

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

Form T-1  
April 2019  
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: \_\_\_\_\_

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

Signature: \_\_\_\_\_

New Operator's License No. \_\_\_\_\_

Contact Person: \_\_\_\_\_

New Operator's Name & Address: \_\_\_\_\_

Phone: \_\_\_\_\_

New Operator's Email: \_\_\_\_\_

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  
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: \_\_\_\_\_

N/A

Book: 0055 Page: 171

Receipt #: 46093

Total Fees: \$106.00

Pages Recorded: 6

*Raymond Scales*

Date Recorded: 3/23/2021 11:15:12 AM

ORIGINAL COMPARED WITH RECORD

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ASSIGNMENT OF OIL AND GAS LEASE

KNOW ALL MEN BY THESE PRESENTS:

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which is acknowledged, RJ ENERGY, LLC, a Kansas Limited Liability Company, hereinafter called Assignor, does hereby sell, assign, transfer and set over unto PRAIRIE ENERGY PARTNERS LP, a Missouri Limited Partnership, hereinafter called Assignee, all of Assignor's right, title and interest in and to the Oil and Gas Leases described on Exhibit A attached hereto, situated in Labette County, Kansas, together with a like interest in and to all the rights incident and appurtenant thereto and the personal property, fixtures and equipment thereon, appurtenant thereto, or used or obtained in connection therewith, and a like interest in and to all of the oil, gas and other minerals in and under or now or hereafter produced from, or stored on, the said leases and any of them, insofar as said leases are described in said Exhibit A.

FOR THE SAME CONSIDERATION, Assignor covenants with the Assignee, its successors and assigns, that Assignor is the lawful owner of and has good title to the said leases and to the estate, right, title and interest in the above-assigned leases, and each and every one of them, as described in said Exhibit A, free and clear of all liens, encumbrances or adverse claims.

Executed this 17<sup>th</sup> day of March, 2021.

RJ ENERGY, LLC

by *Joleata Kent*  
Joleata Kent, Member

STATE OF KANSAS, ANDERSON COUNTY} ss:

SUBSCRIBED and ACKNOWLEDGED before me on the 17<sup>th</sup> day of March, 2021, by Joleata Kent, member of RJ Energy, LLC, a Kansas Limited Liability Co., for and on behalf of the company.

*Rose Marie Miller*  
Notary Public

My appointment expires  
Sept 16, 2021

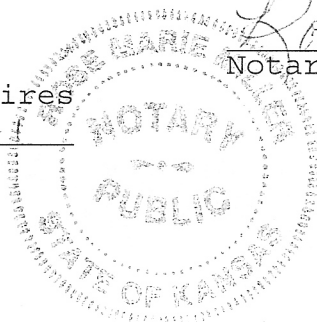


EXHIBIT A

Attached to and being a part of Assignment of  
Oil and Gas Leases from RJ Energy, LLC  
to Prairie Energy Partners, LP

LONG:

Lessor: Alvin L. Long and Grace Long, his wife  
Lessee: Missouri Lead - Zinc Company  
Dated: July 5, 1978  
Recorded: August 22, 1978, in Book 76M of Leases, at  
page 233/234 in Neosho County and on August  
29, 1978, in Book 93, at page 549 in Crawford  
County

Legal: The East Half (E½) of the Northeast Quarter  
(NE¼) of Section 27, Township 30 South,  
Range 21 East of the 6th P.M. in Neosho  
County, Kansas; and, the Northwest Quarter  
(NW¼) of Section 26, Township 30 South, Range  
21 East of the 6th P.M., except a tract  
beginning at a point 724 feet north of the  
southwest corner of the Southeast Quarter  
(SE¼) of the Northwest Quarter (NW¼), thence  
East 253 feet, thence North 200 feet, thence  
West 253 feet, thence South 200 feet to the  
point of beginning; also except the east 10  
acres of the East Half (E½) of the Northwest  
Quarter (NW¼) of Section 26, Township 30  
South, Range 21 East of the 6th P.M., in  
Crawford County, Kansas

