties, unless the lessee shall on or before said date by check or draft pay or tender to the lessor or for the lessor's credit in the Cedar Point State Bank at Cedar Point, Kansas 66843

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 One Hundred Sixty 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 commencement of operations for drilling may further be deferred for like periods successively. All payments or tenders may be made by check or draft of lessee 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 when said first rental is payable as aforesaid, but also the lessee's option of extending that period as aforesaid and any and all other rights conferred, Notwithstanding the death of the lessor or his successors in interest, the payment or tender of rentals in the manner above shall be binding on the heirs, devisees, executors, and administrators of such persons.

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 interest in said land should revert to lessor, or his heirs, or his or their grantee, 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, gas, oil and water found on said land for its operations thereon, except water from the 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, or 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, but lessee shall be under no obligation to do so.

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, rentals, 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 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 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 to 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, administrator, executor, or heir of lessor.

9. 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 be hereafter divided by sale, devise, descent or otherwise, or to furnish separate measuring or receiving tanks. It is hereby agreed that in the event this lease shall be assigned as to a part or as to parts of the above described land and the holder or owner of any such part or parts shall make default in the payment of the proportionate part of the rent due from him or them, 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, mortgages, or 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 reimburse itself by applying to the discharge of any such mortgage, tax or other lien, any royalty or rentals accruing hereunder.

11. If at any time prior to discovery of oil or gas on said land, lessee should drill a dry hole or holes thereon, or if after discovery of oil or gas the production thereof should cease from any cause, this lease shall not terminate if lessee commences additional drilling or reworking operations within sixty (60) days thereafter or (if it be within the primary term) commences or resumes the payment or tender of rentals on or before the rental payment date next ensuing after the expiration of three months from the date of completion of the dry hole or cessation of production. 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, the 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 sixty (60) consecutive days, and if they result in the 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 determine and any rentals thereafter paid may be apportioned on an acreage basis, 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, 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 on account of any cause, the primary term of this lease shall continue until six months after said order is suspended and/or said equipment is available, but the lessee shall pay delay rentals herein provided during such extended time.

14. Lessee, at its option, is hereby given the right and power to pool or combine into one or more units the land covered by this lease, or any portion thereof, with other land covered by another lease, or leases adjoining same or in the vicinity thereof, when, in lessee's judgment, it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of such minerals in and under said land, such pooling to be of tracts adjoining same or in the vicinity thereof as to form a compact unit or units, and to be in a unit or units not exceeding 43 acres each in the event of

o: Phillips Oil Company, 2929 N. Central Expressway, Richardson, TX 75080

No. 345

# OIL AND GAS LEASE

FROM

*Byron B. Blawie*

TO

*Phillips Petroleum Co*

Date \_\_\_\_\_ 19\_\_

Section \_\_\_\_\_ Twp \_\_\_\_\_ Rge \_\_\_\_\_

No. of Acres \_\_\_\_\_ Term \_\_\_\_\_

County \_\_\_\_\_

STATE OF Kansas  
County of Cherokee } ss:

This instrument was filed for record on the

17th day of May 1984

at 8:30 o'clock P. M., and duly recorded

in Book 8-69 Page 154 of

the records of this office.  
*Robert H. Hartman*  
Register of Deeds.

By William M. Hartman  
When recorded, return to \_\_\_\_\_

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 \_\_\_\_\_ COUNTY OF \_\_\_\_\_ } ss. ACKNOWLEDGMENT FOR INDIVIDUAL (Kans., Okla., and Colo.)

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 \_\_\_\_\_ COUNTY OF \_\_\_\_\_ } ss.

ACKNOWLEDGMENT FOR CORPORATION

On this \_\_\_\_\_ day of \_\_\_\_\_, A. D., 19\_\_ , before me, the undersigned, a Notary Public in and for the county and state aforesaid, personally appeared \_\_\_\_\_ President and acknowledged to me that \_\_\_\_\_ executed the same as \_\_\_\_\_ 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.

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.

# AFFIDAVIT OF POSSESSION



By Tenant

State of Kansas }  
County of Chase } ss.

