

# 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 \_\_\_\_\_

Must Be Filed For All Wells

KDOR Lease No.: \_\_\_\_\_

\* Lease Name: \_\_\_\_\_ \* Location: \_\_\_\_\_

Well No.	API No. (YR DRLD/PRE '67)	Footage from Section Line (i.e. FSL = Feet from South Line)		Type of Well (Oil/Gas/INJ/WSW)	Well Status (PROD/TA'D/Abandoned)
		<i>Circle</i> FSL/FNL	<i>Circle</i> FEL/FWL		
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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.



**Must Be Filed For All Wells**

KDOR Lease No.: \_\_\_\_\_

\* Lease Name: \_\_\_\_\_ \* Location: \_\_\_\_\_

Well No.	API No. (YR DRDL/PRE '67)	Footage from Section Line (i.e. FSL = Feet from South Line)		Type of Well (Oil/Gas/INJ/WSW)	Well Status (PROD/TA'D/Abandoned)
		<i>Circle</i> FSL/FNL	<i>Circle</i> FEL/FWL		
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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.

### 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: \_\_\_\_\_

ASSIGNMENT, BILL OF SALE AND CONVEYANCE

THE STATE OF KANSAS     §  
                                  § KNOW ALL MEN BY THESE PRESENTS THAT:  
COUNTY OF MONTGOMERY §

THIS ASSIGNMENT, BILL OF SALE AND CONVEYANCE (this "Assignment") is executed by FIDELITY ENERGY, INC., a Delaware corporation, whose address is 4439 West 12th Street, Houston, Texas 77055 (hereinafter called "Assignor"), to KANSAS ENERGY COMPANY, LC, a Kansas limited liability company, whose address is P.O. Box 68, Sedan, Kansas 67361 (hereinafter called "Assignee"), dated effective as of July 10, 2013 at 12:01 AM (said hour and day being hereinafter called the "Effective Time").

ARTICLE I  
CONVEYANCE OF OIL AND GAS PROPERTIES

Assignor, for Ten and no/100ths Dollars (\$10.00) and other good and valuable consideration in hand paid by Assignee, the receipt and sufficiency of which consideration is hereby acknowledged and confessed, by these presents does hereby GRANT, BARGAIN, SELL, ASSIGN, TRANSFER, SET OVER and DELIVER unto Assignee all of Assignor's interest in the following described properties (hereinafter sometimes collectively called the "Properties"):

(a) All of Assignor's right, title and interest in and to (i) the lands, oil, gas and/or mineral leases including any amendments and ratifications thereto, leasehold estates, fee interests, royalty interests, mineral interests, reversionary interests, overriding royalty interests and all other oil and gas interests described on Exhibit A attached hereto (collectively, the "Leases") and (ii) any wells and related units described on Exhibit A hereto and thereto (collectively, the "Wells"), together with each and every kind and character of right, title, claim or interest which Assignor has in and to the lands covered by any of the foregoing (all of Assignor's right, title and interest in and to the Wells, the Leases and the other oil and gas interests described above, is hereafter collectively called the "Subject Interests" and all of the lands covered by the Subject Interests are herein referred to as the "Lands"); and

(b) All of Assignor's right, title and interest in and to or derived from the following insofar as the same are attributable to or are used or

useful in connection with the ownership and operation of the Subject Interests:

(i) all unitization, communitization and pooling designations, declarations, agreements and orders covering oil, gas and/or other liquid or gaseous hydrocarbons (collectively, the "Hydrocarbons") in or under the Lands or any portion thereof and the units and pooled or communitized areas created thereby;

(ii) all easements, rights-of-way, surface leases, permits, licenses, servitudes or other interests;

(iii) all well bores, equipment, facilities and other personal property, fixtures and improvements situated upon the Lands or used or held for use in connection with the ownership, exploration, development or operation of the Subject Interests or the Lands or the production, treatment, storage, compression, processing or transportation of Hydrocarbons from or in the Subject Interests or the Lands (collectively, the "Equipment") including, but not limited to, all wells, well equipment, casing, tanks, gas separation and field processing units, crude oil, condensate or products in storage or in pipelines, boilers, buildings, tubing, pumps, motors, fixtures, machinery and other personal property, pipelines, gathering systems, power lines, telephone lines, roads, gas processing plants, inventory, remote monitoring equipment and software (if assignable) and other improvements used in the operation thereof;

