White Co., Illinois - S.S. by Paula Dazier, Clerk & Recorder Book: 2014 Page: 7895 Receipt #: 23005 Total Fees: 156.00 Doct: 14-1620 RSP Paid: 5/9/2014: 110.00 Pages Recorded: 8

Date Recorded: 5/9/2014 1:20:36 PM

OIL AND GAS LEASE

This Oil and Gas Lease (the "Lease") is entered into this <u>9</u>, of <u>may</u>, 2014 (the "Effective Date"). The parties to this Lease are Michael W. Brown, of 1183 Co. Rd/1075E., Carmi, IL 62821, Martin Ray Barbre of 501 W. Main St., Carmi IL 62821, Keri Larew and David Larew by and through Harold Paul, their agent pursuant to an Unlimited Power of Attorney recorded in White County Recorder's Office in Book 2014 at Page 7726, with an address of 7622 Hwy 351 E., Henderson, KY 42420, and Kristi Hape and William Hape by and through Harold Paul, their agent pursuant to an Unlimited Power of Attorney recorded in White County Recorder's Office in Book 2014 at Page 7726, with an address of 7622 Hwy 351 E., Henderson, KY 42420, and Kristi Hape and William Hape by and through Harold Paul, their agent pursuant to an Unlimited Power of Attorney recorded in White County Recorder's Office in Book 2014 at Page 7723 of 624 W. Meadow Ct. Evansville, IN 47712, as Lessor, (whether one or more), and CAMPBELL ENERGY, LLC, an Illinois Limited Liability Company, whose mailing address is 1238 Co. Rd. 1500 N., Carmi, IL 62821 as Lessee.

1. For twenty dollars (\$20) and other valuable consideration, the receipt and sufficiency of which Lessor acknowledges, and the covenants and agreements contained in this Lease, Lessor grants, demises, leases, and lets to Lessee the land described below (the "Lands"), with and for the exclusive right to drill, explore by geological, geophysical and other methods, including conducting seismic operations, core drilling, and the drilling and operating for producing and saving all of the oil, gas, gas condensate, gas distillate, casinghead gasoline and their respective constituent vapors and all other gases ("Oil and Gas"), excluding there from coal, coal bed methane gas and its constituent byproducts, but including the exclusive right to inject substances into non coal bearing subsurface strata. Lessee is granted the rights of way and easements for constructing roads, laying pipelines, flow lines, gathering lines, electrical lines, and the erection of structures on the Lands necessary or convenient to produce, save, transport and take care of all Oil or Gas, on these lands or neighboring lands. The Lands are located in White County, Illinois, and are generally described as follows:

See Attached Exhibit "A"

The Lands are deemed for all purposes of this Lease to contain 550.5 acres, more or less.

2. This Lease shall remain in full force and effect for a Primary Term of 1 year from the Effective Date (the "Primary Term"), and as long thereafter as Oil and Gas are produced from the Lands in commercial quantities, drilling operations are continued as provided below, or this Lease is otherwise being maintained.

3. This is a PAID-UP LEASE. For the consideration paid to Lessor, Lessee shall not be obligated, except as otherwise provided, to commence or continue any operation during the Primary Term, or to make any rental payments during the Primary Term. Lessee may at any time or times during or after the Primary Term surrender this Lease as to all or a portion of the Lands by delivering to Lessor, or by filing for record, a release or releases, and then be relieved of all obligations under this Lease as to the Lands covered by the Lease which are surrendered, except that Lessee's obligation to remediate the property or pay damages is not affected by the releases. The Lease shall continue in force and effect as to all Lands not surrendered.

- 4. Lessee agrees to pay Lessor a royalty on production of Oil or Gas, as follows:
 - a. Lessee shall deliver to the credit of Lessor as royalty, free of cost, in the pipeline to which Lessee may connect its wells, 20% part of all Oil produced and saved from the Lands. At Lessee's option Lessee may pay to Lessor for the 20% royalty the sale price for the Oil when Oil is sold by Lessee.
 - b. Lessee shall pay Lessor as royalty on Gas sold from each well 20% of the proceeds if sold at the well, or if marketed by Lessee, off the leased Lands, 20% of the value at the well of the gas.
 - c. Lessee shall pay Lessor 20% of the proceeds received by the Lessee from the sale of casinghead gas produced from any Oil well and 20% of the value, at the mouth of the well, of the casinghead gas produced from any Oil well and used by Lessee off the leased Lands for any purpose, or used on the leased Lands by Lessee for purposes other than the development and operation of the Lease.
 - d. Lessee shall pay to Lessor 20% of the proceeds from the sale of all other products of Oil or Gas not provided for above, including but not limited to gas condensate and distillate.

