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Form 88—(Producers) B PU DW RW  
 Kansas (Rev. 2006) © R-D Land Co.

**OIL AND GAS LEASE**

DATE: 1/23/12

<b>LESSOR:</b>	<b>Richard W. &amp; Marilyn Donovan 7012 Veranda Rd. NE Albuquerque, NM 87110</b>
<b>LESSEE:</b>	<b>D &amp; Z Exploration, Inc. P.O. Box 159 St. Elmo, IL 62458</b>

1. **Grant.** Lessor, for the sum of ten Dollars (\$10.00) and other consideration, receipt and sufficiency of which is hereby acknowledged, does hereby grant, lease and let unto Lessee, exclusively, the land hereinafter described, for the purpose of conducting geological, geophysical, seismic and other exploratory work; drilling, mining and operating for, producing, saving, storing and marketing oil, gas, casinghead gas, casinghead gasoline and all other hydrocarbons and their respective products including but not limited to coalbed gas, shale gas or casinghead gas, helium, and all other hydrocarbons and their respective constituent products, and the exclusive right of injecting gas, air, water, brine and other fluids and substances into the subsurface strata, and constructing roads, laying pipe lines, laying electric lines and other utilities, building tanks and erecting other structures and equipment thereon reasonably necessary to produce, save, treat, manage and market said substances and products; said land, including any reversionary or after-acquired rights therein, being described as follows:

*Parcel ID #: 4F221428-3007*

*Located in: NE/4 S28/T14S/R22E  
 See attached legal description 2B*

containing 50 acres, more or less in Johnson County, Kansas

2. **Term.** This Lease is for a **primary term** of two (2) years from the date hereof and as long thereafter as oil or gas or any of the products covered by this Lease is produced in paying quantities or operations are conducted as provided herein, subject to the terms and provisions hereinafter set forth in this lease. This is a "paid-up" Lease. The consideration paid herewith covers the primary term stated herein and Lessee shall not be obligated, except as expressly provided herein, to make royalty payments or to commence or continue any operations during the primary term. Upon expiration of the primary term, this Lease shall terminate unless oil or gas or any of the products covered by this Lease is being produced in "Paying Quantities". The

definition for "Paying Quantities" and additional terms and conditions are contained in a separate Supplement to Oil and Gas Lease executed by Lessor and Lessee, the terms of which are incorporated herein by reference and are binding upon successors and assigns of Lessor and Lessee.

3. **Royalty.** Lessee agrees to pay Lessor a royalty on production covered by this Lease as follows:

(A) **Oil.** Lessee shall deliver to the credit of Lessor as royalty, free of the costs of production and storage on the Leased premises, into the pipe line or storage tanks to which Lessee may connect its wells twelve and one half percent (12.5%) of the oil produced and saved from the Leased premises, or at Lessee's option may pay Lessor for such royalty share the average price posted by Lessee's purchaser for oil of like grade and gravity in the area during the month such oil is run into the pipe line or storage tanks. Lessee shall not be obligated to deliver or pay royalty in respect to frac oil or other substances injected into a well during completion, recompletion, or workover of a well if recovered.

(B) **Gas.** Lessee shall pay to Lessor as royalty on gas produced and sold from the Leased premises twelve and one half percent (12.5%) of the proceeds paid at the point of sale by the first purchaser that is not affiliated with Lessee or Lessee's operator or their principals.

(C) **Casinghead Gas.** Lessee shall pay to Lessor as royalty twelve and one half percent (12.5%) of the proceeds received by the Lessee from the sale of casinghead gas produced from oil wells, if sold, or twelve and one half percent (12.5%) of the market value at the mouth of the well for gas produced from oil wells and used off the leased premises.

(D) **Other.** Lessee shall pay to Lessor twelve and one half percent (12.5%) of the proceeds from the sale of all other products of oil and gas produced from the Leased premises not otherwise referred to herein.

(E) **Shut-in.** Where there is a gas well or wells on the Leased premises and such well or wells are shut-in, and there is no other production or operations being conducted capable of keeping this Lease in force under any of its provisions, Lessee shall pay as royalty to Lessor the sum of one dollar (\$1.00) per year per net royalty acre, such payment to be made on or before the anniversary date of this Lease next following the expiration of ninety (90) days from the date such well or wells are shut-in, and thereafter on or before each succeeding anniversary date of this Lease during the period such well or wells are shut-in. Upon such payment this Lease shall remain in full force and effect; *provided*, this provision shall not authorize extension of this lease for more than three (3) consecutive years from the date this lease is shut in, and this lease shall terminate if shut in for three (3) consecutive years without actual production of oil and gas in paying quantities, unless it is perpetuated by other provisions herein.

(F) **Costs.** Royalties payable under this lease shall be made without deduction for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, transporting, marketing, and otherwise making the oil, gas and other products hereunder ready for sale or use.

(G) **Additional Terms.** Additional terms and conditions are contained in a separate Supplement to Oil and Gas Lease executed by Lessor and Lessee, the terms of which are incorporated herein by reference and are binding upon successors and assigns of Lessor and Lessee.

4. **Lesser Interest.** If Lessor owns a lesser interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein provided for shall be paid to said Lessor only in proportion that his/her interest bears to the whole and undivided fee title. If more than one party has executed this Lease as Lessor, then this provision applies to each such party.

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

6. **Operations.** When required by Lessor, Lessee shall bury its pipe lines and electric lines below plow depth. No well shall be drilled nearer than 200 feet to the house or barn on the premises as of the date of this Lease without the written consent of the Lessor. No well shall be drilled within 300' of the North property line of lease, without the written consent of the Lessor. Any fences or other existing structures of Lessor damaged as a result of Lessee's operations shall be repaired to prior condition at Lessee's expense. Lessee shall pay damages to Lessor for loss of harvestable income crops caused by Lessee's operations on the Leased premises if growing at the time of the operations causing such loss; the amount of damages to be based on the price paid for the same crops when harvested and sold less reasonable allowance for harvesting expenses. Upon completion or abandonment of a well, Lessee shall restore the premises, including but not limited to the drillsite area and