Terry Soyez, being first duly sworn

deposes and says:

My name is Terry Soyez

that I am of lawful age and reside in Chase County, Kansas

That I am tenant on fee land belonging to Byron Blosser

situated in the County of Chase State of Kansas, described as

follows, to-wit:

Township 21-South, Range 6-East  
Section 21: E $\frac{1}{2}$ NE $\frac{1}{4}$

STATE OF KANSAS } SS  
CHASE COUNTY }

This instrument Filed for Record the 18<sup>th</sup>  
day of October A.D. 1984  
at 9:25 o'clock P.M

and recorded in Book 2-72 of Land

on Page 56  
Robert Heathman Allen  
Register of Deeds

#985

of section xxx Township xxx Range xxx and containing 80 acres, more or less,  
and occupy said premises only for agricultural purposes and do not claim any right, title or interest in  
said lands except the right to use and cultivate the same for agricultural purposes under terms and con-

ditions heretofore made with the said Byron Blosser

or his duly authorized agent, and hereby state that my right to possession in no way interferes with the  
right of said owner to lease said lands for oil and gas development purposes, and that my possession as  
tenant is subject to the rights of any lease or assignee under any oil and/or gas lease executed by  
such owner.

That I have occupied and cultivated said land for a period of over two years

and know of my own personal knowledge that the said Byron Blosser

and those under whom he claims title, have been in open, adverse, undisputed ownership of said land dur-  
ing said period.

Further affiant saith not.

*(Handwritten marks)*

**OIL AND GAS LEASE**

23rd April

THIS AGREEMENT, made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2003, by and between  
Larry E. Blosser and Thelma E. Blosser, his wife  
222 W 7th Street, Florence, KS 66851  
 hereinafter called Lessor (whether one or more), and Penn Virginia Oil & Gas Corporation, 2550 East Stone Drive, Suite 110, Kingsport, Tennessee 37660, hereinafter called Lessee;

**WITNESSETH:**

1. That the said Lessor, for and in consideration of Ten and More Dollars, cash in hand paid, receipt and adequacy of which are hereby acknowledged, and of the royalties herein provided and of the agreements of the Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee the land covered hereby for the purposes of investigating, exploring, prospecting, drilling (either horizontally, vertically, or directionally), developing, operating, producing, marketing, and transporting oil and gas along with all hydrocarbon and non-hydrocarbon substances (including sulphur) produced in association therewith. The term "oil" as used herein includes condensate and all other liquid hydrocarbons. The term "gas" as used herein includes, but is not limited to, helium, carbon dioxide, and other commercial gases, as well as hydrocarbon gases such as casinghead gas, hydrogen sulfide gas, coalbed methane gas, gob gas, and all natural gas originating, produced, or emitted from coal formations or seams, and any related, associated, or adjacent rock material. Lessor further grants, leases and lets exclusively unto Lessee said land for the purposes of injecting gas, waters, other fluids, air and any other substances into subsurface strata, conducting all types of recovery operations, establishing and utilizing facilities for the disposition of salt water and other waste materials, laying pipelines, storing leased substances, building roads, bridges, tanks, power lines, telephone lines and any other structures and things thereon to produce, save, take care of, treat, process, store and transport said leased substances and other products manufactured therefrom, and housing and otherwise caring for its employees, together with such rights and easements in said land necessary or useful in Lessee's oil and gas operations on said land or adjoining lands, together with the right to transport through or over the property hereby leased any and all oil and gas produced by Lessee, its successors and assigns, from other property, including the right of way and easement to lay, construct, use, maintain, operate, change, replace and remove pipeline or pipelines for such transportation and with the right to cross any adjacent or contiguous lands of Lessor by use of existing roads or otherwise in order to have ingress and egress to and from said land to carry out such purposes. The land covered hereby is located in \_\_\_\_\_ Chase County, Kansas and is described as follows, to wit:

East Half Northeast Quarter (E/2NE/4)  
 Section 21-21S-6E

STATE OF KANSAS #510  
 CHASE COUNTY  
 Recorded July 2 2003  
 at 9:45 o'clock A M in  
 Book L-142 of Land  
 Page 72+73  
*Ruth J. Smith*  
 Register of Deeds

less and except a circle with a 100 foot radius around any existing oil and/or gas wells,

and containing 80 acres, more or less, which acreage figure may be relied upon by Lessee in calculating rental or other payments hereunder. Notwithstanding the above specific description, it is nevertheless the intention of Lessor to include within this lease, and Lessor does hereby lease, all lands now owned, claimed, or hereafter acquired by Lessor up to the boundaries of any abutting landowner (including any vacancies), together with any and all of Lessor's interest in any lands underlying lakes, streams, roads, easements and rights-of-way which cross or adjoin the Land, including all land added thereto by accretion.

2. It is agreed that this lease shall remain in force for a term of five (5) years from the date written above, (herein called the primary term) and as long thereafter as oil and gas, or either of them, are produced or capable of being produced from the Land or lands with which the Land is pooled, consolidated, or unitized hereunder, or this lease is continued in force by any other provision hereof.

3. Lessee agrees to deliver to the credit of Lessor into the pipeline or storage tanks to which the well may be connected, one-eighth (1/8th) part of all oil produced and saved from the Land, or, from time to time, at the option of the Lessee, the market price at the well of such one-eighth (1/8th) part of all oil produced and saved from the Land, or, saved from the Land, a royalty equal to one-eighth (1/8th) of the net proceeds realized by Lessee from the sale thereof, computed at the wellhead. Lessee shall pay Lessor for gas produced and excise, occupation, depletion, privilege, license, severance, processing, production or other taxes now or hereafter levied, or assessed or charged on oil or gas produced from the Land. During any period (whether before or after expiration of the primary term hereof) when gas is not being so sold or used and the well or wells are shut-in and there is no current production of oil or operations on the Land (or lands with which all or a part of the Land is pooled) sufficient to keep this lease in force, Lessee shall pay or tender a royalty of Two Hundred Fifty Dollars (\$250.00) per year for each shut-in gas well, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut-in and thereafter on the anniversary date of this lease during the period such well is shut-in, to the royalty owners. When such payment or tender is made, it will be considered that gas is being produced within the meaning of the entire lease.

4. Commencing with the first day of the fourth year of the term hereof, if the Lessee has not theretofore commenced drilling operations on the Land (or lands with which all or a part of the Land may be pooled, consolidated, or unitized) or terminated this Lease as herein provided, the Lessee shall pay or tender to Lessor, the sum of Three and No/100 DOLLARS (3.00) per acre, per year, payable quarterly in advance at Lessee's option, hereinafter called "rental", which shall extend for twelve (12) months the time within which drilling operations may be commenced. Thereafter, annually, in like manner and upon like payments or tenders, the commencement of drilling operations may be further deferred for periods of twelve (12) months each during the primary term. This lease shall become null and void for failure to pay rental for any period when same becomes due and payable, provided, however, that Lessor shall give Lessee written notice of such failure to pay said rental and Lessee shall have twenty (20) days from receipt of such notice to cure by tendering such rental to Lessor. It is agreed, however, that no implied covenant shall be read into this lease requiring Lessee to drill or to continue drilling on the Land, or fixing the measure of diligence therefor. Payment or tender of rental may be made by check or draft of Lessee delivered or mailed to Lessor (at address last known to Lessee) on or before such date for payment and the payment or tender will be deemed made when the check or draft is so delivered or mailed. Drilling operations shall be deemed to be commenced when the first material is placed on the Land or when the first work, other than surveying or staking the location, is done thereon which is necessary for such operations.

5. Should the first well drilled on the Land, or on lands pooled, consolidated, or unitized therewith, be a dry hole, then, in that event, if a second well is not commenced on the Land, or on acreage pooled therewith, within twelve (12) 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 (12) months shall resume the payments of rentals, in the same amount and in the same manner as hereinbefore provided. It is agreed that upon the resumption of the payment of rentals as above provided the provisions hereof governing the payment of rentals and the effect thereof shall continue in force just as though there has been no interruption in the rental payments. If at expiration of the primary term no oil or gas is being produced on the Land or on lands pooled, consolidated, or unitized therewith, but Lessee is then engaged in drilling operations or reworking wells successively) are commenced and prosecuted with reasonable diligence and dispatch with no cessation of more than one hundred twenty (120) consecutive days and, if they result in the production of oil or gas, so long thereafter as any oil or gas is produced thereunder from the Land.