5. Where Gas from a well producing Gas is not sold or used and no other products of Gas from the well are being sold or used, Lessee may pay or tender, as royalty, at the end of each yearly period of this Lease during which gas or any products are not sold or used, the sum of twenty five dollars (\$25) per net mineral acre included in the drilling unit for such well. While this royalty is paid or tendered (the "shut-in royalty") it shall be considered that gas is being produced within the meaning of paragraph 2 above.

6. If Lessor owns a lesser interest in the Lands than the entire and undivided fee simple mineral estate, the royalties (including any shut-in gas royalty provided in paragraph 5) shall be paid to Lessor only in the proportion which Lessor's interests bear to the whole and undivided fee simple mineral estate in the Lands. If Lessor has executory leasing rights, then their execution of this lease shall be binding upon those executory rights, as well.

7. Despite anything in this Lease to the contrary, Lessor expressly agrees that if Lessee commences operations for drilling a well at any time while this Lease is in force, this Lease shall remain in force and its term shall continue as long as the operations are prosecuted as provided for in paragraph 8. If production of Oil or Gas results from the operations, this Lease shall remain in effect as long as that production continues in paying quantities, or this Lease is otherwise being maintained as under provisions of paragraph 5 or 8 of this Lease, except as otherwise provided.

8. If, at the expiration of the Primary Term, Oil or Gas is not being produced but Lessee is engaged in drilling or reworking operations, this Lease shall continue in force as long operations are being continuously prosecuted on the Lands. Operations shall be considered to be continuously prosecuted if not more than ninety (90) days elapses between the completion or the abandonment of one well and the beginning of operations for the drilling of a subsequent well. If, after the discovery of Oil or Gas on the Lands or on acreage pooled with the Lands, production 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 the date of cessation of production or from the date of completion of a dry hole. If Oil or Gas shall be discovered and produced as a result of these operations at or after the expiration of the Primary Term, this Lease shall continue in force as long as Oil or Gas is produced from the Lands, or operations are conducted hereunder, without a lapse of more than ninety (90)

days between the cessation of production or the termination of previous operations, whichever is applicable, and the subsequent commencement of production or operations.

9. Lessee is granted the right, free of cost, to use gas, oil, and water produced from the Lands for Lessee's operations, except water from Lessor's wells. Lessee will bury pipelines and flow lines below normal plow depth crossing any parts of the lands under cultivation. No well shall be drilled nearer than five hundred feet (500') to any house located on the Lands at the time that such well is drilled, without the prior written consent of Lessor. Lessee will pay for damages to growing crops on the Lands caused by Lessee's operations.

10. Lessor releases and waives all rights under and by virtue of the homestead exemption laws of the State of Illinois.

11. The rights of the Lessor and Lessee may be assigned in whole or in part. No change in ownership of Lessor's interest, by assignment or otherwise, shall be binding on Lessee until Lessee has been furnished for sixty (60) days with written notice, consisting of certified copies of all recorded instruments or documents and other information necessary in establishing a complete chain of record title from the Lessor, and then only with respect to payments after Lessee's receipt of notice. No other notice of any kind or character, whether actual or constructive, shall be binding on the Lessee. No present or future division of Lessor's ownership as to different portions or parcels of the Lands shall operate to enlarge the obligations, or to diminish the rights of Lessee. All of Lessee's operations may be conducted without regard to any division of ownership by Lessor. If all or any part of this Lease is assigned, no leasehold owner shall be liable for any act or omission on the part of any other leasehold owner.

