

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

TEMPORARY ABANDONMENT WELL APPLICATION

OPERATOR: License# \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Address 1: \_\_\_\_\_  
 Address 2: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ + \_\_\_\_\_  
 Contact Person: \_\_\_\_\_  
 Phone: ( \_\_\_\_\_ ) \_\_\_\_\_  
 Contact Person Email: \_\_\_\_\_  
 Field Contact Person: \_\_\_\_\_  
 Field Contact Person Phone: ( \_\_\_\_\_ ) \_\_\_\_\_

API No. 15- \_\_\_\_\_  
 Spot Description: \_\_\_\_\_  
 \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ Sec. \_\_\_\_\_ Twp. \_\_\_\_\_ S. R. \_\_\_\_\_  E  W  
 \_\_\_\_\_ feet from  N /  S Line of Section  
 \_\_\_\_\_ feet from  E /  W Line of Section  
 GPS Location: Lat: \_\_\_\_\_, Long: \_\_\_\_\_  
(e.g. xx.xxxxx) (e.g. -xxx.xxxxx)  
 Datum:  NAD27  NAD83  WGS84  
 County: \_\_\_\_\_ Elevation: \_\_\_\_\_  GL  KB  
 Lease Name: \_\_\_\_\_ Well #: \_\_\_\_\_  
 Well Type: (check one)  Oil  Gas  OG  WSW  Other: \_\_\_\_\_  
 SWD Permit #: \_\_\_\_\_  ENHR Permit #: \_\_\_\_\_  
 Gas Storage Permit #: \_\_\_\_\_  
 Spud Date: \_\_\_\_\_ Date Shut-In: \_\_\_\_\_

	Conductor	Surface	Production	Intermediate	Liner	Tubing
Size						
Setting Depth						
Amount of Cement						
Top of Cement						
Bottom of Cement						

Casing Fluid Level from Surface: \_\_\_\_\_ How Determined? \_\_\_\_\_ Date: \_\_\_\_\_  
 Casing Squeeze(s): \_\_\_\_\_ to \_\_\_\_\_ w / \_\_\_\_\_ sacks of cement, \_\_\_\_\_ to \_\_\_\_\_ w / \_\_\_\_\_ sacks of cement. Date: \_\_\_\_\_  
(top) (bottom) (top) (bottom)  
 Do you have a valid Oil & Gas Lease?  Yes  No  
 Depth and Type:  Junk in Hole at \_\_\_\_\_  Tools in Hole at \_\_\_\_\_ Casing Leaks:  Yes  No Depth of casing leak(s): \_\_\_\_\_  
(depth) (depth)  
 Type Completion:  ALT. I  ALT. II Depth of:  DV Tool: \_\_\_\_\_ w / \_\_\_\_\_ sacks of cement  Port Collar: \_\_\_\_\_ w / \_\_\_\_\_ sack of cement  
(depth) (depth)  
 Packer Type: \_\_\_\_\_ Size: \_\_\_\_\_ Inch Set at: \_\_\_\_\_ Feet  
 Total Depth: \_\_\_\_\_ Plug Back Depth: \_\_\_\_\_ Plug Back Method: \_\_\_\_\_

**Geological Data:**

Formation Name	Formation Top	Formation Base	Completion Information
1. _____	At: _____	to _____ Feet	Perforation Interval _____ to _____ Feet or Open Hole Interval _____ to _____ Feet
2. _____	At: _____	to _____ Feet	Perforation Interval _____ to _____ Feet or Open Hole Interval _____ to _____ Feet

UNDER PENALTY OF PERJURY I HEREBY ATTEST THAT THE INFORMATION CONTAINED HEREIN IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE

Submitted Electronically

<b>Do NOT Write in This Space - KCC USE ONLY</b>	Date Tested: _____	Results: _____	Date Plugged: _____	Date Repaired: _____	Date Put Back in Service: _____
	Review Completed by: _____ Comments: _____				
TA Approved: <input type="checkbox"/> Yes <input type="checkbox"/> Denied Date: _____					

Mail to the Appropriate KCC Conservation Office:

	KCC District Office #1 - 210 E. Frontview, Suite A, Dodge City, KS 67801	Phone 620.682.7933
	KCC District Office #2 - 3450 N. Rock Road, Building 600, Suite 601, Wichita, KS 67226	Phone 316.337.7400
	KCC District Office #3 - 137 E. 21st St., Chanute, KS 66720	Phone 620.902.6450
	KCC District Office #4 - 2301 E. 13th Street, Hays, KS 67601-2651	Phone 785.261.6250