access thereto, and fill and grade pits, as nearly as possible to the prior surface condition and contour, at Lessee's expense. If a well drilled by Lessee is permanently abandoned as a dry hole, it shall be plugged in accordance with law and the regulations promulgated by the State Corporation Commission. Before abandoning a gas well, Lessee may, but is not required to, notify Lessor of the intention to abandon. Lessor may elect to purchase the well by paying Lessee the fair value of the casing, tubing, pipe and other equipment in and on the well. If Lessor elects to buy the well, Lessee shall then be released from any further liabilities or obligations in respect to such well, including the obligation to plug it at any time, which obligation shall in that event be entirely assumed by Lessor. Throughout drilling and operations, Lessee will mutually agree with Lessor to conduct surface operations in a manner that is satisfactory to Lessor, to minimize surface use where it is reasonably practical. This includes but is not limited to the location of Lessee's roads, tanks, paths, pits and other typical surface uses, so as to not utilize more surface area than is reasonably necessary to conduct typical oil and gas operations. Lessee shall reasonably notify Lessor prior to commencement of drilling operations and shall notify its contractors and employees to consult with Lessor in respect to points of access to the premises. Lessor shall have the right to designate the location of new roadways upon the premises; provided, they shall be sufficient for the reasonable and necessary operations of Lessee and provide Lessee with suitable ingress and egress to and from well locations, tanks and facilities, and access to adjacent public roadways, if any, without materially affecting the Lessee costs of constructing and maintaining same.

**7. Special Grant.** Lessor, for the sum of one Dollar (\$1.00) and other consideration, receipt and sufficiency of which is hereby acknowledged, does hereby grant, lease and let unto Lessee, the land hereinafter described, for the purpose of building a tank battery and other associated equipment, and for the purpose of gaining access to the above described 50 acre Oil and Gas Lease for the purpose of drilling, operating and other necessary action that a prudent operator would need to gain full access to the above described 50 acre Oil and Gas Lease.

*Parcel ID #: 4F221428-3003*

Lessee will work mutually with Lessor in the location of said tank battery and associated equipment. The term of this "Special Grant" shall be for the duration of the above described Oil and Gas Lease.

**8. Free Substances.** Lessee shall have the right to use, free of cost or royalty, gas, oil and water found on the Leased premises for its operations thereon or on land adjacent to or in the vicinity of the Leased premises, except fresh water from Lessor's water wells and ponds. If gas is produced from any well and not used by Lessee for operations or sold, Lessor shall have the right to take such surplus gas, free of charge, for domestic purposes in one single family residential dwelling on the Leased premises and, subject to approval by Lessee, for reasonable farm use consistent with the current use of Lessor. This provision does not extend to additional dwellings that may be located on tracts into which the Leased premises may be divided. Lessor's lines, appliances at the well, meters and connections shall be of good quality and installed at Lessor's expense. Lessee shall have the right to designate the point of connection and to impose such rules and regulations as may be reasonably necessary to protect the well and other lines, as well as Lessee's operations. Lessee shall at all times, at Lessee's sole discretion, have the right to suspend such gas supply if considered by Lessee to be injurious to Lessee's operations or to the production or marketability of the substances covered by this Lease. Lessor's use of gas shall be entirely at Lessor's sole risk, and Lessee shall not be liable in any way for Lessor's failure or inability to obtain or use such gas on account of the use of pumping stations, breakage of lines, conditions at the well, requirements or restrictions under any gas contract, or any other cause.

**9. Surrender.** 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 the release of record in the County where said land is situated. If this Lease is surrendered or canceled as to only a portion of the acreage covered, then all payments and liabilities thereafter accruing under the terms of this Lease as to the portion canceled shall cease and terminate; but as to the portion of the acreage not released the terms and provisions of this Lease shall continue and remain in full force and effect for all purposes.

**10. Removal.** Lessee shall have the right at any time during, or within six (6) months after the termination of, this Lease to remove all of Lessee's property, equipment, machinery, fixtures, and other structures placed on said premises, including the right to draw and remove all casing. Any property of Lessee which is not removed within six (6) months after the termination of this Lease shall be deemed abandoned and may be disposed of by Lessor in such manner as Lessor deems best, without notice to Lessee, without obligation or duty of any kind to Lessee for the manner or reasonableness of such disposition, and without obligation or duty to Lessee for any accounting for such disposition or proceeds thereof. If the Lease is abandoned, Lessee shall plug the wells, remove its equipment and restore the premises as nearly as possible to its original surface condition and contour within six (6) months after abandonment.

**11. Assignment.** If the estate of either party hereto is assigned, the covenants hereof shall extend to the heirs, devisees, executors, administrators, successors, and assigns, but no change of ownership in the land or in the rentals or the royalties or in any sum due under this Lease shall be binding on Lessee until it has been furnished

with either the original recorded instrument of conveyance, or certified copy thereof, or certified copy of the will of any deceased owner and of the probate record thereof, or certified copy of the proceedings showing the appointment of an administrator or executor for the estate of any deceased owner, whichever is appropriate, together with all recorded instruments of conveyance; and all advance payment of rentals made hereunder before receipt of such documents shall be binding on any direct or indirect assignee, grantee, devisee, administrator, executor or heir of Lessor. In the event this Lease is assigned as to a part or parts of the above described land and the holder or owner of any such part or parts shall default in the performance of any condition or covenant of this Lease, express or implied, such default shall not operate to defeat or affect this Lease except insofar as it covers that part of said land held or owned by the defaulting owner or holder. *Notwithstanding the foregoing provisions*, Lessor retains and reserves a right of first refusal with respect to any interest Lessee intends to assign. Prior to any assignment in whole or in part of Lessee's interest in this lease, Lessee shall notify Lessor in writing of the terms of the proposed assignment and, for a period of forty-five (45) days after receipt of such notice, Lessor shall have the exclusive right and option to acquire such interest from Lessee upon identical terms by delivering to Lessee a written notice exercising such right and option. If Lessor does not so exercise such right of first refusal, then Lessee shall have the right to assign such interest upon the terms set forth in the notice to Lessor.

**12. Force Majeure.** All provisions hereof, express or implied, shall be subject to all federal and state laws, and the orders, rules, or regulations 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 occurred by reason of compliance with or enforcement of any such laws, orders, rules or regulations. Lessee shall not be liable in damages, forfeiture or termination, on account of breach of covenant, express or implied, or failure of any condition necessary to keep the Lease in force, which results from force majeure; and the obligations of Lessee shall be suspended if and while drilling or other operations are delayed or interrupted by force majeure. Force majeure includes Act of God, storm, flood, blowout, or other bona fide cause beyond the reasonable control of Lessee. Lessee shall have a reasonable time after the removal or cessation of force majeure within which to commence or resume performance under the Lease. If force majeure occurs during the primary term, the time such force majeure exists shall be added to the primary term.

