

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 _____
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Side Two

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)
_____	_____	Circle FSL/FNL	Circle 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	_____	_____
_____	_____	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.

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

Form KSONA-1

July 2014

Form Must Be Typed

Form must be Signed

All blanks must be Filled

**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: \_\_\_\_\_



2019-06-18 12:00:50  
Kansas Corporation Commission  
/s/ Lynn M. Retz

Phone: 316-337-6200  
Fax: 346-337-6211  
<http://kcc.ks.gov/>

Dwight D. Keen, Chair  
Shari Feist Albrecht, Commissioner  
Susan K. Duffy, Commissioner

Laura Kelly, Governor

June 18, 2019

Cheri Baer, Land Manager  
Shakespeare Oil Co., Inc.  
202 W. Main Street  
Salem, IL 62881-1519

Re: Your Correspondence of June 13, 2019  
K.S.A. 55-1317

Docket Number 19-CONS-3409-CUNI

Ms. Baer:

This letter acknowledges receipt of the attached documents, which Commission Staff understand are being filed pursuant to K.S.A. 55-1317.

As of today, no proceedings have been instituted with the Commission regarding this matter. Although the Commission does not anticipate any proceedings, this matter has been assigned KCC Docket Number 19-CONS-3409-CUNI for ease of future reference.

You are welcome to contact me if you have any questions.

Sincerely,

*Lauren WG* — *no longer w/ KCC*  
*left around 7-17-19.*

Lauren N. Wright  
Litigation Counsel  
Kansas Corporation Commission

*Spoke w/ Paula 8-23-19 She will look into this.*  
*Spoke w/ Paula Murray no protest. I should file notice of effectiveness*  
*apical-per Paula Murray no protest. Nothing more w/ KCC.*  
*with registration.*



*Shakespeare Oil Company*

INCORPORATED  
202 WEST MAIN STREET  
SALEM, ILLINOIS  
62881  
WWW.SHAKESPEARE-OIL.COM

June 13, 2019

Kansas Corporation Commission

Attn: Legal

266 N. Main Street, Suite 220  
Wichita, KS 67202-1513

RE: KSA 55-1317  
Hanel Waterflood Unit  
NW Sec. 16-18S-30W, Lane Co., KS

Dear Paula:

Pursuant to our phone conversation yesterday, please find enclosed copies of the following:

1. Hanel Waterflood Unit Agreement
2. Ratifications and Approval of Unit Agreement by all working interest owners and all royalty interest owners
3. Affidavit of Notice Served with attached Notice of Intent to Conduct Unit Operation and Proofs of Publication

Please process the above pursuant to KSA 55-1317 and let me know if you have any questions or need anything further.

Sincerely,  
SHAKESPEARE OIL COMPANY, INC.

*Cheri Baer*

Cheri Baer  
Land Manager

Enclosures

UNIT AGREEMENT  
HANEL WATERFLOOD UNIT (WFU)  
LANE COUNTY, KANSAS

THIS AGREEMENT, entered into as of February 11, 2019, by the parties who have signed the original of this instrument, a counterpart thereof, or other instrument agreeing to be bound by the provisions hereof:

WITNESSETH:

WHEREAS, in the interest of public welfare and to promote conservation, prevent waste and increase the ultimate recovery of oil, gas and associated minerals from the Cowdery Northeast Field in Lane County, Kansas, and to protect the correlative rights of the owners of interests therein, it is deemed necessary and desirable to enter into this Agreement to unitize the Oil and Gas Rights in and to the Unitized Formation in order to conduct a secondary recovery, pressure maintenance, or other recovery programs as herein provided:

NOW, THEREFORE, in consideration of the premises and of the mutual agreements herein contained, it is agreed as follows:

ARTICLE 1  
DEFINITIONS

As used in this Unit Agreement, the terms herein contained shall have the following meaning:

Unit means the Hanel WFU (Waterflood Unit).

Unit Area means the lands described by Tracts in Exhibit "A" and shown on Exhibit "B" as to which this Agreement becomes effective or to which it may be extended as herein provided.

Unitized Formation means the subsurface portion of the Unit Area generally occurring between the depths of 3950' and 4561' which includes the Lansing and Kansas City Groups, Pleasanton Group, Marmaton Group and Cherokee Group (specifically, the reservoir or common pool as recognized by the dual induction log run on Hanel #1-16 on May 10, 2006, located 990' FNL & 330' FWL of Section 16, Township 18 South, Range 30 West, 5<sup>th</sup> P.M., Lane County, Kansas, with the top of the Lansing Group being found at a depth of 3950' below the Kelly Bushing (-1056' subsea) and the base of Unitized Formations being found at a depth of 4561' below the Kelly Bushing (-1667' subsea).

Unitized Substances means all oil, gas, gaseous substances, sulfur contained in gas, condensate, distillate, and all associated and constituent liquid or liquefiable hydrocarbons, other than Outside Substances within or produced from the Unitized Formation.

Working Interest means an interest in Unitized Substances by virtue of a lease, operating agreement, declaration of pooling, fee title, or otherwise, including a carried interest, which interest is chargeable with and obligated to pay or bear, either in cash or out of production or otherwise, all or a portion of the cost of drilling, developing, producing, and operating the Unitized Formation.

Royalty Interest means a right to or interest in any portion of the Unitized Substances or proceeds thereof other than a Working Interest.

Royalty Owner means a party hereto who owns a Royalty Interest.

Working Interest Owner means a party hereto who owns a Working Interest.

Tract means each parcel of land or well described as such and given a Tract number in Exhibit "A".

Unit Operating Agreement means the Agreement entitled "Unit Operating Agreement,

Hanel Waterflood Unit, Lane County, Kansas", of the same effective date as of the effective date of this Agreement, and which is entered into by Working Interest Owners.

Unit Operator means Larson Engineering, Inc. d/b/a Larson Operating Company designated by Working Interest Owners under the Unit Operating Agreement to develop and operate the Unitized Formation, acting as operator and not as a Working Interest Owner.

Tract Participation means the percentage shown on Exhibit "A" for allocating Unitized Substances to a particular Tract under this Agreement.

Unit Participation of each Working Interest Owner means the sum of the percentages obtained by multiplying the Working Interest of such Working Interest Owner in each Tract by the Tract Participation of such Tract.

Outside Substances means all substances obtained from any source other than the Unitized Formation and which are injected into the Unitized Formation.

Oil and Gas Rights means the right to explore, develop, and operate lands within the Unit Area for the production of Unitized Substances, or to share in the production so obtained or the proceeds thereof, as provided by any Oil and Gas Lease, Unitization Agreement and Declaration of Pooling, or other document affecting oil, gas or mineral rights and the exploration and production of them. This term includes the rights of Working Interest and Royalty Interest owners as herein defined.

Unit Operations means all operations conducted by Working Interest Owners or Unit Operator pursuant to this Agreement and the Unit Operating Agreement for or on account of the development and operation of the Unitized Formation for the production of Unitized Substances.

Unit Equipment means all personal property, lease and well equipment, plants and other facilities and equipment taken over or otherwise acquired for the joint account for use in Unit Operations.

Unit Expense means all costs, expense, or indebtedness incurred by Working Interest Owners or Unit Operator pursuant to this Agreement and the Unit Operating Agreement for or on account of Unit Operations.

Person means any individual, corporation, partnership, common law or statutory trust, association of any kind, the State of Kansas, or any subdivision or agency thereof acting in a proprietary capacity, guardian, executor, administrator, fiduciary of any kind, or any entity capable of holding an interest in the Unitized Formation.

Singular and Plural – Gender. Unless the context otherwise clearly indicates, words used in the singular include the plural, the plural include the singular, and the neuter gender include the masculine and the feminine.

Effective Date is the time and date this Agreement becomes effective as provided in Article 17.1.

## ARTICLE 2 EXHIBITS

Exhibits. Attached hereto are the following exhibits which are incorporated herein by reference:

Exhibit "A" which is a schedule that describes each Tract in the Unit Area and shows its Tract Participation.

Exhibit "B" which is a map that shows the boundary lines of the Unit Area and the Tracts therein.

Exhibit "C" which is a list of any Oil and Gas Leases within the Unit Area.

2.1 Reference to Exhibits. When reference herein is made to an exhibit, the reference is to the Exhibit as originally attached or, if revised, to the latest revision.

2.2 Exhibits Considered Correct. An exhibit shall be considered to be correct until revised as herein provided.

2.3 Correcting Errors. The shapes and descriptions of the respective Tracts have been established by using the best information available. If it subsequently appears that any Tract, because of diverse royalty or working interest ownership on the effective date hereof, should be divided into more than one Tract, or that any mechanical miscalculation has been made, Unit Operator, with the approval of Working Interest Owners as provided in the Unit Operating Agreement, shall correct the mistake by revising the exhibits to conform to the facts. The revision shall not include any re-evaluation of engineering or geological interpretations used in determining Tract Participation. Each such revision of an exhibit shall be effective at 7:00 a.m. on the first day of the calendar month next following the filing for record of the revised exhibit or on such other date as may be determined by Working Interest Owners and set forth in the revised exhibit.