ORIGINAL Received  
10-13-2022  
Please sign, date + return

## OPTION AGREEMENT

WHEREAS, Gateway Resources, LLC ("Gateway") of 224 S. Crestway St, Wichita, KS 67218-1312 is the owner and operator of an Oil and Gas Lease on the following described land in Graham County, Kansas, to wit:

Southeast Quarter (SE/4)

of Section 8, Township 7 South, Range 22 West, from Merlyn Worcester and Josie E. Worcester, husband and wife, ("Lessors"), dated as of November 2, 2012 for a primary term of 2 years, recorded in the said County, and State, in Book 258, Pages 568-569 (the "Lease");

WHEREAS, the Lease was ratified by Derwin A. Worcester and Melissa A. Worcester, his wife November 26, 2012, and Dennis A. Worcester and Kim N. Worcester, his wife on January 10, 2013, and Denise A. Kempke and David L. Kempke, her husband on November 19, 2012;

WHEREAS, on December 17, 2013, Gateway completed the Worcester #1-8A well located 900 ft FSL and 375 ft FEL of the said Section 8 (the "Well") as a well capable of producing hydrocarbons in paying quantities, under the terms of the Lease;


WHEREAS, the well is currently shut in, due to a severe downhole tubing leak.

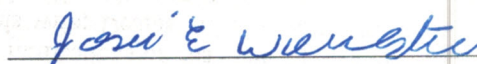
WHEREAS, Gateway and Lessors have agreed that the wellbore in the Well should not be permanently plugged and abandoned for a period ending July 1, 2025, in order to give Gateway the option and ability to access said wellbore in the event the Well needs to be converted to a salt water disposal well for the benefit of the oil production from adjacent lands in the Northeast Quarter (NE/4) and Southeast Quarter (SE/4) of Section 17, Township 7 South, Range 22 West, owned by Lessors.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned, for themselves, their heirs, executors, administrators and assigns, do hereby agree as follows:

1. That Gateway's plugging requirement for the Well shall be suspended until July 1, 2025, in accordance with the terms of a Salt Water Disposal Agreement, attached hereto as Exhibit "A".
2. In the event Gateway timely exercises its option to convert the Well to a salt water well, it shall duly record the executed Salt Water Disposal Agreement and any ratifications thereof, with the Register of Deeds of Graham County, Kansas.
3. Lessors shall reasonably assist Gateway in obtaining ratifications of this Option Agreement from Derwin A. Worcester and Melissa A. Worcester, his wife; Dennis A. Worcester and Kim N. Worcester, his wife; and Denise A. Kempke and David L. Kempke, her husband.
4. In the event Gateway does not, on or before July 1, 2025, commence operations to convert the Well to a salt water disposal well, in accordance with the terms of the Salt Water Disposal Agreement, Gateway shall proceed to permanently plug and abandon the well bore, in accordance with applicable rules and regulations.
5. During the time the well bore is not being used, it will be properly capped so as to prevent any further damage to the well bore.

IN WITNESS WHEREOF, this instrument is signed on this 4th day of October, 2022

  
Merlyn Worcester

  
Josie E. Worcester

Gateway Resources, LLC  
a Kansas limited liability company

By:   
Gary F. Gensch President

STATE OF KANSAS )  
 ) SS  
COUNTY OF GRAHAM )

Before me the undersigned, a Notary Public, within and for said county and state, on this 11 day of October, personally appeared Merlyn Worcester and Josie Worcester, his wife, to me personally to be the identical persons who executed the 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 hand and official seal the day and year last above written.

My commission expires 04-26-2024 Ashley Dinkel  
Notary Public

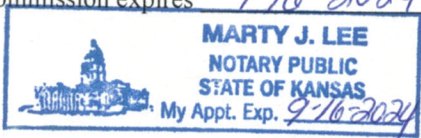


STATE OF KANSAS )  
 ) SS  
COUNTY OF SEDGWICK )

Before me the undersigned, a Notary Public, within and for said county and state, on this 4<sup>th</sup> day of October, personally appeared Gary F. Gensch, the President of Gateway Resources, LLC, to me personally to be the identical person who executed the foregoing instrument 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 9-16-2024 Marty J Lee  
Notary Public



ORIGINAL  
Please sign, date + return

## SALT WATER DISPOSAL LEASE AND AGREEMENT

Between Merlyn and Josie E. Worcester, (H&W) and Gateway Resources, LLC

THIS AGREEMENT, made and entered into this 4th day of October, 2022, to be by and between MERLYN WORCESTER AND JOSIE E. WORCESTER, his wife, 701 N. Pomeroy Ave., Hill City, Kansas 67642-1636, hereinafter referred to as "LANDOWNER", and GATEWAY RESOURCES, LLC., 224 S. Crestway, Wichita, Kansas 67218, (hereinafter referred to as "GATEWAY").