**13. Breach.** In the event Lessor considers any act or omission of Lessee to constitute default or breach of a provision or covenant of this Lease, expressed or implied, Lessor shall notify Lessee thereof in writing specifying the particulars of such default or breach. After receipt of such notice Lessee, if in default or breach, shall cure the same within a reasonable time consistent with the reasonable and prudent operator standard and good leasehold practices prevailing in the area. If Lessee fails to cure such default or breach after notice as provided herein, then Lessor may bring an action at law or equity for damages, specific performance or other remedies provided by law.

**14. Warranty and Subrogation.** Lessor warrants and covenants with Lessee that at the delivery hereof Lessor owns good and marketable title to the land covered hereby, free and clear of liens, encumbrances and adverse claims. Lessee at its option may pay or discharge in whole or in part any delinquent taxes, mortgages, or other liens existing, levied, or assessed on or against the Leased premises, and in the 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 other sums accruing to Lessor hereunder. Lessee is given the right to acquire for its own benefit deeds, leases, or assignments covering any interest or claim in the Leased premises which Lessee or any other interested party contends is outstanding and not covered hereby and even though such outstanding interest or claim adverse to Lessor or ultimately determined to be invalid. In the event that the Lessee's title hereunder is clouded by a title defect or a claim adverse to the rights and interests granted to Lessee herein, then the time such title defect or claim exists shall be added to the primary term and, in any event, Lessee shall have a reasonable time after such defect or adverse claim is cured or removed within which to commence or resume performance under this Lease.

**15. Parties and Counterparts.** The term "Lessor" herein refers to and includes all parties who sign this Lease as Lessor, regardless of the identification of one or more, or less than all, of such parties in the heading of this Lease. Counterpart originals of this Lease may be signed and acknowledged separately by different parties and the separately executed Leases shall constitute one Lease to the same effect as if the parties had executed the same instrument. If less than all parties whose names are shown herein have executed the Lease or a duplicate original thereof, the Lease shall nevertheless be valid and effective insofar as the interests owned by the parties who have signed the Lease or a duplicate original thereof; and each separately executed duplicate Lease may be duly recorded in the office of the register of deeds in the aforesaid county or counties.

IN WITNESS WHEREOF this instrument is made effective as of the date shown above, notwithstanding the date of execution, acknowledgement, delivery or recording.

Lessor: Richard W. Donovan & Marilyn Donovan

Richard W. Donovan  
Marilyn Donovan

By: Richard W. Donovan  
By: Marilyn Donovan

STATE OF NEW MEXICO, COUNTY OF BERNALILLO, ss:

This instrument was acknowledged before me on JANUARY 24, 2012 by RICHARD W AND MARILYN DONOVAN, a

Limited liability company formed and existing under the laws of the State of \_\_\_\_\_, on behalf of the company.



Teri L. Mayhew  
Notary Public  
App't. Expires: 11-28-2013

Lessee: D & Z Exploration, Inc.

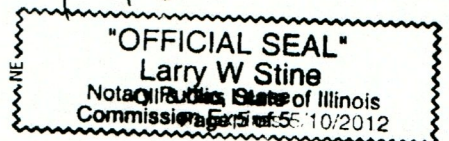
By: Zane Belden  
ZANE BELDEN

STATE OF ILLINOIS, COUNTY OF PAYETTE, ss:

This instrument was acknowledged before me on JAN 19, 2012 by ZANE BELDEN Authorized Agent of D & Z Exploration, Inc.

, a corporation formed and existing under the laws of the State of ILLINOIS, on behalf of the company.

Larry W. Stine  
Notary Public  
App't. Expires: 5/10/2012



## LEGAL DESCRIPTION

All that part of the Northeast Quarter of Section 28, Township 14, Range 22, Johnson County, Kansas, described as follows: Commencing at the Northwest corner of the Northeast Quarter of said Section 28; thence South 89 degrees 44 minutes 32 second East, along the North line of the Northeast Quarter of said Section 28, a distance of 994.88 feet, to the point of beginning; thence continuing South 89 degrees 44 minutes 32 seconds East, along the North line of the Northeast Quarter of said Section 28, a distance of 664.29 feet; thence South 0 degrees 15 minutes 28 seconds West, perpendicular to the North line of the Northeast Quarter of said Section 28, a distance of 420.42 feet; thence South 89 degrees 44 minutes 32 seconds East, parallel to the North line of the Northeast Quarter of said Section 28, a distance of 156.72 feet; thence South 0 degrees 43 minutes 17 seconds West, parallel to the East line of the West 60 acres of the Northeast Quarter of said Section 28, a distance of 2204.42 feet, to a point on the South line of the Northeast Quarter of said Section 28; thence North 89 degrees 50 minutes 28 seconds West, along the South line of the Northeast Quarter of said Section 28, a distance of 824.43 feet; thence North 0 degrees 43 minutes 17 seconds West, along the East line of the West 60 acres of the Northeast Quarter of said Section 28, a distance of 2626.28 feet, to the point of beginning, containing 48.16 acres more or less.

## SURFACE USE AGREEMENT

Richard W. Donovan, a/k/a Richard Wayne Donovan and Marilyn Donovan, husband and wife, personally and as Co-Trustees of the Richard Wayne Donovan and Marilyn Donovan Trust dated March 20, 2001, Grantors, for the sum of one dollar and other valuable consideration, receipt and sufficiency of which are acknowledged, do hereby grant and convey to D & Z Exploration, Inc., Grantee, its successors and assigns, an easement and right of way over, across and upon the following land, referred to only for purposes hereof as Tract A:

North Half (N/2) of the West 60 acres of the Northeast Quarter (NE/4) of Section Twenty-eight (28), Township Fourteen (14) South, Range Twenty-two (22) East of the 6th P.M., in Johnson County, Kansas

sometimes also referred to as Parcel ID #: 4F221428-3003

to benefit the following land, referred to only for purposes hereof as Tract B:

All that part of the Northeast Quarter (NE/4) of Section Twenty-eight (28), Township Fourteen (14) South, Range Twenty-two (22) East, in Johnson County, Kansas, described as follows: Commencing at the Northwest corner of the NE/4 of said Section 28; thence South 89°44'32" East, along the North line of the NE/4 of said Section 28, a distance of 994.88 feet, to the point of beginning; thence continuing South 89°44'32" East, along the North line of the NE/4 of said Section 28, a distance of 664.29 feet; thence South 0°15'28" West, perpendicular to the North line of the NE/4 of said Section 28, a distance of 420.42 feet; thence South 89°44'32" East, parallel to the North line of the NE/4 of said Section 28, a distance of 156.72 feet; thence South 0°43'17" West, parallel to the East line of the West 60 acres of the NE/4 of said Section 28, a distance of 2204.42 feet, to a point on the South line of the NE/4 of said Section 28; thence North 89°50'28" West, along the South line of the NE/4 of said Section 28, a distance of 824.43 feet; thence North 0°43'17" West, along the East line of the West 60 acres of the NE/4 of said Section 28, a distance of 2626.28 feet, to the point of beginning; containing 48.16 acres more or less

sometimes also referred to as Parcel ID #: 4F221428-3007

for the following uses and purposes:

1. For ingress and egress over and across Tract A to and from Tract B for access to public roadway(s) adjacent to Tract A.