2.4 Filing Revised Exhibits. If an exhibit is revised pursuant to this Agreement, Unit Operator shall certify and file the revised exhibit for record in the County in which this Agreement is filed.

### ARTICLE 3 CREATION AND EFFECT OF UNIT

3.1 Oil and Gas Rights Unitized. Subject to the provisions of this Agreement, all Oil and Gas Rights of Royalty Owners in and to the lands described in Exhibit "A", and all Oil and Gas Rights of Working Interest Owners in and to said lands as provided by Oil and Gas Leases, prior Unitization Agreements and Declarations of Pooling or any other Agreements or Documents that affect Oil and Gas Rights of the Royalty and Working Interest Owners, are hereby unitized insofar as the respective Oil and Gas Rights pertain to the Unitized Formation, so that operations may be conducted as if the Unitized Formation had been included in a single lease executed by all Royalty Owners, as lessors, in favor of all Working Interest Owners, as lessees, and as if the lease had been subject to all of the provisions of this Agreement.

3.2 Personal Property Excepted. All lease and well equipment, materials, and other facilities heretofore or hereafter placed by any of the Working Interest Owners on the lands covered hereby shall be deemed to be and shall remain personal property belonging to the Working Interest Owners. The rights and interests therein as among Working Interest Owners are covered by the Unit Operating Agreement.

3.3 Amendment of Leases and Other Agreements. The provisions of the various leases, agreements, division and transfer orders, or other instruments covering the respective Tracts or the production therefrom are hereby amended to the extent necessary to make them conform to the provisions of this Unit Agreement, but otherwise shall remain in effect.

3.4 Continuation of Leases and Term Interests. Operations, including drilling operations, conducted with respect to the Unitized Formation on any part of the Unit Area, or production from any part of the Unitized Formation, except for the purpose of determining payments to Royalty Owners, shall be considered as operations upon or production from each Tract, and such operations or production shall continue in effect on each lease or term mineral or royalty interest as to all lands and formations covered thereby just as if such operations had been conducted and a well had been drilled on and was producing from each Tract.

3.5 Titles Unaffected by Unitization. Nothing herein shall be construed to result in the transfer of title to the Oil and Gas Rights by any party hereto to any party or to Unit Operator. The intention is to provide for the cooperative development and operation of the Tracts for the sharing of Unitized Substances as herein provided.

3.6 Injection Rights. Royalty Owners hereby grant unto Working Interest Owners the right to inject into the Unitized Formation any substances in whatever amounts Working Interest Owners deem expedient for Unit Operations, including the right to drill and maintain injection wells in the Unit Area and to use producing or abandoned oil or gas wells or any dry hole that was drilled for oil and gas for such purposes or for production or water supply purposes.

3.7 Development Obligation. Nothing herein shall relieve Working Interest Owners from the obligation to develop reasonably as a whole the lands and leases committed hereto.

#### ARTICLE 4 PLAN OF OPERATIONS

4.1 Unit Operator. Working Interest Owners are, as of the effective date of this Agreement, entering into the Unit Operating Agreement designating Larson Engineering, Inc. d/b/a Larson Operating Company, as Unit Operator. Unit Operator shall have the exclusive right to conduct Unit Operations. The operations shall conform to the provisions of this Agreement and the Unit Operating Agreement. If there is any conflict between such agreements, this Agreement shall govern.

4.2 Operating Methods. To the end that the quantity of Unitized Substances ultimately recoverable may be increased and waste prevented, Working Interest Owners shall, with diligence and in accordance with good engineering and production practices, engage in secondary recovery operations by injecting into the Unitized Formation, gas, water, or other fluids or combinations thereof deemed necessary or desirable to efficiently and economically increase the ultimate recovery of Unitized Substances.

4.3 Change of Operating Methods. Nothing herein shall prevent Working Interest Owners from discontinuing or changing in whole or in part any method of operation which, in their opinion, is no longer in accord with good engineering or production practices. Other methods of operation may be conducted or changes may be made by Working Interest Owners from time to time if determined by them to be feasible, necessary, or desirable to increase the ultimate recovery of Unitized Substances.

#### ARTICLE 5 TRACT PARTICIPATION

5.1 Tract Participation. The Tract Participation for each Tract is shown on Exhibit "A". The formula for determining Tract Participation, as shown in Exhibit A, is as follows:

$$25\% \times \left( \frac{\text{cumulative production of Tract as of Oct 1, 2018}}{\text{cumulative production of Unit Area as of Oct 1, 2018}} \right) +$$
$$75\% \times \left( \frac{\text{avg daily production of Tract for nine month period ending Oct 1, 2018}}{\text{avg daily production of Unit Area for nine month period ending Oct 1, 2018}} \right)$$

The Tract Participation is arrived at by mutual consent of 90% of all Working Interest Owners and all Royalty Interest Owners.

5.2 Relative Tract Participation. If the Unit Area is enlarged or reduced, the revised Tract Participation of the Tracts remaining in the Unit Area and which were within the Unit Area prior to the enlargement or reduction shall remain in the same ratio one to another.

ARTICLE 6  
ALLOCATION OF UNITIZED SUBSTANCES

6.1 Allocation to Tracts. All Unitized Substances produced and saved shall be allocated to the several Tracts in accordance with the respective Tract Participation effective during the period that the Unitized Substances were produced. The amount of Unitized Substances allocated to each Tract, regardless of whether it is more or less than the actual production of Unitized Substances from the well or wells, if any, on such Tract, shall be deemed for all purposes to have been produced from such Tract.

6.2 Distribution Within Tracts. The Unitized Substances allocated to each Tract shall be distributed among, or accounted for, to the parties entitled to share in the production from such Tract in the same manner, in the same proportions, and upon the same conditions as they would have participated and shared in the production from such Tract, or in the proceeds thereof, had this Agreement not been entered into, and with the same legal effect. Such distribution will be specifically subject to prior Unitization Agreements and Declarations of Pooling.

6.2.1 If the amount of production or the proceeds thereof accruing to any Royalty Owner in a Tract depends upon the average production per well or the average pipe line runs per well from such Tract during any period of time, then the production shall be determined from and after the effective date hereof by dividing the quantity of Unitized Substances allocated hereunder to such Tract during such period of time by the number of wells located thereon capable of producing as of the effective date hereof.

6.2.2 If any Oil and Gas Rights in a Tract are now or hereafter become divided and owned in severalty as to different parts of the Tract, the owners of the divided interests shall share in the Unitized Substances allocated to the Tract, or in the proceeds thereof, in proportion to the surface acreage of their respective parts of the Tract.

ARTICLE 7  
PRODUCTION AS OF THE EFFECTIVE DATE

7.1 Oil in Lease Tanks. Unit Operator shall gauge all lease and other tanks within the Unit Area to ascertain the amount of merchantable oil produced from the Unitized Formation in such tanks, above the pipe line connections, as of 7:00 a.m. on the effective date hereof. The oil that is a part of the prior allowable of the wells from which it was produced shall remain the property of the parties entitled thereto the same as if the Unit has not been formed. Any such oil not promptly removed may be sold by the Unit Operator for the account of the parties entitled thereto, subject to the payment of all royalties, overriding royalties, production payments, and all other payments under the provisions of the applicable lease or other contracts. The oil that is in excess of the prior allowable of the wells from which it was produced shall be regarded as Unitized Substances produced after the effective date hereof.

ARTICLE 8  
USE OR LOSS OF UNITIZED SUBSTANCES

8.1 Use of Unitized Substances. Working Interest Owners may use as much of the Unitized Substances as they deem necessary for Unit Operations, including but not limited to the injection thereof into the Unitized Formation.

8.2 Royalty Payments. No royalty, overriding royalty, production, or other payments shall be payable upon, or with respect to, Unitized Substances used or consumed in Unit Operations, or which otherwise may be lost or consumed in the production, handling, treating, transportation, or storing of Unitized Substances.

ARTICLE 9  
TITLES

9.1 Working Interest Titles. If title to a Working Interest fails, the rights and obligations of Working Interest Owners by reason of the failure of title shall be governed by the Unit Operating Agreement.

9.2 Royalty Interest Title. If title to a Royalty Interest fails, the party whose title failed shall not be entitled to share hereunder with respect to such interest.

9.3 Production Where Title is in Dispute. If title or right of any party claiming the right to receive in kind all or any portion of the Unitized Substances allocated to a Tract is in dispute, Unit Operator at the direction of Working Interest Owners shall withhold and market the portion of Unitized Substances with respect to which title or right is in dispute, and impound the proceeds thereof until such time as the title or right thereto is established by a final judgment of a court of competent jurisdiction or otherwise to the satisfaction of Working Interest Owners, whereupon the proceeds so impounded shall be paid to the party rightfully entitled thereto.

9.4 Title Information. Upon request of the Unit Operator, the Lessees of a Tract shall furnish and make available to the Unit Operator an abstract brought up to the date of the request, together with all other title information in the possession of such Lessees, affecting their title and that of their Royalty Owners to the Oil and Gas Rights in and to such Tract.