Net Revenue Interest: 0.78 of the whole

SARTIN:

Lessor: Frankey D. Sartin and Dorothy M. Sartin, his  
wife  
Lessee: Missouri Lead - Zinc Company  
Dated: April 28, 1978  
Recorded: July 26, 1978, in Book 76M of Leases, at  
page 143/144 in Neosho County and in Book 93,

at page 293 in Crawford County

Legal: The West Half (W $\frac{1}{2}$ ) of the Southwest Quarter (SW $\frac{1}{4}$ ) of Section 26, Township 30 South, Range 21 East of the 6th P.M. in Crawford County, Kansas; and, the East Half (E $\frac{1}{2}$ ) of the Southeast Quarter (SE $\frac{1}{4}$ ) Section 27, Township 30 South, Range 21 East of the 6th P.M. in Neosho County, Kansas

Net Revenue Interest: 0.78 of the whole.

HILLER:

Lessor: John M. Hiller and Martha Jane Hiller, his wife

Lessee: Missouri Lead - Zinc Company

Dated: March 30, 1978

Recorded: July 11, 1978, in Book 76M of Leases, at page 75/76 in Neosho County and in Book 93, at page 207 in Crawford County

Legal: The West Half (W $\frac{1}{2}$ ) of the Northwest Quarter (NW $\frac{1}{4}$ ) of Section 35, Township 30 South, Range 21 East of the 6th P.M. in Crawford County, Kansas; and, the East Half (E $\frac{1}{2}$ ) of the Northeast Quarter (NE $\frac{1}{4}$ ) and the Northwest Quarter (NW $\frac{1}{4}$ ) of the Northeast Quarter (NE $\frac{1}{4}$ ) and the Northeast Quarter (NE $\frac{1}{4}$ ) of the Northwest Quarter (NW $\frac{1}{4}$ ) of Section 34, Township 30 South, Range 21 East of the 6th P.M. in Neosho County, Kansas

Net Revenue Interest: 0.78 of the whole.

DEVLIN:

✓ Lessor: William M. Devlin and Mary N. Devlin, his wife

Lessee: Missouri Lead - Zinc Company

Dated: April 10, 1978

Recorded: October 18, 1978, in Book 10 of Leases, at page 169



Legal: Lots 2, 3 and 4; and the North Half (N $\frac{1}{2}$ ) of the Southeast Quarter (SE $\frac{1}{4}$ ) of the Northwest Quarter (NW $\frac{1}{4}$ ); and the North Half (N $\frac{1}{2}$ ) of the Southwest Quarter (SW $\frac{1}{4}$ ); and the Southwest Quarter (SW $\frac{1}{4}$ ) of the Northwest Quarter (NW $\frac{1}{4}$ ); and the South Half (S $\frac{1}{2}$ ) of the Southeast Quarter (SE $\frac{1}{4}$ ) of the Northwest Quarter (NW $\frac{1}{4}$ ); all in Section 3, Township 31 South, Range 21 East of the 6th P.M., Labette County, Kansas.

Net Revenue Interest: 0.78 of the whole.

**MCGOWN:**

Lessor: Gerald R. McGown and Linda J. McGown, his wife

Lessee: Missouri Lead - Zinc Company

Dated: January 12, 1979

Recorded: March 6, 1979, in Book 10 of Leases, at page 228

Legal: The East Half (E $\frac{1}{2}$ ) of the Southeast Quarter (SE $\frac{1}{4}$ ) of Section 4; and the South Half (S $\frac{1}{2}$ ) of the Southwest Quarter (SW $\frac{1}{4}$ ) of Section 3; all in Township 31 South, Range 21 East of the 6th P.M., Labette County, Kansas.

Net Revenue Interest: 0.78 of the whole.

