

OIL AND GAS LEASE

(Paid Up Lease)

THIS AGREEMENT, made and entered into this 31st day of March, 2008, by and between RCKO Enterprises, LLC, a Kansas Limited Liability Company AND Leona M. Buss AND Arlene K. Huskey, party of the first part (hereinafter called Lessor, whether one or more), and Edward Birk and Brian Birk party of the second part, (hereinafter called Lessee),

WITNESSETH:

That the said Lessor, for and in consideration of Three Thousand dollars (\$3,000.00), cash in hand paid, the receipt of which is hereby acknowledged, and of the covenants and agreements hereinafter contained on the part of Lessee to be paid, kept, and performed, has granted, demised, leased, and let and, by these presents does grant, demise, lease, and let unto said Lessee, for the sole and only purpose of mining and operating for oil and gas, and laying pipe lines, and building tanks, power stations and structures thereon to produce, save, and take care of said products, all that certain tract of land situate in the County of Coffey, State of Kansas, described as follows, to-wit:

The South half of the Southeast Quarter (S/2 SE/4) of Section Fifteen (15), Township Twenty-two (22) South, Range Sixteen (16) East of the Sixth Principal Meridian all in Coffey County, Kansas;;
and

The Northwest Quarter (NW/4) of Section Twenty-two (22), Township Twenty-two (22), Range Sixteen (16) East of the Sixth Principal Meridian all in Coffey County, Kansas;;

Containing 240 acres, more or less.

It is agreed that this lease shall remain in full force for a term of 1 year from this date and as long thereafter as oil or gas, or either of them, is produced in sufficient quantities that the Lessor is paid at least \$900.00 per year in landowner royalty payments from the oil produced from said lease or Lessor receives a payment from Lessee of at least \$900.00. Lessee agrees that during the first year Lessee will rework the existing wells on the property and begin pumping those wells. If that occurs, this Lease will automatically renew for the following year. During the second year, Lessees agree that Lessees will drill 2 wells on the total 240 acres of property. After the second year, the habendum clause will operate as set forth above.

In consideration of the premises, the said Lessee covenants and agrees:

First: To deliver to the credit of Lessor, free of cost, in the pipe line to which Lessee may connect his wells, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

Second: To pay Lessor for gas from each well where gas only is found the equal one-eighth (1/8) of the gross proceeds at the prevailing market rate, for all gas used off the premises, said payments to be made monthly, or on such other regular basis as payments are made to Lessee from such company as Lessee enters into agreements for such sales, and Lessor to have gas free of cost from any such well for all stoves, all inside lights or other uses in the principal dwelling house or outbuildings associated with the dwelling house on said land during the time the lease remains in effect. Lessor may obtain such gas by making his own connections with the well at his own risk and expense.

Third: To pay Lessor for gas produced from any oil well and used off the premises, or for the manufacture of casing-head gasoline, one-eighth (1/8) of the proceeds at the prevailing market rate for the gas used, for the time during which such gas shall be used, said payments to be made monthly, or on such other regular basis as payments are made to Lessee from such company as Lessee enters into agreements

for such sales.

If 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 shall be paid the Lessor only in the proportion which his interest bears to the whole and undivided fee, and the signing of this agreement shall be binding on each of the above named parties who sign, regardless of whether it is signed by any of the other parties.

Lessee shall have the right to use, free of cost, gas, oil, and water produced on said land for its operation thereon, except water from wells of Lessor.

Lessee shall keep the area around the pump jacks, tank batteries and pits cleaned up and free of weeds and debris.

Lessee shall bury his pipe lines below plow depth.

No well shall be drilled within 200 feet of any building or structure on the property.

Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

Lessee is hereby granted the right at any time and from time to time (whether before or after production has been established either on the leased premises or any other land pooled or unitized therein) to pool or unitize the leased premises 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 primarily of oil or for the production primarily of gas. However, no unit for the production primarily of oil shall embrace more than 80 acres, or for the production primarily of gas more than 640 acres, plus an acreage tolerance not to exceed 10% thereof, 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 declaration(s) in the county in which the leased premises are located. Operations upon and production from the unit shall be treated as if such operations were upon or such production was from the leased premises 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 the lease except that the royalty on production from the unit shall be as below provided, and except that in calculating the amount of any shut-in gas royalties, only such proportion of the royalties stipulated herein as the amount of Lessor's acreage placed in the unit, or Lessor's royalty interest thereon on an acreage basis bears to the total acreage in the unit. A unit established hereunder shall be valid and effective for all purposes of this lease even though there may be land or mineral, royalty or leasehold interest in land within such unit that are not pooled or unitized. A unit established hereunder shall remain in force as to the portion of the unit area covered by this lease so long as this lease remains in force, unless the unit is modified or dissolved by Lessee by filing a written declaration in the applicable county records.

Lessee shall provide Lessor notice of intent to assign Lessee's rights in this lease and shall provide to Lessor written notice of the name of the purchaser 30 days prior to assignment. At the time of assignment, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment of rentals or royalties shall be binding on the Lessee until after the Lessee has been furnished with a written transfer or assignment or a true copy thereof; and it is hereby agreed in the event this lease shall be assigned as to a part or as to parts of the above described lands and the assignee or assignees of such part or parts shall fail or make default in the payment of the proportionate part of the rents due from him or them, such default shall not operate to defeat or affect this lease in so far as it covers a part or parts of said lands upon which the said lessee or any assignee thereof shall make due payments of said rentals.

Lessor hereby warrants and agrees to defend the title to the lands herein described and agrees that the Lessee shall have the right at any time to redeem for Lessor by payment, any mortgages, taxes, or other liens on the above described lands, in the event of default of payment by Lessor, and be subrogated to the rights of the holder thereof.

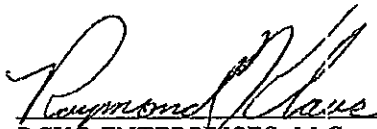
Upon termination of this Lease, whether voluntarily by Lessee or involuntarily, Lessee shall remove all equipment, remove pipe from the wells and plug the wells in accordance with the laws, rules and regulations governing the conduct thereof.


Presently, approximately 60 barrels of oil are on the property and are claimed by Lessor. Lessor authorizes Lessee to sell said oil, and agrees that Lessor shall receive a 1/8 royalty thereon and that Lessee may receive the 7/8 production share thereon.

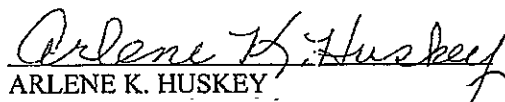
All express or implied covenants of this lease shall be subject to all Federal and State laws, executive orders, rules, or regulations, and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages, for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such law, order, rule, or regulations.

IN WITNESS WHEREOF, the parties hereto have set their hands the day and year first above written.

LESSORS:

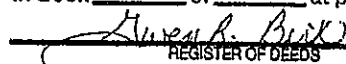

RCKO ENTERPRISES, LLC,
Raymond H. Klaus,
Managing Member
EIN:


LEONA M. BUSS

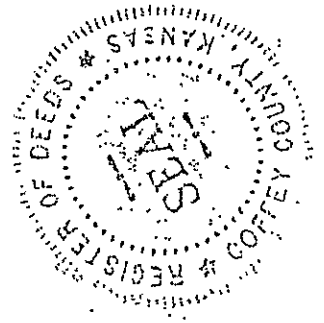

ARLENE K. HUSKEY

RRI

State of Kansas, Coffey County, ss

This Instrument was filed for record on
the 31 day of March A.D. 2008
at 2:10 o'clock P.M and duly recorded
in Book 40 of O&G at page 354-
357

REGISTER OF DEEDS

By _____ Deputy
Fee \$20.00



ACKNOWLEDGMENTS

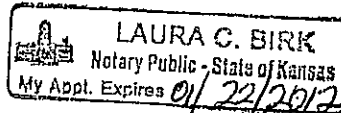
STATE OF KANSAS)
COUNTY OF Coffey) ss:

BE IT REMEMBERED, that on this 31st day of March, 2008, before me, the undersigned, a notary public in and for the county and state aforesaid, came RAYMOND KLAUS who is personally known to me to be the same person who executed the within instrument of writing, and such person duly acknowledged the execution of the same as Managing Member of RCKO Enterprises, LLC.