9.5 Warranty and Indemnity. Each person who may claim to own a Working Interest or Royalty Interest in and to any Tract or the Unitized Substances allocated thereto, shall be deemed to have warranted its title to such interest, and, upon receipt of the Unitized Substances or the proceeds thereof to the credit of such interest, shall indemnify and hold harmless all other Persons in interest from any loss due to failure, in whole or in part, of its title to any such interest, except failure of title arising out of Unit Operations; provided that, such indemnity shall be limited to an amount equal to the net value that has been received from the sale or receipt of Unitized Substances attributed to the interest as to which title failed. Each failure of title will be deemed to be effective, insofar as this Plan of Unitization is concerned, as of the first day of the calendar month in which such failure is finally determined, and there shall be no retroactive adjustment of Unit expense or retroactive allocation of Unitized Substances or the proceeds therefrom as a result of title failure.

9.6 Payment of Taxes to Protect Title. The owners of (1) the surface rights to lands within the Unit Area, (2) the severed mineral or Royalty Interest in the lands, and (3) the improvements not utilized for Unit Operations, shall individually be responsible for the rendition and assessment for ad valorem tax purposes of all such property, and for payment of such taxes, except as otherwise provided in any contract or agreement between such owners and a Working

Interest Owner. If any ad valorem taxes are not paid by any owner responsible therefore when due, Unit Operator may, with approval of Working Interest Owners, at any time prior to tax sale, or expiration of period of redemption after tax sale, pay the same, redeem such property, and discharge such tax liens as may arise through nonpayment. Any such payment shall be treated as an item of Unit Expense. Unit Operator shall, if possible, withhold from any proceeds derived from the sale of Unitized Substances otherwise due to any delinquent taxpayer or taxpayers an amount sufficient to defray the costs of such payment or redemption, such withholding to be credited to the joint account. Such withholding shall be without prejudice to any other remedy, either at law or at equity, which may be available for exercise by the Unit Operator or by the Working Interest Owners.

ARTICLE 10  
EASEMENTS OR USE OF SURFACE

10.1 Grant of Easements. The parties hereto, to the extent of their rights and interests, hereby grant to Working Interest Owners the right to use as much of the surface of the land within the Unit Area as may reasonably be necessary for Unit Operations.

10.2 Use of Water. The Unit and Unit Operator shall have and are hereby granted free use of water from the Unit Area for Unit Operations, including the right to drill water supply wells, provided that Unit Operator shall not use water from any well, lake, pond, or irrigation ditch of a landowner. Unit and Unit Operator are not granted use of the Ogallala Aquifer or formations shallower than 500 feet subsurface.

10.3 Surface Damages. Working Interest Owners shall pay the rightful owners for damages to growing crops, pasture, timber, fences, improvements, and structures on the Unit Area that result from Unit Operations.

ARTICLE 11  
ENLARGEMENTS OF UNIT AREA

11.1 Enlargements of Unit Area. The Unit Area may be enlarged to include acreage reasonably proved to be productive of Unitized Substances, upon such terms as may be determined by Working Interest Owners, including but not limited to, the following:

11.1.1 The participation to be allocated to the acreage shall be reasonable, fair, and based on all available information.

11.1.2 There shall be no retroactive allocation or adjustment of operating expense or of interests in the Unitized Substances produced or proceeds thereof; however, this limitation shall not prevent an adjustment of investment, including intangible investment, by reason of the enlargement.

11.2 Determination of Tract Participation. Unit Operator, subject to Section 5.2, shall determine the Tract Participation of each Tract within the Unit Area as enlarged, and shall revise Exhibits "A", "B" and "C" accordingly.

11.3 Effective Date. The effective date of any enlargement of the Unit Area shall be 7:00 am on the first day of the calendar month following compliance with conditions for enlargement as specified by Working Interest Owners, approval of the enlargement by the appropriate governmental authority, if required, and the filing for record of revised Exhibits "A", "B" and "C" in the records of the County in which this agreement is recorded.



ARTICLE 12  
CHANGE OF TITLE

12.1 Covenant Running With the Land. This Agreement shall extend to, be binding upon, and inure to the benefit of, the respective heirs, devisees, legal representatives, successors, and assigns of the parties hereto, and shall constitute a covenant running with the lands, leases, and interests covered hereby.

12.2 Notice of Transfer. Any conveyance of all or any part of any interest owner by any party hereto with respect to any Tract shall be made expressly subject to this Agreement. No change of title shall be binding on the Unit Operator, or upon any party thereto other than the party so transferring, until the first day of the calendar month next succeeding the date of receipt by Unit Operator of a photocopy or a certified copy of the recorded instrument evidencing such change in ownership.

12.3 Waiver of Rights to Partition. Each Working Interest Owner hereto covenants that, during the existence of this Agreement, it will not resort to any action to partition the Unit Area, Unitized Formation, Unitized Substances or the Unit Equipment, and to that extent waives the benefits of all statutory and common laws authorizing such partition.

ARTICLE 13  
RELATIONSHIP OF PARTIES

13.1 No Partnership. The duties, obligations, and liabilities of the parties hereto are intended to be several and not joint or collective. This Agreement is not intended to create, and shall not be construed to create, an association or trust, or to impose a partnership duty, obligation, or liability with regard to any one or more of the parties hereto. Each party hereto shall be individually responsible for its own obligations as herein provided.

13.2 No Sharing of Market. This Agreement is not intended to provide, and shall not be construed to provide, either directly or indirectly, for any cooperative refining, joint sale, or marketing of the Unitized Substances.

13.3 Royalty Owners Free of Costs. This Agreement is not intended to impose, and shall not be construed to impose, upon any Royalty Owner any obligation to pay for Unit Expense unless such royalty is otherwise so obligated.

13.4 Information to Royalty Owners. Each Royalty Owner shall be entitled to all information in possession of Unit Operator to which such Royalty Owner is entitled by an existing agreement with any Working Interest Owner.

ARTICLE 14  
GENERAL POWERS OF UNIT

14.1 General Powers of Unit. The Unit is authorized for the account of all owners of Oil and Gas Rights within the Unit Area, without profit to the Unit, to supervise and conduct the further development and operation of the Unit Area for the production of Oil and Gas from the Unitized Formation, pursuant to the Powers conferred and subject to the limitations imposed by the Laws and Statutes of the State of Kansas, or any amendments thereof, and by this Unit Agreement.

ARTICLE 15  
LAWS AND REGULATIONS

15.1 Laws and Regulations. This Agreement shall be subject to the conservation laws of the State of Kansas; to the valid rules, regulations, and orders of the Corporation Commission of the State of Kansas; and to all other applicable federal, state, and municipal laws, rules, regulations and orders.

ARTICLE 16  
FORCE MAJEURE

16.1 Force Majeure. All obligations imposed by this Agreement on each party, except for the payment of money, shall be suspended while compliance is prevented, in whole or in part, by a strike, fire, war, civil disturbance, act of God; by federal, state, or municipal laws; by any rule, regulation, or order of a governmental agency; by inability to secure materials, or by any other cause or causes beyond reasonable control of the party. No party shall be required against its will to adjust or settle any labor dispute. Neither this Agreement nor any lease or other instrument subject hereto shall be terminated by reason of suspension of Unit Operations due to any one or more of the causes set forth in this Article.

ARTICLE 17  
EFFECTIVE DATE

17.1 Effective Date. This Agreement shall become binding upon each party as of the date such party signs the instrument by which it becomes a party hereto. This Agreement shall become effective as of the Effective Date as established in Section 17.2 below, after this Agreement has been approved by the State Corporation Commission of the State of Kansas, or by unanimous approval of all Royalty Owners and ninety percent (90%) of Working Interest Owners.

17.2 Certificate of Effectiveness. Unit Operator shall file for record in the office or offices where a counterpart of this Agreement is recorded a certificate or notice specifying that the Agreement has become effective according to its terms and designating the effective date.

ARTICLE 18  
TERM

18.1 Term. The term of this Agreement shall be for the time that Unitized Substances are produced in paying quantities and as long thereafter as Unit Operations are conducted without a cessation of more than one hundred eighty (180) consecutive days, unless sooner terminated by Working Interest Owners in the manner herein provided in the Unit Operating Agreement or by order of the Kansas Corporation Commission.

18.2 Termination by Working Interest Owners. This Agreement may be terminated by Working Interest Owners having a combined Unit Participation of at least sixty five percent (65%) whenever such Working Interest Owners determine that Unit Operations are no longer profitable or feasible as provided in the Unit Operating Agreement.

18.3 Effect of Termination. Upon termination of this Agreement, the further development and operation of the Unitized Formation as a Unit shall be abandoned, Unit Operations shall cease, and thereafter the parties shall be governed by the provisions of the leases and other instruments affecting the separate Tracts. Upon termination of this Agreement in the manner set out herein, the Royalty Owners hereby agree to a ninety (90) day extension of their

leases and contracts covering the lands which were committed to the Unit Area to permit the lessees holding such lands to resume operations thereupon, and if so resumed, such lease or contract shall remain in force and effect in accordance with the provisions thereof.

