

File #	Lessor	Interest	Net Ac	Status	Lease Mailed	Comments
	Leasing Information-updated from conversations w/owners Prospect: Knowles Hamilton 2A					
	Description: NE SE Sec 34-16S-38E Lea County, New Mexico					
66	Margaret V. Eversden Oak Hill Towers 1600 Hagys Ford Narberth, PA 19072-1060	0.018750000	0.750000000	Can't Locate		11-13-06 Leasing letter Sandia Park NM mail was returned PA envelope was returned also I have mailed correspondence to her in the past for other wells & info was also returned
56	Winona C. Jones, Trustee of Fredrick L. Jones and Winona C. Jones Trust Dated 8/30/89 P.O. Box 195 Burton, KS 67020 Ph) 316-283-5366 f) 316-283-8379 Tax ID #	0.000946969	0.037878760	WIP	6/14/06	12/19 I faxed lease terms 4/5/06 faxed follow up 5/18/06 faxed another FU 6/7 left v.m.; 6/14 mailed ltr 8/1 mailed ltr & AFE
51	J. Hiram Moore, et al Trustees of the Moore Trust u/a/dated 7/01/71 P.O. Box 10908 Midland, TX 79702 432-682-1681	0.006250000	0.250000000	WIP	6/12/06	6/12/06 mailed lease; 7/10 talked to Julie & she will find out where they are w/it 7/10 talked to Julie & she will fine out where they are with this but never heard back 8/1 mailed ltr & AFE
	<b>Total Net Acres to Pool</b>		<b>1.037878760</b>			

November 11, 2005

Marguerite V. Eversden  
Oak Hill Towers  
1600 Hagys Ford  
Narbeth PA 19072-1060

RE: Lease Offer - Lea County, New Mexico  
NE/4 SE/4 Section 34-T16S-R38E

Dear Ms. Eversden:

As you know, the Hamilton 2A well that is located in the NE/4 of the SE/4 of Section 34-Township 16 South-Range 38 East, Lea County, New Mexico, has not produced since mid-2002. Your previous oil and gas lease covering the unit has since expired due to no production and inactivity.

Paladin Energy Corp. feels that production from the Hamilton 2A well may now be economic due to the oil price environment at the time when the production costs exceed the revenue, therefore, we would like to re-enter the well. Consequently, we now wish to re-lease your acreage.

Please sign and return this letter in order to provide contact information to me at your earliest convenience so that we can discuss the leasing situation. If it is more convenient for you to contact me by phone, please do so by calling me at 214-654-0132 x 6.

Sincerely,

Gail Cotton  
Landman

Name: \_\_\_\_\_ Telephone No: \_\_\_\_\_

Printed Name: \_\_\_\_\_ email address: \_\_\_\_\_

66

Blaine Hess  
Oil Properties  
Post Office Box 326  
Roswell, New Mexico 88202-0326  
(505) 623-5400  
(505) 623-4916 facsimile

*unleased  
cannot locate*

January 26, 2000

Ms. Margaret V. Eversden  
1600 Hagys Ford  
Narberth, Pennsylvania 19072-1060

Re: Oil and Gas Lease Offering,  
- Covering your mineral interest  
NE/4SE/4 of Section 34,  
T-16-S, R-38-E, N.M.P.M.  
Lea County, New Mexico,  
Containing 40.00 gross acres  
And 0.75 net acres, more or less

Dear Ms. Eversden:

Paladin Energy Corp. has purchased the WW Hamilton A No. 2 well that is currently temporarily abandoned. In this respect, Paladin is acquiring oil and gas leases so that they may re-enter the well and make a completion attempt in the Devonian formation.

Therefore, on behalf of Paladin Energy Corp., we submit an offer covering your mineral interest in the captioned lands of \$50.00 per net mineral acre bonus consideration for an eighteenth (18) month oil and gas lease that provides for a three-sixteenths (3/16ths) royalty interest on production.

Please consider this proposal as we are anxious to finalize our plans for this project. Should you have any questions, please contact me at the above phone number. Thank you.

Yours truly,

Blaine Hess

Bh/arh



PALADIN ENERGY CORP.  
10290 MONROE DRIVE, SUITE 301  
DALLAS, TEXAS 75229

CERTIFIED MAIL™

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TO S  
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*11/3/01*  
*11/3/01*

Marguerite V. Eversden  
Sandia Park NM 87047

*FE*

Plaine Hess  
Post Office Box 326  
Roswell, New Mexico 88202-0326

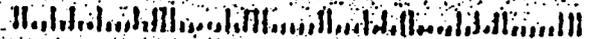


UNDELIVERABLE  
AS ADDRESSED  
UNABLE TO  
FORWARD



Ms. Margaret V. Eversden  
1600 Hagys Ford  
Warberth, Pennsylvania 19072-1060

88202/0326



**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
 Ms. Margaret v. Eversden  
 1600 Hagys Ford  
 Narbeth, Pennsylvania 19072

2. Article Number (Copy from service label)  
 P 502 293 578

**COMPLETE THIS SECTION ON DELIVERY**

A. Received by (Please Print Clearly) B. Date of Delivery

C. Signature  Agent  
 Addressee  
 X

D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No

3. Service Type.  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

PS Form 3811, July 1999

Domestic Return Receipt

102595-99-M-1789

P 502 293 578

**US Postal Service  
 Receipt for Certified Mail**

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to <i>Ms. Margaret V. Eversden</i>	
Street & Number <i>1600 Hagys Ford</i>	
Post Office, State & ZIP Code <i>Narbeth, Pennsylvania 19072</i>	
Postage \$	
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees \$	
Postmark or Date	

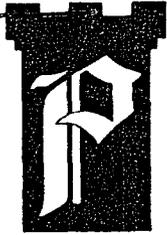
PS Form 3800, April 1995

Fold at line over top of envelope to the right of the return address

**CERTIFIED**

P 502 293 578

**MAIL**



**PALADIN ENERGY CORP.**

**Via Certified Mail/Return Receipt Requested**

September 1, 2000

SEE ADDRESSEE LIST ATTACHED:

RE: NE/4 SE/4 of Section 34  
T-16-S, R-38-E, Lea County, New Mexico  
W. W. Hamilton "A" Well No. 2

Dear Interest Owner:

Enclosed please find the Order Of The Division in Case No. 12469 pooling your mineral interest in the NE/4 SE/4 of Section 34, T-16-S, R-38-E, Lea County, New Mexico for Paladin Energy Corp.'s ("Paladin") proposed W.W. Hamilton "A" Well No. 2. Paladin intends to re-enter and recompleate the W.W. Hamilton "A" Well No. 2 as a standard oil well location.

Also, enclosed are the procedures and an itemized schedule of estimated well costs for the recompleation efforts in the W.W. Hamilton "A" Well No. 2. Please note that pursuant to Paragraph 8 on page 4 of the enclosed Order, you have the right to pay within 30 days of receipt of this letter your proportionate share of the estimated well costs to Paladin and avoid the risk charges imposed by the Order. In the event that you do not pay your proportionate share of the estimated well costs to Paladin within thirty (30) days, your share of the actual well costs – plus an additional risk charge in the amount of 200% above those actual well costs – will be withheld from your working interest's share of production.

Finally, if you desire to lease your mineral interest and not be a working interest owner in this well, please contact Ms. Louisa Becker of this office by no later than September 15, 2000. Upon execution of an oil and gas lease, your interest will no longer be subject to the Order.

Thank you for your attention and cooperation in this matter.

Sincerely,

**PALADIN ENERGY CORP.**

David J. Plaisance  
Drilling & Production Manager

Enclosures

ADDRESSEE LIST

August 31, 2000

Jeanne P. Fuller  
4339 Roanoke Parkway  
Apt. 303  
Kansas City, Missouri 64141  
P 301 652 801

Margaret V. Eversden  
Oak Hill Towers  
1600 Hagys Ford  
Narberth, Penn. 19072  
P 301 652 802

Lynda Pratt Rast  
1202 Marlee Lane  
Arlington, Texas 76014-1430  
P 301 652 803

Keith Pratt Daniels  
P.O. Box 190766  
Dallas, Texas 75219  
P 301 652 736

*Used*

*Used*

- STICK POSTAGE STAMPS TO ARTICLE TO COVER FIRST CLASS POSTAGE, CERTIFIED MAIL FEE, AND CHARGES FOR ANY SELECTED OPTIONAL SERVICES (see front).**
1. If you want this receipt postmarked, stick the gummed stub to the right of the return address leaving the receipt attached and present the article at a post office service window or hand it to your rural carrier (an extra charge).
  2. If you do not want this receipt postmarked, stick the gummed stub to the right of the return address of the article, date, detach and retain the receipt, and mail the article.
  3. If you want a return receipt, write the certified mail number and your name and address on a return receipt card, Form 3811, and attach it to the front of the article by means of the gummed ends if space permits. Otherwise, affix to back of article. Endorse front of article **RETURN RECEIPT REQUESTED** adjacent to the number.
  4. If you want delivery restricted to the addressee, or to an authorized agent of the addressee, endorse **RESTRICTED DELIVERY** on the front of the article.
  5. Enter fees for the services requested in the appropriate spaces on the front of this receipt. If return receipt is requested, check the applicable blocks in item 1 of Form 3811.
- Save this receipt and present it if you make inquiry. U.S. GPO: 1991-302-916

PS Form 3800, June 1991

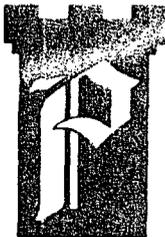
P: 301 652 802



**Receipt for Certified Mail**  
 No Insurance Coverage Provided  
 Do not use for International Mail  
 (See Reverse)

TO	
Margaret Eversden	
Street and No.	
1200 Hagys Ford, Oak Hill	
State and ZIP Code	
Marberth, Penn. 19072	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	\$
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, June 1991



**PALADIN ENERGY CORP.**

August 1, 2006

J. Hiram Moore, et al, Trustees  
Of the Moore Trust dtd 7-1-71  
P O Box 10908  
Midland TX 79702

RE: Oil and Gas Lease Offer – Lea County NM  
NE/4 SE/4 Section 34-T16S-R38E

Dear Sir or Madam:

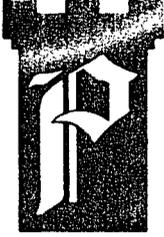
As you know, I have tried reaching you numerous times regarding a lease offer for your minerals in the above described 40 acre tract. I initially mailed a letter to you dated November 11, 2005 explaining Paladin's position and desire to re-enter the Hamilton A2 well located in the tract referenced above. I later mailed a letter to you dated June 12, 2006 along with the oil and gas lease. On July 10<sup>th</sup>, I talked to Julie who was going to find out the status, but I did not hear back from her. It is obvious that I have made numerous attempts to secure this lease from you.

Paladin now has the majority of the acreage under lease and would like to proceed with the re-entry of the well. I am attaching the AFE for your review. Please let me know if you wish to participate as a working interest owner (unleased minerals) or if you wish to execute the oil and gas lease that you have and return it to me as soon as possible. This will be my last attempt to you before we initiate a force pooling hearing to include your interest.

Sincerely,

Gail Cotton, CPL  
Landman

10290 MONROE DRIVE, SUITE 301 • DALLAS, TEXAS 75229  
TELEPHONE: 214-654-0132 • FAX 214-654-0133



**PALADIN ENERGY CORP.**

June 12, 2006

J. Hiram Moore, et al, Trustees  
of the Moore Trust dtd 7/01/71  
P. O. Box 10908  
Midland TX 79702

RE: Oil and Gas Lease – Lea County NM  
NE/4 SE/4 Section 34-T18S-R35E

Dear Mr. Moore:

This is a follow up to my letter to you several few months ago regarding leasing your minerals in the above referenced 40 acre tract. Enclosed is an original Oil and Gas Lease, in duplicate, that Paladin Energy would like to have properly executed and notarized on your behalf in order to lease your interest in the above described 40 acre tract. Our records indicate that you own a .25 net mineral acre under this tract.

Please have the lease executed and notarized and return to me at your earliest convenience. You may keep one copy of the lease for your files. As previously mentioned in the letter, the terms are \$200/net mineral acre, 3/16ths royalty and a 3 year term. Upon receipt of the executed lease, I will mail the bonus payment to you.

If you have any questions, please contact me at 214-654-0132 x 6.

Sincerely,

Gail Cotton  
Consulting Landman

Encs.

10290 MONROE DRIVE, SUITE 301 • DALLAS, TEXAS 75229  
TELEPHONE: 214-654-0132 • FAX 214-654-0133

November 11, 2005

J. Hiram Moore, et al, Trustees  
J. Hiram Moore Trust 7/1/71  
P. O. Box 10908  
Midland, TX 79702

RE: Lease Offer - Lea County, New Mexico  
NE/4 SE/4 Section 34-T16S-R38E

Dear Trustee:

As you know, the Hamilton 2A well that is located in the NE/4 of the SE/4 of Section 34-Township 16 South-Range 38 East, Lea County, New Mexico, has not produced since mid-2002. Your previous oil and gas lease covering the unit has since expired due to no production and inactivity.