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

Notary Public
My Appointment Expires:
(SEAL)

Laura C. Birk
January 22, 2012



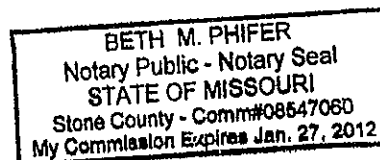
MISSOURI
STATE OF ~~KANSAS~~)
COUNTY OF STONE) ss:

BE IT REMEMBERED, that on this 25th day of March, 2008, before me, the undersigned, a notary public in and for the county and state aforesaid, came LEONA M. BUSS, who is personally known to me to be the same person who executed the within instrument of writing, and such person acknowledged the execution of the same.

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

Notary Public
My Appointment Expires:
(SEAL)

Beth M. Phifer
01/27/2012



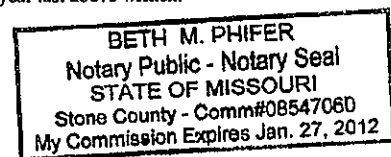
MISSOURI
STATE OF ~~KANSAS~~)
COUNTY OF STONE) ss:

BE IT REMEMBERED, that on this 25th day of March, 2008, before me, the undersigned, a notary public in and for the county and state aforesaid, came ARLENE K. HUSKEY, who is personally known to me to be the same person who executed the within instrument of writing, and such person duly acknowledged the execution of the same.

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

Notary Public
My Appointment Expires:
(SEAL)

Beth M. Phifer
01/27/2012



AFFIDAVIT OF PRODUCTION

STATE OF KANSAS)
) SS
COUNTY OF COFFEY)

Edward Birk, a.k.a Edward E. Birk, a.k.a. Eddie Birk, a.k.a. Ed Birk, Brian Birk, a.k.a. Brian L. Birk, Linda K. Birk, and Laura C. Birk and Birk Oil Company being first duly sworn on their oath, state as follows:

- 1.) That we are the operator of the oil and gas leases described herein.
- 2.) The lease tract(s) in question are described as follows: See attached "Exhibit A"
- 3.) Said leases are for a definite or primary term and as long thereafter as oil or gas is produced by the lessee from the lands therein described.
- 4.) Oil has been captured under the provisions of said lease and is being produced under and in accordance with the terms and conditions of said leases.

FURTHER AFFIANTS SAITH NOT.

Edward Birk
Edward Birk, a.k.a. Edward E. Birk, a.k.a. Ed Birk
a.k.a. Eddie Birk

Brian Birk
Brian Birk, a.k.a. Brian L. Birk

Edward E. Birk, President
Edward E. Birk, President
Birk Oil Company, Inc.

Linda K. Birk
Linda K. Birk

Laura C. Birk
Laura C. Birk

Laura Birk
Laura Birk, Managing Member
Birk Energy, LLC

STATE OF KANSAS)
) SS
COUNTY OF COFFEY)

The foregoing instrument was acknowledged before me this 6th day of August, 2014, by Edward Birk, a.k.a. Edward E. Birk and a.k.a. Eddie Birk, a.k.a. Ed Birk, Brian Birk, a.k.a. Brian L. Birk, Linda K. Birk, and Laura C. Birk, Affiants subscribed and swore to the foregoing affidavit before me.