6. Lessee is hereby granted the right at any time and from time to time, as a recurring right either before or after production, to pool, consolidate, and unitize the Land or any portion or portions thereof, as to all strata or any stratum or strata, with any other lands as to all strata or any stratum or strata, for the production of oil or gas. However, no unit for the production primarily of oil shall embrace more than 80 acres, or for the production primarily of gas (with or without distillate) more than 640 acres; provided that if any governmental regulation shall prescribe a spacing pattern for the development of the field or allocate a producing allowable based on acreage per well, then any such unit may embrace as much additional acreage as may be so prescribed or as may be used in such allocation of allowable. Lessee shall file written unit designations or declarations of pooling in the county in which the Land is located. Operations upon and production from the unit shall be treated as if such operations were upon or such production was from the Land, whether or not the well or wells are located thereon. The entire acreage within a unit shall be treated for all purposes as if it were covered by and included in this lease except that the royalty on production from the unit shall be as below provided and except that in calculating the amount of any rentals or shut-in gas royalties, only that part of the acreage originally leased and then actually embraced by this lease shall be counted. With respect to the production from the unit, Lessee shall pay Lessor, in lieu of other royalties thereon, only such proportion of the royalties stipulated herein as the amount of Lessor's acreage hereunder which is placed in the unit, or his royalty interest therein on an acreage basis, bears to the total acreage in the unit.

7. Lessee shall, without cost, have the right to use oil, gas and water produced from or stored on the Land for Lessee's operations, except that Lessee shall not be entitled to use water from Lessor's domestic water well and Lessee, when requested in writing by any Lessor owning an interest in the surface, shall bury, if reasonable and practical, all pipelines crossing cultivated lands off the well sites below ordinary plow depth. Lessee agrees that no well shall be drilled within two hundred (200) feet of any occupied residence located on the Land as of the date of this lease without the Lessor's consent. Lessee shall pay Lessor for all damages directly caused by Lessee's drilling operations on the Land to Lessor's growing crops, trees, and fences. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed in, on or under the Land by Lessee, including the right to draw and remove all casing and pipelines.

8. The rights of each party hereunder may be assigned in whole or in part and the provisions hereof shall extend to their heirs, devisees, successors and assigns, but no change or division in the ownership of the Land, rentals or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee; and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished with a certified copy of a recorded instrument or instruments evidencing such change of ownership. In the event of assignment hereof in whole or in part, liability for breach of any obligation issued hereunder shall rest exclusively upon the owner of this lease, or portion thereof, who commits such breach. In the event of the death of any person entitled to rentals or royalties hereunder, Lessee may pay or tender such rentals or royalties to the credit of the deceased, until such time as Lessee has been furnished with the proper evidence of the appointment and qualification of an executor or an administrator of the estate, or if there be none, then until Lessee is furnished satisfactory evidence as to the heirs or devisees of the deceased, and that all debts of the estate have been paid. If at any time two (2) or more persons become entitled to participate in the rental or royalty payable hereunder, Lessee may pay or tender such rental jointly to such persons; or, at the Lessee's election, the portion or part of said rental or royalty to which each participant is entitled may be paid or tendered to him separately, and payment or tender to any participant of his portion of the rentals or royalties hereunder shall maintain this lease as to such participant. In the event of an assignment of this lease as to a segregated portion of the Land, the rentals payable hereunder shall be apportioned as between the several leasehold owners ratably according to the surface area of each, and default in rental or royalty payment by one shall not affect the rights of other leasehold owners hereunder. If the Land is now or shall hereafter be owned 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 separate owners in the proportion that the acreage owned by each such separate owner bears to the entire leased acreage.