(iv) all oil and gas sales, purchase, exchange and processing contracts and agreements, farmout or farm-in agreements, joint operating agreements, seismic agreements, and other contracts and agreements insofar as the same affect or relate to the Subject Interests or the Lands or any part thereof (including, without limitation, all rights and benefits of Assignor thereunder in respect of gas production or processing imbalances);

(v) with the exception of all financial, tax and legal records of Assignor (which are hereby excluded from the Properties), all lease files, land files, well files, gas and oil sales contract files, gas processing files, division

order files, abstracts, title opinions, and all other books, files and records, information and data (including prohibited by existing contractual obligations with third parties), and all rights thereto, of Assignor insofar as the same are related to any of the Subject Interests or Lands;

(vi) all Hydrocarbons produced from or attributable to the Subject Interests and attributable to the period from and after the Effective Time, or with respect to any such Hydrocarbons sold after the Effective Time, Assignor's right to receive the proceeds of such sales; and

(vii) all causes of action and choses in action of Assignor in, to and under or derived from all agreements and contractual rights, easements, rights-of-way, servitudes and other estates to the extent relating to Subject Interest or any other items described above.

TO HAVE AND TO HOLD the Property, together with all and singular appurtenances, privileges and rights in any way belonging or pertaining thereto, unto Assignee and its successors and assigns, subject to the matters set forth above.

ARTICLE II  
WARRANTY OF TITLE: PERMITTED ENCUMBRANCES

Section 2.1. No Warranty of Title. Assignor does hereby assign all right, title and interest owned by Assignor to Assignee but this Assignment is made without warranty expressed or implied.

Section 2.2. Personal Property. The Equipment is assigned to Assignee "AS IS, WHERE IS, AND SUBJECT TO ALL FAULTS". WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, (a) ASSIGNOR EXPRESSLY DISCLAIMS AND NEGATES AS TO PERSONAL PROPERTY AND FIXTURES (i) ANY IMPLIED OR EXPRESS WARRANTY OF MERCHANTABILITY, (ii) ANY IMPLIED OR EXPRESS WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, (iii) ANY IMPLIED OR EXPRESS WARRANTY AS TO CONDITION AND (iv) ANY IMPLIED OR EXPRESS WARRANTY OF CONFORMITY TO MODELS OR SAMPLES OF MATERIALS, AND (b) ASSIGNEE WAIVES ANY AND ALL COVENANTS, REPRESENTATIONS OR WARRANTIES, WHETHER EXPRESSED OR IMPLIED, OR ARISING AT COMMON LAW, BY STATUTE OR OTHERWISE, WHICH RELATE TO THIS ASSIGNMENT OR THE PROPERTIES, EXCEPT FOR THE SPECIAL WARRANTY OF TITLE SET FORTH BELOW.

Section 2.3. Subrogation. Assignor hereby subrogates and substitutes the Assignee to: (a) any and all audits, claims, demands or causes of action which may have accrued to, or be held by, Assignor attributable to the Property; (b) covenants, representations or warranties made by the Assignor's predecessors in title, or contractors or subcontractors providing goods and services with respect to the Property; and (c) all rights accruing to the Assignor under statutes of limitation, prescription or repose with respect to the Property.

ARTICLE III  
MISCELLANEOUS

Section 3.1. Further Assurances. Assignor covenants and agrees to execute and deliver to Assignee all such other and additional instruments and other documents and will do all such other acts and things as may be necessary more fully to assure to Assignee or its successors or assigns, all of the respective properties, rights and interests herein and hereby granted or intended to be granted, including without limitation, executing separate assignments of individual oil, gas and mineral leases or interests therein, which are included in the Properties and which are necessary to facilitate the recognition of Assignee's ownership of the Properties.