18.4 Salvaging Equipment Upon Termination. If not otherwise granted by the leases or other instruments affecting each Tract unitized under this Agreement, Royalty Owners hereby grant Working Interest Owners a period of six (6) months after the date of termination of this Agreement within which to salvage and remove Unit Equipment.

18.5 Certificate of Termination. Upon termination of this Agreement as provided in either Section 18.1 or Section 18.2 above, the Unit Operator shall file for record in Lane County, Kansas, a certificate evidencing such termination.

ARTICLE 19  
EXECUTION

19.1 Original, Counterpart, or Other Instrument. A person may become a party to this Agreement by signing the original of this instrument, a counterpart thereof, or other instrument agreeing to be bound by the provisions hereof. The signing of any such instrument shall have the same effect as if all the parties had signed the same instrument.

19.2 Joinder in Dual Capacity. Execution as herein provided by any party as either a Working Interest Owner or a Royalty Interest Owner shall commit all interests that may be owned or controlled by such party.

ARTICLE 20  
GENERAL

20.1 Amendments Affecting Working Interest Owners. Amendments hereto relating wholly to Working Interest Owners may be made if signed by all Working Interest Owners.

20.2 Lien of Unit Operator. Unit Operator shall have a lien upon the interests of Working Interest Owners in the Unit Area to the extent provided in the Unit Operating Agreement and the Laws of the State of Kansas.

20.3 Action by Working Interest Owners. Any action or approval required by Working Interest Owners hereunder shall be in accordance with the provisions of the Unit Operating Agreement.

20.4 Creation of Carved Out Interest. If any Working Interest Owner shall, after executing this Agreement, create any overriding royalty, production payment or similar interest, hereafter referred to as "Carved Out Interest", out of its interest subject to this Agreement, such Carved Out Interest shall be subject to all the terms and provisions of this Agreement and Article 16.2 of the Unit Operating Agreement.

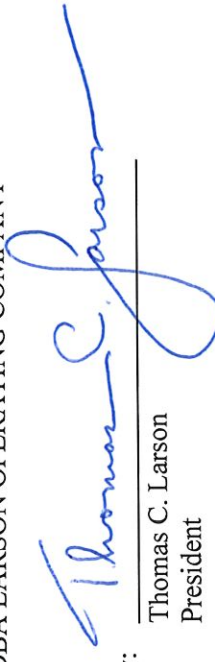
IN WITNESS WHEREOF, the parties hereto have executed this Agreement before a Notary Public by executing instruments attached hereto on the dates set out therein.

ATTEST:

"UNIT OPERATOR"  
LARSON ENGINEERING, INC.  
DBA LARSON OPERATING COMPANY



By: \_\_\_\_\_  
Carol S. Larson  
Secretary/Treasurer



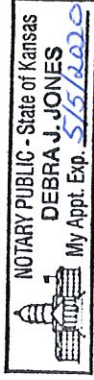
By: \_\_\_\_\_  
Thomas C. Larson  
President

ACKNOWLEDGMENT

STATE OF KANSAS )  
 ) ss  
COUNTY OF BARTON )

Be it remembered that on this 11<sup>th</sup> day of February, ~~2019~~ before me, the undersigned, a Notary Public, duly appointed, in and for the county and state aforesaid, came Thomas C. Larson, President of Larson Engineering, Inc., a corporation of the State of Kansas, personally known to me to be such officer and to be the same person who executed as such officer the foregoing instrument of writing on behalf of said corporation, and he duly acknowledged the execution of the same for himself and 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.



*Debora J. Jones*  
Notary Public

My Commission Expires: 5/15/2020

Exhibits attached:

- Exhibit "A" – Tracts and Tract Participation Factors
- Exhibit "B" – Map depicting Unit Boundary and Wells
- Exhibit "C" – List of Oil and Gas Leases in Unit Area

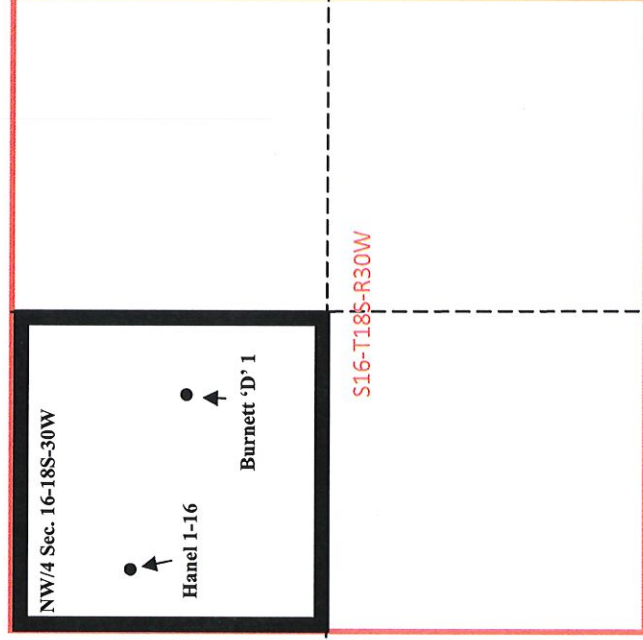
**Exhibit "A"**

Hanel Waterflood Unit  
Tract Participation

<u>Tract</u>	<u>Legal Description</u>	<u>Well</u>	<u>Tract Participation</u>
Tract I	NW/4 Sec. 16-18S-30W	Hanel 1-16	71.000%
Tract II	NW/4 Sec. 16-18S-30W	Burnett 'D' 1	29.000%

**Exhibit "B"**

Hanel Waterflood Unit  
Unit Area



**Exhibit "C"**

Hanel Waterflood Unit  
Oil and Gas Lease

Lessor: Lora K. Burnett, single  
Lessee: Pickrell Drilling Company, Inc.  
Date: September 5, 1990  
Recorded: Book 84, Page 186  
Description: Township 18 South, Range 30 West; Section 16: NW/4  
Lane County, Kansas



RATIFICATION AND APPROVAL OF UNIT AGREEMENT  
HANEL WATERFLOOD UNIT (WFU)  
LANE COUNTY, KANSAS

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, an Agreement entitled, "UNIT AGREEMENT, HANEL WATERFLOOD UNIT (WFU), LANE COUNTY, KANSAS", dated February 11, 2019, provides that any owner of a working interest in and to any tract identified therein may approve such Agreement by signing an instrument of approval; and

WHEREAS, each of the undersigned represents that they are the owners of a working interest in and to one or more of the tracts identified in said Agreement, namely the tracts below identified opposite their respective signatures; and

WHEREAS, each of the undersigned has previously executed an Operating Agreement for one or more tracts and each of the undersigned agrees that execution of a new Operating Agreement creates unnecessary paperwork; and

WHEREAS, the undersigned owner(s) hereby acknowledges that previously executed Operating Agreements shall collectively serve as UNIT OPERATING AGREEMENT, HANEL WATERFLOOD UNIT, LANE COUNTY, KANSAS;

The undersigned owner(s) hereby acknowledges receipt of a full and true copy of the Unit Agreement.

NOW, THEREFORE, the undersigned owner(s) of working interest hereby approves the Unit Agreement.

IN WITNESS WHEREOF, each of the undersigned has executed this instrument on the date set forth opposite his signature.

Tracts 1 & 2

Cambron Investments, by:

  
\_\_\_\_\_  
Paul L. Cambron, Owner

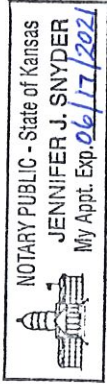
Date: 4/15/19

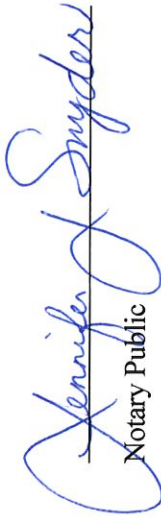
**ACKNOWLEDGMENT**

STATE OF KANSAS )  
COUNTY OF Ness ) ss:

BE IT REMEMBERED, that before me, the undersigned, a Notary Public in and for the County and State aforesaid, appeared Paul L. Cambron, in the capacity of Owner of Cambron Investments, a Kansas entity, who is personally known to me to be the same person who executed the above and foregoing instrument of writing, and such person duly acknowledged the execution of the same, on behalf of said corporation.

IN WITNESS WHEREOF, I have hereunto subscribed my hand and affixed my notarial seal on April 15, 2019.



  
\_\_\_\_\_  
Notary Public

My appointment expires: June 17, 2021

RATIFICATION AND APPROVAL OF UNIT AGREEMENT  
HANEL WATERFLOOD UNIT (WFU)  
LANE COUNTY, KANSAS

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, an Agreement entitled, "UNIT AGREEMENT, HANEL WATERFLOOD UNIT (WFU), LANE COUNTY, KANSAS", dated February 11, 2019, provides that any owner of a working interest in and to any tract identified therein may approve such Agreement by signing an instrument of approval; and

WHEREAS, each of the undersigned represents that they are the owners of a working interest in and to one or more of the tracts identified in said Agreement, namely the tracts below identified opposite their respective signatures; and

WHEREAS, each of the undersigned has previously executed an Operating Agreement for one or more tracts and each of the undersigned agrees that execution of a new Operating Agreement creates unnecessary paperwork; and

WHEREAS, the undersigned owner(s) hereby acknowledges that previously executed Operating Agreements shall collectively serve as UNIT OPERATING AGREEMENT, HANEL WATERFLOOD UNIT, LANE COUNTY, KANSAS;


The undersigned owner(s) hereby acknowledges receipt of a full and true copy of the Unit Agreement.

