

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: \_\_\_\_\_

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 \_\_\_\_\_



KANSAS CORPORATION COMMISSION  
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Form KSONA-1

July 2014

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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

THIS AGREEMENT, entered into on this 8th day of September, 2012 by and between **PHILIP J. BLAINE AND KIMBERLEE J. BLAINE** (hereinafter called LESSORS) and **MICHAEL E. BROWN AND GARRET BROWN D/B/A MSG RESOURCES** (hereinafter called LESSEES).

The LESSORS and the LESSEES agree as follows:

1. That LESSORS, for and in consideration of the sum of TEN DOLLARS (\$10.00) per acre for ONE HUNDRED EIGHTEEN AND ONE-HALF (118.5) acres totaling ONE THOUSAND ONE HUNDRED EIGHTY-FIVE DOLLARS (\$1,185.00), and other good and valuable consideration, the receipt of which is hereby acknowledged and of the covenants and agreements hereinafter contained, have this day granted and leased and do hereby grant, lease, and let unto LESSEES for the purpose of mining and operating for and producing oil, laying pipelines, building tanks, storing oil, and the right-of-way easement to lay lines, together with rights of ingress and egress over and through said tract of land and other structures thereon to produce, save, and take care of the following described tract of land in Neosho County, Kansas, to wit:

East half of the Southwest Quarter (E1/2SW1/4) and the Northwest Quarter of the Southeast Quarter (NW/4 SWE) of Section 14, Township 28, Range 20, containing 118.5 acres, more or less.

2. This lease shall remain in force for a primary term of one (1) year from the date first above written and as long thereafter as oil is produced in an amount of at least ONE HUNDRED FORTY-TWO (142) barrels per year. Whether such minimum number of barrels has been produced shall be determined annually with the applicable time period being from the date of this lease to the anniversary thereof, and thereafter on such succeeding anniversary date each year, if applicable. If said minimum number of barrels is not produced annually, then and in that event, LESSORS shall have the option to terminate this lease upon thirty (30) days prior written notice to LESSEES.
3. LESSEES shall deliver to the credit of LESSORS, as royalty free of cost, in the pipeline to which LESSEES may connect its wells, the equal three-sixteenth (3/16) part of all oil produced from the leased premises, or at LESSEES' option, may pay LESSORS for such three-sixteenth (3/16) royalty the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipeline or storage tanks.
4. LESSORS shall have access to well head gas on existing oil wells, or on new oil wells. Gas lines from new or existing oil wells for use by the LESSORS shall be the responsibility of LESSORS.

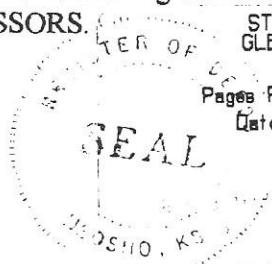
STATE OF KANSAS, NEOSHO COUNTY, SS  
GLENDA K. TAYLOR, REGISTER OF DEEDS

Book: 465 Page: 659

Pages Recorded: 6

Recording Fee: \$29.00

Date Recorded: 9/12/2012 11:40:00 AM





5. If said LESSORS own a less interest in the above-described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid by LESSORS only in the proportion that their interest bears to the whole and undivided fee.
6. LESSEES shall be liable for and shall hold LESSORS harmless from any against any and all operating expenses, including, but not limited to, construction costs, repairs, maintenance, clean-up, utilities, personal injury, damage to property, or any other expense whatsoever. All expenses of any kind necessary for the production of oil shall be borne by the LESSEES in their entirety.
7. This lease shall be limited to the production of oil. All other minerals or other deposits on the subject property shall remain the sole and exclusive property of LESSORS. LESSORS shall make all reasonable efforts to prevent gas production on any oil-bearing zones; provided, however, any oil produced from such gas production shall be the property of LESSEES and LESSORS and shall be subject to the terms of this lease agreement.
8. Notwithstanding anything to the contrary, LESSEES shall not drill any oil wells without the prior written consent of LESSORS, which such consent shall not be unreasonably withheld.
9. LESSEES shall place panels, acceptable to LESSORS around any and all oil equipment and structures with moving parts, as well as any equipment or structures requested by LESSORS. LESSEES shall ensure that all such panels are acceptable to LESSORS in all respects.
10. All oil equipment on the subject property prior to the date of this lease shall remain thereon, unless otherwise agreed to by LESSORS in writing. All equipment placed on the subject property by LESSEES may be removed by LESSEES at the termination of this lease, or prior thereto.
11. LESSEES shall bury its pipelines and utility lines a minimum of eighteen (18) inches, or lower if required by applicable law or regulation, and shall pay for damages caused by its operations to growing crops or grass on said land.
12. No well shall be drilled nearer than two hundred (200) feet to any building now on said premises without the written consent of LESSORS.
13. All existing overhead lines shall be kept at a minimum of twelve (12) feet from the ground surface to the lowest point perpendicular to said line. All electrical lines installed after the date of this contract shall be buried at a minimum depth of eighteen (18) inches, or lower if required by applicable law or regulation.
14. LESSEES agrees to indemnify and hold LESSORS harmless for all damages resulting from leaking oil or other contaminants on the land and any damages