12. Lessee, at its option, is given the right and power to voluntarily pool or combine the Lands. or any portion of the Lands, as to Oil or Gas, with any other adjacent land, lease, or leases when in a Lessee's judgment it is necessary or advisable to do so in order to properly develop and operate the Lease. Pooled units: may not exceed forty (40) acres for an vertical Oil well, plus a tolerance of ten percent (10%); may not exceed six hundred forty (640) acres for a horizontal Oil well, plus a tolerance of ten percent (10%); and may not exceed six hundred forty (640) acres for a Gas/Condensate/Distillate Well (or any combination thereof), plus a tolerance of ten percent (10%). However, larger units may be created to conform to any spacing or unit pattern that may be prescribed or permitted by governmental authorities having jurisdiction, or if the creation of larger units will allow Lessee to obtain the maximum allowable for production from a well or unit. Lessee, or its designee, shall execute and record in the records an instrument identifying and describing the lands included in the pooled unit acreage. The entire acreage pooled into a unit shall be treated for all purposes, except the payment of royalties, as if it were included in this Lease, and drilling or reworking operations on the unit, production of Oil and Gas. or the completion of a well as a shut-in gas well shall be considered for all purposes, except the payment of royalties, as if the operation were on, such production were from, or such completion was on the Lands, whether or not the well or wells are located on the Lands subject to this Lease. In lieu of the royalties specified in paragraph 4 on production from the Lands, including shut-in gas royalties, Lessor shall receive from a unit only such portion of the royalties provided in paragraph 4, as the amount of Lessor's Lands placed in the unit, or Lessor's royalty interest in the unit, bears to the total acreage included in the unit. In the absence of production, Lessee may terminate any unit by filing in the records of the county where the Lands are located, a notice of termination of a unit.

13. All express or implied covenants of this Lease shall be subject to all federal and state laws, executive orders, rules or regulations of governmental bodies having jurisdiction, and this Lease shall not terminate in whole or in part, nor shall Lessee be held liable in damages for failure to comply with the terms of this Lease, if compliance is prevented by or if a failure to comply with the terms of the Lease is the result of any such law, order, rule, or regulation.

14. Lessor agrees Lessee shall have the right at any time to redeem for Lessor, by payment, any mortgages, taxes or other liens on the Lands in the event of any failure of payment by Lessor. Upon Lessee making any payment for Lessor, Lessee shall be subrogated to the rights of the holder of any Liens. In addition, Lessee may reimburse itself for any payments out of any royalties or rentals payable due Lessor for sums Lessee pays on behalf of Lessor.

15. Should this lease be carried past its primary term by production of oil or gas, Lessee shall continue to develop same at the rate of one well per year until the entire lease is developed with one well drilled on each well location. Credit for one year shall be given for each well more than one drilled in any one year period. In the event of failure of Lessee to comply with the continuous obligation above set forth, then effective at midnight on the last day of the cumulative period earned by the drilling of all wells previously drilled, calculated as set forth above, this lease shall terminate as to all undeveloped acreage, being all of the leased premises not included within developed acreage on which is situated a producing well as hereinabove set forth and defined; provided, however, that if at the time of such termination, Lessee is utilizing any well theretofore drilled for injection or disposal purposes, this lease shall continue in effect as to the acreage allocated to such well as to, but only as to, the subsurface strata or stratas into which such injections are being made, together with such surface privileges as may be necessary or desirable to continue such injections.

16. Performance of covenants and conditions imposed upon Lessee hereunder shall be suspended at the time or from time to time to the extent that Lessee is hindered in or prevented from complying therewith, in whole or in part, by war, riots, strikes, lockouts, action of the elements, accidents, inability to obtain adequate drilling rigs, equipment and materials on the open market, or to obtain transportation therefore, laws, rules and regulations of any federal, state municipal or other governmental agency, or executive orders asserted as official by or under any public authority claiming jurisdiction, or any other cause beyond the control of Lessee.

17. Lessee reserves the right and option to file a Memorandum of Oil and Gas Lease in the county Recorder's Office which will in such event serve as constructive notice of the existence of this Lease.

18. In the event any of the Leased Lands to this Lease are determined to be inaccurately described or in the event it is determined Lessor's ownership of said Leased Lands is owned in another capacity, other than described on this Lease, Lessor hereby covenants and agrees with Lessee to execute and deliver such other documents necessary to amend and ratify this Lease or take such further actions as Lessee may reasonably request, to carry out the intent of, and give effect to this Lease.

19. All the provisions of this Lease shall be binding on the heirs, successors, assigns and legal representatives of the Lessor and Lessee.

LESSOR:

elw. Korow

Michael W. Browh

LESSOR:

Martin Ray Barbar

for

Harold as Agent for **Tisti Hape**

Harold Paul

Harold P

ACKNOWLEDGMENT

STATE OF ILLINOIS

COUNTY OF WHITE

I, the undersigned Notary Public, in and for and residing in the said County in the State aforesaid do hereby certify that Michael W. Brown, who is personally known to me to be person whose name is subscribed to the foregoing instrument appeared before me this day in person and severally acknowledged that he signed the said instrument as his free and voluntary act, and for the uses and purposes therein set forth.

