

R. K. PINSON & ASSOCIATES, LLC

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10201 Buffalo Ridge Rd.  
Edmond, Oklahoma 73025  
(405) 359-6727  
Fax (405) 359-6728  
E-mail: kpinson@rkpinson.com

December 8, 2009

Richard L. Oliver  
31050 Quail Hollow Circle  
Homeland, CA 92548

RE: Oil & Gas Lease; Section 27-17N-22W  
Roger Mills County, Oklahoma

Dear Mr. Oliver,

We are returning your Oil & Gas Lease due to the fact that the interests in the Lots 2-7, SE/4 NW/4 are still held by the Allen #1-34 in Section 34-17N-22W. You may dispose of the lease and other paperwork that we have previously sent to you.

Thank you for your time and we apologize for any inconvenience. Please do not hesitate to let us know if you have any questions.

Sincerely,

*Angela Teter*

Angela Teter  
ateter@rkpinson.com

/at

Enclosures

*This Land's  
Mineral rights are  
already being leased by  
Zynergy.*

# OIL AND GAS LEASE

(PAID UP)

Reserved for Recording Data

AGREEMENT, made and entered into on this 20<sup>th</sup> day October, 2009, by and between Richard L. Oliver, 31050 Quail Hollow Circle, Homeland, CA 92548, party of the first part, hereinafter called Lessor (whether one or more), and R. K. Pinson & Associates, LLC, 10201 Buffalo Ridge Rd., Edmond, OK 73025, party of the second part, hereinafter called Lessee.

WITNESSETH, That the said Lessor, for and in consideration of Ten and More Dollars (\$10.00), cash in hand paid, receipt of which is hereby acknowledged and of the covenants and agreement hereinafter contained on the part of Lessee to be paid, kept, and performed, has exclusively granted, demised, leased and let and by these presents does exclusively grant, demise, lease and let unto the said Lessee, for the sole and only purpose of exploring by geophysical and other methods, mining, drilling, producing, and operating for oil (including but not limited to distillate and condensate), gas (including but not limited to casinghead or coalbed methane gas and helium and all other constituents), and the right of ingress and egress for the purposes including but not limited to geophysical operations, the drilling of wells and the laying of pipe lines, and building of access roads, tanks, power stations and structures thereon, to produce, save and take care of said products, all that certain tract of land, together with any reversionary rights, after-acquired interests, accretion and riparian rights, streets, alleys, easements, and rights of way therein, situated in the Counties of Ellis and Roger Mills, State of Oklahoma, described as follows, to wit:

**Township 17 North, Range 22 West**

**Section 27: Lots 2, 3, 4, 5, 6, 7; SE/4 NW/4**

**It is the intent of Lessor to Lease all Lessor's property  
in the above described lands lying in Ellis County and Roger Mills County, Oklahoma**

**Containing 189.23 acres, more or less**

It is agreed that this lease shall remain in force for a term of **Three (3) years from above date**, (herein called primary term) and as long thereafter as oil or gas, or either of them, are produced from said land by the Lessee.

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

1. To pay Lessor **3/16ths** of the proceeds received for all oil (including but not limited to condensate and distillate) and **3/16ths** of the proceeds received for all gas of whatsoever nature or kind (with all of its constituents) sold from the lease premises, but in no event more than **3/16ths** of the actual amount received by Lessee, payments to be made monthly.
2. During any period (whether before or after expiration of the primary term hereon) 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 said leased premises sufficient to keep this lease in force, Lessee shall pay or tender a royalty of One Dollar (\$1.00) per year per net royalty acre retained hereunder, 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.

If the Lessee shall commence to drill a well or commence reworking operations on an existing well within the term of this lease or any extension thereof, or on acreage pooled therewith, the Lessee shall have the right to drill such well to completion or complete reworking operations with reasonable diligence and dispatch, and if oil or gas, or either of them, are found in paying quantities, this lease shall continue and be in full force with like effect as if such well had been completed within the term of years first mentioned. If at the expiration of the primary term of this lease, oil or gas is not being produced on the leased premises or on acreage pooled therewith but lessee is then engaged in drilling or reworking operations thereof, then this lease shall continue in full force so long as operations are being continuously prosecuted on the leased premises or on acreage pooled therewith; and operations shall be considered to be continuously prosecuted if not more than ninety (90) days shall elapse between the completion or abandonment of one well and the beginning of operations for the drilling of a subsequent well. If after discovery of oil or gas on said land or on acreage pooled therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or reworking operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

Lessee is hereby granted the right at any time and from time to time to unitize the lease 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 primarily of gas with or without distillate. However, no unit for the production primarily of oil shall embrace more than 160 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 in the county in which the lease 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 lease 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 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 shut in gas royalties, only that part of the acreage originally leased and then actually embraced by this lease shall be counted. In respect to 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 his acreage placed in the unit, or his royalty interest therein, on an acreage basis bears to the total acreage in the unit.

If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein provided shall be paid to the Lessor only in the proportion which his interest bears to the whole and undivided fee.

Lessee shall have the right to use free of cost, gas, oil and water produced on said land for its operations thereon, except water from wells of Lessor. Lessee shall bury its pipe lines below plow depth if requested by Lessor and no well shall be drilled nearer than 200 feet to any house or barn now on the premises, without the written consent of the Lessor. Lessee shall pay for damages, if any, caused by its operations to growing crops on said land. 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.

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, executors, administrators, representatives, successors and assigns of the parties hereto. However, no change or division in the ownership of the land or royalties shall enlarge the obligations or diminish the rights of Lessee. No change in the ownership of the land or royalties shall be binding on the Lessee until after the Lessee has been furnished with a written and recorded transfer or assignment or a true copy thereof. In case Lessee assigns this lease, in whole or in part, Lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of this assignment.