NOW, THEREFORE, the undersigned owner(s) of working interest hereby approves the Unit Agreement.

IN WITNESS WHEREOF, each of the undersigned has executed this instrument on the date set forth opposite his signature.

Tract 1

OMEGA, INC., by:

  
\_\_\_\_\_  
Thomas Larson  
Title: President  
Date: 4/25/19

**CORPORATE ACKNOWLEDGMENT**

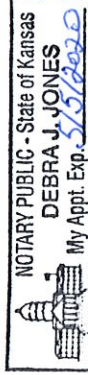
STATE OF Kansas )  
COUNTY OF Barton ) ss:

BE IT REMEMBERED, that before me, the undersigned, a Notary Public in and for the County and State aforesaid, appeared Thomas Larson, in the capacity of President of Omega, Inc., a Corporation duly organized, incorporated and existing under and by virtue of the Laws of the State of Kansas, who is personally known to me to be the same person who executed the above and foregoing instrument of writing, as such officer, and such person duly acknowledged the execution of the same to be the act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto subscribed my hand and affixed my notarial seal on April 25, 2019.

My appointment expires: 5-5-2020

  
\_\_\_\_\_  
Notary Public





RATIFICATION AND APPROVAL OF UNIT AGREEMENT  
HANEL WATERFLOOD UNIT (WFU)  
LANE COUNTY, KANSAS

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, an Agreement entitled, "UNIT AGREEMENT, HANEL WATERFLOOD UNIT (WFU), LANE COUNTY, KANSAS", dated February 11, 2019, provides that any owner of a working interest in and to any tract identified therein may approve such Agreement by signing an instrument of approval; and

WHEREAS, each of the undersigned represents that they are the owners of a working interest in and to one or more of the tracts identified in said Agreement, namely the tracts below identified opposite their respective signatures; and

WHEREAS, each of the undersigned has previously executed an Operating Agreement for one or more tracts and each of the undersigned agrees that execution of a new Operating Agreement creates unnecessary paperwork; and

WHEREAS, the undersigned owner(s) hereby acknowledges that previously executed Operating Agreements shall collectively serve as UNIT OPERATING AGREEMENT, HANEL WATERFLOOD UNIT, LANE COUNTY, KANSAS;


The undersigned owner(s) hereby acknowledges receipt of a full and true copy of the Unit Agreement.

NOW, THEREFORE, the undersigned owner(s) of working interest hereby approves the Unit Agreement.

IN WITNESS WHEREOF, each of the undersigned has executed this instrument on the date set forth opposite his signature.

Tract 1

SCOUT EXPLORATION CORP., by:

  
J. Kyle Carter

Title: President

Date: April 15, 2019

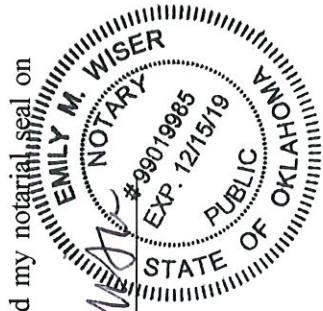
**CORPORATE ACKNOWLEDGMENT**

STATE OF Oklahoma  
COUNTY OF Oklahoma ss:

BE IT REMEMBERED, that before me, the undersigned, a Notary Public in and for the County and State aforesaid, appeared J. Kyle Carter, in the capacity of President of Scout Exploration Corp., a Corporation duly organized, incorporated and existing under and by virtue of the Laws of the State of Oklahoma, who is personally known to me to be the same person who executed the above and foregoing instrument of writing, as such officer, and such person duly acknowledged the execution of the same to be the act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto subscribed my hand and affixed my notarial seal on  
April 15, 2019.

  
Notary Public



My Commission Expires: 12.15.2019  
My Commission Number: 99019985



RATIFICATION AND APPROVAL OF UNIT AGREEMENT  
HANEL WATERFLOOD UNIT (WFU)  
LANE COUNTY, KANSAS

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, an Agreement entitled, "UNIT AGREEMENT, HANEL WATERFLOOD UNIT (WFU), LANE COUNTY, KANSAS", dated February 11, 2019, provides that any owner of a working interest in and to any tract identified therein may approve such Agreement by signing an instrument of approval; and

WHEREAS, each of the undersigned represents that they are the owners of a working interest in and to one or more of the tracts identified in said Agreement, namely the tracts below identified opposite their respective signatures; and

WHEREAS, each of the undersigned has previously executed an Operating Agreement for one or more tracts and each of the undersigned agrees that execution of a new Operating Agreement creates unnecessary paperwork; and

WHEREAS, the undersigned owner(s) hereby acknowledges that previously executed Operating Agreements shall collectively serve as UNIT OPERATING AGREEMENT, HANEL WATERFLOOD UNIT, LANE COUNTY, KANSAS;


The undersigned owner(s) hereby acknowledges receipt of a full and true copy of the Unit Agreement.

NOW, THEREFORE, the undersigned owner(s) of working interest hereby approves the Unit Agreement.

IN WITNESS WHEREOF, each of the undersigned has executed this instrument on the date set forth opposite his signature.

Tract 1

J. H. HUTCHISON INC., by:

  
James H. Hutchison  
Title: President  
Date: April 15 2019


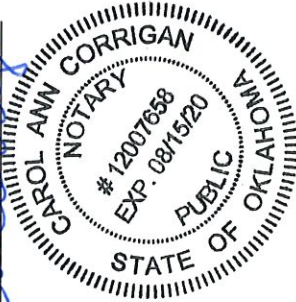
CORPORATE ACKNOWLEDGMENT

STATE OF Oklahoma  
COUNTY OF Oklahoma ) ss:

BE IT REMEMBERED, that before me, the undersigned, a Notary Public in and for the County and State aforesaid, appeared James H. Hutchison, in the capacity of President of J. H. Hutchison Inc., a Corporation duly organized, incorporated and existing under and by virtue of the Laws of the State of Oklahoma, who is personally known to me to be the same person who executed the above and foregoing instrument of writing, as such officer, and such person duly acknowledged the execution of the same to be the act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto subscribed my hand and affixed my notarial seal on April 15, 2019.

My Commission Expires: 08/15/2020  
My Commission Number: 12007658

  
Notary Public  


RATIFICATION AND APPROVAL OF UNIT AGREEMENT  
HANEL WATERFLOOD UNIT (WFU)  
LANE COUNTY, KANSAS

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, an Agreement entitled, "UNIT AGREEMENT, HANEL WATERFLOOD UNIT (WFU), LANE COUNTY, KANSAS", dated February 11, 2019, provides that any owner of a working interest in and to any tract identified therein may approve such Agreement by signing an instrument of approval; and

WHEREAS, each of the undersigned represents that they are the owners of a working interest in and to one or more of the tracts identified in said Agreement, namely the tracts below identified opposite their respective signatures; and

WHEREAS, each of the undersigned has previously executed an Operating Agreement for one or more tracts and each of the undersigned agrees that execution of a new Operating Agreement creates unnecessary paperwork; and

WHEREAS, the undersigned owner(s) hereby acknowledges that previously executed Operating Agreements shall collectively serve as UNIT OPERATING AGREEMENT, HANEL WATERFLOOD UNIT, LANE COUNTY, KANSAS;


The undersigned owner(s) hereby acknowledges receipt of a full and true copy of the Unit Agreement.

NOW, THEREFORE, the undersigned owner(s) of working interest hereby approves the Unit Agreement.

IN WITNESS WHEREOF, each of the undersigned has executed this instrument on the date set forth opposite his signature.

Tract 1

RIVENDELL RESOURCES, LLC, by:

  
J. Kyle Carter

Title: Member

Date: April 15, 2019

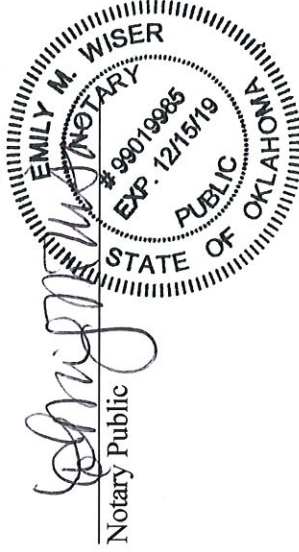
**ACKNOWLEDGMENT**

STATE OF Oklahoma  
COUNTY OF Oklahoma ) ss:

BE IT REMEMBERED, that before me, the undersigned, a Notary Public, duly commissioned, in and for the County and State aforesaid, came J. Kyle Carter, Member of Rivendell Resources, LLC, a limited liability company of the State of Oklahoma, personally known to me to be such officer, and to be the same person who executed as such officer the foregoing instrument of writing in behalf of said LLC, and he duly acknowledged the execution of the same for himself and for said LLC for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto subscribed my hand and affixed my notarial seal on April 15, 2019.