) SS.

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Given under my hand and official	seal this day of 2014.
My commission expires: OFFICIAL SEAL MATTHEW L. MCARTHY Notary Public, State of liknois +ty Commission Expires (9-10-2015)	Hotary Public
STATE OF ILLINOIS)) SS.
COUNTY OF WHITE) 33.
I the undersigned Notary Public is	n and for and residing in the said County in the State aforesaid do b

d do hereby d Notary Public, in a ug. certify that Martin Ray Barbre, who is personally known to me to be person whose name is subscribed to the foregoing instrument appeared before me this day in person and severally acknowledged that he signed the said instrument as his free and voluntary act, and for the uses and purposes therein set forth.

Given under my hand and official seal this the day of 2014.

My commission expires:

OFFICIAL MATTHEWL Notary Public, State of illin ly Commission Expires 09-10-2015

Motary Public

STATE OF ILLINOIS)) SS. COUNTY OF WHITE

ly Commission Expires 09-10-2015

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I, the undersigned, Notary Public, do hereby certify that Harold Paul, as agent for Keri Larew and David Larew, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he signed the said instrument as their agent as his free and voluntary act, and for the uses and purposes therein set forth.

Given under my hand and official seal this <u>94h</u> day of <u>May</u> , 2014.				
My commission expli	res: OFFICIAL SEAL MATTHEW L. MCARTH Notary Public, State of Elino My Commission Expires 09-10-20	TY As Notary Pu	HTZ=	
STATE OF ILLINO	S))S	e		
COUNTY OF WHIT	•			

I, the undersigned, Notary Public, do hereby certify that Harold Paul, as agent for Kristi Hape and William Hape, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he signed the said instrument as their agent as his free and voluntary act, and for the uses and purposes therein set forth.

Given under my hand and official seal this A day of May My commission expires: OFFICIAL SEAL MATTHEW L. MCARTH Notary Public, State of illinois

EXHIBIT "A"

TRACT 1: The Southwest Quarter of Section 26 and all that part of the South Half of the Northwest Quarter of Section 26 lying South of the center of the Little Wabash River, all in Township 5 South, Range 9 East of the 3rd P.M. White County, Illinois. Limited to the base of the Fort Payne.

TRACT 2: A part of the Northwest Quarter of the Northeast Quarter of Section 35, Township 5 South, Range 9 East of the 3rd P.M., described as follows: beginning at a point which is 905 feet south of the Northeast corner of the Northwest Quarter of the Northeast Quarter of Section 35, Township 5 South, Range 9 East of the 3rd P.M. and run thence South 415 feet on the East line of said Northwest Quarter of the Northeast Quarter to the Southeast corner of said Northwest Quarter of the Northeast Quarter, thence West 545 feet on South line of said Northwest Fourth of the Northeast Quarter, thence North 435 feet on a line parallel with the East line of said Northwest Fourth of the Northeast Quarter to the center line of the ditch; thence S 87degrees 53' E 545.2 feet to the place of beginning. Limited to the base of the Fort Payne.