WITNESSETH:

WHEREAS, LANDOWNER is the owner of the surface estate in the following described lands situated in Graham County, State of Kansas (the "Landowner's Land"), to-wit: South East Quarter (SE/4) of Section Sixteen (8), Township Seven (7) South, Range Twenty-Two (22) West of the 6th P.M., Graham County, Kansas.

WHEREAS, GATEWAY is the operator and a lessee of certain oil and gas leases adjacent to Landowner's Land located in the county and state named above, also owned by LANDOWNER and described as follows: East Half (E/2) of Section Seventeen (17), in Township Seven (7) South, Range Twenty-Two (22) West of the 6th P.M., Graham County, Kansas (the "Gateway Leases").

WHEREAS, GATEWAY desires to transport salt water and other waste waters, (the "Salt Water") which are produced from the Gateway's Leases, through a pipeline, (the "Salt Water Pipeline") across Landowner's Land for disposal into the Worcester 1-8A well, (the "Salt Water Disposal Well") located 900 ft. North, & 375 ft. West from the SE corner of the lease being in approximately the C SW/4 NE/4 SE/4 SE/4 of Section 8, Township Seven (7) South, Range Twenty-Two (22) West.

WHEREAS, GATEWAY also desires to transport and deliver by water pipeline and, or water truck transport, off-premise Salt Water produced from the Gateway Leases directly into the existing salt water disposal receiving tank facility, ("Salt Water Disposal Tank Facility") that is connected to the Salt Water Disposal Well located on said Landowner's Land.

NOW THEREFORE, for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, paid by GATEWAY to LANDOWNER, and in consideration of the covenants and agreements herein contained, it is stipulated and agreed between the parties hereto as follows:

1. LANDOWNER grants unto GATEWAY the right to utilize the Salt Water Disposal Well for the injection of Salt Water from the Gateway Leases. LANDOWNER grants easements and rights of way necessary to construct a water pipeline (the "Salt Water Pipeline") from the Gateway Leases for transportation of Salt Water across Landowners Land to the Salt Water Disposal Tank Facility that is connected to the Salt Water Disposal Well for the disposal and injection of Salt Water. GATEWAY shall have all necessary rights of ingress and egress for the construction, use, and maintenance of the Salt Water Pipeline and all necessary pipe fittings and connections for its operation. GATEWAY agrees to bury the Salt Water Pipeline to the Salt Water Disposal Tank Facility that is connected to the said Salt Water Disposal Well below plow depth. GATEWAY shall have the right at any time to remove from the Landowner's Land any and all piping, materials, lines, and equipment associated with the Salt Water Pipeline and other personal property provided by GATEWAY that is used in connection with the disposal of Salt Water in the said Salt Water Disposal Tank Facility that is connected to the said Salt Water Disposal Well upon Landowner's Land.

2. GATEWAY shall pay to LANDOWNER Three Hundred Twenty-Five Dollars (\$325.00) per year per well in advance with a maximum of One Thousand Dollars (\$1,000.00) per year for any one lease, regardless of the number of wells located on Gateway Leases. The Effective Date hereof shall be the anniversary date upon which annual rental payments, (the "Annual Rental Payment") for disposal of Salt Water from Gateway Leases shall be paid. The first Annual Rental Payment due hereunder shall be in the amount sufficient to pay the proportionate part of the Annual Rental Payment due from the commencement of such disposal of Salt Water until such anniversary date, and the one-year Annual Rental Payment therefore in the future. LANDOWNER directs that any and all Annual Rental Payments shall be paid to the [\_\_\_\_\_], the LANDOWNER'S credit, unless and until GATEWAY is furnished with a certified copy of any instrument or proceeding which has the legal effect of changing the parties to whom such rentals shall be due and payable. In the event of failure by GATEWAY or its assignee to pay any rental hereunder when due, this Agreement shall not terminate until thirty (30) days after LANDOWNER shall have given GATEWAY or its assignee notice by mail to the address first set forth above, of such failure and payment of such rental is not made within said thirty (30) days.

3. This Agreement shall continue in force and effect for so long as GATEWAY requires the use of said Salt Water Disposal Well for Salt Water disposal purposes, provided that the rentals, covenants and agreements herein contained shall be paid and kept.

4. It is expressly agreed between the parties hereto that in the event GATEWAY is not utilizing a well or wells for Salt Water disposal purposes on the above described Operator Land's and/or Gateway Leases, this Agreement may be kept in full force and effect by the payment to LANDOWNER of Three Hundred Twenty-Five Dollars (\$325.00) per year, due on the anniversary date hereof, payable at the depository bank listed in paragraph 2 hereof.