Section 3.2. Successors and Assigns. All of the provisions hereof shall inure to the benefit of and be binding upon the respective successors and assigns of Assignor and Assignee. All references herein to either Assignor or Assignee shall include their respective successors and assigns.

Section 3.3. Counterparts and Severance. This Assignment may be executed in several original counterparts, all of which are identical, except that, to facilitate recordings, there are omitted from certain counterparts those property descriptions on Exhibit A which contain descriptions of property located in recording jurisdictions other than the jurisdiction in which the particular counterpart is to be recorded. Each such counterpart hereof shall be deemed to be an original instrument, but all such counterparts shall constitute but one and the same assignment. If any term or provision of this Assignment is held to be illegal, invalid and unenforceable, that term or provision shall be fully severable, this Assignment shall be construed and enforced as if the term or provision had never comprised a part of this Assignment, the remaining terms and provisions of this Assignment shall remain in full force and effect, and the other Assignments (or counterparts) shall not be affected.



IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be executed on the dates of their respective acknowledgements set forth below, to be effective, however, as of the Effective Time.

FIDELITY ENERGY, INC

By James B. Humphrey, Jr.,  
President

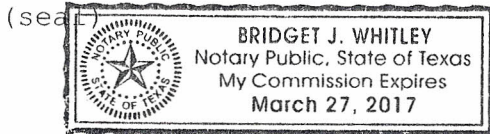
-ASSIGNOR-

STATE OF Texas )  
 ) ss.  
COUNTY OF Harris )

Before me, the undersigned, a notary public, in and for said County and State, on this 9th day of July, 2013, personally appeared James B. Humphrey, Jr., as President, to me known to be the identical person who subscribed the name of the maker hereof to the within and foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed for Fidelity Energy, Inc., for the uses and purposes therein set forth.

Given under my hand and seal of office the day and year last above written.

Bridget Whitley  
Notary Public



## Exhibit A

All described properties are located in Montgomery County, State of Kansas.

### Gay Minerals

Oil and Gas Lease Dated December 16, 1997 from Billy E. Gay and Patricia S. Gay, husband and wife, Grantors, and Wayne E. Bright and Becky A. Bright, Grantees, recorded in Book 466, Page 75 insofar as the lease covers the following described real estate, to-wit:

S/2 Section 7, Township 33, Range 15 East,  
Montgomery County, Kansas

### Consolidated Minerals

Oil and Gas Lease dated April 8, 2003 from Consolidated Oil & Gas, LLC, Grantor and Wayne E. Bright, Grantee, recorded in Book 529, Page 402, insofar as said lease covers the following described real estate, to wit:

The NE/4 of Section 23, and SE/4 and all of the SE/4 of SW/4, except 3.71 acres in NW corner, lying North and West of Elk River, in Section 14, also 5 acres in the SE corner of the NE/4 of SW/4 lying South and East of Elk River in Section 14, Township 32 South, Range 14 East, Montgomery County, Kansas

### Stekoll Mineral Interest

Oil and Gas Lease Dated April 8, 1955 between Marion Stekoll, Grantor and Becky Ann Bright, Grantee, recorded in Book 366, Deeds, Page 471, insofar as said lease covers the following described real estate, to wit:

The NW/4 of Section 9 and the N/2 of the NE/4 of Section 8, all in Township 33 South, Range 15 East, Montgomery County, Kansas covering 362 acres, more or less.

### Swearingen Lease

Oil and Gas Lease dated October 20, 1980 between Lynn Swearingen and Dorothy G. Swearingen, husband and wife, Lessor and Robert E. Yoder, Lessee, recorded in the Office of the Register of Deeds in Book 85, Page 108, insofar as said lease covers the following described real estate, to wit:

SW/4, Section 8, Township 33S, Range 15E, Montgomery County, Kansas covering 160 acres, more or less.