**MCKINZIE:**

Lessor: Vida McKinzie, a widow

Lessee: Hickory Creek Oil Company

Dated: August 14, 1979

Recorded: August 21, 1979, in Book 11 of Leases, at page 43

Legal: I. The North Half (N $\frac{1}{2}$ ) of the Northwest Quarter (NW $\frac{1}{4}$ ) of the Southwest Quarter (SW $\frac{1}{4}$ ) and the Southwest Quarter (SW $\frac{1}{4}$ ) of the Northwest Quarter (NW $\frac{1}{4}$ ) of the Southwest

Quarter (SW $\frac{1}{4}$ ) of Section 15, Township 31 South, Range 21 East of the 6th P.M., except the following 3 tracts:

(1) Beginning at a point 52.2 feet east of the northwest corner of the Southwest Quarter (SW $\frac{1}{4}$ ) of Section 15, thence East 145.8 feet, thence South 208 feet, thence West 208 feet, thence North 93.6 feet, thence East 52.2 feet, thence North 104.4 feet to place of beginning;

(2) Beginning at a point 208 feet east of the northwest corner of the Southwest Quarter (SW $\frac{1}{4}$ ) of Section 15, thence East 199.7 feet, thence South 228 feet at an angle of 91°19" [sic], thence West 407.7 feet at an angle of 88°41" [sic] and parallel to the north line of the Southwest Quarter (SW $\frac{1}{4}$ ), thence North 20 feet at an angle of 91°19" [sic], thence East 208 feet at an angle of 88°41" [sic] and parallel to the north line of the Southwest Quarter (SW $\frac{1}{4}$ ), thence North 208 feet to the place of beginning; and,

(3) Beginning at the northeast corner of the Northwest Quarter (NW $\frac{1}{4}$ ) of the Southwest Quarter (SW $\frac{1}{4}$ ), thence South 660 feet, thence West 528 feet, thence North 660 feet, thence East 528 feet to the place of beginning.

II. Lot 4 in Section 16, Township 31 South, Range 21 East of the 6th P.M.; and,

III. That part of Lot 5 in Section 16, Township 31 South, Range 21 East of the 6th P.M., described as beginning at the southwest corner of Lot 5, thence North along the west line of Lot 5 to the north line of the South Half (S $\frac{1}{2}$ ) of the Southeast Quarter (SE $\frac{1}{4}$ ), thence East 320 feet to the west bank of Hickory Creek, thence South along west bank 1360 feet to the south line of Section 16, thence West to the point of beginning.

"It is the intent of this lease to cover and include all of the lands owned by Lessor in Sections 15 and 16 in Township 31 South, Range 21 East, Labette County."

and all of said lands lying in Labette

County, Kansas

Net Revenue Interest: 0.78 of the whole.

**WAMSLEY:**

Lessor: Raymond F. Wamsley and Alice C. Wamsley, his wife

Lessee: Missouri Lead - Zinc Company

Dated: October 25, 1978

Recorded: July 23, 1979, in Book 11 of Leases, at page 7

Legal: A tract of land commencing at a point 20 rods west of the northeast corner of Section 16, Township 31 South, Range 21 East of the 6th P.M., thence West 65 rods, thence South 80 rods, thence West 75 rods, thence South 40 rods, thence East 160 rods, thence North 100 rods, thence West 20 rods, thence North 20 rods to the point of beginning; and the South Half (S½) of the South Half (S½) of the Northeast Quarter (NE¼) of Section 16, Township 31 South, Range 21 East of the 6th P.M., Labette County, Kansas

Net Revenue Interest: 0.78 of the whole.

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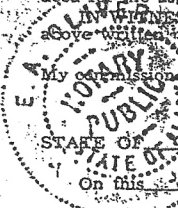
It is the intent of this assignment of leases to include all of the right, title and interest of Assignor in not only the leases specifically described above, but any other lease or interest in any lease which covers any of the real estate, or any part thereof, above described in this exhibit.