5. GATEWAY may not terminate this agreement except by giving no less than thirty (30) days written notice to LANDOWNER, and in such event GATEWAY agrees to remove all equipment and restore the premises to original condition insofar as is practicable within a Sixty (60) day period.

6. In the event of a seepage or leak in the Salt Water Pipeline on said Landowner's Land GATEWAY will cease all operations of the Salt Water coming from Gateway Leases within twenty-four (24) hours of notification of seepage or leak by LANDOWNER. Operations shall not commence until the cause of such seepage or leak is repaired.

7. All Salt Water and other like substances disposed into said Salt Water Disposal Well and/or Salt Water Disposal Facilities shall be transported from receiving tanks into the Salt Water disposal well through disposal lines. No Salt Water or other like substances shall ever be disposed directly from a producing well into the Salt Water well.

8. GATEWAY shall pay to LANDOWNER for any and all reasonable and measurable damages to Landowner's Land caused by GATEWAY'S operations of said Salt Water Pipeline and shall, within a reasonable time after notification by LANDOWNER, restore said damaged land as nearly as possible to original condition. LANDOWNER and GATEWAY shall consult with each other and inspect any such damages occurring on the Landowner's Land resulting from GATEWAY'S operations thereon.

9. The terms, conditions, covenants, and provisions hereof shall extend to and be binding upon the parties hereto, their heirs, executors, sub-lessees, assigns and successors in interest.

10. In the event that the current Operator of the oil and gas wells located upon Landowner's Lands decides to cease producing oil and gas under the terms of such Operator's Lease, Landowner will

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provide Gateway with written notice of such intent, at the address first shown above, or such other address that Gateway provides to Landowner within thirty (30) days of Landowner's knowledge thereof. Thereafter, Gateway will have 30-days following receipt of such notice to contact Landowner to negotiate mutually acceptable terms for Gateway to acquire a new Oil and Gas Lease covering Landowner's Lands or take over the operation of the Salt Water Disposal Well and related equipment. In the event Gateway fails to respond to such notice in a timely manner, or should Landowner and Gateway fail to reach any such an agreement, Landowner shall have no further obligation to Gateway.

IN WITNESS WHEREOF, the parties hereto have executed this instrument the day and year first above written stated above.

GATEWAY  
Gateway Resources, LLC.

MERLYN WORCESTER &  
JOSIE E. WORCSTER (his wife)

By: [Signature]  
Gary F. Gensch, President  
Date: 10/4/2022

By: [Signature]  
Name: Merlyn Worcester  
By: [Signature]  
Name: Josie E. Worcester  
Date: 10/11/2022

STATE OF KANSAS }  
  } SS.  
COUNTY OF GRAHAM }

(INDIVIDUAL ACKNOWLEDGMENT)

Before me the undersigned, a Notary Public, within and for said country and state, on this 11 day of October 2022, personally appeared Merlyn Worcester, and Josie E. Worcester to me personally known to be the identical persons 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 THEREOF, I have hereunto set my hand and official seal the day and year last above written.

My commission expires 04-26-2024

[Signature]  
Notary Public



STATE OF KANSAS }  
  } SS.  
COUNTY OF GRAHAM }

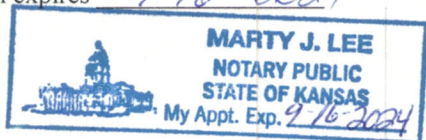
(CORPORATION ACKNOWLEDGMENT)

On this 4th day of October A.D., 2022, before me, the undersigned, a Notary Public in and for the county and state, aforesaid, personally appeared Gary F. Gensch, President of Gateway Resources, LLC to me personally known to be the identical person who signed the name of the maker thereof to the within and foregoing instrument as its President 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 9-16-2024

[Signature]  
Notary Public



(481173936379)

10/16/2024

Gary F. Gensch  
Gateway Resources, LLC  
224 S. CRESTWAY  
WICHITA, KS 67218-1312

Re: Temporary Abandonment  
API 15-065-23992-00-00  
WORCESTER 1-8 'A'  
SE/4 Sec.08-07S-22W  
Graham County, Kansas

Dear Gary F. Gensch:

Your application for Temporary Abandonment (TA) for the above-listed well is denied for the following reasons(s):

**NEED A CURRENT FLUID LEVEL SHOT, THEN ATTACHED TO A NEW CP-111 FORM ON KOLAR**

Pursuant to K.A.R. 82-3-111, the well must be plugged, or returned to service, or obtain temporary abandonment status by 11/15/2024.

**This deadline does NOT override any compliance deadline given to you in any Commission Order.**

You may contact me if you have any questions.

Sincerely,  
RICHARD WILLIAMS  
KCC DISTRICT 4