**Swearingen Lease**

Oil and Gas Lease dated October 20, 1980 between Dorothy G Swearingen and Lynn Swearingen, wife and husband, Lessor and Robert E. Yoder, Lessee, recorded in the Office of the Register of Deeds in Book 85, Page 107, insofar as said lease covers the following described real estate, to wit:

Northwest Quarter, less 2.46 acres of State Highway Right of Way of Section 8, Township 33S, Range 15E, Montgomery County, Kansas, covering 157 acres, more or less.

**Darby Lease**

Oil and Gas Lease dated November 5, 1946, between Merine P Darby and J. F. Darby, her husband, Lessor and Harry Stekoll, Lessee, recorded in the Office of the Register of Deeds in Book 48, Oil, Page 239, insofar as said lease covers the following described real estate, to wit:

The N/2 of the NE/4 and the SW/4 of the NE/4 subject to cemetery deed dated October 25, 1879, which is recorded in Book Q Deeds, Page 524 containing 352 square rods of land, more or less, in Section 1, Township 33 South, Range 14, Montgomery County, Kansas covering 120 acres, more or less.

**Sullivan Lease**

Oil and Gas Lease dated October 2, 1936 between, E. K. Greer and Dorothy Greer, husband and wife, Lessor and George Steinberger, Lessee, recorded in Book 43, Oil, Page 523, insofar as said lease covers the following described real estate, to wit:

S/2 of the SW/4 of Section 36, Township 32S, Range 14 E, and N/2 NW/4 of Section 1, Township 33S, Range 14E, Montgomery County, Kansas, covering 160 acres

**Joy Lease**

Oil and Gas Lease dated July 1, 1992 between Marvin L. Jones & Mary F. Jones, Lessor and Wayne E. Bright, and Becky Bright, et ux., lessee, recorded at the Office of the Register of Deeds in Book 111, Page 179, insofar as said lease covers the following described real estate, to wit:

The North half of the Northeast Quarter (N/2 NE/4) and the West Half of the Southwest Quarter of the Northeast Quarter (W/2 SW/4 NE/4), Section 5, Township 33S, Range 15E, Montgomery County, Kansas, covering 100 acres.

**Greer Lease**

Oil and Gas Lease dated July 7, 1975 between Gilbert A. Greer and Helen Greer, his wife and Shirley Jabben and Herbert Jabben, her husband, and Gary Gilbert Greer and Elaine Greer, his wife, Lessor, and R. W. Warner, Lessee, recorded in the Office of the Register of Deeds in Book 75 Oil, Page 297, insofar as said lease covers the following described real estate, to wit:

South Half (S/2) or Northwest quarter (NW/4) of Section 1, Township 33S, Range 14E, Montgomery County, Kansas, covering 80 acres

**Witt Lease No.1**

Oil and Gas Lease dated August 30, 1976, between Keith L. Witt and Louise S. Witt, husband and wife, Lessee, and Leon R. Harding, Lessor, recorded in the Office of the Register of Deeds in Book 80, Page 435, insofar as said lease covers the following described real estate, to wit:

Southeast Quarter (SE/4) of the Southwest Quarter (SW/4) of Section 11 except Railroad Right-of-Way and the Northeast Quarter (NE/4) of the Northwest Quarter (NW/4) of Section 14, All in Township 33 South, Range 15 East, Montgomery County, Kansas, covering 80 acres.

**Witt Lease No. 2**

Oil and Gas Lease dated August 30, 1976, between Keith L. Witt and Louise S. Witt, husband and wife, Lessee, and Leon R. Harding, Lessor, recorded in the Office of the Register of Deeds in Book 80, Page 435, insofar as said lease covers the following described real estate, to wit:

Southeast Quarter (SE/4) of the Southwest Quarter (SW/4) of Section 11 except Railroad Right-of-Way and the Northeast Quarter (NE/4) of the Northwest Quarter (NW/4) of Section 14, All in Township 33 South, Range 15 East, Montgomery County, Kansas, covering 80 acres.

**Malone Lease aka Shaw Lease**

Oil and Gas Lease dated January 3, 2003, between Marilyn A. Malone and Thomas R. Malone, her husband, Lessor and Wayne E. Bright, Lessee, recorded in the Office of the Register of Deeds at Book 530, Page 626, insofar as said lease covers the following described real estate, to wit:

SW/4, Section 6, Township 34S, Range 14E, Montgomery County, Kansas, covering 160 acres.