TRACT 3: The Northeast Fourth of the Northeast Quarter and the East Half of the Southeast Fourth of the Northeast Quarter and the North Part of the East Half of the Southeast Quarter lying East of the Little Wabash River of Section 34, the Northwest Quarter of Section 35, the North Half of the Southwest Quarter and the West Half of the Northeast Quarter in Section 35, all in Township 5 South, Range 9 East of the 3rd P.M. in White County, Illinois; EXCEPT the Southwest Quarter of the Northeast Quarter, the Southeast Quarter of the Northwest Quarter and parts of the Northwest Quarter of the Northeast Quarter, the Northeast Quarter of the Northwest Ouarter, the Northwest Quarter of the Northwest Quarter, the Southwest Quarter of the Northwest Quarter, the Northwest Quarter of the Southwest Quarter, and the Northeast Quarter of the Southwest Quarter, all in Section 35, Township 5 South, Range 9 East of the 3rd P.M and described more particularly as follows; beginning at the Northeast corner of the Southwest Ouarter of the Northeast Ouarter, all of said Section 35, being the Southeast Corner of a 5.22 acre trace conveyed to Michael Brown in 1982, and from said point run thence West 545 feet to the Southwest Corner of said 5.22 acre tract, thence North 435 feet to the center of a small ditch and the Northwest Corner of said 5.22 acre tract; thence, with said ditch N 87 degrees 53' W 2210 feet to a point on the West line of the Northeast Ouarter of the Northwest Ouarter and being 765 feet South of the North line of said Section 35, thence S 22 degrees W 1160 feet to a point on top of the West Bank of Brown's Pond; thence South across Brown's Pond 1110 feet to a point near the South side of the Woods; thence S 25 degrees W 870 feet with the West edge of the Woods to the South line of the Northeast Ouarter of the Southwest Quarter of said Section 35; thence 990 feet East of the Southeast Corner of the Northeast Quarter of the Southwest Quarter of Section 35; thence North 1320 feet to the center of said Section 35; thence East 1340 feet to the Southeast corner of the Southwest Quarter of the Northeast Quarter thence North 1320 feet to the place of beginning, and containing 150.6 acres. More or less and also except A part of the Northwest Quarter of the Northeast Quarter of Section 35, Township 5 South, Range 9 East of the 3rd P.M., described as follows: beginning at a point which is 905 feet south of the Northeast corner of the Northwest Quarter of the Northeast Quarter of Section 35, Township 5 South, Range 9 East of the 3rd P.M. and run thence South 415 feet on the East line of said Northwest Quarter of the Northeast Quarter to the Southeast corner of said Northwest Quarter of the Northeast Quarter, thence West 545 feet on South line of said Northwest Fourth of the

Northeast Quarter, thence North 435 feet on a line parallel with the East line of said Northwest Fourth of the Northeast Quarter to the center line of the ditch; thence S 87degrees 53' E 545.2 feet to the place of beginning. Limited to the base of the Fort Payne.

TRACT 4: That part of the Southeast Fourth of the Northeast Quarter of Section 27, lying East of the Little Wabash River; the East Half of the Southeast Quarter of Section 27, lying East of the Little Wabash River; that part of the West Half of the Southeast Quarter of Section 27, lying East of the Little Wabash River; all in Township 5 South, Range 9 East of 3^{td} P.M. in White County, Illinois. Limited to the base of the Fort Payne.

Prepared by: Law Offices of Matthew MCArthy POBox 519 Canni, IL 62821

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Nhite Co., Illinois - S.S. by Paula Dozier, Clerk & Recorder :30.00k: 2014 Page: 7904 Receipt #: 23005 Total Fees: 150.00 00c0: 14-1621 RISP Paid: 5/9/2014: 118.00

SURFACE USAGE AGREEMENT

Pages Recorded: 5 Date Recorded: 5/9/2014 1:20:37 PM

This Surface Usage Agreement is entered this (ath_ day of May, 2014 by and between M & H Grain Farms, Inc. of 1183 Co. Rd. 1075E. Carmi, IL 62821, as Lessor(s), whether one or more, and Campbell Energy, LLC, of 1238 Co. Rd. 1500N., Carmi, IL 62821, as Lessee.

1. Lessor is the owner of certain property, which is described on the attached Exhibit "A" and incorporated herein by reference, and Lessee is the owner of certain oil and gas leases which cover said property. Lessor and Lessee desire to set forth the terms of the usage of the surface for oil and gas exploration, which are set forth below.

2. Lessor owns the surface of the Lease lands. Lessee and Lessor shall mutually agree on all drillsite locations; the location of the placement of: pipelines, flowlines, gathering lines and access road locations for ingress and egress of the Leased Lands. Lessor shall provide written consent to such agreement; such consent shall not be unreasonably withheld. It is agreed, that if at all possible, all wells, gathering systems, tank batteries and other structures shall be placed in dry corners of the leased Lands, if an irrigation system is in place on the Leased Lands, at the time of commencement of drilling operations. If such placement is not possible, Lessee shall be responsible for construction of all reasonable structures to maintain the continuous revolution of the irrigation system over the location. Also, if the placement should interfere with the revolution of the irrigation system over the location, then construction or drilling shall not take place during the months of June through August, so that the Lessor, or its tenant, if applicable, is able to maintain the full use of the irrigation system on the leased Lands (or conjoining property, if such revolution encompasses such property).