9. Lessee, and Lessee's successors and assigns, shall have the right at any time to surrender this lease, in whole or in part, to Lessor, or Lessor's heirs or successors and assigns, by delivering or mailing a release thereof to the Lessor, or by placing a release thereof of record in the county in which the Land is situated; thereupon, Lessee shall be relieved of all obligations, expressed or implied, of this lease as to the acreage so surrendered, and thereafter the rentals or shut-in payments payable hereunder shall be reduced in the proportion that the acreage covered hereby is reduced by said release or releases.

10. Lessor agrees that should Lessee be advised of or receive notice of an adverse claim or of defective title affecting the Land covered hereby which could affect all or a part of the payments due hereunder, then Lessor expressly authorizes Lessee, at Lessee's sole discretion, and without liability, to withhold payment and delivery of all Lessor's such payments or production in kind hereunder,



without interest or penalty, until such time as said adverse claim is resolved or title cured by a final decree in a court of competent jurisdiction. Or, Lessee may file an interpleader action and pay Lessor's payments or production in kind as directed by a court of competent jurisdiction until such time as said court determines and authorizes the proper distribution of said payments or payments in kind to the parties involved. Lessor agrees that in no event shall Lessee's withholding of payment or its payments made as directed by a court of competent jurisdiction constitute a default by Lessee. Lessor further agrees that Lessee shall in no event be liable for interest, conversion, penalty, or wrongful withholding of such suspended amounts. In the event of production hereunder, Lessor agrees to execute a division order confirming his interest herein.

11. The breach by Lessee of any obligations arising hereunder shall not work a forfeiture or termination of this lease, nor cause a termination or reversion on the estate created hereby, nor be ground for cancellation hereof, in whole or in part, unless Lessor shall notify Lessee in writing of the specific facts relied upon in claiming a breach hereof, and Lessee, if in default, shall have sixty (60) days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument, and if Lessee shall fail to do so then Lessor shall have grounds for action in a court of law or such remedy to which he may be entitled.

12. Lessor hereby warrants and agrees to defend the title to the Land and agrees also that Lessee at its option may discharge any tax, mortgage, or other liens or encumbrances upon the Land either in whole or in part, and in the event Lessee does so, it shall be subrogated to such liens with the right to enforce same and apply rentals and royalties accruing hereunder towards satisfying same. Without impairment of Lessee's rights under the above warranty in event of failure of title, it is agreed that if Lessor owns an interest in the oil or gas in or under the Land, less than the entire fee simple estate, then the royalties, shut-in royalties, and rentals to be paid to Lessor shall be reduced proportionately. Failure of Lessee to reduce such rental paid hereunder or over-payment of such rental hereunder shall not impair the right of Lessee to reduce royalties payable hereunder. Lessor agrees that during the primary term of this lease, it will not grant a top lease to any third party without first giving Lessee the right to acquire such top lease on the same terms, conditions, and for the same consideration being afforded by third party.

13. Should Lessee be prevented from complying with any expressed or implied covenant of this lease, from conducting drilling or reworking operations thereon or on lands pooled therewith or from producing oil or gas therefrom or from lands pooled therewith, by reason of scarcity of, or inability to obtain or to use pipelines, equipment or material, explosions, breakage of or accident to machinery, equipment, or lines of pipe, the inability to acquire, or the delays in acquiring, at reasonable cost and after the exercise of reasonable diligence, such servitudes, rights of way, permits, licenses, approvals and authorizations by regulatory bodies as may be necessary in order that obligations assumed hereunder may be lawfully performed in the manner contemplated, or by market conditions which (in Lessee's sole judgment) render sales of oil or gas unprofitable or imprudent, or by operation of force majeure, or because of any federal or state law or any order, rule or regulation of a governmental authority, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended, and Lessee shall not be liable in damages for failure to comply therewith; and this lease shall be extended while and so long as Lessee is prevented by any such cause from conducting drilling or reworking operations on, or from producing oil or gas from the Land or lands pooled therewith; and the time while Lessee is so prevented shall not be counted against the Lessee, anything in this lease to the contrary notwithstanding.

