

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: _____



State of Kansas, Barber Co., SS

This Instrument was filed for record on the 24 day of February 2015 at 3:50 o'clock P. M., and duly recorded in book 355 on page 138

Betty J Swayden
Register of Deeds

Fees #28.00

2015 VTEP paid-up

OIL AND GAS LEASE

THIS AGREEMENT, Entered into this 24th day of February, 2015 by and between Philip R. Hinz and Mary Lou Hinz as Trustees of the Phil and Mary Lou Hinz Trust dated March 13, 2013, 102 W. Central, Medicine Lodge, KS, hereinafter called lessor, and VT Energy Partners, LLC, hereinafter called lessee, does witness:

1. That lessor, for and in consideration of the sum of Ten and more Dollars in hand paid and of the covenants and agreements hereinafter contained to be performed by the lessee, has this day granted, leased, and let and by these presents does hereby grant, lease, and let exclusively unto the lessee, the hereinafter described land, with any reversionary rights therein, and with the right to unitize this lease or any part thereof with other oil and gas leases as to all or any part of the lands covered thereby as hereinafter provided, for the purpose of carrying on geological, geophysical and other exploratory work thereon, including core drilling and the drilling, mining, and operating for, producing and saving all of the oil, gas condensate, gas distillate, casinghead gasoline and their respective constituent vapors, and all other gases, found thereon, the exclusive right of injecting water, brine, and other fluids and substances into the subsurface strata, and for constructing roads, laying pipe lines, building tanks, storing oil, building power stations electrical lines and other structures thereon necessary or convenient for the economical operation of said land alone or conjointly with neighboring lands, to produce, save, take care of, and manufacture all of such substances, and the injection of water, brine, and other substances into the subsurface strata, said tract of land being situated in the County of Barber, State of Kansas and described as follows:

The Northeast Quarter (NE/4) and the East Half of the Northwest Quarter (E/2 NW/4)

of Section 22, Township 32 South, Range 14 West, and containing 240.00 acres, more or less.

2. This lease shall remain in force for a term ending 12/31/2015 (called "primary term") and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of the products covered by this lease is or can be produced.
3. The lessee shall deliver to lessor as royalty, free of cost, on the lease, or into the pipe line to which lessee may connect its wells the equal 16% part of all oil produced and saved from the leased premises, or at the lessee's option may pay to the lessor for such 16% royalty the market price at the wellhead for oil of like grade and gravity prevailing on the day such oil is run into the pipe line or into storage tanks.
4. The lessee shall pay to the lessor, as a royalty, 15% of the proceeds received by the lessee from the sale of gas, gas condensate, gas distillate, casinghead gas, gas used for the manufacture of gasoline or any other product, and all other gases, including their constituent parts, produced from the land herein leased. If such gas is not sold by the lessee, lessee may pay or tender within sixty (60) days of each yearly period during which such gas is not sold, as a shut-in royalty, whether one or more wells, an amount equal to ten dollars per net mineral acre, and while said shut in royalty is so paid or tendered, it will be considered under all provisions of this lease that gas is being produced in paying quantities. The first yearly period during which such gas is not sold shall begin on the date the first well is completed for production of gas. This lease may not be maintained in force for any one continuous period of time longer than two consecutive years after the expiration of the primary term hereof solely by the provision of the shut-in royalty clause.
5. This lease is a paid-up lease and may be maintained during the primary term without further payments or drilling operations.
6. In the event said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein then the royalties herein provided for shall be paid to said lessor only in the proportion which his interest bears to the whole and undivided fee; however, in the event the title to any interest in said land should revert to lessor, or his heirs, or his or their grantee, this lease shall cover such reversion.
7. The lessee shall have the right to use, free of cost, gas and oil found on said land for its operations thereon. Lessee may use water from under the leased premises for drilling and completion operations including without limitation fracing operations on wells drilled on the leased premises. Surface water may NOT be used for such purposes. Lessee must first obtain Lessor's written consent before using said water, which shall not be unreasonably withheld. Lessee shall be responsible for any water pollution which is determined to be consequence of Lessee's operations on the leased premises. Lessee shall bury his pipe lines to a depth of thirty-six (36) inches and shall pay for damage caused by its operations to growing crops on said land. No well shall be drilled nearer than 200 feet to the house or barn now on said premises, without the written consent of the lessor. Lessee shall have the right at any time during, or after the expiration of this lease to remove all machinery fixtures, houses, buildings and other structures placed on said premises, including the right to draw and remove all casing. The Lessee agrees to exercise any rights with respect to removal and recovery of materials, buildings, casings, etc. within one (1) year of the expiration of said Lease. The failure of the Lessee to exercise this right within one (1) year will vest the title to all said materials, buildings, casings, etc., absolutely and unconditionally in the Lessor, its heirs and assigns. However, only after Lessor has notified Lessee, at its last known address, in

writing of such failure, giving Lessee an additional 30 days to correct such failure.