Paladin Energy Corp. feels that production from the Hamilton 2A well may now be economic due to the oil price environment at the time when the production costs exceed the revenue, therefore, we would like to re-enter the well. Consequently, we now wish to re-lease your acreage.

Please sign and return this letter in order to provide contact information to me at your earliest convenience so that we can discuss the leasing situation. If it is more convenient for you to contact me by phone, please do so by calling me at 214-654-0132 x 6.

Sincerely,

Gail Cotton  
Landman

Name: \_\_\_\_\_ Telephone No: \_\_\_\_\_

Printed Name: \_\_\_\_\_ email address: \_\_\_\_\_

**OIL AND GAS LEASE**

THIS AGREEMENT made this 13th day of June, 2006, between

**Moore Trust dated 7/01/71, J. Hiram Moore, et al, Trustees**

P. O. Box 10908

Midland TX 79702

of

(Post Office Address)

herein called lessor (whether one or more), and Paladin Energy Corp., 10290 Monroe Drive, Suite 301, Dallas TX 75229, lessee

1. Lessor in consideration of TEN AND OTHER DOLLARS in hand paid, receipt of which is here acknowledged, and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring, prospecting, drilling, and operating for and producing oil and gas, injecting gas, waters, other fluids, and air into subsurface strata laying pipelines, storing oil, building tanks, roadways, telephone lines, and other structures and things thereon to produce, save, take care of, treat, process,

store and transport said minerals, the following described land in Lea County, New Mexico, to-wit:

**TOWNSHIP 16 SOUTH-RANGE 38 EAST, N.M.P.M.**

**Section 34: NE/4 SE/4**

Said land is estimated to comprise 40.00 acres, whether it actually comprises more or less.

2. Subject to the other provisions herein contained, this lease shall remain in force for a term of Three (3) years years from this date (called "primary term") and as long thereafter as oil or gas is produced from any well on said land or from land with which said land is pooled. Lessor acknowledges that Lessee may re-enter any existing well on said land or lands which with said land is pooled, and production from an existing well shall be sufficient to maintain this lease in force.

3. The royalties to be paid by lessee are: (a) on oil, and other liquid hydrocarbons saved at the well, 3/16ths of that produced and saved from said land, same to be delivered at the wells or to the credit of lessor in the pipeline to which the wells may be connected; (b) on gas, including casinghead gas or other gaseous substance produced from said land and used off the premises or used in the manufacture of gasoline or other products, the market value at the well of 3/16ths of the gas used, provided that on gas sold on or off the premises, the royalties shall be 3/16ths of the amount realized from such sale; (c) and at any time when this lease is not validated by other provisions hereof and there is a gas and/or condensate well on said land, or land pooled therewith, but gas or condensate is not being so sold or used and such well is shut in, either before or after production therefrom, then on or before 90 days after said well is shut in, and thereafter at annual intervals, lessee may pay or tender an advance shut-in royalty equals to \$1.00 per net acre of lessor's gas acreage then held under this lease by the party making such payment or tender, and so long as said shut-in royalty is paid or tendered, this lease shall not terminate and it shall be considered under all clauses hereof that gas is being produced from the leased premises in paying quantities. Each such payment shall be paid or tendered to the party or parties who at the time of such payment would be entitled to receive the royalties which would be paid under this lease if the well were in fact producing. The payment or tender of royalties and shut-in royalties may be made by check or draft. Any timely payment or tender of shut-in royalty which is made in a bona fide attempt to make proper payment, but which is erroneous in whole or in part as to parties or amounts, shall nevertheless be sufficient to prevent termination of the lease in the same manner as though a proper payment has been made if lessee shall correct such error within 30 days after lessee has received written notice thereof by certified mail from the party or parties entitled to receive payment together with such written instrument (or certified copies thereof) as are necessary to enable lessee to make proper payment. The amount realized from the sale of gas on or off the premises shall be the price established by the gas sales contract entered into in good faith by lessee and gas purchaser for such term and under such conditions as are customary in the industry. "Price" shall mean the net amount received by lessee after giving effect to applicable regulatory orders and after application of any applicable price adjustments specified in such contract or regulatory orders. In the event lessee compresses, treats, purifies, or dehydrates such gas (whether on or off the leased premises) or transports gas off the leased premises, lessee in computing royalty hereunder may deduct from such price a reasonable charge for each of such functions performed.

4. This is a paid-up lease and lessee shall not be obligated during the primary term hereof to commence or continue any operations of whatsoever character or to make any payments hereunder in order to maintain this lease in force during the primary term; however, this provision is not intended to relieve lessee of the obligation to pay royalties on actual production pursuant to the provisions of Paragraph 3 hereof.

5. Lessee is hereby granted the right and power, from time to time, to pool or combine this lease, the land covered by it or any part or horizon thereof with any other land, leases, mineral estates or parts thereof for the production of oil or gas. Units pooled hereunder shall not exceed the standard proration unit fixed by law or by the Oil Conservation Division of the Energy and Minerals Department of the State of New Mexico or by any other lawful authority for the pool or area in which said land is situated, plus a tolerance of ten percent. Lessee shall file written unit designations in the county in which the premises are located and such units may be designated from time to time and either before or after the completion of wells. Drilling operations on or production from any part of any such unit shall be considered for all purposes, except the payment of royalty, as operations conducted upon or production from the land described in this lease. There shall be allocated to the land covered by this lease included in any such unit that portion of the total production of pooled minerals from wells in the unit, after deducting any used in lease or unit operations, which the net oil or gas acreage in the land covered by this lease included in the unit bears to the total number of surface acres in the unit. The production so allocated shall be considered for all purposes, including the payment or delivery of royalty, to be the entire production of pooled minerals from the portion of said land covered hereby and included in said unit in the same manner as though produced from said land under the terms of this lease. Any pooled unit designated by lessee, as provided herein, may be dissolved by lessee by recording an appropriate instrument in the County where the land is situated at any time after the completion of a dry hole or the cessation of production on said unit.

6. If at the expiration of the primary term there is no well upon said land capable of producing oil or gas, but lessee has commenced operations or drilling or reworking thereon, this lease shall remain in force so long as operations are prosecuted with no cessation of more than 60 consecutive days, whether such operations be on the same well or on a different or additional well or wells, and if they result in the production of oil or gas, so long thereafter as oil or gas is produced from said land. If, after the expiration of the primary term, all wells upon said land should become incapable of producing for any cause, this lease shall not terminate if lessee commences operations for additional drilling or for reworking within 60 days thereafter. If any drilling, additional drilling, or reworking operations hereunder result in production, then this lease shall remain in full force so long thereafter as oil or gas is produced hereunder.

7. Lessee shall have free use of oil, gas and water from said land, except water from lessor's wells and tanks, for all operations hereunder, and the royalty shall be computed after deducting any so used. Lessee shall have the right of way at any time during or after the expiration of this lease to remove all property and fixtures placed by lessee on said land, including the right to draw and remove all casing. When required by lessor, lessee will bury all pipe lines on cultivated lands below ordinary plow depth, and no well shall be drilled within two hundred feet (200 ft.) of any residence or barn on said land without lessor's consent. Lessor shall have the privilege, at his risk and expense, of using gas from any gas well on said land for stoves and inside lights in the principal dwelling thereon, out of any surplus gas not needed for operations hereunder.

8. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to their heirs, executors, administrators, successors and assigns; but no change in the ownership of the land or in the ownership of, or rights to receive, royalties or shut-in royalties, however accomplished shall operate to enlarge the obligations or diminish the rights of lessee; and no such change or division shall be binding upon lessee for any purpose until 30 days after lessee has been furnished by certified mail at lessee's principal place of business with acceptable instruments or certified copies thereof constituting the chain of title from the original lessor. If any such change in ownership occurs through the death of the owner, lessee may, at its option, pay or tender any royalties or shut-in royalties in the name of the deceased or to his heirs, executor or administrator until such time as lessee has been furnished with evidence satisfactory to lessee as to the persons entitled to such sums. An assignment of this lease in whole or in part shall, to the extent of such assignment, relieve and discharge lessee of any obligations hereunder and, if lessee or assignee of part or parts hereof shall fail or make default in the payment of the proportionate part of royalty or shut-in royalty due from such lessee or assignee or fail to comply with any of the provisions of this lease, such default shall not affect this lease insofar as it covers a part of said lands upon which lessee or any assignee thereof shall properly comply or make such payments.

9. Should lessee be prevented from complying with any express or implied covenant of this lease, or from conducting drilling or reworking operations hereunder, or from producing oil or gas hereunder by reason of scarcity or inability to obtain or use equipment or material, or by operation of force majeure, or by any Federal or State law or any order, rule or regulation of governmental authority, then while so prevented, lessee's duty shall be suspended, and lessee shall not be liable for failure to comply therewith; and this lease shall be extended while and so long as lessee is lessee, anything in this lease to the contrary notwithstanding.

10. Lessor hereby warrants and agrees to defend the title to said land and agrees that lessee at its option may discharge any tax, mortgage or other lien upon said land, and in the event lessee does so it shall be subrogated to such lien with the right to enforce same and to apply royalties and shut-in royalties payable hereunder toward satisfying same. Without impairment of lessee's rights under the warranty, if this lease covers a less interest in the oil or gas in all or any part of said land than the entire and undivided fee simple estate (whether lessor's interest is herein specified or not) then the royalties, shut-in royalty, and other payments, if any, accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. Should any one or more of the parties named above as lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

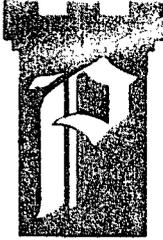
11. Lessee, its or his successors, heirs and assigns, shall have the right at any time to surrender this lease, in whole or in part, to lessor or his heirs, successors and assigns by delivering or mailing a release thereof to the lessor, or by placing a release thereof of record in the county in which said land is situated; thereupon lessee shall be relieved from all obligations, expressed or implied, of this agreement as to acreage so surrendered, and thereafter the shut-in royalty payable hereunder shall be reduced in the proportion that the acreage covered hereby is reduced by said release or releases.

Executed the day and year first above written.

By: \_\_\_\_\_

Tax ID \_\_\_\_\_





PALADIN ENERGY CORP.

June 12, 2006

To: Working Interest Owners

RE: **Hamilton A-2 Well**  
Re-complete in Lower Penn  
Knowles Field  
Sec 34, T16S, R38E  
Lea County, New Mexico

The Hamilton A-2 well was a Devonian producer on submersible pump operations. The last producing rate was about 5 BOPD and 1500 BWPD. Paladin believes there is economic potential in the Lower Penn interval between 10,250-350'. Therefore Paladin proposes to set a CIBP above the Devonian perforations, perforate from 10,260-320', acidize (and possible acid frac) the perforated interval, flow test and/or place on rod pump if necessary. Estimated total AFE costs are **\$393,624.**

At this time Paladin is submitting to the WIO's an AFE and election form for your review and approval. Please indicate your election and return to Paladin both the executed election form and signed AFE, with your proportionate working interest amount, within thirty days of receipt. If you have any questions or need further information, my direct telephone number is (214) 654-0132, ext. 3.

Sincerely,

David Plaisance  
VP Exploration & Production

10290 MONROE DRIVE, SUITE 301 • DALLAS, TEXAS 75229  
TELEPHONE: 214-654-0132 • FAX 214-654-0133

To: Working Interest Owners  
From: PALADIN ENERGY CORP.  
Subject: Participation Election  
**Hamilton A-2 Well**  
Re-complete in Lower Penn  
Knowles Field  
Sec 34, T16S, R38E  
Lea County, New Mexico

Please check the appropriate box below:

I do hereby elect to participate in the above proposed workover.

I do hereby elect NOT to participate in the above proposed workover .

