



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: _____

Oil / Gas Purchaser: _____

Date: _____

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 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	_____	_____
_____	_____	_____ 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	_____	_____
_____	_____	_____ 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.



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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: _____

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 9th day of February, 2017

by and between Gene Schlegel and Cheryl Schlegel, husband and wife

whose mailing address is 1390 CR 100, Alexander, KS 67513 hereinafter called Lessor

(whether one or more) and Castle Resources, Inc., PO Box 67, Schoenchen, KS 67667 hereinafter called Lessee:

Lessor, in consideration of One or More Dollars (\$1.00 and More) 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 by geophysical and other means, prospecting, drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases, and their respective constituent products, injecting gas, water, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, power stations, telephone lines, and other structures and things thereon to produce, save, take care of, treat, manufacture, process, store and transport said oil, liquid hydrocarbons, gases and their respective constituent products and other products manufactured therefrom, and housing and otherwise caring for its employees, the following described land, together with any reversionary rights and after acquired interest, therein situated in County of RUSH, State of KANSAS described as follows, to-wit:

The East Half (E/2)

In Section 17, Township 19, Range 20, and containing 320 acres, more or less, and all accretions thereto.

Subject to the provisions herein contained, this lease shall remain in force for a term of One (1) years from this date (called "primary term") and as long thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, or any of them, is produced from said land or land with which said land is pooled.

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 lessee may connect wells on said land, the equal **Five thirty-seconds interest (5/32nd interest)** part of all oil produced and saved from the leased premises.

2nd. To pay lessor for gas of whatsoever nature or kind produced and sold, or used off the premises, or used in the manufacture of any products therefrom, five-thirty-seconds (5/32), at the market price at the well, (but, as to gas sold by lessee, in no event more than five-thirty-seconds (5/32) of the proceeds received by lessee from such sales), for the gas sold, used off the premises, or in the manufacture of products therefrom, said payments to be made monthly. Where gas from a well producing gas only is not sold or used, lessee may pay or tender as royalty One Dollar (\$1.00) per year per net mineral acre retained hereunder, and if such payment or tender is made it will be considered that gas is being produced within the meaning of the preceding paragraph.

This lease may be maintained during the primary term hereof without further payment or drilling operations. If the lessee shall commence to drill a well within the term of this lease or any extension thereof, the lessee shall have the right to 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 like effect as if such well had been completed within the term of years first mentioned.

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein provided for shall be paid to said 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 water produced on said land for lessee's operation thereon, except water from the wells of lessor.

When requested by lessor, lessee shall bury lessee's pipe lines below plow depth.

No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of lessor.

Lessee shall pay for damages caused by lessee's operations on said land.

Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

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 the 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. In case lessee assigns this lease, in whole or in part, lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment.

Lessee may at any time execute and deliver to lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, in whole or in part, nor lessee held liable in damages, for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.

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, and undersigned lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, in so far as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, when in lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises, such pooling to be of tracts contiguous to one another and to be into a unit or units not exceeding 80 acres each in the event of an oil well, or into a unit or units not exceeding 640 acres each in the event of a gas well. Lessee shall execute in writing and record in the conveyance records of the county in which the land herein leased is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit shall be treated, for all purposes except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on the pooled acreage, it shall be treated as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere herein specified, Lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved

IN WITNESS WHEREOF, the undersigned execute this instrument as of the day and year first above written.

ADDENDUM

All liability associated with this oil and gas lease is the responsibility of Castle Resources, Inc., along with any liability from an Oil and Gas Lease recorded in Misc. Book 159, page 105.


Gene Schlegel


Cheryl Schlegel

Received
KANSAS CORPORATION COMMISSION
JUN 29 2017
CONSERVATION DIVISION
WICHITA, KS

STATE OF KANSAS)
COUNTY OF Rush)ss.

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)

The foregoing instrument was acknowledged before me this 9th day of February, 2017,
by Gene Schlegel and Cheryl Schlegel, husband and wife

My commission expires: 7-27-2017 Jerilyn Stull
Notary Public



STATE OF _____)
COUNTY OF _____)ss.

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)

The foregoing instrument was acknowledged before me this _____ day of _____, 20____,
by _____

My commission expires: _____
Notary Public

STATE OF _____)
COUNTY OF _____)ss.

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)

The foregoing instrument was acknowledged before me this _____ day of _____, 20____,
by _____

My commission expires: _____
Notary Public

Received
KANSAS CORPORATION COMMISSION
JUN 29 2017
CONSERVATION DIVISION
WICHITA, KS

STATE OF _____)
COUNTY OF _____)ss.