My Commission Expires: 12-15-2019  
My Commission Number: 99019985





RATIFICATION AND APPROVAL OF UNIT AGREEMENT  
HANEL WATERFLOOD UNIT (WFU)  
LANE COUNTY, KANSAS

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, an Agreement entitled, "UNIT AGREEMENT, HANEL WATERFLOOD UNIT (WFU), LANE COUNTY, KANSAS", dated February 11, 2019, provides that any owner of a working interest in and to any tract identified therein may approve such Agreement by signing an instrument of approval; and

WHEREAS, each of the undersigned represents that they are the owners of a working interest in and to one or more of the tracts identified in said Agreement, namely the tracts below identified opposite their respective signatures; and

WHEREAS, each of the undersigned has previously executed an Operating Agreement for one or more tracts and each of the undersigned agrees that execution of a new Operating Agreement creates unnecessary paperwork; and

WHEREAS, the undersigned owner(s) hereby acknowledges that previously executed Operating Agreements shall collectively serve as UNIT OPERATING AGREEMENT, HANEL WATERFLOOD UNIT, LANE COUNTY, KANSAS;


The undersigned owner(s) hereby acknowledges receipt of a full and true copy of the Unit Agreement.

NOW, THEREFORE, the undersigned owner(s) of working interest hereby approves the Unit Agreement.

IN WITNESS WHEREOF, each of the undersigned has executed this instrument on the date set forth opposite his signature.

Tract 1

JEHT ENTERPRISES, LLC, by:

  
\_\_\_\_\_  
Robert H. May  
Title: Member  
Date: 5/2/19

**ACKNOWLEDGMENT**

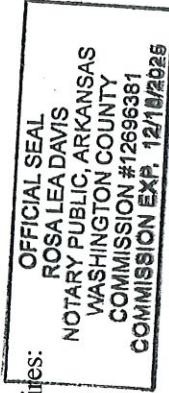
STATE OF Arkansas  
COUNTY OF Washington ss:

BE IT REMEMBERED, that before me, the undersigned, a Notary Public, duly commissioned, in and for the County and State aforesaid, came Robert H. May, Member of JEHT Enterprises LLC, a limited liability company of the State of Arkansas, personally known to me to be such officer, and to be the same person who executed as such officer the foregoing instrument of writing in behalf of said LLC, and he duly acknowledged the execution of the same for himself and for said LLC for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto subscribed my hand and affixed my notarial seal on May 2, 2019.

  
\_\_\_\_\_  
Notary Public

My appointment expires:



RATIFICATION AND APPROVAL OF UNIT AGREEMENT  
HANEL WATERFLOOD UNIT (WFU)  
LANE COUNTY, KANSAS

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, an Agreement entitled, "UNIT AGREEMENT, HANEL WATERFLOOD UNIT (WFU), LANE COUNTY, KANSAS", dated February 11, 2019, provides that any owner of a working interest in and to any tract identified therein may approve such Agreement by signing an instrument of approval; and

WHEREAS, each of the undersigned represents that they are the owners of a working interest in and to one or more of the tracts identified in said Agreement, namely the tracts below identified opposite their respective signatures; and

WHEREAS, each of the undersigned has previously executed an Operating Agreement for one or more tracts and each of the undersigned agrees that execution of a new Operating Agreement creates unnecessary paperwork; and

WHEREAS, the undersigned owner(s) hereby acknowledges that previously executed Operating Agreements shall collectively serve as UNIT OPERATING AGREEMENT, HANEL WATERFLOOD UNIT, LANE COUNTY, KANSAS;

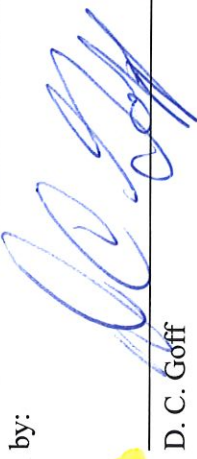
The undersigned owner(s) hereby acknowledges receipt of a full and true copy of the Unit Agreement.

NOW, THEREFORE, the undersigned owner(s) of working interest hereby approves the Unit Agreement.

IN WITNESS WHEREOF, each of the undersigned has executed this instrument on the date set forth opposite his signature.

Tract 1

D. C. GOFF REVOCABLE ENERGY TRUST,  
by:

  
\_\_\_\_\_  
D. C. Goff  
Title: Trustee  
Date: 4-15-19

**ACKNOWLEDGMENT**

STATE OF Arkansas  
COUNTY OF Washington

ss:

BE IT REMEMBERED, that before me, the undersigned, a Notary Public, duly commissioned, in and for the County and State aforesaid, came D. C. Goff, Trustee of D.C. Goff Revocable Energy Trust, personally known to me to be the same person who executed the foregoing instrument of writing, and he duly acknowledged the execution of the same for himself and 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.

My appointment expires: 10-31-2023

  
\_\_\_\_\_  
Notary Public





RATIFICATION AND APPROVAL OF UNIT AGREEMENT  
HANEL WATERFLOOD UNIT (WFU)  
LANE COUNTY, KANSAS

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, an Agreement entitled, "UNIT AGREEMENT, HANEL WATERFLOOD UNIT (WFU), LANE COUNTY, KANSAS", dated February 11, 2019, provides that any owner of a working interest in and to any tract identified therein may approve such Agreement by signing an instrument of approval; and

WHEREAS, each of the undersigned represents that they are the owners of a working interest in and to one or more of the tracts identified in said Agreement, namely the tracts below identified opposite their respective signatures; and

WHEREAS, each of the undersigned has previously executed an Operating Agreement for one or more tracts and each of the undersigned agrees that execution of a new Operating Agreement creates unnecessary paperwork; and

WHEREAS, the undersigned owner(s) hereby acknowledges that previously executed Operating Agreements shall collectively serve as UNIT OPERATING AGREEMENT, HANEL WATERFLOOD UNIT, LANE COUNTY, KANSAS;


The undersigned owner(s) hereby acknowledges receipt of a full and true copy of the Unit Agreement.

NOW, THEREFORE, the undersigned owner(s) of working interest hereby approves the Unit Agreement.

IN WITNESS WHEREOF, each of the undersigned has executed this instrument on the date set forth opposite his signature.

Tract 1

MORGENSTERN FAMILY EQUITIES, LLC,  
by:


  
Print name: Todd E. MORGENSTERN  
Title: MEMBER  
Date: 4-16-19

**ACKNOWLEDGMENT**

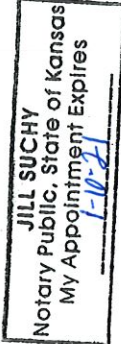
STATE OF Kansas )  
COUNTY OF Barber ) ss:

BE IT REMEMBERED, that before me, the undersigned, a Notary Public, duly commissioned, in and for the County and State aforesaid, came 4-16-19 <sup>1919</sup> ~~Morganstern~~ in the capacity of MEMBER of MORGENSTERN FAMILY EQUITIES, LLC, a limited liability company of the State of Kansas, personally known to me to be such officer, and to be the same person who executed as such officer the foregoing instrument of writing in behalf of said LLC, and he duly acknowledged the execution of the same for himself and for said LLC for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto subscribed my hand and affixed my notarial seal on April 16, 2019.

  
Notary Public

My appointment expires:



RATIFICATION AND APPROVAL OF UNIT AGREEMENT  
HANEL WATERFLOOD UNIT (WFU)  
LANE COUNTY, KANSAS

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, an Agreement entitled, "UNIT AGREEMENT, HANEL WATERFLOOD UNIT (WFU), LANE COUNTY, KANSAS", dated February 11, 2019, provides that any owner of a working interest in and to any tract identified therein may approve such Agreement by signing an instrument of approval; and

WHEREAS, each of the undersigned represents that they are the owners of a working interest in and to one or more of the tracts identified in said Agreement, namely the tracts below identified opposite their respective signatures; and

WHEREAS, each of the undersigned has previously executed an Operating Agreement for one or more tracts and each of the undersigned agrees that execution of a new Operating Agreement creates unnecessary paperwork; and

WHEREAS, the undersigned owner(s) hereby acknowledges that previously executed Operating Agreements shall collectively serve as UNIT OPERATING AGREEMENT, HANEL WATERFLOOD UNIT, LANE COUNTY, KANSAS;

The undersigned owner(s) hereby acknowledges receipt of a full and true copy of the Unit Agreement.

NOW, THEREFORE, the undersigned owner(s) of working interest hereby approves the Unit Agreement.

IN WITNESS WHEREOF, each of the undersigned has executed this instrument on the date set forth opposite his signature.

Tract 1

HOLT BEAR CREEK, LLC, by:

*Evan LeRoy Holte II*  
Print name: Evan LeRoy Holte II  
Title: Manager  
Date: 4-15-2019

**ACKNOWLEDGMENT**

STATE OF OKLAHOMA  
COUNTY OF OKLAHOMA ) SS:

BE IT REMEMBERED, that before me, the undersigned, a Notary Public, duly commissioned, in and for the County and State aforesaid, came Evan LeRoy Holte II, in the capacity of Manager of HOLT BEAR CREEK, LLC, a limited liability company of the State of Oklahoma, personally known to me to be such officer, and to be the same person who executed as such officer the foregoing instrument of writing in behalf of said LLC, and he duly acknowledged the execution of the same for himself and for said LLC for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto subscribed my hand and affixed my notarial seal on April 15<sup>th</sup>, 2019.

*Melissa Gabbard*  
Notary Public

My Commission Expires: 08/27/22  
My Commission Number: 14007593





RATIFICATION AND APPROVAL OF UNIT AGREEMENT  
HANEL WATERFLOOD UNIT (WFU)  
LANE COUNTY, KANSAS

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, an Agreement entitled, "UNIT AGREEMENT, HANEL WATERFLOOD UNIT (WFU), LANE COUNTY, KANSAS", dated February 11, 2019, provides that any owner of a working interest in and to any tract identified therein may approve such Agreement by signing an instrument of approval; and

WHEREAS, each of the undersigned represents that they are the owners of a working interest in and to one or more of the tracts identified in said Agreement, namely the tracts below identified opposite their respective signatures; and

WHEREAS, each of the undersigned has previously executed an Operating Agreement for one or more tracts and each of the undersigned agrees that execution of a new Operating Agreement creates unnecessary paperwork; and

WHEREAS, the undersigned owner(s) hereby acknowledges that previously executed Operating Agreements shall collectively serve as UNIT OPERATING AGREEMENT, HANEL WATERFLOOD UNIT, LANE COUNTY, KANSAS;

The undersigned owner(s) hereby acknowledges receipt of a full and true copy of the Unit Agreement.

NOW, THEREFORE, the undersigned owner(s) of working interest hereby approves the Unit Agreement.

IN WITNESS WHEREOF, each of the undersigned has executed this instrument on the date set forth opposite his signature.

Tract 1

RCADKINS, LLC, by:

Robert C. Adkins  
Robert C. Adkins  
Title: Manager  
Date: 4/18/19

**ACKNOWLEDGMENT**

STATE OF Oklahoma  
COUNTY OF Oklahoma ) ss:

BE IT REMEMBERED, that before me, the undersigned, a Notary Public, duly commissioned, in and for the County and State aforesaid, came Robert C. Adkins, Manager of RCADKINS, LLC, a limited liability company of the State of Oklahoma, personally known to me to be such officer, and to be the same person who executed as such officer the foregoing instrument of writing in behalf of said LLC, and he duly acknowledged the execution of the same for himself and for said LLC for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto subscribed my hand and affixed my notarial seal on April 18, 2019.

Kim Ferrand  
Notary Public

My Commission Expires: 03-06-2022  
My Commission Number: 14002238



RATIFICATION AND APPROVAL OF UNIT AGREEMENT  
HANEL WATERFLOOD UNIT (WFU)  
LANE COUNTY, KANSAS

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, an Agreement entitled, "UNIT AGREEMENT, HANEL WATERFLOOD UNIT (WFU), LANE COUNTY, KANSAS", dated February 11, 2019, provides that any owner of a royalty interest in and to any tract identified therein may approve such Agreement by signing an instrument of approval; and

WHEREAS, each of the undersigned represents that they are the owners of a royalty interest in and to one or more of the tracts identified in said Agreement, namely the tracts below identified opposite their respective signatures;

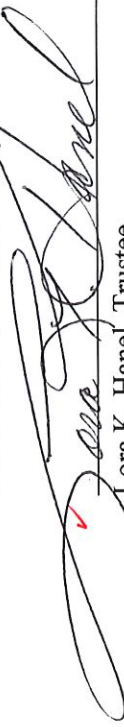
The undersigned owner(s) hereby acknowledges receipt of a full and true copy of the Unit Agreement.

NOW, THEREFORE, the undersigned owner(s) of royalty interest hereby approves the Unit Agreement.

IN WITNESS WHEREOF, each of the undersigned has executed this instrument on the date set forth opposite his signature.

Tract 1 and 2

HANEL FAMILY TRUST, by:

  
Lora K. Hanel, Trustee

  
John S. Hanel, Trustee

Date: April 23, 2019

ACKNOWLEDGMENT

STATE OF Idaho  
COUNTY OF Twin Falls ) ss:

BE IT REMEMBERED, that before me, the undersigned, a Notary Public in and for the County and State aforesaid, appeared Lora K. Hanel and John S. Hanel, Trustees of the Hanel Family Trust, personally known to me to be the same person(s) who executed the above and foregoing instrument of writing and who, in my presence, duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my hand and affixed my notarial seal on April 23, 2019, 2019.

My appointment expires:

02/02/24

  
Notary Public





RATIFICATION AND APPROVAL OF UNIT AGREEMENT  
HANEL WATERFLOOD UNIT (WFU)  
LANE COUNTY, KANSAS

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, an Agreement entitled, "UNIT AGREEMENT, HANEL WATERFLOOD UNIT (WFU), LANE COUNTY, KANSAS", dated February 11, 2019, provides that any owner of a working interest in and to any tract identified therein may approve such Agreement by signing an instrument of approval; and

WHEREAS, each of the undersigned represents that they are the owners of a working interest in and to one or more of the tracts identified in said Agreement, namely the tracts below identified opposite their respective signatures; and

WHEREAS, each of the undersigned has previously executed an Operating Agreement for one or more tracts and each of the undersigned agrees that execution of a new Operating Agreement creates unnecessary paperwork; and

WHEREAS, the undersigned owner(s) hereby acknowledges that previously executed Operating Agreements shall collectively serve as UNIT OPERATING AGREEMENT, HANEL WATERFLOOD UNIT, LANE COUNTY, KANSAS.

The undersigned owner(s) hereby acknowledges receipt of a full and true copy of the Unit Agreement.

NOW, THEREFORE, the undersigned owner(s) of working interest hereby approves the Unit Agreement.

IN WITNESS WHEREOF, each of the undersigned has executed this instrument on the date set forth opposite his signature.

Tract 1

SHAKESPEARE OIL COMPANY, INC.

By: Donald R. Williams  
Donald R. Williams, Vice President  
Date: 6/12/19

STATE OF ILLINOIS )  
 ) ss. CORPORATE ACKNOWLEDGMENT  
COUNTY OF MARION )

BE IT REMEMBERED, that before me, the undersigned, a Notary Public in and for the County and State aforesaid, appeared Donald R. Williams, in the capacity of Vice President of Shakespeare Oil Company, Inc., a corporation duly organized, incorporated and existing under and by virtue of the Laws of the State of Illinois, who is personally known to me to be the same person who executed the above and foregoing instrument of writing, as such officer, and such person duly acknowledged the execution of the same to be the act and deed of said corporation.

GIVEN under my hand and Notarial Seal this 12<sup>th</sup> day of June, 2019.

My Commission Expires: 8-11-22

Cheryl R. Baer  
NOTARY PUBLIC



AFFIDAVIT OF NOTICE SERVED


RE: Larson Engineering, Inc. - Notice of Intent to Conduct Unit Operation pursuant to UNIT AGREEMENT, HANEL WATERFLOOD UNIT (WFU), LANE COUNTY, KANSAS

The undersigned hereby certifies that she is a duly authorized agent for Larson Engineering, Inc., and that on May 10, 2019, a true and correct copy of the attached NOTICE OF INTENT TO CONDUCT UNIT OPERATION was mailed to the following parties at the addresses below:

Rivendell Resources, LLC PO Box 1410 Edmond OK 73083-1410	JEHT Enterprises LLC 1067 Thiesse Lane Springdale AR 72762-9240	J. H. Hutchison Inc. PO Box 1348 Edmond OK 73083-1348
RCADKINS, LLC PO Box 2317 Edmond OK 73083-2317	Omega Inc. 562 West State Road 4 Olmitz KS 67564-8561	D C Goff Revocable Energy Trust PO Box 1465 Fayetteville AR 72702-1465
Scout Exploration Corp. PO Box 1410 Edmond OK 73083-1410	Cambron Investments PO Box 384 Ness City KS 67560-0384	Morgenstern Family Equities LLC PO Box 397 Ellinwood KS 67526
Holt Bear Creek LLC PO Box 8050 Edmond OK 73083-8050	Lora K. Hanel and John S. Hanel Trustees 1044 Fuchsia Circle Placentia CA 92870-4416	

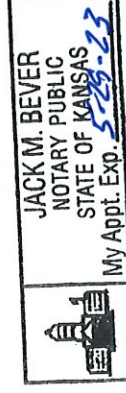
I further attest that the attached NOTICE was published in the Dighton Herald, the official county publication of Lane County, Kansas, and in the Wichita Eagle. A copy of the affidavits of publication are attached.

Signed this 31<sup>st</sup> day of May, 2019.

  
Darla Schmalzried

SUBSCRIBED AND SWORN TO before me, a notary public, by Darla Schmalzried, on behalf of Larson Engineering, Inc., on May 31, 2019.