8. If the estate of either party hereto is assigned (and the privilege of assigning in whole or in part is expressly allowed) the covenants hereof shall extend to their heirs, devisees, executors, administrators, successors and assigns, but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of lessee and no change of ownership in the land or in the royalties or any sum due under this lease shall be binding on the lessee until it has been furnished with either the original recorded instrument of conveyance or a duly certified copy thereof, or a certified copy of the will of any deceased owner and of the probate thereof, or certified copy of the proceedings showing appointment of an administrator for the estate of any deceased owner, whichever is appropriate, together with all original recorded instruments of conveyance or duly certified copies thereof necessary in showing a complete chain of title back to lessor of the full interest claimed, and all advance payments of rentals made hereunder before receipt of said documents shall be binding on any direct or indirect assignee, grantee, devisee or administrator, executor, or heir of lessor.

9. If the leased premises are now or shall hereafter be owned in severalty or in separate tracts, the premises may nonetheless be developed and operated as one lease, and all royalties accruing hereunder shall be divided among and paid to such separate owners in the proportion that the acreage owned by each separate owner bears to the entire leased acreage. There shall be no obligation on the part of the lessee to offset wells on separate tracts into which the land covered by this lease may now or hereafter be divided by sale, devise, descent or otherwise, or to furnish separate measuring or receiving tanks.

10. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the lessee, at its option, may pay and discharge in whole or in part any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands, and, in event it exercises such options it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying to the discharge of any such mortgage, tax or other lien, any royalty accruing hereunder.

11. If after the expiration of the primary term, production of oil or gas should cease from any cause, this lease shall not terminate if lessee commences additional drilling or reworking operations within one hundred-twenty (120) days thereafter, or if at the expiration of the primary term, oil or gas is not being produced on said land, but lessee is then engaged in drilling or reworking operations thereon, then in either event, this lease shall remain in force so long as operations are prosecuted either on the same well or any other well thereafter commenced, with no cessation of more than one hundred-twenty (120) consecutive days, and if they result in production of oil or gas, this lease shall remain in effect so long thereafter as there is production of oil or gas under any provision of this lease.

12. Lessee may at any time surrender or cancel this lease in whole or in part by delivering or mailing such release to the lessor, or by placing same of record in the proper County. In case said lease is surrendered and canceled as to only a portion of the acreage covered thereby, then all payments and liabilities thereafter accruing under the terms of said lease as to the portion canceled shall cease and determine, but as to the portion of the acreage not released the terms and provisions of this lease shall continue and remain in full force and effect for all purposes.

13. All provisions hereof, express or implied, shall be subject to all federal and state laws and the orders, rules, or regulations (and interpretations thereof) of all governmental agencies administering the same, and this lease shall not be in any way terminated wholly or partial nor shall the lessee be liable in damages for failure to comply with any of the express or implied provisions hereof if such failure accords with any such laws, orders, rules or regulations (or interpretations thereof). If lessee should be prevented during the last six months of the primary term hereof from drilling a well hereunder by the order of any constituted authority having jurisdiction thereover, the primary term of this lease shall continue until six months after said order is suspended.

14. Lessee, at its option, is hereby granted the right and power to pool or combine into one or more units the land covered by this lease, or any portion thereof, with other land covered by another lease, or leases when, in lessee's judgment, it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of such minerals in and under said land, such pooling to be in a unit or units not exceeding 160 acres each in the event of an oil well, or into a unit or units not exceeding 640 acres each in the event of a gas and/or condensate or distillate well, plus a tolerance of ten percent (10%) to conform to Governmental Survey quarter sections. Lessee shall execute in writing and file for record in the county in which the land is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a unit or units shall be treated for all purposes, except the payments of royalties on production from the pooled unit, as if it were included in this lease. If production is found on any part of the pooled acreage it shall be treated as if production is had from this lease whether any well is located on the land covered by this lease or not. Any well drilled on any such unit shall be and constitute a well hereunder. In lieu of the royalties elsewhere herein specified lessor shall receive on production from the unit so pooled only such portion of the royalty stipulated herein as the amount of his net royalty interest therein on an acreage basis bears to the total mineral acreage so pooled in the particular unit involved.

