

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:

- 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: \_\_\_\_\_

\_\_\_\_\_

Oil / Gas Purchaser: \_\_\_\_\_

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

**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 \_\_\_\_\_



KANSAS CORPORATION COMMISSION  
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Form KSONA-1

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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: \_\_\_\_\_



\* 2 0 1 4 - 0 0 9 6 7 4 \*

2014-00967

KATIE FORCK

MIAMI COUNTY REGISTER OF DEEDS

DATE RECORDED: 03/12/2014 12:02:48PM

TOTAL FEES: 20.00

HTG AMOUNT: 0.00

PAGES: 4

RECEIPT: 47256

KRED ✓

### OIL AND GAS LEASE

Oil and Gas Lease, by and between Town Oil Company, Inc., d/b/a Town Oil Company, a Kansas corporation ("Lessor"), and RSFF, L.P. a Delaware limited partnership, and Jericho Oil (Kansas) Corp., a Delaware corporation (collectively "Lessee").

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged, Lessor does grant, demise, lease and let exclusively unto said Lessee for the purpose of investigating, exploring by geophysical and other means, drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases, and their respective constituent products; injecting gases, waters, other fluids, and air into subsurface strata; laying pipe lines, storing oil, building tanks, power stations, and other structures and things thereon to produce, save, take care of, treat, process, store, transport and market said oil, liquid hydrocarbons, gases and their respective constituent products; and conducting seismic or other geophysical operations; the following described land, together with any reversionary rights and after-acquired interests therein situated in the County of Miami, State of Kansas, to-wit:

The Southwest Quarter of Section 15, Township 19, Range 22, and the Southwest Quarter of the Southeast Quarter of Section 15, Township 19, Range 22, Miami County, Kansas, EXCEPT:

A tract of land in the Southwest 1/4 of Section 15, Township 19 South, Range 22 East of the 6<sup>th</sup> P.M. in Miami County, Kansas being more particularly described as follows: BEGINNING at a point on the West line of the Southwest 1/4 of said Section 15, 389.81 feet North 00°31'47" West of the Southwest corner of said Section 15, Township 19 South, Range 22 East; thence North 00°31'47" West along the West line of said Southwest 1/4, 2248.52 feet to the Northwest corner of the Southwest 1/4 of said Section 15; thence along the North line of said Southwest 1/4, South 89°58'20" East 2651.45 feet to the Northeast corner of the Southwest 1/4 of said Section 15; thence South 00°31'48" East 1034.33 feet to the present Northerly and Westerly right-of-way line of the Union Pacific Railroad as delineated on the Right-of-Way and Track Map of the Missouri, Kansas and Texas Railway Co., Kansas City Division, sheet 9 of 32 primary sheets from survey station 580+01 to survey station 791+21; thence along a curve to the right tangent to the next described course a distance of 408.20 feet having a radius of 2772.98 feet and a central angle of 8°26'04"; thence continuing along said right-of-way line tangent to the last described course South 45°44'41" West, 206.80 feet; thence continuing along said right-of-way line at right angles to the last described course North 4°15'19" West, 28.00 feet to a point on said right-of-way line as described in a Warranty Deed recorded in Book 39 at Page 23 on August 15, 1913, and shown on said Right-of-Way and Track Map; thence along said right-of-way South

44°46'28" West, 1104.93 feet to a point 389.79 feet North at right angles from the South line of the Southwest 1/4 of said Section 15; thence North 89°56'26" West along a line 389.79 feet North of and parallel to the South line of said Southwest 1/4, 1424.38 feet to the point of BEGINNING. Subject to the West 20.00 feet presently being used for County Road right-of-way. CONTAINS: 120 acres.

(hereinafter referred to as "Leased Land").