Company: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Supplement Original

6/12/2006

Well name <b>Hamilton A-2 Lower Penn</b>		TD 14,170'				
Location Sec. 34, T-16-S, R-38-E, Lea County, New Mexico						
District N/A		Area or Group	Field Knowles			
Objective Lower Pennsylvanian @ 10,250-10,350'		@				
<input checked="" type="checkbox"/> Development <input type="checkbox"/> Exploratory <input type="checkbox"/> Workover/ Recompletion	<b>Gen</b> 9171 9172 9171	<input checked="" type="checkbox"/> Single <input type="checkbox"/> Dual <input type="checkbox"/> Multiple	<b>Data Processing Information</b> APE No. Original/Revision Indicator 1=Original <input type="checkbox"/> 1 2=Revision			
<b>Tangible Costs - SUB 500 and 550</b>						
1. Tubular goods		Drilling	Evaluation	Completion	Elem	Total Gross Dollars
" OD from _____ ft. to _____					5 1 3	0
" OD from _____ ft. to _____					5 8 5	0
" OD from _____ ft. to _____						0
" OD from _____ ft. to _____					5 5 5	0
" OD from _____ ft. to _____				0	5 2 7	0
2 7/8 " OD from 0 ft. to 10,200				51,000	5 2 7	51,000
" OD from _____ ft. to _____						0
2. Casinghead, Tubinghead, Christmas Tree				2,500	5 0 4	2,500
3. Tubing Accessories				5,600	5 0 6	5,600
4. Artificial Lift Accessories - Rods, Pump				25,000	5 0 7	25,000
5. Well Protective Structures					5 0 8	0
6. Unclassified					0 0 0	0
7. Additional Basis (Sub 550)					0 0 0	0
Casinghead, Tubinghead, Christmas Tree					5 0 4	0
Tubing Accessories					5 0 6	0
Artificial Lift Accessories - Pumping Unit				60,000	5 0 7	60,000
Well Protective Structures					5 0 8	0
<b>TOTAL TANGIBLES</b>			0	144,100		144,100
<b>Intangible Costs - SUB 600</b>						
8. Contract Engineering Technical			11,400	2,850	0 1 3	14,250
9. Boat Operations					0 5 3	0
10. Minor Supplies					0 7 8	0
11. Electric Power and Light					2 4 1	0
12. Diesel Fuel			2,000		2 4 2	2,000
13. Natural Gas					2 4 3	0
14. Water			2,500		2 4 6	2,500
15. Property and Equipment Rentals			7,500		2 4 8	7,500
16. Security, Safety, and Firefighting					2 5 0	0
17. Tubular Testing, and Inspection				1,800	5 0 3	1,800
18. Trucking Tubulars			1,500	3,500	5 0 9	5,000
19. Casing Accessories					5 1 2	0
20. Site Preparation and Maintenance			2,000		5 1 4	2,000
21. Permits, Insurance, and Damanges			2,500		5 1 5	2,500
22. Rig Moving Expense					5 1 7	0
23. Shorebases					5 2 1	0
24. Camp Housekeeping					5 2 2	0
25. Reclamation				1,500	5 2 5	1,500
26. Air Freight and Transportation					5 2 8	0
27. Disposal and Cleanup				2,000	5 3 1	2,000



November 11, 2005

Winona Jones, Trustee of  
Frederick Jones Trust 8/30/89  
P O Box 195  
Burrton, KS 67020

RE: Lease Offer - Lea County, New Mexico  
NE/4 SE/4 Section 34-T16S-R38E

Dear Trustee:

As you know, the Hamilton 2A well that is located in the NE/4 of the SE/4 of Section 34-Township 16 South-Range 38 East, Lea County, New Mexico, has not produced since mid-2002. Your previous oil and gas lease covering the unit has since expired due to no production and inactivity.

Paladin Energy Corp. feels that production from the Hamilton 2A well may now be economic due to the oil price environment at the time when the production costs exceed the revenue, therefore, we would like to re-enter the well. Consequently, we now wish to re-lease your acreage.

Please sign and return this letter in order to provide contact information to me at your earliest convenience so that we can discuss the leasing situation. If it is more convenient for you to contact me by phone, please do so by calling me at 214-654-0132 x 6.

Sincerely,

Gail Cotton  
Landman

Name: \_\_\_\_\_ Telephone No: \_\_\_\_\_

Printed Name: \_\_\_\_\_ email address: \_\_\_\_\_

**OIL AND GAS LEASE**

THIS AGREEMENT made this 15th day of June, 2006, between

**Fredrick L. Jones & Winona C. Jones Trust Dated 8/30/89**

P. O. Box 195

Burton KS 67020

of

(Post Office Address)

herein called lessor (whether one or more), and Paladin Energy Corp., 10280 Monroe Drive, Suite 301, Dallas TX 75229, lessee

1. Lessor in consideration of TEN AND OTHER DOLLARS in hand paid, receipt of which is here acknowledged, and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring, prospecting, drilling, and operating for and producing oil and gas, injecting gas, waters, other fluids, and air into subsurface strata laying pipelines, storing oil, building tanks, roadways, telephone lines, and other structures and things thereon to produce, save, take care of, treat, process,

store and transport said minerals, the following described land in Lea County, New Mexico, to-wit:

**TOWNSHIP 16 SOUTH-RANGE 38 EAST, N.M.P.M.**

**Section 34: NE/4 SE/4**

Said land is estimated to comprise 40.00 acres, whether it actually comprises more or less.

2. Subject to the other provisions herein contained, this lease shall remain in force for a term of Three (3) years years from this date (called "primary term") and as long thereafter as oil or gas is produced from any well on said land or from land with which said land is pooled. Lessor acknowledges that Lessee may re-enter any existing well on said land or lands which with said land is pooled, and production from an existing well shall be sufficient to maintain this lease in force.

3. The royalties to be paid by lessee are: (a) on oil, and other liquid hydrocarbons saved at the well, 3/16ths of that produced and saved from said land, same to be delivered at the wells or to the credit of lessor in the pipeline to which the wells may be connected; (b) on gas, including casinghead gas or other gaseous substance produced from said land and used off the premises or used in the manufacture of gasoline or other products, the market value at the well of 3/16ths of the gas used, provided that on gas sold on or off the premises, the royalties shall be 3/16ths of the amount realized from such sale; (c) and at any time when this lease is not validated by other provisions hereof and there is a gas and/or condensate well on said land, or land pooled therewith, but gas or condensate is not being so sold or used and such well is shut in, either before or after production therefrom, then on or before 90 days after said well is shut in, and thereafter at annual intervals, lessee may pay or tender an advance shut-in royalty equals to \$1.00 per net acre of lessor's gas acreage then held under this lease by the party making such payment or tender, and so long as said shut-in royalty is paid or tendered, this lease shall not terminate and it shall be considered under all clauses hereof that gas is being produced from the leased premises in paying quantities. Each such payment shall be paid or tendered to the party or parties who at the time of such payment would be entitled to receive the royalties which would be paid under this lease if the well were in fact producing. The payment or tender of royalties and shut-in royalties may be made by check or draft. Any timely payment or tender of shut-in royalty which is made in a bona fide attempt to make proper payment, but which is erroneous in whole or in part as to parties or amounts, shall nevertheless be sufficient to prevent termination of the lease in the same manner as though a proper payment has been made if lessee shall correct such error within 30 days after lessee has received written notice thereof by certified mail from the party or parties entitled to receive payment together with such written instrument (or certified copies thereof) as are necessary to enable lessee to make proper payment. The amount realized from the sale of gas on or off the premises shall be the price established by the gas sales contract entered into in good faith by lessee and gas purchaser for such term and under such conditions as are customary in the industry. "Price" shall mean the net amount received by lessee after giving effect to applicable regulatory orders and after application of any applicable price adjustments specified in such contract or regulatory orders. In the event lessee compresses, treats, purifies, or dehydrates such gas (whether on or off the leased premises) or transports gas off the leased premises, lessee in computing royalty hereunder may deduct from such price a reasonable charge for each of such functions performed.

4. This is a paid-up lease and lessee shall not be obligated during the primary term hereof to commence or continue any operations of whatsoever character or to make any payments hereunder in order to maintain this lease in force during the primary term; however, this provision is not intended to relieve lessee of the obligation to pay royalties on actual production pursuant to the provisions of Paragraph 3 hereof.

5. Lessee is hereby granted the right and power, from time to time, to pool or combine this lease, the land covered by it or any part or horizon thereof with any other land, leases, mineral estates or parts thereof for the production of oil or gas. Units pooled hereunder shall not exceed the standard proration unit fixed by law or by the Oil Conservation Division of the Energy and Minerals Department of the State of New Mexico or by any other lawful authority for the pool or area in which said land is situated, plus a tolerance of ten percent. Lessee shall file written unit designations in the county in which the premises are located and such units may be designated from time to time and either before or after the completion of wells. Drilling operations on or production from any part of any such unit shall be considered for all purposes, except the payment of royalty, as operations conducted upon or production from the land described in this lease. There shall be allocated to the land covered by this lease included in any such unit that portion of the total production of pooled minerals from wells in the unit, after deducting any used in lease or unit operations, which the net oil or gas acreage in the land covered by this lease included in the unit bears to the total number of surface acres in the unit. The production so allocated shall be considered for all purposes, including the payment or delivery of royalty, to be the entire production of pooled minerals from the portion of said land covered hereby and included in said unit in the same manner as though produced from said land under the terms of this lease. Any pooled unit designated by lessee, as provided herein, may be dissolved by lessee by recording an appropriate instrument in the County where the land is situated at any time after the completion of a dry hole or the cessation of production on said unit.

6. If at the expiration of the primary term there is no well upon said land capable of producing oil or gas, but lessee has commenced operations or drilling or reworking thereon, this lease shall remain in force so long as operations are prosecuted with no cessation of more than 60 consecutive days, whether such operations be on the same well or on a different or additional well or wells, and if they result in the production of oil or gas, so long thereafter as oil or gas is produced from said land. If, after the expiration of the primary term, all wells upon said land should become incapable of producing for any cause, this lease shall not terminate if lessee commences operations for additional drilling or for reworking within 60 days thereafter. If any drilling, additional drilling, or reworking operations hereunder result in production, then this lease shall remain in full force so long thereafter as oil or gas is produced hereunder.

7. Lessee shall have free use of oil, gas and water from said land, except water from lessor's wells and tanks, for all operations hereunder, and the royalty shall be computed after deducting any so used. Lessee shall have the right of way at any time during or after the expiration of this lease to remove all property and fixtures placed by lessee on said land, including the right to draw and remove all casing. When required by lessor, lessee will bury all pipe lines on cultivated lands below ordinary plow depth, and no well shall be drilled within two hundred feet (200 ft.) of any residence or barn on said land without lessor's consent. Lessor shall have the privilege, at his risk and expense, of using gas from any gas well on said land for stoves and inside lights in the principal dwelling thereon, out of any surplus gas not needed for operations hereunder.

8. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to their heirs, executors, administrators, successors and assigns; but no change in the ownership of the land or in the ownership of, or rights to receive, royalties or shut-in royalties, however accomplished shall operate to enlarge the obligations or diminish the rights of lessee; and no such change or division shall be binding upon lessee for any purpose until 30 days after lessee has been furnished by certified mail at lessee's principal place of business with acceptable instruments or certified copies thereof constituting the chain of title from the original lessor. If any such change in ownership occurs through the death of the owner, lessee may, at its option, pay or tender any royalties or shut-in royalties in the name of the deceased or to his estate or to his heirs, executor or administrator until such time as lessee has been furnished with evidence satisfactory to lessee as to the persons entitled to such sums. An assignment of this lease in whole or in part shall, to the extent of such assignment, relieve and discharge lessee of any obligations hereunder and, if lessee or assignee of part or parts hereof shall fail or make default in the payment of the proportionate part of royalty or shut-in royalty due from such lessee or assignee or fail to comply with any of the provisions of this lease, such default shall not affect this lease insofar as it covers a part of said lands upon which lessee or any assignee thereof shall properly comply or make such payments.

9. Should lessee be prevented from complying with any express or implied covenant of this lease, or from conducting drilling or reworking operations hereunder, or from producing oil or gas hereunder by reason of scarcity or inability to obtain or use equipment or material, or by operation of force majeure, or by any Federal or State law or any order, rule or regulation of governmental authority, then while so prevented, lessee's duty shall be suspended, and lessee shall not be liable for failure to comply therewith; and this lease shall be extended while and so long as lessee is lessee, anything in this lease to the contrary notwithstanding.

10. Lessor hereby warrants and agrees to defend the title to said land and agrees that lessee at its option may discharge any tax, mortgage or other lien upon said land, and in the event lessee does so it shall be subrogated to such lien with the right to enforce same and to apply royalties and shut-in royalties payable hereunder toward satisfying same. Without impairment of lessee's rights under the warranty, if this lease covers a less interest in the oil or gas in all or any part of said land than the entire and undivided fee simple estate (whether lessor's interest is herein specified or not) then the royalties, shut-in royalty, and other payments, if any, accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. Should any one or more of the parties named above as lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

11. Lessee, its or his successors, heirs and assigns, shall have the right at any time to surrender this lease, in whole or in part, to lessor or his heirs, successors and assigns by delivering or mailing a release thereof to the lessor, or by placing a release thereof of record in the county in which said land is situated; thereupon lessee shall be relieved from all obligations, expressed or implied, of this agreement as to acreage so surrendered, and thereafter the shut-in royalty payable hereunder shall be reduced in the proportion that the acreage covered hereby is reduced by said release or releases.

Executed the day and year first above written.