14. The undersigned hereby release and relinquish all rights of dower, courtesy, or other spousal interest and homestead in the Land, insofar as said right of dower, courtesy, spousal interest and homestead may in any way affect the purposes for which this lease is made as recited herein.

15. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors in title of said Lessor or Lessee.

IN WITNESSETH WHEREOF, this instrument is executed on the date first above written.

LESSOR:

Larry E. Blosser  
Larry E. Blosser

LESSOR:

Thelma E. Blosser  
Thelma E. Blosser

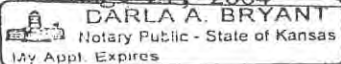
STATE OF Kansas  
COUNTY OF Marion

ACKNOWLEDGMENT FOR INDIVIDUAL

The foregoing instrument was acknowledged before me this 23rd day of April, 2003, by

Larry E. Blosser and Thelma E. Blosser, his wife

My Commission expires: Aug. 21, 2004

  
DARLA A. BRYANT  
Notary Public - State of Kansas  
My Appl. Expires

Darla A. Bryant  
Darla A. Bryant Notary Public

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

ACKNOWLEDGMENT FOR INDIVIDUAL

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2003, by \_\_\_\_\_

My Commission expires: \_\_\_\_\_

Notary Public

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

ACKNOWLEDGMENT FOR CORPORATION

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2003, by \_\_\_\_\_

as \_\_\_\_\_ president of \_\_\_\_\_ a corporation.

My Commission expires: \_\_\_\_\_

Notary Public

THOMAS ENERGY, INC.  
209 E. William, Suite 970  
Wichita, Kansas 67202

**AFFIDAVIT OF  
EXPIRATION OF AGRICULTURAL TENANT**

\_\_\_\_\_, first duly sworn upon his oath, states that \_\_\_\_\_ is familiar with the following described property, to-wit:

The East half of the Northeast Quarter (E ½ NE ¼) of Section 21, Township 21 South, Range 6 East of the 6<sup>th</sup> P.M., Chase County, Kansas.

and that \_\_\_\_\_ is familiar with the subject real estate and knows of no agricultural tenant in possession of record. The Affidavit of Possession between Terry Soyez and Byron Blosser, filed October 18, 1984 at 3:35 o'clock P.M., in Book L-72 of land, page 56, in the office of the Register of Deeds, Chase County, Kansas, is now expired.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

STATE OF \_\_\_\_\_, COUNTY OF \_\_\_\_\_, SS:

Before me, the undersigned, a Notary Public, within and for said County and State, on this \_\_\_\_\_, day of \_\_\_\_\_, 20\_\_\_\_\_, personally appeared \_\_\_\_\_, 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.

\_\_\_\_\_  
Notary Public

My Appointment Expires:

**AFFIDAVIT OF NON-DEVELOPMENT, ABANDONMENT AND  
EXPIRATION OF OIL AND GAS LEASE**

\_\_\_\_\_, first duly sworn upon his oath, states that \_\_\_\_ is familiar with the following described property, to-wit:

The East half of the Northeast Quarter (E ½ NE ¼) of Section 21, Township 21 South, Range 6 East of the 6<sup>th</sup> P.M., Chase County, Kansas.

and that \_\_\_\_ is familiar with the subject real estate and, that notwithstanding the fact that there may be of record, unreleased oil and gas leases previously given, covering the above described property, affiant knows and therefore states the fact to be that for the past two years there has been no production of oil or gas upon the above described property, there has been no one in possession of the above described property claiming any interest therein under any oil and gas lease, nor has there been any activities or development for the drilling of any wells or production of oil or gas for the past two years; and that any previously granted oil and gas leases affecting the above described property and which have not been fully and effectively released, have expired by their own terms.

Dated this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

STATE OF \_\_\_\_\_, COUNTY OF \_\_\_\_\_, SS:

Before me, the undersigned, a Notary Public, within and for said County and State, on this \_\_\_\_\_, day of \_\_\_\_\_, 20\_\_\_\_\_, personally appeared \_\_\_\_\_, 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.

\_\_\_\_\_  
Notary Public

My Appointment Expires: