



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:

- Oil Lease: No. of Oil Wells _____ **
- 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
- Enhanced Recovery Project Permit No.: _____
Entire Project: Yes No
Number of Injection Wells _____ **

Field Name: _____

**** Side Two Must Be Completed.**

Effective Date of Transfer: _____

KS Dept of Revenue Lease No.: _____

Lease Name: _____

_____ Sec. _____ Twp. _____ R. E W

Legal Description of Lease: _____

County: _____

Production Zone(s): _____

Injection Zone(s): _____

Surface Pit Permit No.: _____
(API No. if Drill Pit, WO or Haul)

_____ feet from N / S Line of Section

_____ feet from E / W Line of Section

Type of Pit: Emergency Burn Settling Haul-Off Workover Drilling

Past Operator's License No. _____

Contact Person: _____

Past Operator's Name & Address: _____

Phone: _____

Title: _____

Signature: _____

New Operator's License No. _____

Contact Person: _____

New Operator's Name & Address: _____

Phone: _____

Title: _____

Signature: _____

Acknowledgment of Transfer: The above request for transfer of injection authorization, surface pit permit # _____ has been noted, approved and duly recorded in the records of the Kansas Corporation Commission. This acknowledgment of transfer pertains to Kansas Corporation Commission records only and does not convey any ownership interest in the above injection well(s) or pit permit.

_____ is acknowledged as
the new operator and may continue to inject fluids as authorized by
Permit No.: _____ . Recommended action: _____

Date: _____
Authorized Signature

_____ is acknowledged as
the new operator of the above named lease containing the surface pit
permitted by No.: _____ .

Date: _____
Authorized Signature

DISTRICT _____ EPR _____ PRODUCTION _____ UIC _____

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: C-1 (Intent) CB-1 (Cathodic Protection Borehole Intent) T-1 (Transfer) CP-1 (Plugging Application)

OPERATOR: License # _____
Name: _____
Address 1: _____
Address 2: _____
City: _____ State: _____ Zip: _____ + _____
Contact Person: _____
Phone: (_____) _____ Fax: (_____) _____
Email Address: _____

Well Location:
____ - ____ - ____ - ____ Sec. ____ Twp. ____ S. R. ____ East West
County: _____
Lease Name: _____ Well #: _____

If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:

Surface Owner Information:

Name: _____
Address 1: _____
Address 2: _____
City: _____ State: _____ Zip: _____ + _____

When filing a Form T-1 involving multiple surface owners, attach an additional 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 county, and in the real estate property tax records of the county treasurer.

If this form is being submitted with a Form C-1 (Intent) or CB-1 (Cathodic Protection Borehole Intent), you must supply the surface owners and the KCC with a plat showing the predicted locations of lease roads, tank batteries, pipelines, and electrical lines. The locations shown on the plat are preliminary non-binding estimates. The locations may be entered on the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted.

Select one of the following:

- I certify that, pursuant to the Kansas Surface Owner Notice Act (House Bill 2032), I have provided the following to the surface owner(s) of the land upon which the subject well is or will be located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form CP-1 that I am filing in connection with this form; 2) if the form being filed is a Form C-1 or Form CB-1, the plat(s) required by this form; and 3) my operator name, address, phone number, fax, and email address.
- I have not provided this information to the surface owner(s). I acknowledge that, because I have not provided this information, the KCC will be required to send this information to the surface owner(s). To mitigate the additional cost of the KCC performing this task, I acknowledge that I must provide the name and address of the surface owner by filling out the top section of this form and that I am being charged a \$30.00 handling fee, payable to the KCC, which is enclosed with this form.

If choosing the second option, submit payment of the \$30.00 handling fee with this form. If the fee is not received with this form, the KSONA-1 form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-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: _____



State of Kansas, Bourbon County SS
Lora Holdridge Register of Deeds
Book: 439 Page: 337-344

Receipt #: 32898
Pages Recorded: 8

Recording Fee: \$116.00

Lora Holdridge

Date Recorded: 3/22/2017 9:43:16 AM

COVER SHEET

TITLE OF DOCUMENT: AFFIDAVIT OF NON-PRODUCTION

DATE OF DOCUMENT: 2/12/2017

FROM: DAVID RUSSELL MARGRAVE, ETAL
KAREN MARGRAVE BORNHOFEN, ETAL
LONE JACK OIL COMPANY, ETAL

TO: N/A

LEGAL DESCRIPTION: SEE ATTACHED

REFERENCE BOOK AND PAGE:

**AFFIDAVIT OF NON-DEVELOPMENT, NON-PAYMENT
OF RENTALS OF FORFEITURE OF OIL
AND GAS LEASE**


STATE OF TEXAS, COUNTY OF BEXAR, ss:

David Russell Margrave, of lawful age, being first duly sworn, upon oath says:
That he is a resident of Bexar County, Texas; that his correct
post office address is 12 Royal Waters Dr, San Antonio, TX 78248; that this affidavit
relates to the following-described real property:

Northwest Quarter of Section 1, Township 24 South, Range 21 East,
of Bourbon County, Kansas and containing approximately 160 acres, more or less;

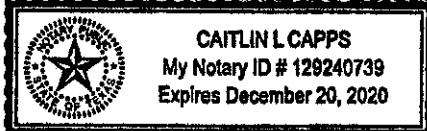
that affiant has been familiar with the facts of the ownership and occupancy of the
above-described real property for the past 10 years; that he knows of his own
personal knowledge and so declares to be the facts that there has been no claim
asserted nor production under, nor delay rentals paid under the following-
described oil and gas lease covering the above-described premises, during the last
10 years; and that, to the knowledge of the affiant, said lease has expired and is forfeited
and void, said lease being described as follows:

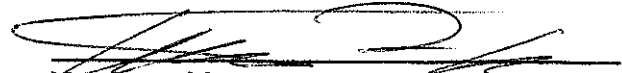
Hillenburg Oil Co. Lease relating to
NW Quarter of Section 1, Township 24 South, Range 21 East in
Bourbon County, Kansas



David Russell Margrave

SUBSCRIBED AND SWORN TO before me this 13th day of February, 2017




Notary Public

My commission expires: 12/20/2020

**AFFIDAVIT OF NON-DEVELOPMENT, NON-PAYMENT
OF RENTALS OF FORFEITURE OF OIL
AND GAS LEASE**

STATE OF North Carolina, COUNTY OF WAKE, ss:

Karen Margrave Bornhofen, of lawful age, being first duly sworn, upon oath says:

That she is a resident of Wake County, North Carolina; that her correct post office address is 8300 Seagate, Raleigh, NC 27615; that this affidavit relates to the following-described real property:

Northwest Quarter of Section 1, Township 24 South, Range 21 East, of Bourbon County, Kansas and containing approximately 160 acres, more or less;

that affiant has been familiar with the facts of the ownership and occupancy of the above-described real property for the past 10 years; that she knows of her own personal knowledge and so declares to be the facts that there has been no claim asserted nor production under, nor delay rentals paid under the following-described oil and gas lease covering the above-described premises, during the last 10 years; and that, to the knowledge of the affiant, said lease has expired and is forfeited and void, said lease being described as follows:

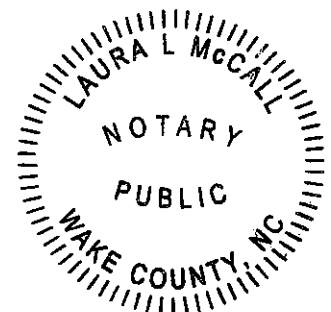
Hillenburg Oil Co. Lease relating to
NW Quarter of Section 1, Township 24 South, Range 21 East in
Bourbon County, Kansas

Karen Margrave Bornhofen
Karen Margrave Bornhofen

SUBSCRIBED AND SWORN TO before me this 22nd day of February, 2017

Laura L McCall
Notary Public

My commission expires: May 8, 2021



OIL AND GAS LEASE

AGREEMENT, Made and entered effective as of the 13th day of February, 2017, by and between David Russell Margrave and Karen Margrave Bornhofen, party of the first part, hereinafter collectively called **lessor**, and Lone Jack Oil Company, party of the second part, hereinafter called **lessee**.

WITNESSETH, That the said lessor, for and in consideration of TEN DOLLARS; cash in hand paid, receipt of which is hereby acknowledged, and of the covenants and agreements hereinafter contained on the part of lessee to be paid, kept and performed, has granted, demised, leased and let and by these presents does grant, demise, lease and let unto said lessee, for the sole and only purpose of mining and operating for oil and gas at depths of no more than 2,000 feet below the surface, and laying pipe lines, and building tanks, powers, stations and structures thereon to produce, save and take care of said products, all that certain tract of land situated in the **County of Bourbon, State of Kansas**, described as follows, to-wit: **Northwest Quarter of Section 1, Township 24 South, Range 21 East**, and containing approximately 160 acres, more or less.

It is agreed that this lease shall remain in full force for a term of One year from the date first above written, and as long thereafter as oil or gas, or either of them, is produced in reasonable commercial quantities from said land by the lessee, provided that this lease has not been earlier terminated by other provisions contained herein.

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

1st: To deliver to the credit of lessor, free of cost, in the pipe line to which he may connect his wells, the equal three-sixteenths (3/16) part of all oil produced and saved from the leased premises.

2nd: To pay lessor for gas from each well where gas only is found the equal three-sixteenths (3/16) of the gross proceeds at the prevailing market rate, for all gas used off the premises, said payments to be made at least quarterly and lessor to have gas free of cost from any such well for all stoves and all inside lights in the principal dwelling house on said land during the same time by making his own connections with the well at his own risk and expense.

3rd: To pay lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of three-sixteenths (3/16) of the market value, at the mouth of the well, payable monthly at the prevailing market price.

If no existing well for the production of oil and gas be reworked on said land after the date first above written and on or before the 15th day of February, 2018, this lease shall terminate as to all parties, unless the lessee on or before that date shall pay or tender to the lessor by bank cashier's check, the sum of SEVEN THOUSAND FIVE HUNDRED DOLLARS (\$7,500.00), which shall operate as a rental and cover the privilege of deferring the commencement of the reworking of such an existing well for 12 months from said date. In like manner and upon like payments or tenders the commencement of the reworking of an existing well may be further deferred for up to an additional 12 month period, provided that no such payments shall act to defer the commencement of the reworking of an existing well beyond February 15, 2019. All such payments or tenders of rentals may be made by bank cashier's check or valid bank check of lessee or any assignee thereof as designated by lessor, mailed or delivered on or before the above rental paying date, direct to lessor or such assigns as designated by lessor. And it is understood and agreed that the consideration first recited herein, the down payment, covers not only the privileges granted to the date when said first rental is payable as aforesaid, but also the lessee's option of extending that period as aforesaid, and any and all other rights conferred.

OIL AND GAS LEASE

Should the first well reworked on the above described land after the date first above written be a dry hole or non-producing of oil and gas, then, and in that event, if the reworking of a second well is not commenced on said land within nine months from the expiration of the last rental period for which rental has been paid, this lease shall terminate as to both parties, unless the lessee on or before the expiration of said nine months shall resume the payment of rentals in the same amount and in the same manner as hereinbefore provided. And it is agreed that upon the resumption of the payment of rentals, as above provided, that the last preceding paragraph hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments, provided that no such payments pursuant to this paragraph shall act to defer the commencement of a second well beyond October 15th, 2019.

This lease shall also terminate in the event any royalties or other payments to be paid by lessee to lessor hereunder are not paid within ninety (90) days after the original date that such payments are due.