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

This lease shall be effective as to each Lessor on execution hereof as to his or her interest and shall be binding on those signing, notwithstanding some of the Lessors above named may not join in the execution hereof. The word "Lessor" as used in this lease means the party or parties who execute this lease as Lessor, although not named above.

Lessee may at any time and from time to time surrender this lease as to any part or parts of the lease premises by delivering or mailing a release thereof to Lessor, or by placing a release of record in the proper county.

**After recording return to: R.K. Pinson & Associates, LLC, 10201 Buffalo Ridge Rd., Edmond, OK 73025.**

Lessor hereby warrants and agrees to defend the title to the land herein described, and agrees that the Lessee above shall have the right at any time and from time to 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.

If at any time within the primary term of this lease and while the same remains in force and effect, Lessor receives any bona fide offer, acceptable to Lessor, to grant an additional lease (top lease) covering all or part of the aforescribed lands, lessee shall have the continuing option by meeting any such offer to acquire such top lease. Any offer must be in writing, and must set forth the proposed lessee's name, bonus consideration and royalty consideration to be paid for such lease, and include a copy of the lease form to be utilized which form should reflect all pertinent and relevant terms and conditions of the top lease. Lessee shall have fifteen (15) days after receipt, from Lessor, of a complete copy of any such offer to advise Lessor in writing of its election to enter into an oil and gas lease with Lessor on equivalent terms and conditions. If lessee fails to notify Lessor within the aforesaid fifteen (15) day period of its election to meet any such bona fide offer, Lessor shall have the right to accept said offer.

Upon the expiration of the primary term, or subsequent termination of the lease if extended in a manner herein provided, this lease shall automatically terminate and expire as to all leasehold rights 100 feet below the stratigraphic equivalent of the base of the deepest formation penetrated in any well drilled under the terms of this lease. If, within the primary term of this lease, Lessee shall commence operations to drill or rework a well under the terms of this lease, the Lessee shall have the right to drill such well to completion and/or complete reworking operations with reasonable diligence and dispatch, and if oil or gas be found in paying quantities, this lease shall terminate only as to those depths 100 feet below the stratigraphic equivalent of the base of the deepest formation penetrated in such well.

In accordance with the terms of this lease, Lessee shall have the right to pay shut-in payments, however no payment of said shut-ins shall serve to extend the term of this lease for more than 2 consecutive years at any one time.

IN TESTIMONY WHEREOF, I sign on the date first written above.

Richard L. Oliver  
Richard L. Oliver

#### ACKNOWLEDGEMENT

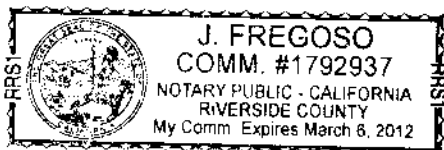
State of California  
County of Riverside

This lease was acknowledged before me a Notary Public, by **Richard L. Oliver**, on this 30 day of October, 2009.

My commission expires: Mar 6, 2012

Jugor  
Notary Public

(Seal)



# OIL AND GAS LEASE MEMORANDUM

This Oil and Gas Lease Memorandum made and entered into on this **20<sup>th</sup> day of October, 2009**, by and between **Richard L. Oliver, 31050 Quail Hollow Circle, Homeland, CA 92548**, as Party of the first part, hereinafter called Lessor (whether one or more), and **R. K. Pinson & Associates, LLC, 10201 Buffalo Ridge Rd., Edmond, OK 73025**, party of the second part, hereinafter called Lessee.

WITNESSETH, That the said Lessor, for and in consideration of Ten and More Dollars (\$10.00), cash in hand paid, and other good and valuable consideration did make and execute in favor of Lessee an Oil and Gas Lease, hereinafter called "said Lease", covering Lessor's interest in the following described lands in the **Counties of Ellis and Roger Mills, State of Oklahoma**:

**Lots 2, 3, 4, 5, 6, 7; SE/4 NW/4 of Section 27-T17N-R22W**

**It is the intent of Lessor to Lease all Lessor's property  
in the above described lands lying in Ellis County and Roger Mills County, Oklahoma**

Said Oil and Gas Lease is dated the **20<sup>th</sup> day of October, 2009**, and the term of said Lease commences on the **20<sup>th</sup> day of October, 2009**, and continues, subject to the terms as therein provided, for **three (3) years** therefrom and so long thereafter as provided in said Lease.

This Oil and Gas Lease Memorandum is being made and filed for the purpose of giving third parties notice of the existence of said Lease described above.

IN WITNESS WHEREOF this Oil and Gas Lease Memorandum is executed as of the date first above written.

  
Richard L. Oliver

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By: **R. Kent Pinson, Member**  
**R. K. Pinson & Associates, LLC**

After recording, return to: **R. K. Pinson & Associates, LLC, 10201 Buffalo Ridge Rd., Edmond, OK. 73025**

State of California }  
County Riverside }

This instrument was acknowledged before me, a Notary Public, on this 30 day of October, 2009,  
by **Richard L. Oliver**.



My commission expires: Mar 6, 2012

Hugow  
Notary Public

State of OKLAHOMA }  
County LOGAN }

This instrument was acknowledged before me, a Notary Public, on this \_\_\_\_\_ day of \_\_\_\_\_, 2009,  
by **R. Kent Pinson, Member**.

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public State of Oklahoma

After recording, return to: R. K. Pinson & Associates, LLC, 10201 Buffalo Ridge Rd., Edmond, OK. 73025