15. Lessee and or his assigns shall restore the surface and the surface contours to their original condition as nearly as is reasonably practicable within one-hundred twenty (120) days after drilling operations are completed on the described premises.

16. Lessee shall consult with Lessor in regard to the route of ingress and egress on said premises to well location.

17. Lessee shall consult with Lessor upon the placement of any tank, pipelines, and lease roads and cattle guards necessitated by its operations on the leased premises, and shall utilize its best efforts in light of reasonable industry standards to minimize

interference with Lessor's farming and ranching operations. If Lessee paints, then Lessee agrees to paint all surface structures including but no limited to tanks, in a color so as to blend in with the surrounding environment. Lessee shall maintain production site in a clean and uncluttered condition.

18. Steel gates or cattle guards will be constructed at all places where roads constructed pursuant to this lease enter the leased premises or go through existing fences. Any gates or guards shall become the property of the surface owner upon expiration of the lease. Existing fences shall be H-braced before cutting to install gates.

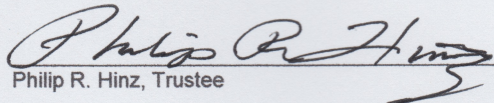
19. Lessee shall pay for damage to the property's surface, limited to damages caused by the drilling of any well or placement of any pipes, pipelines, pumps and/or tank batteries on said property. All pipelines constructed on this lease shall be buried to a depth of thirty-six (36) inches. Lessee shall pay an additional damage payment of \$100.00 per rod for any lead lines. Lessor and Lessee agree that these damage payments are intended as full compensation for any potential damages to said property's surface, including the costs of reseeding, manure, and any other operations necessary to restore the property's surface.

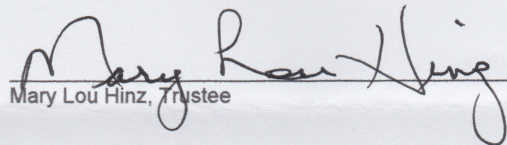
20. To the extent that Lessee is able to use water from existing stock water wells for the drilling of oil and gas wells on the property, Lessee agrees to pay Lessor as consideration a minimum of \$2,000.00 for the drilling of each oil or gas well on the property. Lessee shall obtain the consent of Lessor each time before any water is used from stock water wells, as the permitted use by Lessee will depend upon the requirement of water for cattle at the time an oil and gas well is drilled and the capacity of the water well. If it is not viable to use water from a stock water well, Lessee may drill a separate water well for its drilling operations and use such water without cost. At the request of Lessor, Lessee may leave the water well intact upon completion and allow the Lessor to convert it to a stock water well.

22. The terms and conditions hereof shall be considered covenants running with the land covered by this lease and shall be binding upon and endure for the benefit of the respective successors and assigns of said lessor and lessee. If any of the material terms of this lease shall be violated, it shall be considered a breach of lease, and the non-breaching party shall be entitled to damages therefor. The prevailing party in any action for breach of the provisions of this lease or breach of duties pursuant to this lease shall be entitled to recover reasonable attorney's fees, expert witness fees, litigation expense and court costs, provided, however, notwithstanding anything contained herein to the contrary, in order for the prevailing party to recover the same, the Court, must determine that the breach was solely the result of actual fraud, gross negligence, bad faith or willful disregard by the non-prevailing party.

IN TESTIMONY WHEREOF, we sign this the 24th day of February, 2015.

PHIL AND MARY LOU HINZ TRUST DATE MARCH 13, 2013

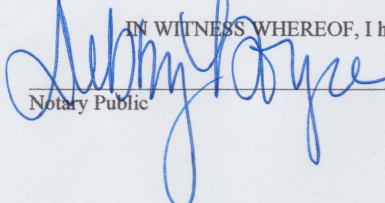

Philip R. Hinz, Trustee


Mary Lou Hinz, Trustee

ACKNOWLEDGMENT

STATE OF KANSAS)
) §
COUNTY OF BARBER)

Before me, the undersigned, a Notary Public, in and for said county and State, on this 24 day of February, 2015, personally appeared Philip R. Hinz and Mary Lou Hinz, to me known to be the identical persons who executed the within foregoing instrument, as Trustees for The Phil and Mary Lou Hinz Trust dated March 13, 2013 and acknowledged to me that they executed the same as a 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 official seal the day and year first above written.
 My commission expires 4.5.2016