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

Lessee shall have the right to use, free of cost, gas, oil, and reasonable amounts of water produced on said land as required for its operation thereon regarding oil and gas produced from said land, except water from wells of lessor. Lessee shall take careful and prudent steps to protect freshwater in all zones (including both surface and groundwater).

Lessee shall bury his pipe lines below plow depth, and lessee shall reasonably cooperate with lessor and take all other actions as necessary to allow farming, livestock and haying operations to continue on said land.

No well shall be drilled nearer than 200 feet to any house or barn now on said premises, without the written consent of the lessor. Lessee's access to the land and ability to construct roads on the land shall be the minimal amount that is reasonably required to conduct oil and gas operations on said land in accordance with the provisions of this lease, and lessee shall follow lessor's reasonable requests and instructions with respect to the location of any roads to be constructed.

Lessee shall pay for damages caused by its operations to growing crops on said land or to livestock or other farm operations on said land. In conducting operations on the land and with respect to all operations by lessee pursuant to this lease, lessee will act in a prudent and careful manner in compliance with all applicable laws. Lessee will carry its own liability insurance in prudent amounts with respect to lessee's operations on the land and with respect to all operations by lessee pursuant to this lease. Lessee will promptly notify lessor in the event any gates or fences on the land are damaged, down or otherwise in need of repair. Lessee will also promptly notify lessor of any other conditions of concern regarding the land.

OIL AND GAS LEASE

Lessee shall have the right at any time to remove all machinery and fixtures that were placed on said premises for the specific purpose of drilling for and producing oil and gas, including the right to draw and remove casing. If lessee determines not to continue to conduct further reworking, exploration or production operations on said land or if oil and gas cease to be produced from the land in commercial quantities after February 2019, then in each such event lessee shall, without any additional charge to lessor, (i) promptly plug all non-producing oil and gas wells on said land (whether drilled, completed, or reworked by lessee or by a prior lessee or operator with respect to said land), and (ii) promptly remove all equipment relating to such non-producing wells and clean up around all site locations of such non-producing wells.

If the lessee shall commence to rework or drill a well within the term of this lease or any extension thereof, the lessee shall have the right to complete such reworking or drill such well to completion 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 the like effect as if such well had been reworked or completed within the term of years herein first mentioned, subject to compliance by lessee with the other provisions of this lease.

Even if oil or gas, or either of them, is being produced from said land by lessee in reasonable commercial quantities, this lease shall terminate unless the aggregate combined amount of royalty and rental payments received by lessor with respect to this lease totals at least \$2,000.00 in each applicable calendar year, beginning with calendar year 2018.

If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment of rentals or royalties shall be binding on the lessee until after the lessee has been furnished with a written transfer or assignment or a true copy thereof; and provided further that this lease shall not be assignable by lessee as to a part or as to parts of the above described lands. If the leased premises are now or hereafter owned in severalty or in separate tracts, the premises, nevertheless, may be developed and operated as an entirety, and the royalties shall be paid to each separate owner in the proportion that the acreage owned by him bears to the entire leased area. There shall be no obligation on the part of the lessee to offset wells on separate tracts into which the land covered by this lease may hereafter be divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks for the oil produced from such separate tracts. If lessor should sell or otherwise transfer title to the land, in whole or in part, during the term of this lease, such action would be done subject to the provisions of this lease.

Lessor will retain ownership of the land (including, without limitation, all rights to use of the surface of the land for farming, livestock, pasture, haying and other uses) and all other rights that are not expressly granted to lessee hereunder. Included within the rights retained by lessor are all rights to production of oil, gas and minerals at depths greater than 2,000 feet below the surface of said land, including, without limitation, the right to lease the land to other parties for the purpose of mining and operating for oil, gas and minerals at depths greater than 2,000 feet below the surface of said land, and laying pipe lines, and building tanks, powers, stations and structures thereon to produce, save and take care of any said products from depths greater than 2,000 feet below the surface of said land. Also included within the rights retained by lessor is the right of lessor to grant easements, rights of way and related grants with respect to gas or oil pipelines or other transport activities that may run through, across, over or under the land, so long as such transport activities do not unreasonably interfere with lessee's required operations pursuant to this lease.