ACKNOWLEDGMENT FOR CORPORATION (KsOkCoNe)

The foregoing instrument was acknowledged before me this _____ day of _____, 20____,
by _____

of _____ a _____
corporation, on behalf of the corporation.

My commission expires: _____
Notary Public

MICROFILMED

STATE OF KANSAS, RUSH COUNTY, S.S.
THIS INSTRUMENT WAS FILED FOR RECORD ON
THE 9 DAY OF Feb A.D.
2017 AT 4:17 O'CLOCK P M, AND
DULY RECORDED IN BOOK 169 OF Misc
AT PAGE 735

Edwi Wherry
REGISTER OF DEEDS

INDEXED G N
#132 #3200

AFFIDAVIT OF NON-PRODUCTION

STATE OF KANSAS)
) SS:
COUNTY OF RUSH)

GENE SCHLEGEL, of lawful age, being first duly sworn on his oath, states that he is familiar with the following described property, to-wit:

The East Half (E/2) of Section Seventeen (17), Township Nineteen (19) South,
Range Twenty (20) West of the 6th P.M., Rush County, Kansas

which property is owned by Gene Schlegel and Cheryl Schlegel.

Affiant knows of his own knowledge that there is at present no production of oil or gas on said land and that there has been no production of oil or gas on said land for a period of One (1) year.

Affiant further saith not.

Dated this 9th day of February, 2017.

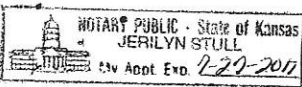

Affiant Gene Schlegel

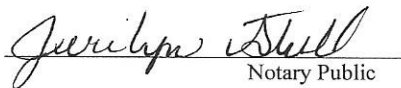
Received
KANSAS CORPORATION COMMISSION
JUN 29 2017
CONSERVATION DIVISION
WICHITA, KS

STATE OF KANSAS)
) ss:
COUNTY OF RUSH)

BE IT REMEMBERED that, on this 9th day of February, 2017, before me, the undersigned, a notary public in and for the County and State aforesaid, came Gene Schlegel, who is personally known to be to be the same persons who executed the above and foregoing AFFIDAVIT OF NON-PRODUCTION, and such person duly acknowledged the execution of the same.

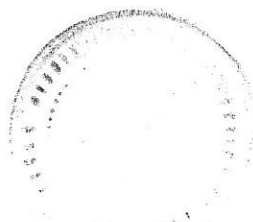
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Seal, the day and year last above written.

SEAL 


Notary Public

My commission expires: 7-27-2017

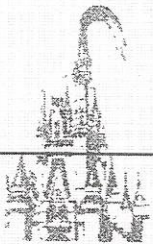
MICROFILMED



STATE OF KANSAS, RUSH COUNTY, S.S.
THIS INSTRUMENT WAS FILED FOR RECORD ON
THE 9 DAY OF FEB A.D.
20 17 AT 4:15 O'CLOCK P M., AND
DULY RECORDED IN BOOK 169 OF Misc
AT PAGE 734


REGISTER OF DEEDS

INDEXED G N
131 \$ 1800



Castle Resources, Inc.

Jerry Green

June 27, 2017

Kansas Corporation Commission
Oil & Gas Conservation Division
266 N. Main, Ste. 220
Wichita, KS 67202-1513

Received
KANSAS CORPORATION COMMISSION

JUN 29 2017

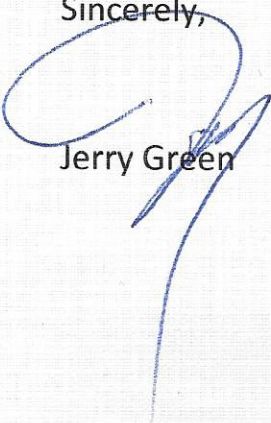
CONSERVATION DIVISION
WICHITA, KS

Re: Schlegel Lease E/2 17-19S-20W, Rush County

Dear Sirs,

Please find enclosed the request for change of operator (form T-1). This lease has 5 wells on it that have been abandoned for 18 months to 3 years. The Operator Texas Coastal Operating Company LLC is nonresponsive according to communication with the local KCC office. Our plans here are to put the #5 back on the pump. Most of the wells have no information or partial information. I have been in communication with the Dodge City office and plan to temporary abandon the #2, #3, #4 and #6 in the next month and a half. Hopefully overtime I will be able to find information on these wells or otherwise recreate part of the data. There is some confusion on this lease, the #7 Schlegel is actually on an offset lease owned by the Showwalter family. I will be forwarding a separate T-1 on that lease.

Sincerely,


Jerry Green

*P.O. Box 583
Russell, Kansas 67665 (785) 625-5155*