3. Lessee agrees to take due care in the construction of drill sites, pipelines, flowlines and/or gathering lines, paying specific attention to the location of the entire drainage system located on the Leased Lands, including drain tiles, drainage ditches and other water ways which assist in the proper drainage of the Leased Lands. Lessee agrees, at Lessee's sole expense, to redirect any of the tile drainage system or other water ways that may be adversely affected by the location and construction of the drill sites, pipelines, flowlines and/or gathering lines, which may be located on the Leased Lands. Lessee shall contact Lessor and mutually agree upon the best course of action to be taken to assure the drainage system is redirected in a manner as not to affect the proper drainage of the property. Lessee agrees to install culverts, where necessary, to protect the drainage of the property and to prevent any ponding or erosion of the soil, along the constructed access roads placed on the property. Lessee agrees to replace the tile drainage system as near as practicable to its pre-drill site and/or pipeline, flowlines and/or gathering lines construction condition. Upon request of Lessor, Lessee shall install at Lessee's expense, cattle guards, gates and fences, around the drill sites, wells, and other facilities of Lessee on the Leases Lands, so as to prevent injury or damage to animals of Lessor.

4. Lessee shall NOT have the right under this lease to use fresh water from any pond, lake, river or fresh water aquifer located on the Leased Lands, without the written consent of Lessor.

For the consideration first stated above, Lessor conditionally grants to Lessee easement(s) 5. and right of way(s) as provided herein. The use of such easement(s) and right of way(s) are conditioned upon Lessee first paying or tendering to Lessor the sum of Ten Dollars (\$10) per linear rod. Such easement(s) and the right of way(s) are described as follows: Lessor grants to Lessee a strip of land thirty (30) feet wide for the purpose of laying, constructing, operating, maintaining, repairing, replacing and removing pipeline(s) for the transportation of water, brines, oil, gas and other substances, and electrical line(s) from this acreage or acreage pooled with said lands. The centerline of such easement(s) and right of way(s) shall be the center of the pineline(s) and electrical lines(s) as actually laid. Lessee will consult with Lessor on the course, route and direction of line(s) so as to minimize interference with surface usage by Lessor, or Such pipeline(s) and electrical line(s) shall be buried, when crossing Lessor's tenant. agricultural property where cultivation is or can be utilized thereon, below thirty six (36) inches. Lessee shall pay for damages to growing crops, timber, fences or other structures of Lessor that are damaged by such construction, maintenance and operation of the rights granted herein. The easement(s) and right of way(s) and all rights granted hereunder shall remain in full force and effect until such pipeline(s) and electrical line(s) are not in use for a period of two (2) consecutive years.

6. In the event that the Lease land is utilized for tank battery sites, roadways, storage/treatment facilities or gathering facilities, no less than five hundred dollars (\$500) per acre annually (one (1) acre being the minimum and measurement of acres rounded to the nearest whole number) for the duration of the primary lease shall be paid to the surface owner by the Lessee. Upon the expiration of the primary term period, this fee shall be adjusted annually according to the Index Numbers of the Illinois Farmland Values as reported by the University of Illinois (or similar institution should this index not be made available in the future). A maximum of six (6) acres shall be used on the Leased Lands for all tank battery sites, roadways, storage/treatment facilities or gathering facilities. Any additional acreage requirements shall be negotiated by a separate agreement between the Lessee and the surface owner.

7. If Lessor owns the surface of the Lease land upon which Lessee desires to conduct operations (except for the drilling and development of a vertical well), Lessee shall make a one-time payment to Lessor in the amount of ten thousand dollars (\$10,000) for each acre used for the well pad located on the Leased Lands, which payment shall be made prior to the commencement of construction (rig moving onto location, dirt work, or digging of pits) of each well pad, for a well pad not to exceed six acres. After the expiration of the Primary Lease term, the payment per acre as described above in this paragraph shall be no less than ten thousand dollars (\$10,000) per acre, but will be paid at a higher rate if applicable to allow for farmland values increase. The determination of the amount to be paid will be made based on the University of Illinois Farmland Value Index (or similar agreed upon method if it is no longer available), using 2013 as the past year's index, and the year immediately prior to the required payment and the current year index, and the year immediately prior to the required payment and the current year index. Lessee agrees to restore as much as possible of the well pad to its former condition, as reasonably practical, as soon as reasonably possible, but not less than six (6) months after completion of drilling and completion of the well has taken place. Lessee agrees to only use so much of the surface for the well pad, as reasonably necessary, so as to minimize the foot print of the well pad and the well location on the surface, in the event that the full six (6) acres is not necessary.