OIL AND GAS LEASE

Subject to the exceptions below, lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the lessee shall have the right at any time to redeem for lessor by payment, any mortgages, taxes or other liens on the above described lands, in the event of default of payment by lessor, and be subrogated to the rights of the holder thereof. Notwithstanding the foregoing, this lease is subject to any prior and validly existing lease entered into prior to the date first above written that is in force with respect to the land and has not expired or otherwise been abandoned, and lessor makes no warranty or agreement to defend title with respect to any such prior lease.

If a pooled unit is formed with respect to oil and gas operations on any of the land covered by this lease, lessee will act in good faith with respect to such pooling, at all times taking lessor's interest into account. All parts of the land covered by this lease must be included in any pooled unit with respect to this lease, unless otherwise consented in writing by lessor.

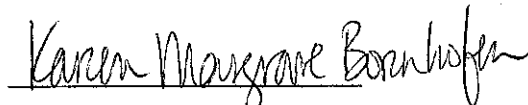
This lease shall not be deemed to give rise to a partnership relation, and neither lessee nor lessor shall have authority to obligate the other without written consent. No party hereto shall be responsible for the debts or liabilities incurred by another party hereto or for damages caused by another party hereto.

WHEREOF, witness our hands and agreement as of the day and year first above written.

Lessor



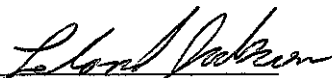
David Russell Margrave



Karen Margrave Bornhofen

Lessee

Lone Jack Oil Company

By: 

Name: LELAND JACKSON

Title: OWNER

OIL AND GAS LEASE

ACKNOWLEDGEMENT FOR INDIVIDUAL:

STATE OF TEXAS

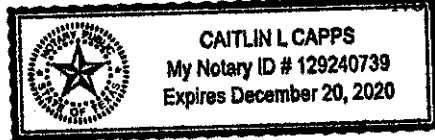
COUNTY OF BEXAR.

Before me, the undersigned, a Notary Public, within and for said County and State, on this 13th day of Feb., 2017, personally appeared to me David Russell Margrave, personally known to be the identical person who executed the within and foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed for the uses and purposes therein set forth.

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

My commission expires: 12/20/2020

[Handwritten Signature]
Notary Public.



ACKNOWLEDGEMENT FOR INDIVIDUAL:

STATE OF NORTH CAROLINA

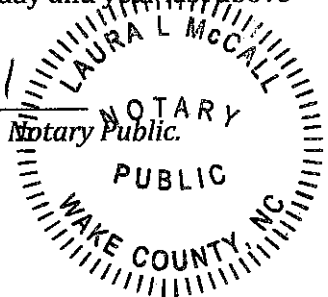
COUNTY OF WAKE.

Before me, the undersigned, a Notary Public, within and for said County and State, on this 22nd day of February, 2017, personally appeared to me Karen Margrave Bornhofen, personally known to be the identical person who executed the within and foregoing instrument and acknowledged to me that she executed the same as her free and voluntary act and deed for the uses and purposes therein set forth.

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

My commission expires: May 8, 2021

[Handwritten Signature]
Laura L. McCall
Laura L. McCall



ACKNOWLEDGEMENT FOR CORPORATION:

STATE OF KANSAS

COUNTY OF LINN.

Be it remembered that on this 20 day of March, 2017, before me, the undersigned, a Notary Public, duly commissioned, in and for the county and state aforesaid, came Leland Jackson president of Lone Jack Oil Company, a corporation of the State of Kansas, personally known to me to be such officer, and to be the same person who executed as such officer the foregoing instrument of writing in behalf of said corporation, and he duly acknowledged the execution of the same for himself and for said corporation.

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

My commission expires: 11-23-19

[Handwritten Signature]
Kelley Jackson
Notary Public.