2. To install, maintain and use a tanking facility (tank battery) on Tract A for the storage of oil and brine water and their related constituents, including holding tanks, separator tank, gun barrel, and appurtenant fixtures and appliances, together with the right to install, maintain and use pipe lines to transport oil and brine water from oil and/or gas wells located on Tract B to the tanking facility located on Tract A, together with ingress and egress to and from such tanking facility and pipelines for the purposes herein expressed.
3. To install, maintain and run underground or overhead electric lines for the purpose of providing electric service to operate oil wells and other oil and gas operating equipment and facilities for oil and gas lease operations conducted by Grantee, its successors or assigns, on Tract B.

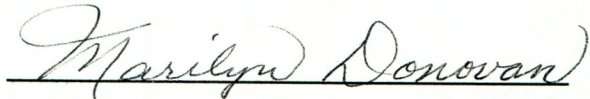
Grantee shall be responsible for maintenance of said easement(s) and right(s) of way. Grantee and its successors and assigns shall pay and indemnify Grantor and Grantor's heirs, successors and assigns, for any loss or damage to Grantor's land caused by Grantee's use of the easement(s) and right(s) of way granted herein or by any wrongful or negligent act or omission of Grantee and Grantee's agents or employees.

The easement(s) and right(s) of way granted herein shall continue and remain in effect so long as the Grantee, its successors or assigns, holds an oil and/or gas lease covering, or the operating rights in and to the minerals located in or upon, Tract B or lands adjacent thereto. The easement(s) and right(s) of way granted herein shall run with the land and shall be binding on and inure to the benefit of the parties hereto and their respective heirs, successors legal representatives and assigns.

Dated and effective this 3 day of May, 2012.



Richard W. Donovan, personally  
and as Co-Trustee of the  
Richard Wayne Donovan and Marilyn  
Donovan Trust dated March 20, 2001



Marilyn Donovan, personally  
and as Co-Trustee of the  
Richard Wayne Donovan and Marilyn  
Trust dated March 20, 2001



STATE OF New Mexico, COUNTY OF BERNALILLO, ss:

This instrument was subscribed, sworn to and acknowledged before me on MAY 3, 2012 by Richard Wayne Donovan, a/k/a Richard W. Donovan, personally and as Co-Trustee of the Richard Wayne Donovan and Marilyn Donovan Trust dated March 20, 2001.



Teri L. Mayhew  
Notary Public  
App't. Expires: 11-28-2013

STATE OF New Mexico, COUNTY OF BERNALILLO, ss:

This instrument was subscribed, sworn to and acknowledged before me on MAY 3, 2012 by Marilyn Donovan, personally and as Co-Trustee of the Richard Wayne Donovan and Marilyn Donovan Trust dated March 20, 2001.



Teri L. Mayhew  
Notary Public  
App't. Expires: 11-28-2013

## TRUST CERTIFICATE

1. This certificate applies to the trust named herein, which is in full force and effect, and which owns or has an interest in the following real estate:

All that part of the Northeast Quarter (NE/4) of Section Twenty-eight (28), Township Fourteen (14) South, Range Twenty-two (22) East, in Johnson County, Kansas, described as follows: Commencing at the Northwest corner of the NE/4 of said Section 28; thence South 89°44'32" East, along the North line of the NE/4 of said Section 28, a distance of 994.88 feet, to the point of beginning; thence continuing South 89°44'32" East, along the North line of the NE/4 of said Section 28, a distance of 664.29 feet; thence South 0°15'28" West, perpendicular to the North line of the NE/4 of said Section 28, a distance of 420.42 feet; thence South 89°44'32" East, parallel to the North line of the NE/4 of said Section 28, a distance of 156.72 feet; thence South 0°43'17" West, parallel to the East line of the West 60 acres of the NE/4 of said Section 28, a distance of 2204.42 feet, to a point on the South line of the NE/4 of said Section 28; thence North 89°50'28" West, along the South line of the NE/4 of said Section 28, a distance of 824.43 feet; thence North 0°43'17" West, along the East line of the West 60 acres of the NE/4 of said Section 28, a distance of 2626.28 feet, to the point of beginning; containing 48.16 acres more or less

2. Name of the Trust:

Richard Wayne Donovan and Marilyn Donovan Trust dated March 20, 2001

3. Name of Grantor (Settlor):

Richard Wayne Donovan and Marilyn Donovan, husband and wife

4. Name(s) of Grantee(s) as Trustee(s) of the Trust:

Richard Wayne Donovan and Marilyn Donovan

5. Name(s) and address(s) of currently acting Trustee(s) of the trust:

Richard Wayne Donovan and Marilyn Donovan  
7012 Veranda Rd. NE  
Albuquerque, NM 87110

6. The Grantor(s)/Settlor(s) is/are:  
 living, and  unmarried  married to: each other  
 deceased, date of death:  
 name of surviving spouse:
7. The trust is:  
 a revocable trust and the Grantor(s)/Settlor(s) has/have the power to revoke it.  
 irrevocable.
8. The trust instrument grants to the Trustee(s) the power to sell, lease, mortgage or otherwise alienate or grant interests in real estate owned by the trust.
9. The above named Trustee(s) has/have the authority to sign deeds, leases, mortgages and other documents concerning the above real estate. Under the terms of the trust,  
 one Trustee is authorized to sign the document and bind all the Trustees  
 all the Trustees must sign the document
10. The trust has not been rendered, modified or amended in any manner that could cause any of the statements herein to be incorrect.
11. The undersigned Trustees are authorized to sign this certificate.