8. Lessee shall pay unto Lessor, as liquidated damages, for each vertical well that is drilled on Lessor's property in the amount of \$5,000. After the expiration of the Primary Lease term, the payment per well as described above in this paragraph shall be no less than five thousand dollars (\$5,000) per well, but will be paid at a higher rate if applicable to allow for farmland values increase. The determination of the amount to be paid will be made based on the University of Illinois Farmland Value Index (or similar agreed upon method if it is no longer available), using 2013 as the past year's index, and the year immediately prior to the required payment and the current year index, and the year immediately prior to the required payment and the current year index. Such payment shall cover the damage done unto the property for the drilling of such well, except for damages unto growing crops.

9. In the event the surface of the Leased Lands has been utilized by Lessee for its operations, Lessee agrees to remove all equipment it placed on the leased Lands, as well as restore the surface so utilized to as near as reasonably practical to its former condition, within a reasonable time from the expiration of this lease, not to exceed one year.

10. Lessee shall indemnify and hold harmless Lessor against all causes of action, costs, liabilities, losses, damages or whatever kind of character or any claims therefore for personal injury or death to any person and for the destruction or damage to property, if such personal injury or death, or if such loss, destruction or damage to property, arose out of or was a result of Lessee's operations, except such injury, death, damages, or destruction was the result of the negligence, willful misconduct or intentional act of Lessor, or a guest or invitee of Lessor. However, Lessee shall have strict liability to pay all claims of Lessor for all injuries, losses, or damages to the domestic animals of Lessor arising in any manner from Lessee's operations under this Lease without apportionment thereof on the basis of fault.

11. In the event that any of the Leased Lands is subject to an enrollment in the Conservation Reserve Program ("CRP"), or other similar governmental program, with the United States Department of Agricultural ("USDA") Farm Service Agency and Lessee utilizes a portion of Lessor's acreage subject thereto, Lessee agrees to reimburse Lessor for any sums Lessor must pay to the USDA as reimbursement costs as per the applicable contract between Lessor or its predecessor in title and the USDA for such acreage so utilized. Lessee also agrees to pay unto Lessor for any sums for which are forfeited by Lessor due to such utilized acreage which is required to be taken out of the program. Payment will be made within a reasonable time once Lessor submits to Lessee, in writing, the amount due the USDA, as per the USDA's written notice of the sum due, and the USDA's written statement of the sum for which Lessor is forfeiting due to such removal from the program. Lessor agrees to coordinate and execute all necessary documents with USDA for such utilization of the acreage by Lessee. This provision shall apply if the horizontal well pad is located on the leased Lands. 12. Lessee shall bury all flow lines, electric lines and pipelines below thirty six inches (36") or normal plow depth, and that no above ground lines or related facilities shall be permanently installed, including but not limited to electric lines, with the exception of a single service pole to establish the electric connection from the power line with a transformer, which such placement shall be mutually agreed upon. Lessee agrees that nothing larger than CA-6 rock shall be placed on the lease roads, and preferably agricultural limestone.

13. Lessee agrees to pay for any damage that occurs on the leased Lands, which is caused by the leakage or spills of salt water or any other damages due to the Lessee's operations. Such payment shall be as follows: for acreage that has productivity decreased and Lessor is able to provide documentation or proof of such damage by yield results/damages proven by a certified adjuster at the damaged location and surrounding, undamaged locations, then Lessee shall pay times the acreage so damaged by the salt water; and for acreage damaged by the salt water that results in an inability to yield any harvestable crops from the property, then Lessor shall be paid for every acre so damaged, multiplied by the Illinois state average for corn for that crop year, times the posted crop insurance price for corn for that year. Such payments for loss shall continue for so long as production is affected.

14. Lessee shall not store gas on the Leased Lands produced from outside the Leased Lands or acreage pooled therewith, without the written consent of Lessor.

Signed for Identification and Approval thereto the terms set forth above.

LESSOR:

LESSEE:

M & H GRAIN FARMS, INC.

Michael W. Brown, President

By: obell. Member Jakob L.

CAMPBELL ENERGY, LLC

EXHIBIT "A"

TRACT 1: The Southwest Quarter of Section 26 and all that part of the South Half of the Northwest Quarter of Section 26 lying South of the center of the Little Wabash River, all in Township 5 South, Range 9 East of the 3rd P.M. White County, Illinois. Limited to the base of the Fort Payne.