resulting from LESSEES or his agents, successors, or assigns leaving gates open or fences down and allowing cattle or other livestock contained on the land to leave the land. LESSEES further agrees that, upon LESSORS' demand, LESSEES will pay for all clean-up costs associated with oil spills or leaks or other contaminant spills or leaks, including, but not limited to soil and grass replacement. All such spills or leaks shall be cleaned and repaired to current Kansas Corporation Commission standards.

15. If the estate of either party hereto is assigned the covenants hereof shall extend to the heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or rentals or royalties shall be binding on LESSEES until after LESSEES has been furnished with a written transfer or assignment or a certified copy thereof. No interest in this lease shall be assigned, sold or transferred without the express written consent of LESSORS. A purported oral consent shall be invalid.
16. If the leased premises shall hereafter be owned in severalty or in separate tracts, the premises, nevertheless, shall be developed and operated as one lease, and all royalties accruing hereunder shall be treated as an entirety and shall be divided among and paid to such separate owners in the proportion that the acreage owned by each such separate owner bears to the entire leased acreage. There shall be no obligation on the part of the LESSEES to offset wells on separate tracts into which the land covered by this lease may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks. If at any time there be as many as four parties entitled to rentals or royalties, LESSEES may withhold payments thereof unless and until all parties designate, in writing in a recordable instrument to be filed with LESSEES, a common agent to receive all payments due hereunder, and to execute division and transfer orders on behalf of said parties, and their respective successors in title.
17. LESSORS hereby grant and warrant to the LESSEES all of the rights granted to the LESSEES under this lease and warrant that LESSORS are the lawful owners of the lands herein described and that LESSORS has full and exclusive right to lease the same. LESSORS further warrant and agree to defend the title to the lands herein leased to the LESSEES and agree that LESSEES shall have the right at any time to pay and discharge any mortgage, taxes or other liens or claims on the above-described lands in the event of default of payment by LESSORS and be subrogated to the rights of the holder thereof. LESSORS hereby agree that any such payments made by the LESSEES for LESSORS shall be deducted from any amounts of money which may become due LESSORS under the terms of this lease.
18. It is agreed by both LESSORS and LESSEES that this lease shall at all times and in all respects be subject to valid orders, rules and regulations of any duly constituted authority having jurisdiction of the subject matter hereof.



- 19. Subject to paragraph 14 above, this lease shall extend to and be binding upon all the heirs, grantees, administrators, successors, and assigns of said LESSORS and LESSEES, respectively.
- 20. This instrument contains the entire agreement of the parties and it may not be changed or modified except by subsequent written agreement signed by both parties.

IN WITNESS WHEREOF, we do hereby sign and execute this lease agreement on the day and year first above written:

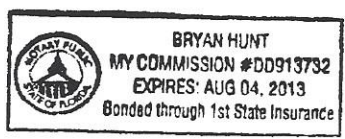
*Philip J. Blaine*      *Kimberlee J. Blaine*  
 \_\_\_\_\_  
 LESSORS

*Michael E. Brown*      *Gaust Brown*  
 \_\_\_\_\_  
 LESSEES

STATE OF FLORIDA      }  
   }ss  
 COUNTY OF SANTA ROSA    }

Before me, the undersigned, a Notary Public, within and for said County and State, on this 8<sup>n</sup> day of SEPTEMBER, 2012, personally appeared KIMBERLEE SLAINE, to me personally known to be the same person who executed the within and foregoing instrument and acknowledged to me that he/she executed the same as his/her free and voluntary act and deed for the uses and purposes therein set forth.

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



*Bryan Hunt*  
 \_\_\_\_\_  
 Notary Public