Richard W. Donovan

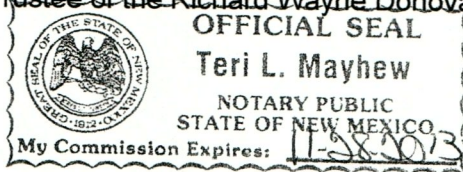
Richard Wayne Donovan, Trustee

Marilyn Donovan

Marilyn Donovan, Trustee

STATE OF NEW MEXICO, COUNTY OF BERNALILLO, ss:

This instrument was subscribed, sworn to and acknowledged before me on MAY 3, 2012 by Richard Wayne Donovan, a/k/a Richard W. Donovan, Co-Trustee of the Richard Wayne Donovan and Marilyn Donovan Trust dated March 20, 2001.



Teri L. Mayhew  
 Notary Public  
 App't. Expires: 11-28-2013

STATE OF NEW MEXICO, COUNTY OF BERNALILLO, ss:

This instrument was subscribed, sworn to and acknowledged before me on MAY 3, 2012 by Marilyn Donovan, Co-Trustee of the Richard Wayne Donovan and Marilyn Donovan Trust dated March 20, 2001.



Teri L. Mayhew  
 Notary Public  
 App't. Expires:

## RATIFICATION OF OIL AND GAS LEASE

The undersigned, for one dollar and other consideration, ratify and confirm the following described oil and gas lease and grant, lease and let unto the lessee therein and such lessee's successors and assigns the following land subject to and in accordance with all of the terms and provisions of said lease, acknowledging that same is valid, subsisting and in full force and effect as though originally signed and acknowledged by the undersigned:

Lessor: Richard W. & Marilyn Donovan

Lessee: D & Z Exploration, Inc.

Date: January 23, 2012

Recorded: February 27, 2012 at Book 201202, Page 008322

insofar as said lease covers the following land in Johnson County, Kansas:

All that part of the Northeast Quarter of Section 28, Township 14, Range 22, Johnson County, Kansas, described as follows: Commencing at the Northwest corner of the Northeast Quarter of said Section 28; thence South 89 degrees 44 minutes 32 seconds East, along the North line of the Northeast Quarter of said Section 28, a distance of 994.88 feet, to the point of beginning; thence continuing South 89 degrees 44 minutes 32 seconds East, along the North line of the Northeast Quarter of said Section 28, a distance of 664.29 feet; thence South 0 degrees 15 minutes 28 seconds West, perpendicular to the North line of the Northeast Quarter of said Section 28, a distance of 420.42 feet; thence South 89 degrees 44 minutes 32 seconds East, parallel to the North line of the Northeast Quarter of said Section 28, a distance of 156.72 feet; thence South 0 degrees 43 minutes 17 seconds West, parallel to the East line of the West 60 acres of the Northeast Quarter of said Section 28, a distance of 2204.42 feet, to a point on the South line of the Northeast Quarter of said Section 28; thence North 89 degrees 50 minutes 28 seconds West, along the South line of the Northeast Quarter of said Section 28, a distance of 824.43 feet; thence North 0 degrees 43 minutes 17 seconds West, along the East line of the West 60 acres of the Northeast Quarter of said Section 28, a distance of 2626.28 feet, to the point of beginning, containing 48.16 acres more or less

also sometimes referred to as Parcel ID # 4F221428-3007

Date: 5/3/12 Richard W. Donovan  
Richard Wayne Donovan, Trustee

Date: 5/3/12 Marilyn Donovan  
Marilyn Donovan, Trustee

STATE OF NEW MEXICO, COUNTY OF BERNALILLO, ss:

This instrument was acknowledged before me on MAY 3, 2012 by Richard Wayne Donovan, a/k/a Richard W. Donovan, and Marilyn Donovan, husband and wife, Trustees of the Richard Wayne Donovan and Marilyn Donovan Trust dated March 20, 2001.

Teri L. Mayhew  
Notary Public  
Comm'n./App't. Expires: 11-28-2013



### OIL AND GAS LEASE AMENDMENT

This agreement is made on 10/10/12 by **Richard Wayne Donovan, a/k/a Richard W. Donovan, and Marilyn Donovan, Trustees of the Richard Wayne Donovan and Marilyn Donovan Trust dated March 20, 2001, and Richard W. Donovan, and Marilyn Donovan, husband and wife**, herein all referred to as Lessor, and **D & Z Exploration, Inc.**, herein referred to as Lessee.

Whereas, Lessor is the present owner of all right, title and interest of lessor, and Lessee is the present owner of all right, title and interest of lessee, in and to that certain oil and gas lease dated January 23, 2012, recorded February 27, 2012 at Book 201202, Page 008322, from Richard W. & Marilyn Donovan, lessors, to D & Z Exploration, Inc., lessee, covering the following land in Johnson County, Kansas:

All that part of the Northeast Quarter of Section 28, Township 14, Range 22, Johnson County, Kansas, described as follows: Commencing at the Northwest corner of the Northeast Quarter of said Section 28; thence South 89 degrees 44 minutes 32 seconds East, along the North line of the Northeast Quarter of said Section 28, a distance of 994.88 feet, to the point of beginning; thence continuing South 89 degrees 44 minutes 32 seconds East, along the North line of the Northeast Quarter of said Section 28, a distance of 664.29 feet; thence South 0 degrees 15 minutes 28 seconds West, perpendicular to the North line of the Northeast Quarter of said Section 28, a distance of 420.42 feet; thence South 89 degrees 44 minutes 32 seconds East, parallel to the North line of the Northeast Quarter of said Section 28, a distance of 156.72 feet; thence South 0 degrees 43 minutes 17 seconds West, parallel to the East line of the West 60 acres of the Northeast Quarter of said Section 28, a distance of 2204.42 feet, to a point on the South line of the Northeast Quarter of said Section 28; thence North 89 degrees 50 minutes 28 seconds West, along the South line of the Northeast Quarter of said Section 28, a distance of 824.43 feet; thence North 0 degrees 43 minutes 17 seconds West, along the East line of the West 60 acres of the Northeast Quarter of said Section 28, a distance of 2626.28 feet, to the point of beginning, containing 48.16 acres more or less; also sometimes referred to as Parcel ID # 4F221428-3007

reference being made to said recorded lease for all purposes herein; and

Whereas, Lessor and Lessee desire to amend the lease as provided herein;

Therefore, for an agreed sum of money and other valuable consideration, the receipt and sufficiency of which are acknowledged, Lessor and Lessee agree as follows:

The description of the land covered by the lease is hereby amended to read as follows:

All that part of the Northeast Quarter of Section 28, Township 14, Range 22, Johnson County, Kansas, described as follows: Commencing at the Northwest corner of the Northeast Quarter of said Section 28; thence South 89 degrees 44 minutes 32 seconds East, along the North line of the Northeast Quarter of said Section 28, a distance of 994.88 feet, to the point of beginning; thence continuing South 89 degrees 44 minutes 32 seconds East, along the North line of the Northeast Quarter of said Section 28, a distance of 664.29 feet; thence South 0 degrees 15 minutes 28 seconds West, perpendicular to the North line of the Northeast Quarter of said Section 28, a distance of 420.42 feet; thence South 89 degrees 44 minutes 32 seconds East, parallel to the North line of the Northeast Quarter of said Section 28, a distance of 156.72 feet; thence South 0 degrees 43 minutes 17 seconds West, parallel to the East line of the West 60 acres of the Northeast Quarter of said Section 28, a distance of 2204.42 feet, to a point on the South line of the Northeast Quarter of said Section 28; thence North 89 degrees 50 minutes 28 seconds West, along the South line of the Northeast Quarter of said Section 28, a distance of 824.43 feet; thence North 0 degrees 43 minutes 17 seconds West, along the East line of the West 60 acres of the Northeast Quarter of said Section 28, a distance of 2626.28 feet, to the point of beginning, containing 48.16 acres more or less; sometimes also referred to as Parcel ID # 4F221428-30072, in Johnson County, Kansas;

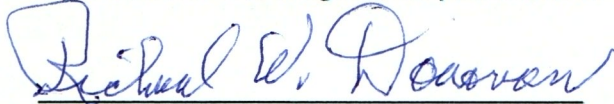
and

North Half (N/2) of the West Sixty (60) acres of the Northeast Quarter (NE/4) of Section Twenty-eight (28), Township Fourteen (14) South, Range Twenty-two (22) East of the 6th P.M.; containing 30 acres, more or less; in Johnson County, Kansas

containing, in all, 78.16 acres, more or less.

Except as amended herein, said lease remains unchanged, and for the consideration above recited: (a) Lessor and Lessee hereby ratify, confirm and adopt said lease as herein amended and acknowledge that same is valid, subsisting and in full force and effect; and (b) Lessor does hereby grant, lease and let the lands described as amended herein exclusively to Lessee, its successors and assigns, upon the terms and provisions of said lease as herein amended.

This agreement shall be binding upon and inure to the benefit of the respective heirs, successors, representatives and assigns of the parties hereto.

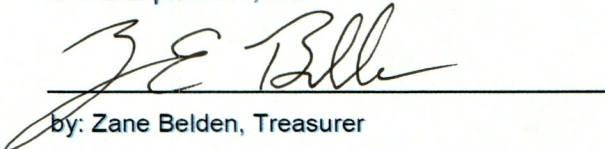


Richard W. Donovan, personally  
and as Co-Trustee of the  
Richard Wayne Donovan and Marilyn  
Donovan Trust dated March 20, 2001



Marilyn Donovan, personally  
and as Co-Trustee of the  
Richard Wayne Donovan and Marilyn  
Trust dated March 20, 2001

D & Z Exploration, Inc.

  
by: Zane Belden, Treasurer

ACKNOWLEDGMENTS

STATE OF New Mexico, COUNTY OF Bernalillo, ss:

This instrument was subscribed, sworn to and acknowledged before me on October 10, 2012 by Richard Wayne Donovan, a/k/a Richard W. Donovan, personally and as Co-Trustee of the Richard Wayne Donovan and Marilyn Donovan Trust dated March 20, 2001.



OFFICIAL SEAL  
CHERYL L. GOETTSCHÉ  
NOTARY PUBLIC - STATE OF NEW MEXICO  
My Commission Expires: 7/17/2014

[Signature]  
Notary Public  
App't. Expires:

STATE OF New Mexico, COUNTY OF Bernalillo, ss:

This instrument was subscribed, sworn to and acknowledged before me on October 10, 2012 by Marilyn Donovan, personally and as Co-Trustee of the Richard Wayne Donovan and Marilyn Donovan Trust dated March 20, 2001.



OFFICIAL SEAL  
CHERYL L. GOETTSCHÉ  
NOTARY PUBLIC - STATE OF NEW MEXICO  
My Commission Expires: 7/17/2014

[Signature]  
Notary Public  
App't. Expires:

STATE OF ILLINOIS, COUNTY OF FAYETTE, ss:

This instrument was acknowledged before me on 10-05-2012 by Zane Belden, Treasurer of D & Z Exploration, Inc., an Illinois corporation, for and on behalf of the corporation.



[Signature]  
Notary Public  
App't. Expires:



## Consent Letter

We, Richard W. Donovan and Marilyn Donovan, Trustees of the Richard W. Donovan and Marilyn Donovan Trust, dated March 20, 2001 AND Richard W. Donovan and Marilyn Donovan, husband and wife, consent to D & Z Exploration, Inc to drill and operate wells within 300' of the North property line of the Oil and Gas Lease dated January 23, 2012, recorded February 27, 2012. This written consent is required as outlined in said Oil and Gas Lease provision "6. Operations".

Dated: 10/28/13 Richard W. Donovan 

Dated: 10/28/13 Marilyn Donovan 

**RATIFICATION OF OIL AND GAS LEASE  
AND AMENDMENT TO THE TERMS THEREOF**

THIS AGREEMENT is made and entered into by and between Richard W. Donovan, a/k/a Richard Wayne Donovan, and Marilyn Donovan, Co-Trustees of the Richard Wayne Donovan and Marilyn Donovan Trust dated March 20, 2001 ("Lessor") and D & Z Exploration, Inc., an Illinois corporation, ("Lessee").

**WITNESSETH:**

WHEREAS, Lessor is the owner of certain mineral interests encumbered by the following oil and gas lease (the "Lease"):

**DONOVAN LEASE**

Dated: January 23, 2012  
Recorded: February 27, 2012  
Lessors: Richard W. and Marilyn Donovan  
Lessees: D&Z Exploration, Inc.  
Legal description: All that part of the Northeast Quarter of Section 28, Township 14, Range 22, Johnson County, Kansas, described as follows: Commencing at the Northwest corner of the Northeast Quarter of said Section 28; thence South 89 degrees 44 minutes 32 seconds East, along the North line of the Northeast Quarter of said Section 28, a distance of 994.88 feet, to the point of beginning; thence continuing South 89 degrees 44 minutes 32 seconds East, along the North line of the Northeast Quarter of said Section 28, a distance of 664.29 feet; thence South 0 degrees 15 minutes 28 seconds West, perpendicular to the North line of the Northeast Quarter of said Section 28, a distance of 420.42 feet; thence South 89 degrees 44 minutes 32 seconds East, parallel to the North line of the Northeast Quarter of said Section 28, a distance of 156.72 feet; thence South 0 degrees 43 minutes 17 seconds West, parallel to the East line of the West 60 acres of the Northeast Quarter of said Section 28, a distance of 2204.42 feet, to a

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point on the South line of the Northeast Quarter of said Section 28; thence North 89 degrees 50 minutes 28 seconds West, along the South line of the Northeast Quarter of said Section 28, a distance of 824.43 feet; thence North 0 degrees 43 minutes 17 seconds West, along the East line of the West 60 acres of the Northeast Quarter of said Section 28, a distance of 2626.28 feet, to the point of beginning, containing 48.16 acres more or less.