1. This Lease shall remain in full force for a term of One (1) year from this date, and as long thereafter as oil or gas or either of them is produced from the Leased Land or any land pooled or unitized therewith.
2. Lessee will pay to lessor royalty as follows:
  - A. Lessee shall deliver as royalty, free of cost, to Lessor at the wells, or to the credit of Lessor into the pipe line to which Lessee may connect its wells, the equal One Eighth (1/8) of all oil (including but not limited to distillate and condensate) produced, saved and sold from the Leased Lands.
  - B. Lessee shall pay to Lessor as royalty for gas of whatsoever nature and kind (with all of its constituents) produced and used by the Lessee for its operations off of the Leased Land, One Eighth (1/8) of the market value of such gas at the mouth of the well; if said gas is sold by the Lessee, then as royalty One Eighth (1/8) of the proceeds of the sale thereof at the mouth of the well; if gas is sold off the Leased Land or requires processing or treatment before it is sold, Lessee may deduct the Lessor's proportionate share of Lessee's incurred expenses in processing and marketing the gas to calculate the Lessor's royalty; said payments to be made monthly.
  - C. Lessee shall pay to Lessor as royalty One Eighth (1/8) of the proceeds from the sale of all other substances covered by this Lease at the mouth of the well, which are produced, saved and sold by Lessee. Lessors royalty on said substances shall be reduced by its proportionate share of all post production costs attributable to processing or marketing such other leased substances.
3. This is a paid-up lease. In consideration of the cash down payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term.
4. 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 the Lessor only in the proportion which his interest bears to the whole and undivided fee. If the Parties have omitted a part or parcel of Lessor's land that was intended to be included in this Lease, Lessor shall execute a correction of this Lease upon request by Lessee showing such omitted part or parcel of land as being covered by this Lease.
5. Lessee shall have the right to use, free of cost, gas, oil and water produced on the Leased Land for its operation thereon, except water from wells of Lessor.
6. When requested by Lessor, Lessee shall bury his pipe lines below plow depth.
7. No well shall be drilled nearer than 200 feet from the houses or barns now on said premises, without the written consent of Lessor.
8. Lessee shall pay for damages caused by its operations to growing crops on the Leased Land.
9. 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.
10. 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. However, no change or division in ownership of the land or royalties shall enlarge the obligations or diminish the rights of Lessee. No change in the ownership of the land 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 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 and all direct or indirect assignees, grantees, devisees, administrators, executors, or heirs of lessor. In the event this lease shall be assigned as to part or as to parts of the above described land and the holder or holders of the lease as to any such part or parts shall default in the payment of the proportionate part of royalty or minimum royalty due from him or them, such default shall not operate to defeat or affect this Lease insofar as it covers a part or parts of said land upon which Lessee or any assignee hereof shall make due payment of said royalties. If Lessee assigns this Lease, in whole or in part, Lessee shall be relived of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment.

11. If the Leased Land is now or hereafter owned in severalty or in separate tracts, the Leased Land, nevertheless, may be developed and operated as an entirety, and the royalties and minimum royalties shall be paid to each separate owner in the proportion that the acreage owned by them 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 Leased Land may hereinafter be divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks for the oil produced from such separate tracts.

12. If Lessee fails to comply with any term or condition of this lease, or fails to fulfill any rights, duties or obligations hereunder, Lessor shall notify the Lessee in writing of the alleged nature of the default and the Lessee shall have sixty (60) days to cure said default. If Lessee cures said default within the time period specified, the Lessee shall not be deemed in default hereunder.

13. Lessor hereby warrants and agrees to defend the title to the Leased Land 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 Leased Land, in the event of default of payment by Lessor, and be subrogated to the rights of the holder thereof, and may reimburse itself from any royalties or minimum royalties accruing hereunder.

14. This Lease shall be effective as to each Lessor on execution thereof as to his or her interest and shall be binding on those signing, notwithstanding some of the Lessors above named may not join in the execution hereof. The word "Lessor" as used in this lease means the party or parties who execute this lease as Lessor, even if they are not named above.

15. Lessee may at any time and from time to time surrender this Lease as to any part or parts of the Leased Land or any strata covered by this Lease by delivering or mailing a release thereof to Lessor, or by placing a release of record in the proper County. Lessee shall be relived of all obligations with respect to the released portion or portions arising subsequent to the date of the release.

EFFECTIVE March 1, 2014.

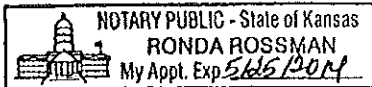
TOWN OIL COMPANY, INC., D/B/A TOWN OIL COMPANY:

By: Lester Town  
Lester Town President

STATE OF KANSAS, COUNTY OF FRANKLIN, ss:

BE IN REMEMBERED that on February 28, 2014, before me, the undersigned, a Notary Public, duly commissioned, in and for the county and state aforesaid, came **Lester Town**, in his capacity as president of **Town Oil Company, Inc., d/b/a Town Oil Company**, a Kansas corporation, personally known to me to be the same person who executed the foregoing instrument of writing on behalf of said corporation and he duly acknowledged the execution of the same for said corporation for the uses and purposes therein set forth.

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



Appointment/Commission Expires:

A handwritten signature in cursive script that reads "Ronda Rossman".

Notary Public