BE IT REMEMBERED, That on this 10th day of April A. D., 1978, before me, a Notary Public in and for said County and State, personally appeared William M. Devlin and Mary N. Devlin, his wife

to me known to be the identical person s described in and who executed the within and foregoing instrument and acknowledged to me that they executed the same as their free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my official signature and affixed my notarial seal, the day and year first above written.



My commission expires 7/22/80 E.A. Oliver Notary Public

CORPORATION ACKNOWLEDGMENT E.A. OLIVER (Oklahoma Form)

STATE OF Missouri County of St. Louis  
On this 17 day of April A. D., 1978, before me, the undersigned Notary Public

in and for the county and state aforesaid, personally appeared Ronald E. Settle behalf of Mason Lead-Zinc to me known to be the identical person who signed the name of the maker thereof to the within and foregoing instrument and its contents and acknowledged to me that he executed the same as his free and voluntary act and deed, and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth. Given under my hand and seal the day and year last above written.

My commission expires: January 17, 1982 Glenda R. Jeffery Notary Public  
When instrument is executed by a corporation, the corporate name must be shown and instrument signed by its President or Vice-President and attested by its Secretary or Assistant Secretary and the Corporate Seal affixed.

NOTARY ACKNOWLEDGMENT OF SIGNATURE BY MARK (Oklahoma Form)

STATE OF \_\_\_\_\_ County of \_\_\_\_\_, ss:  
Before me, \_\_\_\_\_, a Notary Public in and for said County and State on this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, personally appeared \_\_\_\_\_

to me known to be the identical person \_\_\_\_\_ who executed the within and foregoing instrument by \_\_\_\_\_ mark in my presence and in the presence of \_\_\_\_\_ as witnesses and acknowledged to me that \_\_\_\_\_ executed the same as \_\_\_\_\_ 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.

My commission expires: \_\_\_\_\_ Notary Public

NOTE-The signature by mark of a lessor who cannot write his name must be witnessed by two witnesses, one of whom must write lessor's name.

**OIL AND GAS LEASE**  
FROM William M. Devlin et al  
TO Missouri Lead-Zinc  
Dated \_\_\_\_\_, 19\_\_\_\_  
Lot \_\_\_\_\_ Block \_\_\_\_\_ Addition \_\_\_\_\_  
Township \_\_\_\_\_ Range \_\_\_\_\_ Section \_\_\_\_\_  
County \_\_\_\_\_ Terms \_\_\_\_\_  
No. of Acres \_\_\_\_\_  
STATE OF Missouri County of Labette  
This instrument was filed for record on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_ at \_\_\_\_\_ o'clock \_\_\_\_\_ M., and recorded in Book \_\_\_\_\_ of \_\_\_\_\_ at page \_\_\_\_\_ of \_\_\_\_\_ Fee \$ \_\_\_\_\_  
By Maybell Namigan, Register of Deeds Deputy

For Assignment of Oil & Gas  
See Book 23 of Records Page 118  
Filed at 2:20 pm May 1, 1989  
Maybell Namigan, Register of Deeds

STATE OF \_\_\_\_\_ COUNTY OF \_\_\_\_\_ SS.  
BE IT REMEMBERED, That on this \_\_\_\_\_ day of \_\_\_\_\_ A. D., 19\_\_\_\_, before me, a Notary Public in and for said County and State, personally appeared \_\_\_\_\_

For Assignment of O&G  
See Book 25 of Records, pg 168  
Filed at 12:40 pm, April 3, 1995  
Maybell Namigan, Register of Deeds

to me known to be the identical person \_\_\_\_\_ described in and who executed the within and foregoing instrument and acknowledged to me that \_\_\_\_\_ executed the same as \_\_\_\_\_ free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my official signature and affixed my notarial seal, the day and year first above written.  
My commission expires \_\_\_\_\_ Notary Public