WHEREAS, Lessee is the owner of all of the working interest in the above described oil and gas lease together with all supplements, amendments, surface use agreements and other agreements to which Lessor and Lessee are parties (these agreements shall hereinafter collectively be referred to as, the "Leases").

WHEREAS, Lessor and Lessee desire to amend the terms of the Lease to include certain provisions which were not previously included in said lease agreement and to confirm and ratify the validity of the Lease.

NOW, THEREFORE, in consideration of the recitals hereinabove set forth, and for other good and valuable consideration, the receipt and sufficiency of which thereof being hereby acknowledged, and intending to be legally bound hereby, Lessee and Lessor agree as follows:

1. Lessor does hereby ratify, approve and confirm the Lease and hereby fully recognizes said oil and gas lease as being in full force and effect on the date this ratification is signed.
2. The Lease is hereby amended to include the following additional terms which were not contained in the Lease:
  - a. Notwithstanding anything contained herein to contrary, Lessee is hereby granted an irrevocable right which may be exercised by Lessee from time to time in Lessee's sole and absolute discretion to cease production and other operations upon the Lease during any period of time when the monthly average price which Lessee's crude oil purchaser is offering to pay is \$40.00 per barrel or less. Once the price of crude oil offered by Lessee's crude oil purchaser (calculated using the monthly average price offered by such purchaser) exceeds such amount, Lessee shall have sixty (60) days thereafter to resume operations on the Lease in an effort to resume production of oil or gas therefrom. Lessee shall be deemed to have automatically exercised the right set forth in this paragraph by ceasing production operations upon the Lease. Lessee may resume production from one or more wells from time to time in Lessee's discretion, and the Lease shall nevertheless be deemed to have been shut down pursuant to this paragraph during all periods of time in which the price of oil is lower than the threshold set forth above regardless of whether actual production of oil or gas has occurred from the Lease during such period.

During any periods of time in which the Lease is shut down pursuant to the provisions

of the paragraph above, the Lease shall be deemed to be producing in paying quantities and held by production pursuant to the habendum clause of the Lease and this Lease shall not terminate for any reason or pursuant to any term of the Lease during the period of time in which the Lease is shut down pursuant to said paragraph. All express and implied covenants and clauses of special limitation triggering termination or conditional forfeiture of the Lease whether based in fact or at law shall be suspended in their entirety during the entire period of time in which the Lease is deemed to be shut down pursuant to the paragraph above. Said express and implied covenants which will be suspended shall include, but not be limited to: requirements of continuous production in paying quantities pursuant to the habendum clause; shut in royalty clauses; minimum royalty clauses; drilling or delay rental clauses; cessation of production provisions; implied covenants to fully develop; implied covenants to explore and develop; implied covenants to market; and any other express or implied obligation upon Lessee of any nature or kind. In addition, no payments in lieu of royalty, rental or lease payments, minimum royalty payments or other obligations shall be owed by Lessee for any period of time in which the Lease is shut down pursuant to the terms of this paragraph, and such period of time shall not be considered in applying any Pugh Clauses, lease buy out provisions or other provisions expressly or impliedly contained in the Lease. Provided however, that Lessee shall continue to monitor the leased premises for spills and leaks and shall promptly remediate and take steps necessary to avoid spills and leaks if any such events occur.

3. The Parties recognize that the Lease was originally for a term of years, "and as long thereafter as oil or gas, or either of them is produced from the said land by lessee." However, the Parties wish to amend the *habendum* clause of the lease as set forth above so that the Lease shall not terminate if Lessee elects to cease all or part of its operations during periods of low hydrocarbon prices as defined above. Lessor and Lessee recognize that the hydrocarbons beneath the above described real property are finite and they do not wish to force Lessee to produce and market such hydrocarbons during periods of low hydrocarbon prices. The Parties stipulate and agree that the above amendment shall supercede any terms contained in the Lease which conflict with said amendment.

4. The rights and obligations created by the Lease shall remain unchanged, except for the above terms which shall be added thereto. The above amendments shall have the same force and effect as if said terms were included in the Lease, but these amendments shall operate prospectively only.

5. This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors, heirs, administrators, executors, trustees and assigns.

6. This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Kansas.

7. This Agreement, as may be mutually amended in writing, constitutes the entire agreement between Lessee and Lessor with respect the ratification and amendment of the Lease, and represents all understandings between the parties hereto relating to the subject matter hereof.

The Trustee(s) further state as follows:

1. We are the trustees under a trust dated March 20, 2001, to which the above described real estate was conveyed to Richard W. Donovan, a/k/a Richard Wayne Donovan and Marilyn Donovan, Co-Trustees of the Richard Wayne Donovan and Marilyn Donovan Trust pursuant to a deed recorded in the office of the Register of Deeds of Johnson County, Kansas.

2. Said trust was a revocable trust.

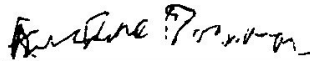
3. We are the presently existing trustees under the trust and any amendments thereto, and we are authorized, without limitations, to grant and convey the above described property, without any qualification whatsoever.

4. The trust is in existence and we, as trustees, are authorized to transfer the interests in the above described real estate.

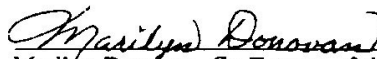
5. The original Grantors-Settlers of the trust were Richard W. Donovan, a/k/a Richard Wayne Donovan, and Marilyn Donovan. Said Grantors-Settlers are living.

6. Richard W. Donovan, a/k/a Richard Wayne Donovan, and Marilyn Donovan are husband and wife.

IN WITNESS WHEREOF, the parties have hereunto set their hands this 28<sup>th</sup> day of April 28,, 2020.