**Bright SWD Facility Surface Lease**

Salt water disposal well known as Bright "D-1", A.P.I. 15-125-28259, KCC Docket #D24852, located as follows:

4785' F.S.L., 2145' F.E.L., Section 9, Township 33S, Range 15E, Montgomery County, Kansas,

together with land lease for surface facilities described as follows:

Commencing at the NW/C N/2 NE/4 9-33-15, Montgomery County, Kansas, thence South 125', thence East 150', thence North 125' to the north line of the said N/2 NE/4, thence West 150' m-1 to the point of beginning, together with the well bore, surface equipment, and easement between well location and land lease for electric and liquid lines.

**Hoffman Lease**

Oil and Gas Lease dated December 29, 2008, between Randy C. Hoffman, Trustee of the Betty J. Hoffman Revocable Trust, Lessor and Fidelity Energy, Inc, Lessee, recorded in the Office of the Register of Deeds at Book 581, Page 377, insofar as said lease covers the following described real estate, to wit:

Lot 2, the South Half of the Northeast Quarter and The Northeast Quarter of the Southeast Quarter of Section 4, Township 33S, Range 14E, Montgomery County, Kansas, covering 160 acres.

**Janzen South Lease**

Oil & Gas Lease dated June 15, 2005 between Roger D. Janzen and Edna M. Janzen, husband and wife and Fidelity Energy, Inc., Lessee recorded in the Office of the Register of Deeds at Book 549, Page 581, insofar as said lease covers the following described real estate, to wit:

N/2 SW/4 and the NW/4 SE/4, Section 4; S/2 SE/4, Section 5, Township 33S, Range 14E, Montgomery County, Kansas, containing 200 acres.

**Janzen North Lease**

Oil and Gas Lease dated November 16, 1998, between Roger D. Janzen and Edna M. Janzen, husband and wife, lessor and Foster Oil & Gas, Lessee, recorded at the Office of the Register of Deeds at Book 477, Page 195, insofar as said lease covers the following described real estate, to wit:

NW/4, Section 4, Township 33S, Range 14E, Montgomery County, Kansas, containing 160 acres.

**Vaverka-Janzen Lease**

Oil and Gas Lease dated January 18, 2004, between Roger D. Janzen and Edna M. Janzen, husband and wife, Lessor and Fidelity Production LLC, Lessee, recorded in the Office of the Register of Deeds at Book 537, Page 38, insofar as said lease covers the following described real estate, to wit:

E 3/4 N/2 SE/4, Section 28, Township 33S, Range 15E, Montgomery County, Kansas, containing 60 acres.

## 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 unto 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. *+ 4 wheeler trailer*

*+ Chevy 2500 pickup*

*AS  
ML*

*AS  
ML*

2. Purchase Price: 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. Seller Representations: Seller represents and warrants the following:
- a. 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:
  - a. 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. Taxes: 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. Binding Effect: This agreement shall be binding upon the heirs, successors and assigns of the parties hereto.

8/1/16  
\_\_\_\_\_  
Date

8/1/16  
\_\_\_\_\_  
Date

8/1/16  
\_\_\_\_\_  
Date

SELLER

JONES & BUCK DEVELOPMENT, LLC

By:   
P. J. Buck, Managing Member

KANSAS ENERGY COMPANY, L.C.

By:   
P. J. Buck, Managing Member

BUYER

JONES OIL EXPLORATION, LLC

DARRELL MATTHEW JONES REVOCABLE TRUST DATED FEBRUARY 12, 2010, Managing Member

By:   
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 352 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

**3. 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 33 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

5. **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 East, Montgomery County, Kansas

6. **Hoffman**

Lessor: Randy C. Hoffman, Trustee of the Betty J. Hoffman Revocable Trust  
Lessee: Fidelity Energy, Inc.  
Date: December 29, 2008  
Recorded: 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: Marilyn 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  
Date: October 20, 1980  
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. Waverka

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. Witt

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