

Kansas Corporation Commission Oil & Gas Conservation Division

Form T-1 July 2014 Form must be Typed Form must be Signed All blanks must be Filled

REQUEST FOR CHANGE OF OPERATOR TRANSFER OF INJECTION OR SURFACE PIT PERMIT

Form KSONA-1, Certification of Compliance with the Kansas Surface Owner Notification Act, MUST be submitted with this form.

Check Applicable Boxes:	illea with this form.		
Oil Lease: No. of Oil Wells**	Effective Date of Transfer: KS Dept of Revenue Lease No.: Lease Name:		
Gas Lease: No. of Gas Wells**			
Gas Gathering System:			
Saltwater Disposal Well - Permit No.:			
Spot Location: feet from N / S Line feet from E / W Line	SecTwpR E \[W \] Legal Description of Lease:		
Enhanced Recovery Project Permit No.:			
Entire Project: Yes No	County: Production Zone(s):		
Number of Injection Wells **			
Field Name:			
** Side Two Must Be Completed.	Injection Zone(s):		
Surface Pit Permit No.: (API No. if Drill Pit, WO or Haul) Type of Pit: Emergency Burn Settling	feet from N / S Line of Section feet from E / W Line of Section Haul-Off Workover Drilling		
Bott Occupied Livery No.	0.1.10		
Past Operator's License No.	Contact Person:		
Past Operator's Name & Address:	Phone:		
	Date:		
Title:	Signature:		
New Operator's License No.	Contact Person:		
New Operator's Name & Address:	Phone:		
	Oil / Gas Purchaser:		
	Date:		
	Signature:		
Acknowledgment of Transfer: The above request for transfer of injection noted, approved and duly recorded in the records of the Kansas Corporation	authorization, surface pit permit # has been Commission. This acknowledgment of transfer pertains to Kansas Corporation		
Commission records only and does not convey any ownership interest in the			
is acknowledged as	is acknowledged as		
the new operator and may continue to inject fluids as authorized by	the new operator of the above named lease containing the surface pi		
Permit No.: Recommended action:	permitted by No.:		
Date:	Date:		
Authorized Signature	Authorized Signature		
DISTRICT EPR	PRODUCTION UIC		

Side Two

1355820

Must Be Filed For All Wells

KDOR Lease No.:					
Lease Name:			* Location:		
Well No.	API No. (YR DRLD/PRE '67)				Well Status (PROD/TA'D/Abandoned)
		CircleFSL/FNL	Circle FEL/FWL		
		FSL/FNL	FEL/FWL		_
		FSL/FNL	FEL/FWL		_
		FSL/FNL	FEL/FWL		- ·
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		_
		FSL/FNL	FEL/FWL		_
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		-
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		

A separate sheet may be attached if necessary

^{*} When transferring a unit which consists of more than one lease please file a separate side two for each lease. If a lease covers more than one section please indicate which section each well is located.

Kansas Corporation Commission Oil & Gas Conservation Division

1355820

Form KSONA-1
July 2014
Form Must Be Typed
Form must be Signed
All blanks must be Filled

CERTIFICATION OF COMPLIANCE WITH THE KANSAS SURFACE OWNER NOTIFICATION ACT

This form must be submitted with all Forms C-1 (Notice of Intent to Drill); CB-1 (Cathodic Protection Borehole Intent); T-1 (Request for Change of Operator Transfer of Injection or Surface Pit Permit); and CP-1 (Well Plugging Application).

Any such form submitted without an accompanying Form KSONA-1 will be returned.

Select the corresponding form being filed:	(Cathodic Protection Borehole Intent)
OPERATOR: License #	Well Location:
Name:	
Address 1:	
Address 2:	·
City: State: Zip:+	
Contact Person:	the lease below:
Phone: () Fax: ()	
Email Address:	
Surface Owner Information:	
Name:	When filing a Form T-1 involving multiple surface owners, attach an additional
Address 1:	sheet listing all of the information to the left for each surface owner. Surface owner information can be found in the records of the register of deeds for the
Address 2:	and the second to the execution of the e
City: State: Zip:+	
the KCC with a plat showing the predicted locations of lease roads, tale are preliminary non-binding estimates. The locations may be entered	nodic Protection Borehole Intent), you must supply the surface owners and nk batteries, pipelines, and electrical lines. The locations shown on the plat on the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted.
Select one of the following:	
owner(s) of the land upon which the subject well is or will be	Act (House Bill 2032), I have provided the following to the surface located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form being filed is a Form C-1 or Form CB-1, the plat(s) required by this and email address.
KCC will be required to send this information to the surface of	acknowledge that, because I have not provided this information, the owner(s). To mitigate the additional cost of the KCC performing this as of the surface owner by filling out the top section of this form and e KCC, which is enclosed with this form.
If choosing the second option, submit payment of the \$30.00 handlin form and the associated Form C-1, Form CB-1, Form T-1, or Form CF	ng fee with this form. If the fee is not received with this form, the KSONA-1P-1 will be returned.
I hereby certify that the statements made herein are true and correct	to the best of my knowledge and belief.
Date: Signature of Operator or Agent:	Title:

OIL ONLY LEASE

THIS AGREEMENT, entered into this 3/5 day of May, 2011, between LEO GULLICK, a single person, (hereinafter called lessor) and KANSAS ENERGY COMPANY, L.C., P. O. Box 68, Sedan, KS 67361, (hereinafter called lessee), does witness:

1. That lessor, for and in consideration of the sum of One Dollar (\$1.00) in hand paid and of the covenants and agreements hereinafter contained to be performed by the lessee, has this day granted, leased, and let, and by these presents does hereby grant, lease, and let exclusively unto the lessee the hereinafter described land, for the purpose of carrying on geological, geophysical, and other exploratory work, including core drilling, and the drilling, mining, and operating for, producing, and saving all of the oil, and for constructing roads, laying pipe lines, building tanks, storing oil, and erecting other structures thereon which are necessary or convenient for the economical operation of said land to produce, save, take care of, and manufacture all of such substances, said tract of land with any reversionary rights therein being situated in the county of Montgomery, state of Kansas, and described as follows:

N/2 SE/4 of Section 34, Township 33 South, Range 14 East, Montgomery County, Kansas containing 80 acres, more or less.

- 2. This lease shall remain in force for a term of eighteen (18) months from the effective date hereof, and as long thereafter as oil is or can be produced.
- 3. The lessee shall deliver to lessor as royalty, free of cost, on the lease, or into the pipe line to which lessee may connect its wells, the equal fifteen percent (15%) part of all oil produced and saved from the leased premises, or at the lessee's option may pay to the lessor for such 15% royalty the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line or into storage tanks.
- 4. If Lessee shall commence to drill a well or commence reworking operations on an existing well within the term of this lease or any extension thereof, or on acreage pooled therewith, the Lessee shall have the right to drill such well to completion or complete reworking operations with reasonable diligence and dispatch, and if oil or gas, or either of them, be found in paying quantities, this lease shall continue and be in force with like effect as if such well had been completed within the term of years first mentioned. Drilling operations or mining operations shall be deemed to be commenced when the first material is placed on the leased premises or when the first work, other than surveying or staking the location, is done thereon which is necessary for such operations.
- 5. In case said lessor owns a less interest in the above-described land, other than the entire and undivided fee simple estate therein, then the royalties and rentals

herein provided shall be paid to said lessor only in the proportion which his interest bears to the whole and undivided fee. However, such rental shall be increased at the next succeeding rental anniversary after any reversion occurs to cover the interest so acquired.

- 6. The lessee shall have the right to use oil and water found on said land for its operations thereon, except water from the wells or ponds of the lessor. When required by lessor, the lessee shall bury its pipe lines below plow depth and shall pay for damage caused by its operations to growing crops on said land. No well shall be drilled nearer than 200 feet to the house or barn now on said premises, without written consent of the lessor. Lessee shall have the right at any time during, and within six (6) months after the expiration of this lease, to remove all machinery, fixtures, houses, buildings, and other structures placed on said premises, including the right to draw and remove all casing. Lessee shall grade to the original level and restore the surface to its original condition, as nearly as practicable, within six (6) months after the expiration of this lease.
- 7. If the estate of either party hereof is assigned (and the privilege of assigning in whole or in part is expressly allowed), the covenants hereof shall extend to the heirs, devisees, executors, administrators, successors, and assigns, but no change of ownership in the land or in the rentals or royalties or any sum due under this lease shall be binding on the lessee until it has been furnished with either the original recorded instrument of conveyance or a duly certified copy thereof or a certified copy of the will of any deceased owner and of the probate thereof, or certified copy of the proceedings showing appointment of an administrator for the estate of any deceased owner, whichever is appropriate, together with all original recorded instruments of conveyance or duly certified copies thereof necessary in showing a complete chain of title back to lessor to the full interest claimed, and all advance payments of rentals made hereunder before receipt of said documents shall be binding on any direct or indirect assignee, grantee, devisee, administrator, executor, or heir of lessor.
- 8. If the leased premises are now or shall hereafter be owned in severalty or in separate tracts, the premises nevertheless shall be developed and operated as one lease, and all royalties accruing hereunder shall be treated as an entirety and shall be divided among and paid to such separate owners in the proportion that the acreage owned by each separate owner bears to the entire leased acreage.
- 9. Lessor hereby warrants and agrees to defend the title to the land herein-described and agrees that the lessee, at its option, may pay and discharge in whole or in part any taxes, mortgages, or other liens existing, levied, or assessed on or

against the above-described lands and, in the event it exercises such option, it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying to the discharge of any such mortgage, tax, or other lien, any royalty or rentals accruing hereunder.

- 10. If, after the expiration of the primary term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate, provided lessee (a) resumes production, (b) initiates operations for recompleting an existing well within sixty (60) days from such cessation or (c) initiates operations for drilling a new well within sixty (60) days from such cessation, and this lease shall remain in force during the diligent prosecution of such operations and, if production results therefrom, then as long as production continues.
- 11. Lessee may at any time surrender or cancel this lease in whole or in part by delivering or mailing such release to the lessor, or by placing same of record in the proper county. In case said lease is surrendered and canceled as to only a portion of the acreage covered thereby, then all payments and liabilities thereafter accruing under the terms of said lease as to the portion canceled, shall cease and determine and any rentals thereafter paid may be apportioned on an acreage basis, but as to the portion of the acreage not released the terms and provisions of this lease shall continue and remain in full force and effect for all purposes.
- 12. All provisions hereof, express or implied, shall be subject to all federal and state laws and the orders, rules, or regulations (and interpretations thereof) of all governmental agencies administering the same, and this lease, shall not be in any way terminated wholly or partially, nor shall the lessee be liable in damages for failure to comply with, any of the express or implied provisions hereof if such failure accords with any such laws, orders, rules, or regulations (or interpretations thereof). If, during the last six months of the primary term hereof, lessee should be prevented from drilling a well hereunder by the order of any constituted authority having jurisdiction there over, or if lessee should be unable during said period to drill a well hereunder due to equipment necessary in the drilling thereof not being available on account of any cause, the primary term of this lease shall continue until six months after said order is suspended and/or said equipment is available, but the lessee shall pay delay rentals herein provided during such extended time.
- 13. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors of said lessor and lessee.

IN WITNESS WHEREOF, we sign the day and year first above written.

STATE OF KANSAS

) ss:

COUNTY OF MONTGOMERY

The foregoing instrument was acknowledged before me this 3/3/ day of May, 2011, by LEO GULLICK, a single person.

My Appointment Expires: /2-2-/-/

Jeff Chubb, Atty PO Box 747 Independence, Ks 67301



STATE OF KANSAS MONTGOMERY COUNTY FILED FOR RECORD

MARILYN CALHOUN, REGISTER OF DEEDS 8:42:48 AM, 6/3/2011 Receipt No.: 45255

LEASE \$6.00

\$6.00 ADDITIONAL PAGES TECHNOLOGY FUND \$8.00

> 404 BOOK: 596 PAGE:

AGREEMENT

THIS AGREEMENT is entered into effective August 1, 2016 by and between Jones & Buck Development, LLC, a Kansas limited liability company, and Kansas Energy Company, L.C., a Kansas limited liability company, hereafter collectively Seller, and Jones Oil Exploration, LLC, a Kansas limited liability company, hereafter Buyer.

WHEREAS, either Jones & Buck Development, LLC or Kansas Energy Company, L.C. (related entities) own the property being sold, but for purposes of this agreement are referred to collectively as Seller;

AND WHEREAS, Seller owns the working interest of the oil and gas leases described in Exhibit A with the exception of the Patterson property in which Seller owns 100% of the minerals.

NOW THEREFORE, in consideration of the mutual covenants and agreements hereinafter contained, the parties agree to the following:

1. Property: Seller agrees to sell and convey unito Buyer, and Buyer agrees to purchase from Seller, all Seller's right, title and interest in the working interest of the oil and gas leases located in Montgomery County, Kansas, more particularly described in Exhibit A attached hereto and incorporated herein by reference, as well as the mineral interest of the Patterson property described therein. In addition, Seller shall assign, sell and convey unto Buyer a Ford winch truck, the Montgomery County trencher, miscellaneous oil field equipment related to the leases, and a boxcar. I havelet trail to they 2500 pickep

2. <u>Purchase Price</u>: Buyer shall pay Seller a purchase price of the following manner: Buyer shall pay Seller the purchase price in installments bearing per annum amortized over

thereafter until paid in full. Buyer

may prepay in whole or in part the unpaid principal balance due at any time.

- 3. Closing Documents: Seller shall execute an assignment of the working interests of the oil and gas leases being sold to Buyer, plus a mineral deed on the Patterson property, all of which shall be held in escrow by a mutually agreed third party until such time as Buyer has satisfied all payment requirements hereunder. At such time, the assignment and mineral deed shall be released to Buyer for recording purposes. With regard to the personal property being sold and conveyed by Seller to Buyer, this agreement shall constitute the Bill of Sale from Seller to Buyer on those items. Seller shall execute such other documents as are necessary to convey title to the items of personal property being sold to Buyer.
 - 4. <u>Seller Representations</u>: Seller represents and warrants the following:
 - Seller shall have all regular producing wells pulled and pumping as of the effective date of this agreement.
 - b. Seller shall have all injection wells in compliance with all KCC rules and regulations on the effective date of this agreement and further agrees to maintain all injection wells during the term of this agreement.

- c. Some or all of the leases being sold by Seller to Buyer are subject to a mortgage and security agreement in favor of Seller's lender, Yates Center Branch Bank, Yates Center, Kansas. At such time as Buyer makes full and final payment to Seller, Seller shall obtain a full and complete release of any mortgage or security interest, or other lien, in favor of Seller's lender.
- 5. Operation of Leases: The leases are currently operated by Kansas Energy Company, LLC (hereafter Kansas Energy). Kansas Energy agrees to allow the leases to be operated under its operator's license until such time as this agreement is terminated.
- 6. Production Payments: The parties may elect to not modify existing division orders and, in that event, revenues from the leases will be received by Seller which agrees to immediately transfer such payments received to the credit of Buyer as directed by Buyer. To the extent that certain expenses and taxes related to the leases remain in the name of Seller, such as the electric bill, Buyer shall promptly reimburse Seller the cost of said expenses and taxes upon presentation.
 - 7. Buyer's Obligations: Buyer shall be responsible for the following:
 - Buyer shall be responsible for the day to day operation and maintenance of the leases during the term of this agreement.
 - b. Buyer shall be responsible for all spills, leaks, accidents, and any and all other liability during the term of this agreement and agrees to acquire appropriate liability insurance which is customary for operation of oil and gas leases.
 - c. Buyer agrees to indemnify and hold harmless from all costs, expenses and fees incurred due to any claim or liability arising from or which occurs during Buyer's operation of the leases.

- 8. Injection Wells: Buyer shall be permitted to hook up injection wells on any or all of the leases, and in that event, Buyer shall be permitted to deduct the cost of hooking up injection wells from the purchase price under this agreement. Seller agrees to supply the labor to hook up the injection wells. Expenses for which Buyer shall receive credit related to the injection wells shall include disposal lines, water pumps, electric boxes, and miscellaneous items customarily used for injection wells.
- 9. <u>Taxes:</u> Seller shall be responsible for all taxes and assessments on the property being sold for 2015 and all prior years. Taxes and assessments for 2016 shall be prorated as of August 1, 2016. Buyer shall thereafter be responsible for all taxes and assessments.
- 10. Default: In the event Buyer violates any term or condition of this agreement, or is more than three months behind in the required payments, and receives written notice from Seller of the violation, Buyer shall have fifteen (15) days within which to cure the violation. In the event Buyer is unable to cure the violation, Seller may elect to declare the agreement terminated and, in that event, Buyer shall surrender possession of the property Seller, and Seller may take control of the leases and operate them. Nothing contained herein shall be deemed as restricting all available legal or equitable remedies to either party.
 - 11. Non-Assignment: Buyer shall not assign, transfer or convey any interest

in the property being sold to any third party without the prior written consent of Seller.

This provision shall cover not only an assignment by Buyer to a new third party entity, but also the assignment of any interest in Buyer's limited liability company to a party not approved by Seller.

12. <u>Binding Effect:</u> This agreement shall be binding upon the heirs, successors and assigns of the parties hereto.

	SELLER
8/\	JONES & BUCK DEVELOPMENT, LLC By: P. Buck, Managing Member
811(10	KANSAS ENERGY COMPANY, L.C. By:
Date	P.J. Buck, Managing Member
	BUYER
	JONES OIL EXPLORATION, LLC
8/1/16	DARRELL MATTHEW JONES REVOCABLE TRUST DATED FEBRUARY 12, 2010, Managing Member
	a wall

Date

Darrell Matthew Jones, Trustee

EXHIBIT A

1. Darby

Lessor:

J. F. Darby and Marine P. Darby

Lessee:

Harry Stekoll

Date

November 5, 1946

Recorded:

Book 48 of Oil at Page 239

Legal description:

N/2 NE/4 and SW/4 NE/4, Section 1, Township 33 South,

Range 14 East, Montgomery County, Kansas, subject to Cemetery Deed dated October 25, 1879, recorded in Book Q of Deeds at Page 524 containing 382 square rods of land.

more or less

2. Edds

Lessor:

Neil R. Edds and Norma J. Edds

Lessee:

Kansas Energy Company, LC

Date:

September 15, 2011

Recorded:

Book 598 at Page 113

Legal description:

S/2 SE/4 of Section 27, Township 33 South, Range 14 East,

Montgomery County, Kansas

Gay

Lessor:

Leo Gullick

Lessee:

Kansas Energy Company, LC

Date:

May 31, 2011

Recorded:

Book 596 at Page 404

Legal description:

N/2 SE/4, Section 34, Township 39 South, Range 14 East,

Montgomery County, Kansas

4. Greer

Lessor:

Gilbert A. Greer and Helen Greer, et al.

Lessee:

R. W. Warner

Date:

July 7, 1975

Recorded:

Book 75 of Oil at Page 297

Legal description:

S/2 NW/4, Section 1, Township 33 South, Range 14 East,

Montgomery County, Kansas

Gullick

Lessor:

Leo Gullick

Lessee:

Kansas Energy Company, LC

Date:

May 31, 2011

Recorded:

Book 596 at Page 403

Legal description:

N/2 SE/4 of Section 27, Township 33 South, Range 14 Bast,

Montgomery County, Kansas

6. Hoffman

Lessor:

Randy C. Hoffman, Trustee of the Betty J. Hoffman

Revocable Trust

Lessee:

Recorded:

Fidelity Energy, Inc.