For Assignment of O&G  
See Book 23 of Records Page 118  
Filed at 1:45 pm November 23, 1988  
Maybell Namigan, Register of Deeds

For Assignment of O&G  
See Book 25 of Records, pg 168  
Filed at 12:40 pm, April 3, 1995  
Maybell Namigan, Register of Deeds

File at 2:00 pm  
Book 23 of Records Page 118  
Filed at 2:20 pm May 1, 1989  
Maybell Namigan, Register of Deeds

File at 1:00 pm  
Book 25 of Records Page 168  
Filed at 12:40 pm April 3, 1995  
Maybell Namigan, Register of Deeds

## OPERATING AGREEMENT

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**Operator:** RH Capital-Beets, LLC  
2015 Clara Drive  
Jefferson City, MO 65101

**Owners:** Prairie Energy Partners, LLC  
2015 Clara Drive  
Jefferson City, MO 65101

**Effective Date:** January 01, 2021

**The Leases:** Strauss Leases et al (See Exhibit A)

**1). Designation of Operator.** Operator is engaged hereunder by Owner to operate for the production of oil certain working interests in the Leases owned by Owner solely as an independent contractor operating under and governed by this Agreement. Operator shall maintain its good standing with the Kansas Corporation Commission, Oil and Gas Conservation Division, and shall be listed as the operator of record for the Leases with the Oil and Gas Conservation Divisions as to the Leases, subject to paragraph 9 below. However, Operator shall not incur any liability for plugging any of the wells located upon the Leases or obtain any Ownership of the Leases or any personal property located thereon as a result of this agreement or as the designation of Operator as the operator of record for the Leases with the Kansas Corporation Commission, Oil and Gas Conservation Division.

**2. Standard of Performance.** All work or services rendered or performed by Operator shall be done with due diligence, in a good and workmanlike manner, using skilled competent and experienced workmen and supervisors and in accordance with local oil and gas field practices. Operator shall comply with all laws, rules and regulations at all times and ensure that the **Leases**, all wells thereon, and any subcontractors hired to perform work upon the Leases comply with all laws, rules and regulations of any kind. All materials, equipment, supplies or manufactured articles furnished by Operator shall be new (unless otherwise approved by Owner), selected and used in accordance with good oilfield practice.

**3. Operating Expenses and Production Revenue.** All income and liabilities accrued and incurred

in the operation of the Leases shall be borne exclusively by Owner. During the term hereof, Operator will perform the work and services described fully on Exhibit "B" attached hereto and made a part hereof for all purposes. Any work provided or services performed by Operator which are not set forth on Exhibit "B" shall hereinafter be referred to as "Additional Services" and the performance and cost of any Additional Services must be approved by Owners in advance.

**4. Necessary Equipment and Materials.** Except for Additional Services that are performed in accordance with an estimate approved by Owner, all estimates provided, and work and services performed by Operator shall be based and performed on a competitive contract basis at prevailing rates in the area where the work is being performed provided, however, the parties agree that the Rate Sheet shall govern as to items reflected thereon.

**5. Administrative Fee and Reimbursement.** Owner shall pay Operator the amount set forth in Exhibit B, on the first of every month. To the extent Operator provides Additional Services, it shall also be entitled to payment and/or reimbursement for costs and expenses of such Additional Services based on the approved estimate.

**6. Term.** This Agreement shall remain in full force and effect until either party shall elect to terminate said agreement pursuant to paragraph 9 hereof.

**7. Insurance.** Before commencing services hereunder, Operator shall purchase and maintain for the benefit of Owner and Operator such insurance specified in Exhibit A attached hereto and made a part hereof by this reference and shall name Owner as an additional insured upon such policy. Operator will provide Owner with a certificate of such insurance and will obtain same from a company that is satisfactory to Owner. At all times while operations are conducted hereunder, Operator shall comply with the workmen's compensation law of the State where the operations are being conducted. Operator shall require all contractors engaged in work on or for the Leases to comply with the workmen's compensation laws of the State where the operations are being conducted.

Any subcontractor retained by Operator (after obtaining authorization from Owner) to provide services must likewise procure such insurance and it is Operator's obligation to ensure that such insurance is in place by submitting copies of such subcontractor's insurance certificates to Owner. Failure of Operator to comply with this provision shall be considered a material breach of the Agreement.

**8. Leases Burdens.** Operator shall bear the responsibility for ensuring that all Leases covenants

and production requirements are complied with.

**9. Termination of Agreement.** Either party may terminate this agreement at any time by delivering written notice to the other party not less than ninety (90) days prior to the desired termination date. Upon termination of this agreement each party shall be relieved of all duties and obligations arising subsequent to the date of termination. Upon the termination of this Agreement Owner shall promptly designate a new operator with the Kansas Corporation Division, Oil and Gas Conservation Division for the Leases and all wells located thereon.

**10. Mining Partnership.** The liability of the parties shall be several, not joint or collective. Each Owner shall be responsible only for its obligations and shall be liable only for its proportionate share of the costs of developing and operating the Leases. It is not the intention of the parties to create, nor shall this agreement be construed as creating a partnership or association or to render them liable as partners or joint venturers. Owner agrees that Operator is assuming a fiduciary relationship to Owner in performing the terms of this agreement and shall also owe a duty to Owner of good faith and fair dealing. In its relations with Operator under this agreement, the Owner shall not be considered fiduciaries or to have established a confidential relationship to Operator but rather shall be free to act on an arm's-length basis in accordance with their own respective self-interest, subject, however, to the obligation of the Owner to act in good faith in their dealings with Operator with respect to activities hereunder. Operator shall not act as an agent for Owner, nor hold itself out as an owner of the Leases or as an agent of Owner possessing legal authority to bind Owner.

**11. Further Development.** No Owner shall cause any additional wells to be drilled upon the Leases without first giving all other Owner the opportunity to participate in the cost of drilling said well. No well which is producing in paying quantities shall be deepened, plugged, plugged back, re-completed or side-tracked without the written consent of all remaining Owner. Operator shall not have any authority to require additional development or to select the manner in which any additional development is completed or to select the contractors who are used.

**12. Settlement of Claims.** Operator shall not have the right to compromise, settle and adjust any claim for damages which may be made by any landowner or adjoining landowner, which damage may result from the operation of the wells located upon the Leases, without first obtaining Owners prior written consent to the proposed compromise or settlement

**13. Force Majeure.** If any party is rendered unable, wholly or in part, by *force majeure* to carry out its obligations under this agreement, other than the obligation to make monetary



payments, that party shall give prompt written notice to the other party of the *force majeure* with reasonably full particulars concerning it; thereupon, the obligations of the party giving the notice, so far as it is affected by the *force majeure*, shall be suspended during, but no longer than, the continuance of the *force majeure*. The affected party shall use all possible diligence to remove the *force majeure* as quickly as possible.

**14. Counterparts.** This agreement may be executed in one or more counterparts as one agreement and shall be binding upon Operator and Owner, their heirs, devisees, legatees, administrators, executors, successors and assigns, when executed by Owner and Operator.

**15. Joint Drafters.** The parties shall be considered joint drafters of this Agreement so as not to construe this Agreement against one party as drafter more than the other.

**16. Severability.** In the event that one or more of the provisions hereof shall be held to be illegal, invalid, or unenforceable, such provisions shall be deemed severable and the remaining provisions hereof shall continue in full force and effect.

**17. Amendments.** This Agreement may be amended or modified only by a written instrument executed by the owner and Operator.

**18. Applicable Law.** This Agreement shall be governed, construed and enforced in accordance with the laws of Kansas. The venue of any action shall be in Greenwood County, Kansas.

**19. Prior Agreements.** This Agreement, as may be amended, and the exhibits attached hereto constitute the entire Agreement between Owner and Operator with respect to the operation of the Leases and supersedes all prior Agreements and understandings between the parties hereto relating to the subject matter hereof.

**20. Waiver.** No consent or waiver, express or implied, by either party to or of any breach or default by the other party in the performance of this Agreement shall be constructed as a consent or waiver to or of any subsequent breach or default in the performance by such other party of the same or any other obligations hereunder.

**21. Notices.** All notices permitted or required hereunder shall be deemed given upon depositing said notice in the United States mail postage prepaid addressed to the other party at the address shown above or such other address as may be subsequently designated by such party.

**22. Time is of the Essence.** Both parties agree that time is of the essence in this Agreement and that all things to be done, must be done timely and that any delay in the performance of any obligation contained herein, no matter how slight, shall be deemed a material default under this Agreement.

**23. Third Party Beneficiaries.** The parties stipulate and agree that this Agreement is not intended for the benefit of any third parties and that there shall be no third-party beneficiaries to this Agreement who shall be entitled to enforce the terms of this agreement against either of the parties hereto.

This Operating Agreement shall be effective on the effective date shown above.

**Operator: RH Capital-Beets LLC**


By: /s/Troy D. Renkemeyer  
Troy D. Renkemeyer  
Member-manager



**Owner:**

Prairie Energy Partners, LP

By: /s/Thomas J. Heckman  
Thomas J. Heckman  
Member-manager



**EXHIBIT A**

***(Description of oil and gas Leases to be Operated)***

Legal : at page 293 in Crawford County  
The West Half (W") of the Southwest Quarter  
(SW%) of Section 26, Township 30 South, Range  
21 East of the 6th P.M. in Crawford County,  
Kansas; and, the East Half (E%) of the  
Southeast Quarter (SE%) Section 27, Township  
30 South, Range 21 East of the 6th P.M. in  
Neosho County, Kansas

Net Revenue Interest : 0.78 of the whole.

HILLER :  
Lessor : John M. Hiller and Martha Jane Hiller, his wife

Lessee : Missouri Lead - Zinc Company

Dated : March 30, 1978

Recorded : July 11, 1978, in Book 76M of Leases, at page 75/76 in Neosho  
County and in Book 93 , at page 207 in Crawford County

The West Half (W%) of the Northwest Quarter  
(NW%) of Section 35, Township 30 South, Range  
21 East of the 6th P.M. in Crawford County,  
Kansas; and, the East Half (E%) of the  
Northeast Quarter (NE%) and the Northwest Quarter (NW%) of  
the Northeast Quarter (NE%) and the Northeast Quarter (NE<sup>1</sup>L) of  
the Northwest Quarter (NW%) of Section 34 , Township 30 South,  
Range 21 East of the 6th P.M. in Neosho County, Kansas

Net Revenue Interest : 0.78 of the whole.

DEVLIN :

Lessor :

William M. Devlin and Mary N. Devlin, his wife

Lessee :

Missouri Lead - Zinc Company

Dated :

April 10, 1978

Recorded :

October 18, 1978, in Book 10 of Leases, at page 169

Quarter (SW%) of Section 15, Township 31 South, Range 21 East of the 6th P.M. , except the following 3 tracts :

(1) Beginning at a point 52 .2 feet east of the northwest corner of the Southwest Quarter (SW%) of Section 15, thence East 145.8 feet, thence South 208 feet, thence West 208 feet, thence North 93.6 feet, thence East 52 .2 feet, thence North 104.4 feet to place of beginning ;

(2) Beginning at a point 208 feet east of the northwest corner of the Southwest Quarter (SW%) of Section 15, thence East 199.7 feet, thence South 228 feet at an angle of  $91^{\circ} 19'$  [sic] , thence West 407.7 feet at an angle of  $88^{\circ} 41'$  [sic] and parallel to the north line of the Southwest Quarter (SW<sup>1</sup>A) , thence North 20 feet at an angle of  $91^{\circ} 19'$  [sic] , thence East 208 feet at an angle of  $88^{\circ} 41'$  [sic] and parallel to the north line of the Southwest Quarter (SW%) , thence North 208 feet to the place of beginning; and,

(3) Beginning at the northeast corner of the Northwest Quarter (NW%) of the Southwest Quarter (SW%) , thence South 660 feet, thence West 528 feet, thence North 660 feet, thence East 528 feet to the place of beginning .

II. Lot 4 in Section 16, Township 31 South,  
Range 21 East of the 6th P.M. ; and,

111. That part of Lot 5 in Section 16,  
Township 31 South, Range 21 East of the 6th P.M. , described as  
beginning at the southwest corner of Lot 5, thence North along the  
west line of Lot 5 to the north line of the South Half (S%) of the  
Southeast Quarter (SE%) , thence East 320 feet to the west bank of  
Hickory Creek, thence South along west bank 1360 feet to the south  
line of Section 16, thence West to the point of beginning .

"It is the intent of this lease to cover and include all of the lands  
owned by Lessor in Sections 15 and 16 in Township 31 South,  
Range 21 East, Labette County. " and all of said lands lying in  
Labette

## EXHIBIT B

### *(fee schedule and Services to be provided by Operator)*

Monthly operating/supervision charge for producing well: \$250.00 per well

Overhead charge for the drilling of a well: \$1000.00 per well

Daily charge for supervision of running surface and production casing, well completion, well recompletion and major service work on wells and facilities: \$550 per day plus mileage

## EXHIBIT C

### *(Insurance to be carried by Operator)*

#### GENERAL REQUIREMENTS

A. Whether or not required by other provisions of the Contract, each of the insurance policies maintained by Operator must be endorsed as follows, in addition to any other requirements:

(i.) To provide to Operator thirty (30) days prior written notice of cancellation, reduction of coverage or material change.

(ii.) To provide adequate territorial limits for the location of the work performed under the Contract.

(iii.) Operator's insurance described below shall be endorsed to provide that the underwriters and/or insurers thereof waive their rights of subrogation against Owner.

(iv.) Owner shall be named on Operator's insurance described below as an additional insured (except with respect to Workers' Compensation Insurance).

B. Operator shall furnish for approval by the other party appropriate certificates of insurance at the request of Owner. All said insurance coverage shall be maintained in force by Operator during the term of the Contract.

C. All insurance shall be with an insurance company admitted to do business in the State where the services and work is to be performed and which has a Best's Insurance rating which is acceptable to Owner, to be determined in its sole discretion.

#### SPECIFIC INSURANCE REQUIREMENTS

A. Commercial General Liability Insurance. Occurrence form with minimum limits of liability for

bodily injury, death, and property damage of \$1,000,000 combined single limit per occurrence, and an aggregate annual minimum limit of \$2,000,000. Coverage shall include:

- (i.) Broad Form Blanket Contractual Liability specifically covering all liabilities and indemnifications assumed under this Agreement;
- (ii.) Independent Contractors Coverage for work let or sublet, with no exclusions, restrictions or limitations;
- (iii.) Premises/Operations;
- (iv.) Removal of any exclusions, restrictions, or limitation relating to explosion, collapse, or underground hazards.

B. Commercial Automobile Liability Insurance. Minimum limits of liability for injury, death or property damage of \$1,000,000 combined single limit per occurrence; Coverage shall include:

- (i.) Owned, hired and non-owned vehicles;

Operators's employees as Insureds.

Workers' Compensation and Employer's Liability Insurance. In accordance with statutory requirements of the states in which the work is being performed and complying with federal laws and requirements, with minimum Employer's Liability limits of \$1,000,000 per accident written to cover the employees of Operator. At minimum, Coverage shall include:

**Occupational Disease;**

- (ii.) Voluntary Compensation;

Alternate Employer and Borrowed Servant Endorsements in favor of Owner;