My Commission Expires: 7-24-18



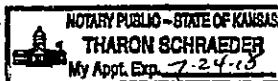
Tharon Schraeder
Notary Public

STATE OF KANSAS)
) ss.
COUNTY OF COFFEY)

On this 6th day of August, A.D., 2014, before me, the undersigned, a Notary Public in and for the county and state aforesaid, personally appeared Edward E. Birk, Birk Oil Company, Inc., to me personally known to be the identical person(s) who signed the name of the maker thereof to the within and foregoing instrument as its President and acknowledged to me that he executed the same that his free and Voluntary act and deed, and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

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

My commission expires 7-24-18



Tharon Schraeder
Notary Public

STATE OF KANSAS)
) ss.
COUNTY OF COFFEY)

On this 6th day of August, A.D., 2014, before me, the undersigned, a Notary Public in and for the county and state aforesaid, personally appeared Laura Birk, Birk Energy, LLC, to me personally known to be the identical person(s) who signed the name of the maker thereof to the within and foregoing instrument as its Managing Member and acknowledged to me that she executed the same that her free and Voluntary act and deed, and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

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

My commission expires 7-24-18



Tharon Schraeder
Notary Public

STATE OF KANSAS, COFFEY COUNTY, SS
Gwen R. Birk, Register of Deeds

Book: 0642 Page: 284-289

Receipt #: 42644
Pages Recorded: 6

Recording Fee: \$28.00

Date Recorded: 8/8/2014 12:25:00 PM

"Exhibit A"

Book/Page	Lessor	Legal Description	Date of Lease	Lease File Date
40/354-357	RCKO Enterprises, LLC AND Leona M. Buss AND Arlene K. Huskey	S2SE4 of 15-22S-16E & NW4 of 22-22S-16E	3-31-2008	3-31-2008
32/285-287	Winnifred Hazen, a/k/a Winnifred E. Hazen	E2 of 29-22S-17E and all of NE4 South of Railroad Track and Fractional Part of NW4 South of Railroad Track of 35-22S-16E	4-15-1996	4-22-1996
28/99-100	Dolph, Russell L. and Ruth A.	W2NE4 of 12-23S-15E	7-7-1983	7-8-1983
40/671	RCKO Enterprises, LLC	SW4 of 15-22S-16E	10-27-2008	7-8-2009
41/581	Gleue, Douglas R. and Karen S.	S2SE4 of 20-22S-17E	1-9-2013	1-14-2013
41/26	Gilbert, Richard Douglas and Tina M.	E2NW4, NE4NE4, SE4 all in 23-22S-16E and NW4 of 24-22S-16E	1-18-2010	1-19-2010
25/320-322	Myrl Houck, attorney-in-fact for H. Berol Beall and Mildred Beall, his wife; Orval K. Beall and Etta Beall, his wife; Dale C. Hutchins and Eleanor K. Hutchins, his wife; Sara Grogg and Ronald Grogg, her husband; Robert W. Hutchins and Carolyn Hutchins, his wife; Martha Wirta and Warner Wirta, her husband; Michael D. Hutchins and Melba Hutchins, his wife; and Myrl Houck, as an individual	E2SE4, NW4SE4, E2W2, and NW4NW4 of 17-22S-16E; (A tract commencing at the Southwest corner of the SE4 of Section 7, thence East 23 rods, thence North 16 rods, parallel to the west line of said Quarter Section to the Neosho River, thence down said river to the west line of said Quarter section, thence South to the place of beginning;) the NE4 of Section 18; all of NW4 of Section 18 lying East of the center of the Neosho River, all that part of SW4 of Section 18 lying North of Neosho River; and all of the N2SE4 of Section 18 lying East of the center of the Neosho River, all in 22S-16E.	12-4-1980	12-5-1980
21/264-265	Myrl Houck, widow; Myrl Houck, Attorney-in-Fact for H. Berol Beall & wife, Mildred Beall; Orval K. Beall and wife, Etta Beall; Dale C. Hutchins & wife, Eleanor K. Hutchins; Sarah Grogg & husband, Ronald Grogg; Robert W. Hutchins & wife, Carolyn Hutchins; Martha Wirta & husband, Warner Wirta; Michael D. Hutchins & wife, Melba Hutchins	N2SW4 of 22-22S-16E	6-1-1977	6-6-1977