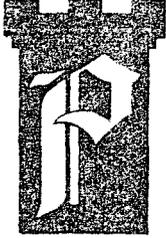
Fredrick L. Jones & Winona C. Jones Trust Dated 8/30/89

By: \_\_\_\_\_

Tax ID# \_\_\_\_\_

\_\_\_\_\_





**PALADIN ENERGY CORP.**

August 1, 2006

Winona C Jones, Trustee  
Fredrick L Jones & Winona Jones Trust  
P O Box 195  
Burton KS 67020

RE: Oil and Gas Lease Offer – Lea County NM  
NE/4 SE/4 Section 34-T16S-R38E

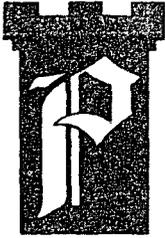
Dear Sir or Madam:

As you know, I have tried reaching you numerous times regarding a lease offer for your minerals in the above described 40 acre tract. I initially mailed a letter to you dated November 11, 2005 explaining Paladin's position and desire to re-enter the Hamilton A2 well located in the tract referenced above. I later faxed the lease terms to Leslie on December 19, 2005, then sent two follow up faxes on April 5<sup>th</sup> and May 18<sup>th</sup>. I left a voice message on June 7<sup>th</sup>, then mailed the oil and gas lease to you on June 14<sup>th</sup> but have heard nothing from any one in your office. It is obvious that I have made numerous attempts to secure this lease from you.

Paladin now has the majority of the acreage under lease and would like to proceed with the re-entry of the well. I am attaching the AFE for your review. Please let me know if you wish to participate as a working interest owner (unleased minerals) or if you wish to execute the oil and gas lease that you have and return it to me as soon as possible. This will be my last attempt to you before we initiate a force pooling hearing to include your interest.

Sincerely,

Gail Cotton, CPL  
Landman



**PALADIN ENERGY CORP.**

June 14, 2006

Winona C. Jones, Trustee  
Fridrick L. Jones & Winona Jones Trust  
P. O. Box 195  
Burton KS 67020

RE: Oil and Gas Lease – Lea County NM  
NE/4 SE/4 Section 34-T18S-R35E

Dear Sir or Madam:

This is a follow up to my letter and several faxes to you regarding a lease on the above referenced 40 acre tract. The terms are \$200 per net mineral acre, 3/16ths royalty and a 3 year term. Our records indicate that you own .000946969 mineral interest (0.03787 net mineral acre) in this tract.

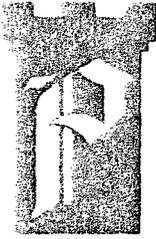
Please execute the lease and have your signature properly notarized. You may keep one copy of the lease for your files. Please forward the executed lease to me and upon receipt I will forward a check to you for your bonus payment.

If you have any questions, please contact me at 214-654-0132 x 6.

Sincerely,

Gail Cotton  
Consulting Landman

Encs.



**Paladin Energy Corp.**  
10290 Monroe Drive  
Suite 301  
Dallas, TX 75229  
214-654-0132 x 6

# FAX

<b>To:</b> Leslie Monroe, Co-Trustee of the Frederick & Winona Jones Trust	<b>From:</b> Gail Cotton 5-18-06
<b>Fax:</b> 316-283-8379	<b>Date:</b> 4-6-06 December 19, 2005
<b>Phone:</b>	<b>Pages:</b> 2
<b>Re:</b> NE SE Sec 34-16S-38E	<b>CC:</b>

**Thank you for forwarding the estate and trustee documentation to me regarding the Jones Trust. As you noticed in my letter, Paladin would like to lease your interest in a 40 acre tract located in Lea County NM. We are offering 3/16ths, \$200 per net mineral acre and a 3 year term. According to our records, the ownership is as follows:**

**.000946969 interest (.037878760 net mineral acre)**

**Please let me know as soon as possible if the terms are acceptable to you so that I can prepare an oil and gas lease to cover this acreage.**

4-6-06 - I have not heard from you regarding this lease offer. Please let me know the status.

5-18-06 - Please let me know the status.

6-7-06 - left v.m. 6/14 - Mailed lease

6-14-06 - send letter

December 8, 2005

Paladin Energy Corp  
10290 Monroe Drive  
Suite 301  
Dallas TX 75229

.037878760

RE: Frederick L & Winona C Jones Trust

I have enclosed the following items to process the indicated changes for trustees, mailing address and tax identification number as follows:

Your letter dtd 11-16-2005  
Copy of First Amendment to Revocable Trust  
Resignation as trustee by Judd Dumer & by Candace L Bazil  
Copy of death certificate - Winona C Jones  
Copy of death certificate - Frederick L Jones  
Copy of death certificate - Marleah I Jones  
Form W-9 (The tax number for the trust is [REDACTED])

Please also change the mailing address for this owner to the address as shown at the bottom of this letter.

Should you require any additional information at this time, let me know.

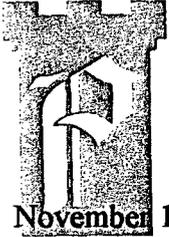
Yours truly



Leslie R Monroe, co-trustee  
P O Box 425  
Newton KS 67114-0425

316-283-5366  
316-283-8379 (fax)  
les@kmcocpa.com (e-mail)

12-19-05- I faxed lease terms to Leslie



PALADIN ENERGY CORP.

November 16, 2005

Winona Jones, Trustee of  
Frederick Jones Trust 8/30/89  
P O Box 195  
Burrton, KS 67020

RE: Lease Offer - Lea County, New Mexico  
NE/4 SE/4 Section 34-T16S-R38E

Dear Trustee:

As you know, the Hamilton 2A well that is located in the NE/4 of the SE/4 of Section 34-Township 16 South-Range 38 East, Lea County, New Mexico, has not produced since mid-2002. Your previous oil and gas lease covering the unit has since expired due to no production and inactivity.

Paladin Energy Corp. feels that production from the Hamilton 2A well may now be economic due to the oil price environment at the time when the production costs exceed the revenue, therefore, we would like to re-enter the well. Consequently, we now wish to re-lease your acreage.

Please sign and return this letter in order to provide contact information to me at your earliest convenience so that we can discuss the leasing situation. If it is more convenient for you to contact me by phone, please do so by calling me at 214-654-0132 x 6.

Sincerely,

*Gail Cotton*  
Gail Cotton  
Landman

Name: *Leslie R Monroe*

Telephone No: *316 283 5366*

Printed Name: LESLIE R MONROE

email address: *les@kmlcoepa.com*

AUG 15 2002

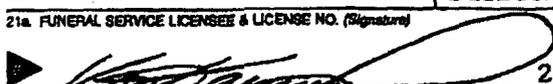
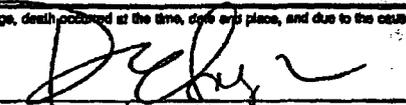
2002-014824

KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT

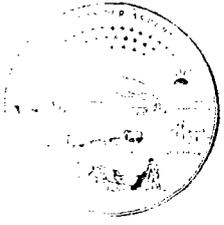
Office of Vital Statistics

CERTIFICATE OF DEATH

STATE FILE NUMBER

1. DECEDENT'S NAME FIRST: Marleah MIDDLE: Irene LAST: Jones			2. SEX Female	3. DATE OF DEATH (Mo., Day, Yr.) July 25, 2002	
4. SOCIAL SECURITY NUMBER [REDACTED]	5a. AGE—Last Birthday (Yrs.) 55	5b. UNDER 1 YEAR Months: Days:	5c. UNDER 1 DAY Hours: Minutes:	6. DATE OF BIRTH (Mo., Day, Yr.) Feb 18, 1947	7. BIRTHPLACE (City and State or Foreign Country) Hutchinson, KS
8. WAS DECEDENT EVER IN U.S. ARMED FORCES? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		9a. PLACE OF DEATH (Check only one) HOSPITAL: <input type="checkbox"/> Inpatient <input type="checkbox"/> ER/Outpatient <input type="checkbox"/> DOA OTHER: <input type="checkbox"/> Nursing Home <input checked="" type="checkbox"/> Residence <input type="checkbox"/> Other (Specify)			
9b. FACILITY NAME (If not institution, give street and number) 10665 W 13th		9c. CITY, TOWN, OR LOCATION OF DEATH Wichita		9d. COUNTY OF DEATH Sedgwick	
10. MARITAL STATUS <input type="checkbox"/> Married <input checked="" type="checkbox"/> Never Married <input type="checkbox"/> Widowed <input type="checkbox"/> Divorced	11. SURVIVING SPOUSE (If wife, give maiden name) N/A	12a. DECEDENT'S USUAL OCCUPATION (Give kind of work done during most of working life. Do not use retired.) Human Resources Assist.		12b. KIND OF BUSINESS/INDUSTRY (Do not give name of company) Construction	
13a. RESIDENCE—STATE KS	13b. COUNTY Sedgwick	13c. CITY, TOWN, OR LOCATION AND ZIP CODE Wichita 67212	13d. STREET AND NUMBER 10665 W 13th	13e. INSIDE CITY LIMITS? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
14. ANCESTRY—(Cuban, Mexican, Puerto Rican, West Indian, Chinese, English, German, etc.) (Specify) Welsh		15. RACE—(White American, Black, White, etc.) (Specify) White		16. DECEDENT'S EDUCATION (Specify only highest grade completed) Elementary/Secondary (9-12) <input type="checkbox"/> College (1-4 or 5+) <input checked="" type="checkbox"/> 5+	
17. FATHER'S NAME FIRST: Frederick MIDDLE: Louis LAST: Jones		18. MOTHER'S NAME FIRST: Winona MIDDLE: Corrine MAIDEN SURNAME: Pearson			
19a. INFORMANT'S NAME (Type) Chad Jones		19b. MAILING ADDRESS (Street and Number, or Rural Route, City or Town, State, Zip Code) 402 South Sedgwick Ave, Burrton, KS 67020			
20a. METHOD OF DISPOSITION <input checked="" type="checkbox"/> Burial <input type="checkbox"/> Cremation <input type="checkbox"/> Removal from State <input type="checkbox"/> Donation <input type="checkbox"/> Other (Specify)		20b. PLACE OF DISPOSITION (Name of cemetery, crematory, or other place) Burrton Cemetery		20c. LOCATION—City or Town, State Burrton, KS 67020	
21a. FUNERAL SERVICE LICENSEE & LICENSE NO. (Signature)  2190		21b. NAME OF EMBALMER & LICENSE NO. Jan Jacob 3073			
22. NAME AND ADDRESS OF FIRM Kaufman Funeral Home, 418 Chestnut, Halstead, KS 67056					
23a. To the best of my knowledge, death occurred at the time, date and place, and due to the cause(s) and manner as stated. (Signature and Title) X  23b. DATE SIGNED (Mo., Day, Yr.) 8/12/02 23c. TIME OF DEATH 1030 hrs A.M. P.M.		23d. NAME OF ATTENDING PHYSICIAN IF OTHER THAN CERTIFIER (Type or Print) Donna Sweet M.D. 1010 N Kansas, Wichita, KS 67214			
24a. On the basis of examination and/or investigation, in my opinion death occurred at the time, date and place, and due to the cause(s) and manner as stated. (Signature and Title) X 24b. DATE SIGNED (Mo., Day, Yr.) 07/25/2002 24c. TIME OF DEATH 1030 hrs A.M. P.M.		24d. PRONOUNCED DEAD (Mo., Day, Yr.) 07/25/2002 24e. PRONOUNCED DEAD (Hour) 1030 A.M. P.M.			
25. NAME AND ADDRESS OF CERTIFIER (PHYSICIAN, OR CORONER) (Type or Print) Donna Sweet M.D. 1010 N Kansas, Wichita, KS 67214					
26. PART I. Enter the disease, injury, or complications that caused the death. Do not enter the length of illness, duration pending or respiratory arrest, shock, or heat stroke. List only one cause on each line. IMMEDIATE CAUSE (Final disease or condition resulting in death) Sequentially list conditions, if any, leading to immediate cause. Enter UNDERLYING CAUSE (Disease or injury that initiated events resulting in death) LAST		Interval Between Onset and Death 1 1/2 yrs yrs			
a. Chronic liver failure & myocardial infarction DUE TO (OR AS A CONSEQUENCE OF):					
b. Chronic active Hepatitis C infection DUE TO (OR AS A CONSEQUENCE OF):					
c. DUE TO (OR AS A CONSEQUENCE OF):					
d.					
PART II. Other significant conditions contributing to death but not resulting in the underlying cause given in Part I.		27a. AUTOPSY <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	27b. IF YES, WERE FINDINGS CONSIDERED IN DETERMINING CAUSE OF DEATH <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	28. WAS CASE REFERRED TO CORONER <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
29. MANNER OF DEATH <input checked="" type="checkbox"/> Natural <input type="checkbox"/> Pending investigation <input type="checkbox"/> Accident <input type="checkbox"/> Could not be determined <input type="checkbox"/> Suicide <input type="checkbox"/> Homicide	30a. DATE OF INJURY (Mo., Day, Yr.)	30b. TIME OF INJURY A.M. P.M.	30c. INJURY AT WORK <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	30d. DESCRIBE HOW INJURY OCCURRED	
30e. PLACE OF INJURY—Own home, other residence, farm, street, factory, office building, etc. (Specify)		30f. LOCATION (Street and Number or Rural Route, City or Town, State)			

Death 8/16/2002 T430112792 01 JONES 200208014824 12c



This is a true and correct copy of the official record on file in the Office of Vital Statistics, Topeka, Kansas, certified on the date stamped below.

2002 AUG 19 AM 11:19

A handwritten signature in cursive script, reading "Lorne A. Phillips".

Lorne A. Phillips, Ph.D.  
State Registrar  
Office of Vital Statistics  
Department of Health & Environment

A01620129

It is in violation of KSA 65-2422(d) to "prepare or issue any certificate which purports to be an original, certified copy or copy of a certificate of birth, death or fetal death, except as authorized in this act or rules and regulations adopted under this act."

**CERTIFIED COPIES WILL BE PRODUCED ON MULTI-COLOR SECURITY PAPER.**

KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT

Office of Vital Statistics

CERTIFICATE OF DEATH

1. DECEDENT'S NAME FIRST: Fredrick MIDDLE: Louis LAST: Jones			2. SEX Male	3. DATE OF DEATH (Mo., Day, Yr.) May 24, 1997	
4. SOCIAL SECURITY NUMBER [REDACTED]	5a. AGE—Last Birthday (Yrs.) 82	5b. UNDER 1 YEAR Months: Days:	5c. UNDER 1 DAY Hours: Minutes:	5. DATE OF BIRTH (Mo., Day, Yr.) March 31, 1915	7. BIRTHPLACE (City and State or Foreign Country) Burrton, Kansas
6. WAS DECEDENT EVER IN U.S. ARMED FORCES? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		6a. PLACE OF DEATH (Check only one) HOSPITAL: <input checked="" type="checkbox"/> Inpatient <input type="checkbox"/> ER/Outpatient <input type="checkbox"/> DOA OTHER: <input type="checkbox"/> Nursing Home <input type="checkbox"/> Residence <input type="checkbox"/> Other (Specify)			
8b. FACILITY NAME (If not institution, give street and number) Columbia Halstead Hospital		8c. CITY, TOWN, OR LOCATION OF DEATH Halstead		8d. COUNTY OF DEATH Harvey	
10. MARITAL STATUS <input checked="" type="checkbox"/> Married <input type="checkbox"/> Never Married <input type="checkbox"/> Widowed <input type="checkbox"/> Divorced		11. SURVIVING SPOUSE (If wife, give maiden name) Winona C. Pearson	12a. DECEDENT'S USUAL OCCUPATION (Give kind of work done during most of working life. Do not use retired.) Inspector	12b. KIND OF BUSINESS/INDUSTRY (Do not give name of company) Aircraft Manufacturing	
13a. RESIDENCE—STATE Kansas	13b. COUNTY Harvey	13c. CITY, TOWN, OR LOCATION AND ZIP CODE Burrton 67020	13d. STREET AND NUMBER 420 S. Sedgwick	13e. INSIDE CITY LIMITS? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
14. ANCESTRY—(Cuban, Mexican, Puerto Rican, Vietnamese, Hispanic, English, German, etc.) (Specify) Welsh		15. RACE—(Native American, Black, White, etc.) (Specify) White		16. DECEDENT'S EDUCATION (Specify only highest grade completed) Elementary/Secondary (0-12): 12 College (1-4 or 5+): 0	
17. FATHER'S NAME FIRST: Charles R. Jones		18. MOTHER'S NAME FIRST: Beulah B. Fredrick MIDDLE: MAIDEN SURNAME:			
19a. INFORMANT'S NAME (Type) Winona C. Jones		19b. MAILING ADDRESS (Street and Number, or Rural Route, City or Town, State, Zip Code) 420 S. Sedgwick, Burrton, KS 67020			
20a. METHOD OF DISPOSITION <input checked="" type="checkbox"/> Burial <input type="checkbox"/> Cremation <input type="checkbox"/> Removal from State <input type="checkbox"/> Donation <input type="checkbox"/> Other (Specify)		20b. PLACE OF DISPOSITION (Name of cemetery, crematory, or other place) Burrton Cemetery	20c. LOCATION—City or Town, State Burrton, Kansas		
21a. FUNERAL SERVICE LICENSEE & LICENSE NO. (Signature) <i>[Signature]</i> #2190		21b. NAME OF EMBALMER & LICENSE NO. Von Kaufman #3186			
22. NAME AND ADDRESS OF FIRM Kaufman Funeral Home 418 Chestnut, Halstead, KS 67056					
23a. To the best of my knowledge, death occurred at the time, date and place, and due to the cause(s) and manner as stated. (Signature and Title) X <i>William D. Lucht MD</i>		24a. On the basis of examination and/or investigation, in my opinion death occurred at the time, date and place, and due to the cause(s) and manner as stated. (Signature and Title) X			
23b. DATE SIGNED (Mo., Day, Yr.) 6-1-97	23c. TIME OF DEATH 04:07 A.M. P.M.	24b. DATE SIGNED (Mo., Day, Yr.)	24c. TIME OF DEATH A.M. P.M.	24d. PRONOUNCED DEAD (Mo., Day, Yr.)	
23d. NAME OF ATTENDING PHYSICIAN IF OTHER THAN CERTIFIER (Type or Print)		24d. PRONOUNCED DEAD (Hour) A.M. P.M.			
25. NAME AND ADDRESS OF CERTIFIER (PHYSICIAN, OR CORONER) (Type or Print) William C. Lucht M.D. 327 Chestnut, Halstead, KS 67056					
26. PART I. Enter the diseases, injuries, or complications that caused the death. Do not enter the mode of dying, such as cardiac or respiratory arrest, shock, or heart failure. List only one cause on each line. IMMEDIATE CAUSE (Final disease or condition resulting in death) Aspiration Pneumonitis DUE TO (OR AS A CONSEQUENCE OF): Hematemesis from Acute Upper G.I. bleeding, with shock DUE TO (OR AS A CONSEQUENCE OF): Lung Cancer - smoking related DUE TO (OR AS A CONSEQUENCE OF):				Interval Between Onset and Death 3 days 3 days 6 Months	
PART II. Other significant conditions contributing to death but not resulting in the underlying cause given in Part I. Severe Emphysema and Chronic Bronchitis					
27a. AUTOPSY <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		27b. IF YES, WERE FINDINGS CONSIDERED IN DETERMINING CAUSE OF DEATH <input type="checkbox"/> Yes <input type="checkbox"/> No		28. WAS CASE REFERRED TO CORONER <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
29. MANNER OF DEATH <input checked="" type="checkbox"/> Natural <input type="checkbox"/> Pending Investigation <input type="checkbox"/> Accident <input type="checkbox"/> Suicide <input type="checkbox"/> Homicide		30a. DATE OF INJURY (Mo., Day, Yr.)	30b. TIME OF INJURY A.M. P.M.	30c. INJURY AT WORK <input type="checkbox"/> Yes <input type="checkbox"/> No	30d. DESCRIBE HOW INJURY OCCURRED
30e. PLACE OF INJURY—Own home, other residence, farm, street, factory, office building, etc. (Specify)		30f. LOCATION (Street and Number or Rural Route, City or Town, State)			



This is a true and correct copy of the official record on file in the Office of Vital Statistics, Topeka, Kansas, certified on the date stamped below.

2001 AUG 17 PM 12:54

Lorne A. Phillips, Ph.D.  
State Registrar  
Office of Vital Statistics  
Department of Health & Environment

A01229877

It is in violation of KSA 65-2422d(g) to "prepare or issue any certificate which purports to be an original, certified copy or copy of a certificate of birth, death or fetal death, except as authorized in this act or rules and regulations adopted under this act."

**CERTIFIED COPIES WILL BE PRODUCED ON MULTI-COLOR SECURITY PAPER.**

# DRAFT

Date

«FirstName» «LastName»  
«Company»  
«Address1»  
«Address2»  
«City», «State» «PostalCode»

RE: Lease Offer - Lea County, New Mexico  
NE/4 SE/4 Section 34-T16S-R38E

Dear Mr. «LastName»:

As you know, the Hamilton 2A well that is located in the NE/4 of the SE/4 of Section 34-Township 16 South-Range 38 East, Lea County, New Mexico, has not produced since mid-2002. Your previous oil and gas lease covering the unit has since expired due to no production and inactivity.

Paladin Energy Corp. feels that production from the Hamilton 2A well may now be economic due to the oil price environment at the time when the production costs exceed the revenue, therefore, we would like to re-enter the well. Consequently, we now wish to re-lease your acreage.

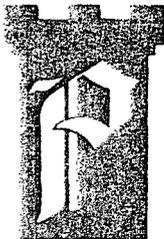
Please sign the letter below and provide contact information to me at your earliest convenience so that we can discuss the leasing situation. If it is more convenient for you to contact me by phone, please do so by calling me at 214-654-0132 x 6.

Sincerely,

Gail Cotton  
Landman

Name: \_\_\_\_\_ Telephone No: \_\_\_\_\_

Printed Name: \_\_\_\_\_ email address: \_\_\_\_\_



**PALADIN ENERGY CORP.**

June 12, 2006

To: Working Interest Owners

RE: **Hamilton A-2 Well**  
Re-complete in Lower Penn  
Knowles Field  
Sec 34, T16S, R38E  
Lea County, New Mexico

The Hamilton A-2 well was a Devonian producer on submersible pump operations. The last producing rate was about 5 BOPD and 1500 BWPD. Paladin believes there is economic potential in the Lower Penn interval between 10,250-350'. Therefore Paladin proposes to set a CIBP above the Devonian perforations, perforate from 10,260-320', acidize (and possible acid frac) the perforated interval, flow test and/or place on rod pump if necessary. Estimated total AFE costs are **\$393,624.**

At this time Paladin is submitting to the WIO's an AFE and election form for your review and approval. Please indicate your election and return to Paladin both the executed election form and signed AFE, with your proportionate working interest amount, within thirty days of receipt. If you have any questions or need further information, my direct telephone number is (214) 654-0132, ext. 3.

Sincerely,

David Plaisance  
VP Exploration & Production

To: Working Interest Owners  
From: PALADIN ENERGY CORP.  
Subject: Participation Election  
**Hamilton A-2 Well**  
Re-complete in Lower Penn  
Knowles Field  
Sec 34, T16S, R38E  
Lea County, New Mexico

Please check the appropriate box below:

I do hereby elect to participate in the above proposed workover.

I do hereby elect NOT to participate in the above proposed workover .

Company: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Supplement

Original

6/12/2006

Well name <b>Hamilton A-2 Lower Penn</b>	TD <b>14,170'</b>
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Location  
**Sec. 34, T-16-S, R-38-E, Lea County, New Mexico**

District <b>N/A</b>	Area or Group	Field <b>Knowles</b>
------------------------	---------------	-------------------------

Objective  
**Lower Pennsylvanian @ 10,250-10,350' @**

<input checked="" type="checkbox"/> Development <input type="checkbox"/> Exploratory <input type="checkbox"/> Workover/ Recompletion	<b>Gen</b> 9171 9172 9171	<input checked="" type="checkbox"/> Single <input type="checkbox"/> Dual <input type="checkbox"/> Multiple	Data Processing Information <div style="border: 2px solid black; padding: 5px; display: inline-block;">                     APE No.                 </div>	Original/Revision Indicator 1=Original 2=Revision <div style="border: 1px solid black; display: inline-block; width: 20px; height: 20px; text-align: center; vertical-align: middle;">1</div>
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Tangible Costs - SUB 500 and 550				Drilling	Evaluation	Completion	Elem	Total Gross Dollars
1. Tubular goods								
	" OD from	ft. to					5 1 3	0
	" OD from	ft. to					5 8 5	0
	" OD from	ft. to					5 5 5	0
	" OD from	ft. to					0 5 2 7	0
	2 7/8" OD from	0 ft. to	10,200			51,000	5 2 7	51,000
	" OD from	ft. to						0
2. Casinghead, Tubinghead, Christmas Tree						2,500	5 0 4	2,500
3. Tubing Accessories						5,600	5 0 6	5,600
4. Artificial Lift Accessories - Rods, Pump						25,000	5 0 7	25,000
5. Well Protective Structures							5 0 8	0
6. Unclassified							0 0 0	0
7. Additional Basis (Sub 550)							0 0 0	0
Casinghead, Tubinghead, Christmas Tree							5 0 4	0
Tubing Accessories							5 0 6	0
Artificial Lift Accessories - Pumping Unit						60,000	5 0 7	60,000
Well Protective Structures							5 0 8	0
<b>TOTAL TANGIBLES</b>						0	144,100	144,100

Intangible Costs - SUB 600				Drilling	Evaluation	Completion	Elem	Total Gross Dollars
8. Contract Engineering Technical					11,400	2,850	0 1 3	14,250
9. Boat Operations							0 5 3	0
10. Minor Supplies							0 7 8	0
11. Electric Power and Light							2 4 1	0
12. Diesel Fuel					2,000		2 4 2	2,000
13. Natural Gas							2 4 3	0
14. Water					2,500		2 4 6	2,500
15. Property and Equipment Rentals					7,500		2 4 8	7,500
16. Security, Safety, and Firefighting							2 5 0	0
17. Tubular Testing, and Inspection						1,800	5 0 3	1,800
18. Trucking Tubulars					1,500	3,500	5 0 9	5,000
19. Casing Accessories							5 1 2	0
20. Site Preparation and Maintenance					2,000		5 1 4	2,000
21. Permits, Insurance, and Damages					2,500		5 1 5	2,500
22. Rig Moving Expense							5 1 7	0
23. Shorebases							5 2 1	0
24. Camp Housekeeping							5 2 2	0
25. Reclamation						1,500	5 2 5	1,500
26. Air Freight and Transportation							5 2 8	0
27. Disposal and Cleanup						2,000	5 3 1	2,000

Well name <b>Hamilton A-2 Lower Penn</b>	<input checked="" type="checkbox"/>	Original	Original/Revision Indicator	
Location <b>Sec. 34, T-16-S, R-38-E, Lea County, New Mexico</b>	<input type="checkbox"/>	Supplement	1=Original 2=Revision <b>1</b>	
District	AFE No.			
<b>Intangible Costs (Cont'd) - SUB 600</b>	Drilling	Evaluation	Completion	Elem Total Gross Dollars
28. Contract Footage Drilling ft. @ \$ per foot				5 3 2 0
29. Contract Drilling Daywork Drilling days @ \$ per day (3-Comp)				5 3 3 0
30. Mobilization, Demobilization & Rig Mod.				5 3 4 0
31. Roads and Airstrips				5 3 6 0
32. Completion/Workover Daywork 15 days @ \$ 3,500.00 per day		42,000	10,500	5 4 2 52,500
33. Drill String & BHA Rental - Work String				5 4 3 0
34. Well Control Equipment		2,500		5 4 7 2,500
35. Bits, Underreamers, & Hole Openers " " " " " "		2,500		5 4 8 2,500
36. Drilling Mud and Transportation				5 5 1 0
37. Drilling Mud Equipment and Services				5 5 2 0
38. Completion Fluids			4,500	5 5 3 4,500
39. Open Hole Surveys				5 5 7 0
40. Wireline Work				5 5 9 0
41. Formation Monitoring - Logging		35,000		5 6 0 35,000
42. Cased Hole Surveys and perf. Fees		10,000		5 6 1 10,000
43. Surface Well Test Equipment		2,500		5 6 3 2,500
44. Coring and Analysis				5 6 8 0
45. Drill Stem Test Equipment				5 7 2 0
46. Fracturing, Acidizing, and Gravel Pack		25,000		5 7 7 25,000
47. Divers				5 7 8 0
48. Fishing Tool Rental				5 8 0 0
49. Directional Drilling Tool Rental				5 8 1 0
50. Telecommunications & Navigational Needs				5 8 2 0
51. Material Losses				5 8 8 0
52. Capitalized Overhead				6 0 4 0
53. Cement Running Fees for Casing & Tubing " OD Sacks " OD Sacks " OD Sacks " OD Sacks				6 1 0 0 6 9 5 0 8 7 0 0 6 5 0 0
54. Cementing - Squeezes & Plugs				6 9 9 0
55. Unclassified-Contingency		15,900	16,600	0 0 0 32,500
56. Surface Facilities			20,000	20,000
57. Gross Tax Receipts		10,518	10,956	21,474
<b>TOTAL INTANGIBLES</b>		<b>175,318</b>	<b>74,206</b>	<b>249,524</b>
<b>TOTAL COST (Tangibles &amp; Intangibles)</b>		<b>175,318</b>	<b>218,306</b>	<b>218,306</b>
<b>EVALUATED COST</b>		<b>175,318</b>		
<b>COMPLETED WELL COST</b>		<b>\$393,624</b>		

COMPANY: \_\_\_\_\_  
DATE: \_\_\_\_\_

APPROVED: \_\_\_\_\_  
NAME / TITLE: \_\_\_\_\_

MAR 28 2001

2001-005427

KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT

Office of Vital Statistics

CERTIFICATE OF DEATH

STATE FILE NUMBER

1. DECEDENT'S NAME FIRST: Winona MIDDLE: Corrine LAST: Jones			2. SEX Female	3. DATE OF DEATH (Mo., Day, Yr.) Mar 25, 2001
4. SOCIAL SECURITY NUMBER [REDACTED]		5a. AGE—Last Birthday (Yrs.) 87	5b. UNDER 1 YEAR Months: Days: Hours: Minutes:	5c. UNDER 1 DAY Hours: Minutes:
6. WAS DECEDENT EVER IN U.S. ARMED FORCES? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		7. BIRTHPLACE (City and State or Foreign Country) Jetmore, Kansas		8. DATE OF BIRTH (Mo., Day, Yr.) Jan 4, 1914
9. PLACE OF DEATH (Check only one) HOSPITAL: <input checked="" type="checkbox"/> Inpatient <input type="checkbox"/> ER/Outpatient <input type="checkbox"/> DOA <input type="checkbox"/> OTHER: <input type="checkbox"/> Nursing Home <input type="checkbox"/> Residence <input type="checkbox"/> Other (Specify):				
10. FACILITY NAME (If not institution, give street and number) Halstead Hospital		11. CITY, TOWN, OR LOCATION OF DEATH Halstead		12. COUNTY OF DEATH Harvey
13. MARRIAGE STATUS <input type="checkbox"/> Married <input type="checkbox"/> Never Married <input checked="" type="checkbox"/> Widowed <input type="checkbox"/> Divorced		14. SURVIVING SPOUSE (If wife, give maiden name) N/A		15. DECEDENT'S USUAL OCCUPATION (Give kind of work done during most of working life. Do not use retired.) Homemaker
16. KIND OF BUSINESS/INDUSTRY (Do not give name of company) Own Home		17. RESIDENCE—STATE: KS COUNTY: Harvey CITY, TOWN, OR LOCATION AND ZIP CODE: Burrton 67020 STREET AND NUMBER: 420 South Sedgwick, INSIDE CITY LIMITS? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
18. ANCESTRY—(Cuban, Mexican, Puerto Rican, Vietnamese, Hongkong, English, German, etc.) (Specify) Welsh		19. RACE—(Native American, Black, White, etc.) (Specify) White		20. DECEDENT'S EDUCATION (Specify only highest grade completed) Elementary/Secondary (0-12): 12 College (1-4 or 5+): 2
21. FATHER'S NAME FIRST: Andrew MIDDLE: S. LAST: Pearson		22. MOTHER'S NAME FIRST: Marleah MIDDLE: M. MAIDEN SURNAME: Pachen		
23. INFORMANT'S NAME (Type) Marleah Jones		24. MAILING ADDRESS (Street and Number, or Rural Route, City or Town, State, Zip Code) 420 S Sedgwick, P.O. Box 195 Burrton, KS 67020		
25. METHOD OF DISPOSITION <input checked="" type="checkbox"/> Burial <input type="checkbox"/> Cremation <input type="checkbox"/> Removal from State <input type="checkbox"/> Donation <input type="checkbox"/> Other (Specify):		26. PLACE OF DISPOSITION (Name of cemetery, crematory, or other place) Burrton Cemetery		27. LOCATION—City or Town, State Burrton, KS 67020
28. FUNERAL SERVICE LICENSEE & LICENSE NO. (Signature) 		29. NAME OF EMBALMER & LICENSE NO. Von Kaufman 3196		
30. NAME AND ADDRESS OF FUNERAL HOME Kaufman Funeral Home, 418 Chestnut, Halstead, KS 67056				
31. To be Completed by CERTIFYING PHYSICIAN ONLY 23a. To the best of my knowledge, death occurred at the time, date and place, and due to the cause(s) and manner as stated. (Signature and Title) X  Aiyenowo 23b. DATE SIGNED (Mo., Day, Yr.) 03-27-01 23c. TIME OF DEATH 0500 hours A.M. P.M. 23d. NAME OF ATTENDING PHYSICIAN IF OTHER THAN CERTIFIER (Type or Print)		32. To be Completed by CORONER ONLY 24a. On the basis of examination and/or investigation, in my opinion death occurred at the time, date and place, and due to the cause(s) and manner as stated. (Signature and Title) X 24b. DATE SIGNED (Mo., Day, Yr.) 24c. TIME OF DEATH A.M. P.M. 24d. PRONOUNCED DEAD (Mo., Day, Yr.) 1/1 24e. PRONOUNCED DEAD (Hour) A.M. P.M.		
33. NAME AND ADDRESS OF CERTIFIER (PHYSICIAN, OR CORONER) (Type or Print) Joseph O. Aiyenowo M.D. 327 Chestnut, Halstead, KS 67056				
34. PART I. Enter the diseases, injuries, or complications that caused the death. Do not enter the mode of dying, such as cardiac or respiratory arrest, shock, or heart failure. List only one cause on each line. IMMEDIATE CAUSE (Final disease or condition resulting in death) Sequitally list conditions, if any, leading to immediate cause. Enter UNDERLYING CAUSE (Disease or injury that initiated events resulting in death) LAST		Interval Between Onset and Death		
a. <u>Cardiopulmonary arrest as a consequence of Cerebrovascular accident</u>				
b. <u>Cerebrovascular accident</u>				
c. <u>Cerebrovascular accident</u>				
35. PART II. Other significant conditions contributing to death but not resulting in the underlying cause given in Part I.				
36. MANNER OF DEATH <input checked="" type="checkbox"/> Natural <input type="checkbox"/> Pending Investigation <input type="checkbox"/> Accident <input type="checkbox"/> Suicide <input type="checkbox"/> Homicide		37. DATE OF INJURY (Mo., Day, Yr.)		38. TIME OF INJURY A.M. P.M.
39. PLACE OF INJURY—Own home, other residence, farm, street, factory, office building, etc. (Specify)		39. INJURY AT WORK <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
40. DESCRIBE HOW INJURY OCCURRED		41. LOCATION (Street and Number or Rural Route, City or Town, State)		
42. AUTOPSY <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		43. IF YES, WERE FINDINGS CONSIDERED IN DETERMINING CAUSE OF DEATH <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		44. WAS CASE REFERRED TO CORONER <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Death 3/29/2001 T420045985 01 JONES 200103005427 10c



This is a true and correct copy of the official record on file in the Office of Vital Statistics, Topeka, Kansas, certified on the date stamped below.

01 MAR 30 PM 2:31

Lorne A. Phillips, Ph.D.  
State Registrar  
Office of Vital Statistics  
Department of Health & Environment

A01077552

It is in violation of KSA 65-2422d(g) to "prepare or issue any certificate which purports to be an original, certified copy or copy of a certificate of birth, death or fetal death, except as authorized in this act or rules and regulations adopted under this act."

**CERTIFIED COPIES WILL BE PRODUCED ON MULTI-COLOR SECURITY PAPER.**

## ACCEPTANCE OF SUCCESSOR TRUSTEES

WITNESSETH THAT:

WHEREAS, Frederick L. Jones and Winona C. Jones executed and entered into a Revocable Living Trust dated August 30, 1989 known as The Frederick L. Jones and Winona C. Jones Revocable Trust, and

WHEREAS, Frederick L. Jones and Winona C. Jones appointed themselves as trustees.

WHEREAS, Frederick L. Jones died on May 24, 1997.

WHEREAS, Winona C. Jones as surviving Grantor and trustee executed on March 9, 2001, a First Amendment to Revocable Trust appointing Judd Durner, Leslie R. Monroe, and Marleah I. Jones, and Candace Lynda Bazil as successor Co-Trustees on the death of Winona C. Jones.

WHEREAS, Winona C. Jones died on March 25, 2001.

WHEREAS, Candace Lynda Bazil and Judd Durner have resigned as Trustees.

WHEREAS, Leslie R. Monroe and Maleah I. Jones wish to accept their designation as successor trustees and to assume said office.

NOW THEREFORE, Leslie R. Monroe and Maleah I. Jones hereby accept the position of Trustee of the Frederick L. Jones and Winona C. Jones Revocable Trust dated August 9, 1989, and covenant and agree to and with the beneficiaries thereof, in consideration thereof, that they will assume the office of Successor Trustees, with all due fidelity, and will account for all money received by them as trustees, to the beneficiaries of the Frederick L. Jones and Winona C. Jones Revocable Trust dated August 9, 1989, when properly and lawfully required.

This acceptance as successor trustees is conditioned upon if there is any vacancy in the office of Trustee and this Trust does not name a successor, the majority in interest of the beneficiaries to whom income may then be paid herein who are not incompetent, but including the natural or appointed guardian of any minor beneficiary and any conservator or guardian already serving as such for any beneficiary, shall have the power to appoint the successor Trustee. Further, a majority in interest of the beneficiaries to whom income may be paid shall have the right to remove any trustee at any time for any reason.

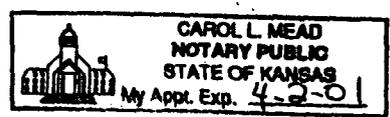
WITNESS OUR SIGNATURES this 2<sup>nd</sup> day of April, 2001.

  
\_\_\_\_\_  
Leslie R. Monroe

Subscribed, acknowledged, and affirmed to before me by Leslie R. Monroe, this 2nd day of 2nd April, 2001.

Carol L Mead  
Notary Public

My appointment expires:



\_\_\_\_\_  
Marleah I. Jones

Subscribed, acknowledged, and affirmed to before me by Leslie R. Monroe, this \_\_\_\_\_ day of \_\_\_\_\_, 2001.

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

My appointment expires:

# RESIGNATION

COMES NOW, Judd Durner, a Successor Trustee of the Frederick L. Jones and Winona C. Jones Revocable Trust dated August 30, 1989, and hereby resigns as Trustee from said Trust.

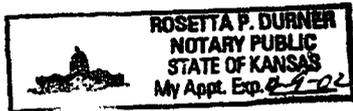
Dated and signed this 2<sup>nd</sup> day of APRIL, 2001.

Judd Durner  
Judd Durner,

Subscribed, acknowledged, and affirmed to before me by Judd Durner, this 2<sup>nd</sup> day of April, 2001.

Rosetta P. Durner  
Notary Public

My appointment expires: 4.9.02



# RESIGNATION

COMES NOW, Candace Lynda Bazil, a Successor Trustee of the Frederick L. Jones and Winona C. Jones Revocable Trust dated August 30, 1989, and hereby resigns as Trustee from said Trust.

(SEE INSERT BELOW)

This resignation is conditioned upon that if there is any vacancy in the office of Trustee and this Trust does not name a successor, the majority in interest of the beneficiaries to whom income may then be paid herein who are not incompetent, but including the natural or appointed guardian of any minor beneficiary and any conservator or guardian already serving as such for any beneficiary, shall have the power to appoint the successor Trustee. Further, a majority in interest of the beneficiaries to whom income may be paid shall have the right to remove any trustee at any time for any reason.

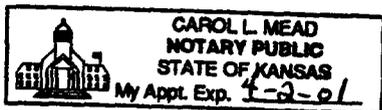
Dated and signed this 2 day of April, 2001.

Candace L. Bazil  
Candace Lynda Bazil,

Subscribed, acknowledged, and affirmed to before me by Candace Lynda Bazil, this 2nd day of April, 2001.

Carol L. Mead  
Notary Public

My appointment expires:



I, CANDACE LYNDA BAZIL, HEREBY RETAINS THE RIGHT TO RE-APPOINT MYSELF AS A CO-TRUSTEE AT ANYTIME, BUT WITH WRITTEN NOTICE TO THE THEN EXISTING TRUSTEES.

## ***First Amendment To Revocable Trust***

**THIS AMENDMENT TO REVOCABLE TRUST**, made and entered into this 9<sup>th</sup> day of March, 2000, by and between WINONA C. JONES, hereinafter referred to as "Grantor", and WINONA C. JONES, hereinafter referred to as "Trustee";

**WITNESSETH, THAT:**

**WHEREAS**, on August 30, 1989, Frederick L. Jones and Winona C. Jones executed the Frederick L. Jones and Winona C. Jones Revocable Trust;

**WHEREAS**, on May 24, 1997, Frederick L. Jones passed away;

**WHEREAS**, Winona C. Jones, as surviving Grantor, desires to amend said Trust as provided for therein and as hereinafter set forth.

**NOW, THEREFORE**, said surviving Grantor does hereby amend said Frederick L. Jones and Winona C. Jones Revocable Trust dated August 30, 1989, as follows:

1. Grantor does hereby delete unnumbered paragraphs five and six of Section III, as to the control by Grantors and Trustees and inserts the following in its stead, to wit:

In the event of the death, resignation, or incapacity of Winona C. Jones, all rights and powers of the Trustee shall thereupon vest in and be thereafter exercised by Judd Durner, Leslie R. Monroe, Marleah I. Jones and Candace Lynda Bazil as successor Co-Trustees. In the event of the death, resignation or incapacity of either of them, then the remaining individual shall serve as sole successor Trustee.

The Grantor shall have the power at anytime to designate a successor or replacement Trustee to Trustees Winona C. Jones, Judd Durner, Leslie R. Monroe, Marleah I. Jones and Candace Lynda Bazil and such successor or replacement Trustee or Trustees shall have the same duties and powers as are assumed and conferred in this agreement upon the above Trustees.

2. Further, the Grantor hereby removes and deletes the first full paragraph in Section V. of the Frederick L. Jones and Winona C. Jones Revocable Trust, dated August 30, 1989, and inserts the following language in lieu thereof, to-wit:

After the death of Winona Jones, Chad Eric Jones shall be granted the right to purchase the real estate commonly

known as 420 South Sedgwick, Burrton, Kansas, at its fair market value. Chad Eric Jones shall notify the Trustees of his intent to purchase the real estate within 60 days of the death of Grantor. The fair market value shall be determined by the Chad Eric Jones appointing one appraiser of such real estate, the Trustees' of the Trust appointing one appraiser, and the two appraisers so selected appointing a third appraiser. The value of the real estate as determined by the three appraisers shall be final and shall be paid by Chad Eric Jones on a fifteen (15) year installment contract with equal monthly payments. The unpaid balance shall bear interest at the prime rate published in the Wall Street Journal under the Money Rates section. This prime rate represents the base rate on corporate loans posted by a least seventy-five percent of the nations 30 largest banks. Chad Eric Jones shall not be required to make a down payment on said property. The Trust shall pay the real estate taxes for the year in which the sale takes place. The cost of the appraisal shall be paid by the Trust. If Chad Eric Jones shall elect not to purchase the property after the appraisal is conducted, the Trust shall pay for the appraisal and Chad Eric Jones shall have no further liability. The monthly proceeds from the sale of the real estate to Chad Eric Jones or the real estate if Chad Eric Jones should not purchase it shall be retained in trust in accordance with the following paragraph. In the event Chad Eric Jones should not purchase the real estate, the Trustees shall have the power to sale the real estate and retain the proceeds in trust in accordance with the following paragraph. The Trustees are hereby instructed to enter into an installment sale contract with Chad Eric Jones and said contract should provide that the failure of Chad Eric Jones to make the monthly payment will result in the home being reclaimed by the Trust and Chad Eric Jones evicted.

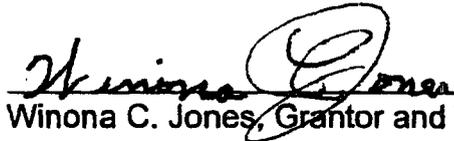
The Trustees shall continue this trust for five years following the death of Grantor. During this period, the Trustees shall pay to Marleah I. Jones and Candace Lynda Bazil at least annually all income earned by the trust. At the conclusion of five years, the trust shall terminate and the proceeds, including any monthly payment from Chad Eric Jones, shall be paid as follows:

One-half (1/2) thereof to Marleah I. Jones; and  
One-half (1/2) thereof to Candace Lynda Bazil.

In the event any of Grantors' children should predecease Grantor without issue surviving, then, as to such deceased child without issue surviving, this paragraph shall be inoperative and void, and such legacy, devise and bequest as to such deceased child without issue surviving shall lapse, and the surviving child shall take all of said property, provided however, surviving issue of any deceased children shall take, share and share alike, the share of their deceased parent.

The remaining terms of the Frederick L. Jones and Winona C. Jones Revocable Trust dated August 30, 1989, hereinabove referred to, shall continue in full force and effect, except as specifically amended herein.

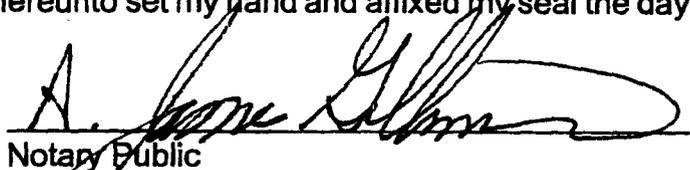
WITNESS my signature, the day and year first hereinabove written.

  
Winona C. Jones, Grantor and Trustee

STATE OF KANSAS, HARVEY COUNTY, SS:

BE IT REMEMBERED, that on this 9<sup>th</sup> day of March, 2000, before me the undersigned notary public in and for the county and state aforesaid came Winona C. Jones, Grantor and Trustee, who is personally known to me to be the person named in and who executed the above and foregoing document and such person duly acknowledged to me the execution of the same.

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

  
Notary Public

My term expires:

A. JAMES GILLMORE  
NOTARY PUBLIC  
STATE OF KANSAS  
My Appt Exp 2-17-2001

REVOCABLE TRUST

THIS TRUST AGREEMENT is made this 30<sup>th</sup> day of August, 1989, between Frederick L. Jones and Winona C. Jones, husband and wife, of Burrton, Kansas, hereinafter referred to as Grantors, and Frederick L. Jones and Winona C. Jones, hereinafter referred to as Trustees.

The Grantors have herewith assigned, transferred and conveyed to the Trustees all of their right, title and interest in and to the property described on attached Exhibit A, which is made a part hereof by reference the same as if set out herein at length, receipt of which is hereby acknowledged by the Trustees, and hereinafter designated as the Trust Corpus, which shall be held by the Trustees in Trust, for the uses and purposes and upon the terms and conditions hereinafter set forth.

I.

NAME AND DEFINITIONS: This Trust shall be identified as the FREDERICK L. JONES AND WINONA C. JONES REVOCABLE TRUST.

Trustees: The word "Trustees" shall refer to the original Trustees and also to any Successor Trustee or Trustees, whether they be singular or acting in the capacity of Co-Trustees. Any Successor Trustee or Trustees shall have the same power, authorities, obligations, and limitations as the original Trustees.

Trust Estate: The Trust Estate shall consist of the property described on attached Exhibit A, and any other property which may be added to the Trust Estate by any person, by will or otherwise, and any income on such property.

Net Income: Net income means gross income received by the Trustees with respect to the Trust Estate less any expenses of whatever nature which are reasonably incurred with respect to the Trust Estate.

II.

REVOCATION AND AMENDMENT: Grantor may, by written agreement, signed, acknowledged and delivered to the Trustees or any successor Trustees, during the Grantor's lifetimes, revoke this agreement in whole or in part, and amend it from time to time in any respect. No amendment shall increase the duties and responsibilities of the Trustees without their consent.

F.L.J.  
W.C.J.

Further, it is the Grantors intent that any Grantor surviving the death of the first Grantor may, by written document signed, acknowledged and delivered to the Trustees, or any successor Trustees, revoke this agreement in whole or in part, and amend it from time to time in any respect, and take the assets of this agreement for their personal use and benefit.

### III.

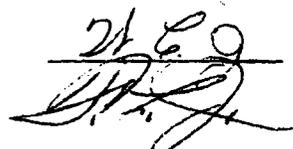
CONTROL BY GRANTORS AND TRUSTEES: The Trustees shall administer this Trust in accordance with the terms of the Trust. So long as Grantors are Trustees hereunder the decision of the Grantors shall prevail and be binding upon the Trustees, as to all matters concerning the Trust estate, without liability on the part of Trustees for such decisions by the Grantors. The Grantors or either of them may resign as Trustees at anytime by filing written resignations with the other Trustee or any successor Trustee, and such Trustee shall thereupon be relieved of and discharged from all future duties as such Trustee.

In the event of the death, resignation or incapacity of Frederick L. Jones, all rights and powers of the Trustees shall thereupon vest in and be thereafter exercised by Winona C. Jones, surviving Trustee, and no successor Trustee shall be appointed for Frederick L. Jones.

In the event of the death, resignation or incapacity of Winona C. Jones, all rights and powers of the Trustees shall thereupon vest in and be thereafter exercised by Frederick L. Jones, surviving Trustee, and no successor Trustee shall be appointed for Winona C. Jones.

The Grantors shall be determined to be incapacitated when two persons duly licensed to practice medicine certify to the remaining Trustee that such Grantor is unable to make or communicate reasonable decisions concerning his or her physical care and economic needs. The Grantors' powers as Trustee, however, shall only be suspended during his or her incapacity, and, should it be determined that such Grantor is able to make or communicate reasonable decisions concerning his or her physical and economic needs, by two persons duly licensed to practice medicine, such Grantor shall be reinstated as one of the Trustees of this Trust.

In the event of the death, resignation, or incapacity of both of said Grantors herein, all rights and powers of the Trustees shall thereupon vest in and be thereafter exercised by Judd Durner as successor Trustee. In the event Judd Durner does not desire to serve in such capacity, for any reason, then all rights and powers of the Trustee shall thereupon vest in and be thereafter exercised by Les Monroe as Alternate successor Trustee.



The Grantors, or either of them, shall have the power at anytime to designate a successor or replacement Trustee to Trustees Frederick L. Jones, Winona C. Jones, Judd Durner and Les Monroe, and such successor or replacement Trustee or Trustees shall have the same duties and powers as are assumed and conferred in this agreement upon the Trustees Frederick L. Jones, and Winona C. Jones, Judd Durner and Les Monroe.