Richard W. Donovan, a/k/a Richard Wayne Donovan,  
Co-Trustee of the Richard Wayne Donovan and  
Marilyn Donovan Trust dated March 20, 2001



Marilyn Donovan, Co-Trustee of the Richard Wayne  
Donovan and Marilyn Donovan Trust dated March 20,  
2001

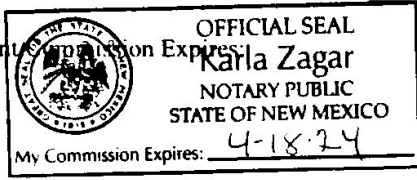
STATE OF NEW MEXICO  
COUNTY OF BERNALILLO, ss:

This instrument was acknowledged before me on the 28<sup>th</sup> day of April, 2020, by Richard W. Donovan, a/k/a Richard Wayne Donovan, and Marilyn Donovan, Co-Trustees of the Richard Wayne Donovan and Marilyn Donovan Trust dated March 20, 2001, on behalf of said Trust.

*Karla Zagar*

Notary Public

Appointment/Commission Expires:



D & Z EXPLORATION, INC.,  
an Illinois corporation

By: *Zane E. Belden*  
Zane E. Belden

LESSEE

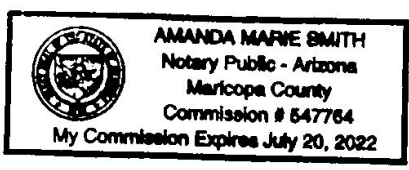
Arizona  
STATE OF ~~ILLINOIS~~  
COUNTY OF ~~FAYETTE~~, ss:  
Maricopa

This instrument was acknowledged before me on the 8<sup>th</sup> day of May, 2020, by Zane E. Belden, ~~Lessee~~ Treasurer of D & Z Exploration, Inc., an Illinois corporation.

*Amanda Marie Smith*

Notary Public

Appointment/Commission Expires:



## SUPPLEMENT TO OIL AND GAS LEASE

Dated 1/23/12, executed by  
Richard W. & Marilyn Donovan, Lessor/Assignee and  
D & Z Exploration, Inc., Lessee/Assignor

This Agreement contains additional terms and conditions which are incorporated in the oil and gas lease (Lease) covering:

*Parcel ID #: 4F221428-3007*

*Located in: NE/4 S28/T14S/R22E*

*Johnson County, Kansas*

In consideration of said Lease and the covenants and promises stated herein, Lessor and Lessee agree:

### MINIMUM ROYALTY

1. As used in paragraph 2 of the Lease, "paying quantities" shall include a minimum royalty term that, starting in the first full year after the primary term of the lease, Lessor will have received from the sale of the gross royalty share of production in each lease year going forward, \$5,000. If this term is NOT satisfied, the Lease will not be considered to be producing "paying quantities" and the Lessor shall have Sole Discretion as to exercise ONE of the following options:

A. Lessor elects to terminate lease in whole, in which Lessee shall remove and restore the premises as outlined in "provision 12" of the Lease.

OR

B. Lessor elects to extend the lease for another period of 12 months. If Lessor exercises this option, the lease shall be considered to be producing "paying quantities" and continue as long as the conditions of this agreement are satisfied.

Lessor shall notify Lessee within 60 days from the end of the lease year in which the "minimum royalty" provision is not satisfied, as to which option the Lessor elects.

### ASSIGNMENT OF OIL AND GAS LEASE INTEREST

The undersigned, D & Z Exploration, Inc., an Illinois corporation, hereinafter called Assignor, for and in consideration of One Dollar (\$1.00), and other good and valuable considerations, the receipt whereof is hereby acknowledged, does hereby sell, assign, and set over unto: Richard W. & Marilyn Donovan, hereinafter called Assignee, the percentage of right, title and interest set forth in Exhibit "A" of the oil and gas lease referenced above, with the rights incident thereto.

The Assignor is the lawful owner of and has good title to the interest assigned in Exhibit "A" in and to the said lease, estate, rights and property. That said lease is a valid and subsisting lease on the land described, and all rentals and royalties due and releases have been paid and all conditions necessary to keep the same in full force have been duly performed.

### **Right of First Refusal**

Lessor grants the Lessee the first right of refusal to lease the 30 acre tract owned by Lessor described by the following Parcel ID #:

*Parcel ID #: 4F221428-3003*

This described parcel is the 30 acres owned by Lessor that is located adjacently west to the 50 acre parcel that is under lease from Lessor to Lessee.

### **Miscellaneous**

It is understood that this Agreement will not be recorded in the public records of the county in which the land covered by said Lease is located; *provided*, that said Lease shall include an express reference to this Agreement and *provided* that Lessee does not breach any agreement between Lessee and Lessor.

This Agreement shall be construed and interpreted in accordance with the laws of the state of Kansas. Any modification of this Agreement must be in writing and executed by the parties with the same formalities as this Agreement.

The terms of this agreement are incorporated herein the above referenced Oil and Gas Lease and are binding upon successors and assigns of Lessor and Lessee.

**Signature page follows:**



IN WITNESS WHEREOF this instrument is made effective as of the date shown above, notwithstanding the date of execution, acknowledgement, delivery or recording.

Lessor/Assignee: Richard W. Donovan & Marilyn Donovan

By: [Signature]  
By: [Signature]

STATE OF NEW MEXICO, COUNTY OF BERNALILLO, ss:

This instrument was acknowledged before me on JANUARY 24, 2012 by RICHARD W. AND MARILYN DONOVAN

\_\_\_\_\_, a  
limited liability company formed and existing under the laws of the State of \_\_\_\_\_, on  
behalf of the company.



[Signature]  
Notary Public  
App't. Expires: 11-28-2013

Lessee/Assignor: D & Z Exploration, Inc.

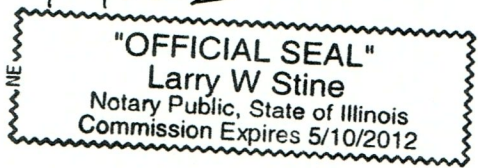
By: [Signature]  
ZANE BELDEN

STATE OF ILLINOIS, COUNTY OF FAYETTE, ss:

This instrument was acknowledged before me on JAN 19, 2012 by

ZANE BELDEN Authorized Agent of D & Z Exploration, Inc.  
a corporation formed and existing under the laws of the State of ILLINOIS, on behalf  
of the company.

[Signature]  
Notary Public  
App't. Expires: 5/10/2012



**Exhibit A**

The above assignment is an overriding royalty interest equal to:

0.0625 of the entire 8/8 interest OR 0.07142857 of the assignors 7/8 interest, in the oil and gas lease set forth in Exhibit "B", free and clear of leasehold expenses.