Date:

December 29, 2008 Book 581 at Page 377

Legal description:

Lot 2, S/2 NE/4, and NE/4 SE/4, Section 4, Township 33

South, Range 14 East, Montgomery County, Kansas

7. Janzen South

Lessor:

Roger D. Janzen and Edna M. Janzen

Lessee:

Fidelity Energy, Inc.

Date:

June 15, 2005

Recorded:

Book 549 at Page 581

Legal description:

N/2 SW/4 and NW/4 SE/4 in Section 4; and

S/2 SE/4 in Section 5:

All in Township 33 South, Range 14 East, Montgomery

County, Kansas

8. Janzen North

Lessor:

Roger D. Janzen and Edna M. Janzen

Lessee:

Foster Oil & Gas

Date:

November 16, 1998

Recorded:

Book 477 at Page 195

Legal description:

NW/4 of Section 4, Township 33 South, Range 14 East,

Montgomery County, Kansas

9. Patterson

The minerals on this property are owned 100% by Jones & Buck Development, LLC. There is no oil and gas lease. The ownership of the minerals expires in ten years from a date in 2014 and, at that time, ownership of the minerals will vest 50% with the James E. Gordon Revocable Trust Dated May 10, 1985 and 50% in the Vicki L. Gordon Revocable Trust Dated May 10, 1985. The property covered by the mineral deed is as follows:

Tract 1:

S/2 NW/4 except the East 610 feet thereof, and N/2 NW/4 in Section 9, Township 33 South, Range 14 East, Montgomery County, Kansas

Tract 2:

N/2 SW/4 except the East 610 feet thereof, in Section 9, Township 33 South, Range 14 East, Montgomery County, Kansas

Tract 3:

NE/4 in Section 8, Township 33 South, Range 14 East, Montgomery County, Kansas, less the cemetery described as follows:

Commencing at the NW corner, thence South 16 rods, thence East 10 rods, thence North 16 rods, thence West 10 rods to place of beginning

10. Shaw (Malone)

Lessor:

Marilynn A. Malone and Thomas R. Malone

Lessee:

Wayne E. Bright

Date:

January 3, 2003

Recorded:

Book 530 at Page 626

Legal description:

SW/4 of Section 6, Township 34 South, Range 14 East,

Montgomery County, Kansas

11. Sullivan

Lessor:

E. K. Greer and Dorothy Greer

Lessee:

George Steinberger

Date:

October 2, 1936

Recorded:

Book 43 of Oil at Page 523

Legal description:

S/2 SW/4 of Section 36, Township 32 South, Range 14 East;

and

NW/4 of Section 1, Township 33 South, Range 14 East;

All in Montgomery County, Kansas

12. Swearingen South

Lessor:

Lynn Swearingen and Dorothy G. Swearingen

Lessee:

Robert E. Yoder

Date:

October 20, 1980

Recorded:

Book 85 of Oil at Page 108

Legal description:

SW/4 of Section 8, Township 33 South, Range 15 East,

Montgomery County, Kansas

13. Swearingen North

Lessor:

Lynn Swearingen and Dorothy G. Swearingen

Lessee:

Robert E. Yoder October 20, 1980

Date: Recorded:

Book 85 of Oil at Page 107

Legal description:

NW/4 of Section 8, Township 33 South, Range 15 East,

Montgomery County, Kansas, less highway

14. Vaverka

Lessor:

Roger D. Janzen and Edna M. Janzen

Lessee:

Fidelity Production, LLC

Date:

January 18, 2004

Recorded:

Book 537 at Page 38

Legal description:

East 3/4ths N/2 SE/4 in Section 28, Township 33 South,

Range 15 East, Montgomery County, Kansas

15. With

Lessor: Keith L. Witt and Louise S. Witt

Lessee: Leon R. Harding
Date: August 30, 1976

Recorded: Book 80 of Oil at Page 435

Legal description: SE/4 SW/4 in Section 11, except railroad right of way, and

NE/4 NW/4 in Section 14;

All in Township 33 South, Range 15 East, Montgomery

County, Kansas