Any appointment of a successor or replacement Trustee shall be in writing, shall be acknowledged, and shall state the date when said appointment shall take effect. A copy of such an appointment shall be delivered to the beneficiaries.

IV.

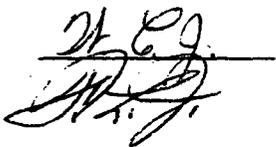
TRUSTEES BASIC DUTY TO GRANTORS: During the life of the Grantors the Trustees shall pay to the Grantors, as long as both of said Grantors are living, all the net income from the Trust Estate, and such portions of the principal as the Grantors, shall direct. Nevertheless, during any period in which either Grantor is incapacitated the Trustees, or any successor Trustees, may, in their discretion, use so much of the net income and any portion or all of the principal for the support, comfort, maintenance, and welfare, of such Grantor, in her or his accustomed manner of living, or for any other purpose the Trustees believe to be the Grantors' best interest.

V.

DISPOSITION OF TRUST PROPERTY: After the death of the surviving Grantor, in the event the Trust has not been revoked, this Trust shall continue for the period required to administer Grantor's estate and/or the assets of this Trust. The Trustee can accumulate income during this period. After this period is completed, the Trustee, Judd Durner, or any successor or replacement Trustee, shall hold and dispose of the Trust property by deed of conveyance or other instrument, as follows, to wit:

One-half thereof to Marleah I. Jones; and  
One-half thereof to Candace Lynda Bazil.

Provided, however, in the event any of said persons predecease the surviving Grantor, without issue surviving, then as to such deceased person without issue surviving this paragraph shall be inoperative and void, and such legacy, devise and bequest as to such deceased person without issue surviving shall lapse, and the surviving persons shall take all of said property, share and share alike. Surviving issue of a deceased person shall take, share and share alike, the share of their deceased parent.



In the event the probate estate and other available resources of the estate of the survivor of Grantors is insufficient in amount to discharge the liabilities of said estate for Federal Estate Taxes, Inheritance Taxes, debts of the surviving Grantor, and the expenses of last illness, funeral expenses and administration of said estates, at the time when such liabilities become due, or in the event the Trustees, in their discretion, determine there would result hardship in said estate, by reason of the timely payment of said liabilities, the Trustees shall pay said liabilities from the assets of the Trust prior to distribution to the beneficiaries.

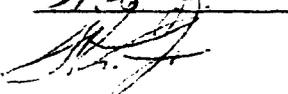
At any time within nine (9) months after the death of the survivor of said Grantors, any beneficiary who succeeds to an interest in this trust may disclaim said interest, in whole or in part, by an instrument in writing delivered to the Trustees. In that event, the Trust interest so disclaimed and refused shall pass as though the party disclaiming and refusing to accept such interest had predeceased said Grantor herein.

## VI.

### TRUST TO AVOID CONSERVATORSHIP/GUARDIANSHIP:

Notwithstanding any other provision herein, whenever any part of the principal of any gift created hereunder becomes distributable to a person who is under the age of twenty-five (25) or is a disabled person, or the Trustee determines in his or her sole and absolute discretion that it will be in the beneficiary's best interest for said property to remain in Trust, the Trustee may, in its discretion, withhold distribution of such property, invest and reinvest the same and collect the income therefrom, until the beneficiary attains age twenty-five (25) or is no longer a disabled person, or the Trustee determines in his or her sole and absolute discretion that it will be in the beneficiary's best interest to terminate the Trust, at which time the Trust shall terminate. During this existence of the Trust, the Trustee may apply as much of the net income or principal to the health, education, and support of the beneficiary as the Trustee deems necessary or advisable without the intervention of any guardian or conservator. Upon termination the Trustee shall pay over to the beneficiary the unexpended principal and income so withheld. If the beneficiary dies before termination, all principal and income shall be paid over to the personal representative of the beneficiaries estate. Authority conferred upon the Trustee by this paragraph shall not operate to suspend or prevent the eventual absolute vesting of any property in such beneficiary. In regard to the administration of any such property, the Trustee shall have all powers, authority and discretion vested in any fiduciary under provisions of this Trust.

A "disabled person" means any adult whose ability to receive and evaluate information effectively or to communicate decisions, or both, is impaired to such an extent that the person lacks the capacity to manage such person's financial resources, and includes someone who cannot take any requisite actions due to

24.5.3  


involuntary detention or disappearance. The certification of two licensed physicians selected by the Trustee shall be binding regarding the beneficiary's status as a disabled person for the purposes of this section; and the Trustee shall have no liability to anyone for acting on good faith upon such certification.

## VII.

**TRUSTEE POWERS:** The Trustees shall have all powers that may be granted to them by law, and particularly by K.S.A. 58-1201, et seq., to be exercised in the sole discretion of the Trustees as they determine to be in the best interests of the Grantors and the beneficiaries. These powers shall include, without limitation, the following:

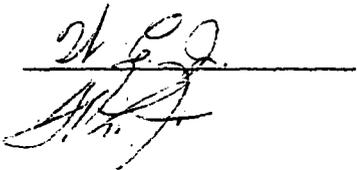
(a) To receive and preserve assets of the Trust Estate; to retain the initial assets without liability for loss; to abandon or otherwise dispose of assets of no or insufficient value to justify administration; to invest and reinvest in any type of corporate security or obligation without regard to diversification or whether or not such asset is legal for trust fund investment under local law; to sell, exchange, alter, improve, demolish, lease for any period, or otherwise dispose of assets, be they real or personal property, publicly or privately, with or without notice, wholly or partly for cash or credit, without appraisal, and to give options for these purposes; to develop, partition and manage real estate.

(b) To advance or borrow money; to mortgage, purchase, lease or pledge assets to continue mortgages and to foreclose; to enter into contracts and execute all instruments which are reasonably incident to the administration of the Trust; to conduct business in any form; to purchase insurance of any type; to collect insurance proceeds and to give a receipt which shall discharge the payor of liability; to deposit funds in any federally insured banking or savings institutions; to establish reserves; to hold title in the name of a nominee.

(c) To vote, or refrain from voting, stock in person or by proxy, to sell or exercise stock rights; to participate in corporate adjustments; to deposit stock with voting Trustees or similar Committee; to pay calls or assessments on stock.

(d) To employ and compensate brokers, agents, property manager, investment counsel, tax advisors and attorneys; to exercise any election regarding taxes conferred by law; to prosecute or defend judicial or administrative proceedings; to pay, settle, or otherwise contest claims by or against the Trust.

(e) To make distributions in money or in kind, or partly in each, without requiring pro rata distribution of specific assets, at fair market value as determined on the effective date



of distribution; to determine all matters of Trust accounting in accordance with generally accepted principles of Trust accounting, as established by controlling law or customary practices.

(f) To deal with the Trustees, individually and as fiduciaries, or with any organization in which the Trustees may have an interest; to commingle assets of this Trust with other assets held by the Trustees in a fiduciary capacity; to hold the assets of this Trust and of any other assets of such Trust except when required for distribution, provided, that such separate Trust shall have undivided interests in such assets.

(g) In the event that the Trustee shall be designated by Grantor as the beneficiary of the death benefit under any qualified pension, profit sharing, stock bonus or Keogh plan trust, or Individual Retirement Account or similar trust or plan, in which Grantor is a participant and under which the Trustee as beneficiary may elect (with or without the consent of any other person) the mode of payment, the Trustee shall proceed in the following manner:

(1) If more than one such mode of payment is available to the Trustee, the Trustee shall elect that mode which, in its sole discretion, appears to it to be the most advantageous to this Trust and/or its then current income beneficiaries, in terms of income tax (federal, state and local) considerations and/or investment return considerations, based on the Trustee's evaluation of the facts and circumstances relevant to such considerations as they exist at the time the Trustee makes such election.

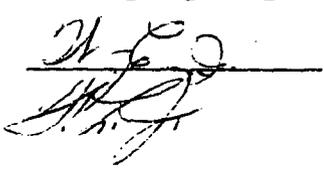
(2) Any election of a mode of payment made by the Trustee in good faith in the exercise of the discretionary power conferred upon it by Grantor in sub-paragraph (1) shall be final and binding upon all persons whomsoever and shall be a full acquittance and discharge to the Trustee, and the Trustee shall not be liable to any person whomsoever by reason of its exercise of such discretionary power.

#### VIII.

RESTRICTIONS ON POWER: Notwithstanding anything herein contained to the contrary, no power enumerated shall be construed to enable the Grantors or the Trustees or any person to purchase, exchange, or otherwise deal with or dispose of the Trust Corpus or income of the Trust for less than an adequate or full consideration in money or monies worth.

#### IX.

ADDITIONS TO THE TRUST: Additional property may, from time to time, be transferred by the Grantors, or any other person or persons, to the Trust, with the consent of the Grantors, and such property shall, thereupon, become part of the Trust estate,

A handwritten signature in dark ink, appearing to be "H. L. J.", is written over a horizontal line. The signature is somewhat stylized and cursive.

and shall be held, managed, invested, and reinvested, and disposed of on the same terms and conditions as the property originally transferred.

X.

SPENDTHRIFT PROVISION: Prior to the vesting of any interest herein, no interest of any beneficiary hereunder shall be alienated or in any other manner assigned or pledged or promised, and shall not be reached or shall not be subject to any legal, equitable, or other proceedings, including any bankruptcy proceedings, or be subject to the interference or control of creditors of others in any way or manner, nor may any creditor of any beneficiary of this Trust levy against or attach or garnish any interest of any beneficiary herein. In the event that such attempt is made the Trustees may hold beneficiary's interest in Trust for the beneficiary or may spend on the beneficiary's behalf such sums as the Trustees deems to be necessary for the beneficiary's support and comfort.

XI.

COURT SUPERVISION: The Trustees shall not be required to seek Court supervision of any accounting or inventories as provided in K.S.A. 59-1601, et seq.

XII.

COMPENSATION OF TRUSTEE: The Trustees shall be entitled to reasonable compensation for their services as Trustees under this agreement.

XIII.

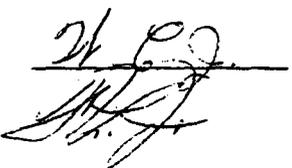
BOND: Neither the original Trustees nor any successor Trustees shall be required to give any bond or other security.

XIV.

LIABILITY OF TRUSTEES: No Trustees hereunder shall ever be liable for involuntary losses or for any loss or damage, except for willful misconduct. No Trustees need examine the accounts, records and acts of any previous Trustees. No Trustees shall be responsible for the acts or omissions of any previous Trustees but only responsible for his own acts or omissions in bad faith.

XV.

SITUS: The powers and duties of the Trustees hereunder, and their responsibilities, and all questions of interpretation of this Trust instrument, shall be governed by the laws of the State of Kansas.



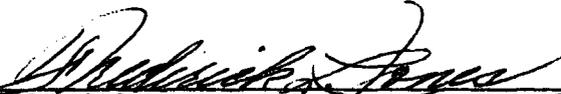
XVI.

RESIGNATION OF TRUSTEE: During the Grantors' lifetimes, any Trustee may resign by giving thirty (30) days notice in writing to the Grantors or the person designated by the Trust to receive the current income.

XVII.

CONVEYANCE: Promptly after the execution of the foregoing Trust Agreement, Grantors will be making, executing and delivering such documents and instruments as may be desirable to more formally document and transfer title to all of the real and personal property listed on attached Exhibit A. In the event that Grantor should fail or neglect to complete such formal documentation, the same shall not in any way negate the transfer of all of the property listed on attached Exhibit A to the foregoing Trust; the inclusion thereof on the Exhibit A shall alone be sufficient to constitute and effectuate said total and complete transfer.

THIS TRUST is and shall be binding on the heirs, legatees, devisees, Executors, Administrators, successors and assigns of all parties hereto.

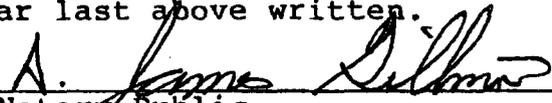
  
\_\_\_\_\_  
Frederick L. Jones, Grantor and Trustee

  
\_\_\_\_\_  
Winona C. Jones, Grantor and Trustee

STATE OF KANSAS, HARVEY COUNTY, SS:

BE IT REMEMBERED, that on this 30<sup>th</sup> day of August, 1989, before me the undersigned notary public in and for the county and state aforesaid came Frederick L. Jones, and Winona C. Jones, as Grantors and Trustees, who are personally known to me to be the persons named in and who executed the above and foregoing document and such persons duly acknowledged to me the execution of the same.

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

  
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Notary Public

A. JAMES GILLMORE  
NOTARY PUBLIC  
STATE OF KANSAS  
My Appt. Exp. 2-17-93

Frederick Jones Trust

Wimonia Jones, Co-Trustee (deceased)  
Frederick Jones, Co-Trustee - died 1997

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