TRACT 2: A part of the Northwest Quarter of the Northeast Quarter of Section 35, Township 5 South, Range 9 East of the 3rd P.M., described as follows: beginning at a point which is 905 feet south of the Northeast corner of the Northwest Quarter of the Northeast Quarter of Section 35, Township 5 South, Range 9 East of the 3rd P.M. and run thence South 415 feet on the East line of said Northwest Quarter of the Northeast Quarter to the Southeast corner of said Northwest Quarter of the Northeast Quarter, thence West 545 feet on South line of said Northwest Fourth of the Northeast Quarter, thence North 435 feet on a line parallel with the East line of said Northwest Fourth of the Northeast Quarter to the center line of the ditch; thence S 87degrees 53' E 545.2 feet to the place of beginning. Limited to the base of the Fort Payne.

TRACT 3: The Northeast Fourth of the Northeast Quarter and the East Half of the Southeast Fourth of the Northeast Quarter and the North Part of the East Half of the Southeast Quarter lying East of the Little Wabash River of Section 34, the Northwest Quarter of Section 35, the North Half of the Southwest Quarter and the West Half of the Northeast Quarter in Section 35, all in Township 5 South, Range 9 East of the 3rd P.M. in White County, Illinois; EXCEPT the Southwest Quarter of the Northeast Quarter, the Southeast Quarter of the Northwest Quarter and parts of the Northwest Quarter of the Northeast Quarter, the Northeast Quarter of the Northwest Quarter, the Northwest Quarter of the Northwest Quarter, the Southwest Quarter of the Northwest Quarter, the Northwest Quarter of the Southwest Quarter, and the Northeast Quarter of the Southwest Quarter, all in Section 35, Township 5 South, Range 9 East of the 3rd P.M and described more particularly as follows: beginning at the Northeast corner of the Southwest Ouarter of the Northeast Ouarter, all of said Section 35, being the Southeast Corner of a 5.22 acre trace conveyed to Michael Brown in 1982, and from said point run thence West 545 feet to the Southwest Corner of said 5.22 acre tract, thence North 435 feet to the center of a small ditch and the Northwest Corner of said 5.22 acre tract; thence, with said ditch N 87 degrees 53' W 2210 feet to a point on the West line of the Northeast Ouarter of the Northwest Ouarter and being 765 feet South of the North line of said Section 35, thence S 22 degrees W 1160 feet to a point on top of the West Bank of Brown's Pond; thence South across Brown's Pond 1110 feet to a point near the South side of the Woods; thence S 25 degrees W 870 feet with the West edge of the Woods to the South line of the Northeast Quarter of the Southwest Quarter of said Section 35: thence 990 feet East of the Southeast Corner of the Northeast Quarter of the Southwest Ouarter of Section 35; thence North 1320 feet to the center of said Section 35; thence East 1340 feet to the Southeast corner of the Southwest Quarter of the Northeast Quarter thence North 1320 feet to the place of beginning, and containing 150.6 acres. More or less and also except A part of the Northwest Quarter of the Northeast Quarter of Section 35. Township 5 South, Range 9 East of the 3rd P.M., described as follows: beginning at a point which is 905 feet south of the Northeast corner of the Northwest Quarter of the Northeast Quarter of Section 35, Township 5 South, Range 9 East of the 3rd P.M. and run thence South 415 feet on the East line of said Northwest Quarter of the Northeast Quarter to the Southeast corner of said Northwest Quarter of

the Northeast Quarter, thence West 545 feet on South line of said Northwest Fourth of the Northeast Quarter, thence North 435 feet on a line parallel with the East line of said Northwest Fourth of the Northeast Quarter to the center line of the ditch; thence S 87degrees 53' E 545.2 feet to the place of beginning. Limited to the base of the Fort Payne.

TRACT 4: That part of the Southeast Fourth of the Northeast Quarter of Section 27, lying East of the Little Wabash River; the East Half of the Southeast Quarter of Section 27, lying East of the Little Wabash River; that part of the West Half of the Southeast Quarter of Section 27, lying East of the Little Wabash River; all in Township 5 South, Range 9 East of 3rd P.M. in White County, Illinois. Limited to the base of the Fort Payne.

Repared by: Law Office of Northers Marthy POBOX 519 Carni, 12 42821