  
Notary Public



My appointment expires: 5-29-2023

BEFORE THE STATE CORPORATION  
COMMISSION OF THE STATE OF KANSAS  
NOTICE OF INTENT TO CONDUCT UNIT OPERATION

RE: Larson Engineering, Inc. – Intent to conduct unit operation pursuant to UNIT AGREEMENT, HANEL WATERFLOOD UNIT (WFU), LANE COUNTY, KANSAS

TO: All Working Interest Owners

You, and each of you, are hereby notified that all mineral and royalty owners and not less than 90% of the Working Interest Owners have approved, in writing, a contract for the unit operation of HANEL WATERFLOOD UNIT (WFU), LANE COUNTY, KANSAS, with the intention to conduct the unit operation provided therein; namely to unitize the Oil and Gas Rights in and to the Unitized Formations from the Cowdery Northeast Field in Lane County, Kansas, in order to conduct a secondary recovery, pressure maintenance, or other recovery programs within the unit area, all located within Lane County, Kansas, and described as follows:

Sec. 16-T18S-R30W, NW/4

Larson Engineering, Inc. has filed a copy of the UNIT AGREEMENT, HANEL WATERFLOOD UNIT (WFU), LANE COUNTY, KANSAS, with the State Corporation Commission.

Any Working Interest Owner who objects to or protests such unit operation has the right to institute proceedings, within 30 days after receipt of this notice, to have the matter determined by the State Corporation Commission in accordance with the provisions of K.S.A. 55-1301 et seq., and amendments thereto. If no such proceedings are instituted, the Unit Agreement shall become effective upon expiration of the 30-day period.

All parties interested or concerned shall take notice of the foregoing and shall govern themselves accordingly.

Larson Engineering, Inc.  
562 West State Road 4  
Olmitz KS 67564-8561  
620-653-7368

Protests may be filed by any party having a valid interest in the application. Petitions for protests shall be in writing and shall clearly identify the name and address of the protestant and the title of the application. The petition shall include a clear and concise statement of the direct and substantial interest of the protestant in the proceedings, including the manner in which the protestant may be affected, and the nature, extent, character and grounds of the protest. Protestants shall serve the protests upon Larson Engineering, Inc., by mail or personal service at the same time or before the protestant files the protest with the Conservation Division. [KCC-Conservation Division, 130 S. Market – Room 2078; Wichita KS 67202]

RECEIVED MAY 31 2019

**UNIT  
BEFORE THE STATE  
CORPORATION  
COMMISSION OF THE  
STATE OF KANSAS  
NOTICE OF IN-  
TENT TO CONDUCT  
UNIT OPERATION**

*Proof of*

State of Kansas,  
County of Lane, ss:

\_\_\_\_\_ of lawful age, being duly sworn upon oath states that he/she is the editor of **THE DIGHTON HERALD**.

THAT said newspaper has been published at least weekly 5 times a year and has been so published for at least five year prior to the first publication of the attached notice.

THAT said newspaper was entered as second class matter in the post office of its publication;

THAT said newspaper has a general paid circulation on a daily, weekly, monthly, or yearly basis in LANE County, Kansas and is NOT a trade, religious or fraternal publication and has been printed and published in LANE County, Kansas.

THE ATTACHED was published on the following dates in regular issue of said newspaper:

- 1st Publication was made on the 15 day of May, 2019
- 2nd Publication was made on the \_\_\_ day of \_\_\_, 20\_\_
- 3rd Publication was made on the \_\_\_ day of \_\_\_, 20\_\_
- 4th Publication was made on the \_\_\_ day of \_\_\_, 20\_\_
- 5th Publication was made on the \_\_\_ day of \_\_\_, 20\_\_
- 6th Publication was made on the \_\_\_ day of \_\_\_, 20\_\_

Publication fee \$ 78.30

Affidavit, Notary's Fees \$ \_\_\_\_\_

Additional Copies @ \_\_\_\_\_ \$ 78.30

Total Publication Fee \$ \_\_\_\_\_

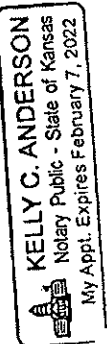
(Signed) Dawn Wendel

Witness my hand this 15 day of May, 2019

SUBSCRIBED and SWORN to before me this 15

day of May, 2019.  
Kelly C. Anderson  
(Notary Public)

My commission expires 2-7-2022



RE: Larson Engineering, Inc. - Intent to conduct unit operation pursuant to UNIT AGREEMENT, HANEL WATER-FLOOD UNIT (WFU), LANE COUNTY, KANSAS.

TO: All Working Interest Owners

You, and each of you, are hereby notified that all mineral and royalty owners and not less than 90% of the Working Interest Owners have approved, in writing, a contract for the unit operation of HANEL WATER-FLOOD UNIT (WFU), LANE COUNTY, KANSAS, with the intention to conduct the unit operation provided therein; namely to utilize the Oil and Gas Rights in and to the Unitized Formations from the Cowdery Northeast Field in Lane County, Kansas, in order to conduct a secondary recovery, pressure maintenance, or other recovery programs within the unit area, all located within Lane County, Kansas, and described as follows:

16-T18S-R30W, Section NW/4

Larson Engineering, Inc. has filed a copy of the UNIT AGREEMENT, HANEL WATER-FLOOD UNIT (WFU), LANE COUNTY, KANSAS, with the State Corporation Commission.

Any Working Interest Owner who objects to or protests such unit operation has the right to institute proceedings, within 30 days after receipt of this notice, to have the matter determined by the State Corporation Commission in accordance with the provisions of K.S.A. 55-1801 et seq., and amendments thereto. If no such proceedings are instituted, the Unit Agreement shall become effective upon expiration of the 30-day period.

All parties interested or concerned shall take notice of the foregoing and shall govern themselves accordingly.

Larson Engineering, Inc.  
562 West State Road 4  
Olmnitz KS 67564-8561  
620 - 653 - 7368



# LEGAL PROOF OF PUBLICATION

Account #	Ad Number	Identification	PO	Amount	Cols	Lines
579794	0004214211	BEFORE THE STATE CORPORATION COMMISS		\$314.84	1	52

**Attention:**

LARSON ENGINEERING, INC.  
 562 WEST STATE ROAD 4  
 OLMITZ, KS 67564

In The STATE OF KANSAS  
 In and for the County of Sedgwick  
 AFFIDAVIT OF PUBLICATION

1 Insertions

Beginning issue of: 05/11/2019  
 Ending issue of: 05/11/2019

STATE OF KANSAS)  
 County of Sedgwick)

.SS

Dale Seiwert, of lawful age, being first duly sworn, deposeth and saith: That he is Record Clerk of The Wichita Eagle, a daily newspaper published in the City of Wichita, County of Sedgwick, State of Kansas, and having a general paid circulation on a daily basis in said County, which said newspaper has been continuously and uninterruptedly published in said County for more than one year prior to the first publication of the notice hereinafter mentioned, and which said newspaper has been entered as second class mail matter at the United States Post Office in Wichita, Kansas, and which said newspaper is not a trade, religious or fraternal publication and that a notice of a true copy is hereto attached was published in the regular and entire Morning issue of said The Wichita Eagle from **5/11/2019 to 05/11/2019**.

I certify (or declare) under the penalty of perjury that the foregoing is true and correct.

*Dale Seiwert*

(Signature of Principal Clerk)

DATED: 5/13/2019

*Jennifer Rae Bailey*  
 Notary Public Sedgwick County, Kansas

JENNIFER RAE BAILEY  
 Notary Public - State of Kansas  
 My Appt. Expires 6/1/2021

**BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS NOTICE OF INTENT TO CONDUCT UNIT OPERATION**  
 RE: Larson Engineering, Inc. - Intent to conduct unit operation pursuant to UNIT AGREEMENT, HANEL WATERFLOOD UNIT (WFU), LANE COUNTY, KANSAS TO: All Working Interest Owners  
 You, and each of you, are hereby notified that all mineral and royalty owners and not less than 90% of the Working Interest Owners have approved, in writing, a contract for the unit operation of HANEL WATERFLOOD UNIT (WFU), LANE COUNTY, KANSAS, with the intention to conduct the unit operation provided therein; namely to utilize the Oil and Gas Rights in and to the Unitized Formations from the Cowdery Northeast Field in Lane County, Kansas, in order to conduct a secondary recovery, pressure maintenance, or other recovery programs within the unit area, all located within Lane County, Kansas, and described as follows:  
 Sec. 16-T18S-R30W, NW/4  
 Larson Engineering, Inc. has filed a copy of the UNIT AGREEMENT, HANEL WATERFLOOD UNIT (WFU), LANE COUNTY, KANSAS, with the State Corporation Commission.  
 Any Working Interest Owner who objects to or protests such unit operation has the right to institute proceedings, within 30 days after receipt of this notice, to have the matter determined by the State Corporation Commission in accordance with the provisions of K.S.A. 55-1301 et seq., and amendments thereto. If no such proceedings are instituted, the Unit Agreement shall become effective upon expiration of the 30-day period.  
 All parties interested or concerned shall take notice of the foregoing and shall govern themselves accordingly.  
 Larson Engineering, Inc.  
 562 West State Road 4  
 Olmitz KS 67564-8561  
 620-653-7368