

REQUEST FOR CHANGE OF OPERATOR
(TRANSFER OF INJECTION AUTHORIZATION
OR TRANSFER OF SURFACE POND PERMIT

111590_Kruse.pdf
STATE CORPORATION COMMISSION
CONSERVATION DIVISION
200 COLORADO DERBY BLDG.
WICHITA, KS 67202

Effective Date of Transfer 11-15-90

Check Applicable Boxes:

Lease Name Kruse

☒ Oil Lease: No. of Wells 1

13 Sec. T 11 S R 33 W/E^x

☐ Gas Lease: No. of Wells _____

Legal Description of Lease: SE $\frac{1}{4}$

☐ Saltwater Disposal Well - Docket No. _____
Spot Location: _____ feet from N/S Line
_____ feet from E/W Line

County Logan

☐ Enhanced Recovery Project Docket No. _____
Entire project: Yes/No _____
Number of injection wells _____

Production Zone(s) L-KC

Injection Zone(s) _____

Field Name Cook

Surface Pond Permit # _____

_____ Feet from N/S Line of Section
_____ Feet from E/W Line of Section

Identify: Emergency Pit ☐

Burn Pit ☐

Storage Pit ☐

List API#'s on all post-1967 wells transferred with lease: 15-109-20059-0000

Past Operator's License No. 3989

Contact Person: _____

Past Operator's Name and Address:
Donald C. Slawson

Phone: O & G Lease in

Date KCC file

Title _____ Signature _____

New Operator's License No. 8541

Contact Person Larry Childress

New Operator's Name and Address

Phone (417) 887-1225

Petex, Inc.
1610 E. Sunshine
Springfield, MO 65804

Oil/Gas Purchaser Eott

Date 6/9/94

President

Title _____ Signature Larry Childress

ACKNOWLEDGEMENT OF TRANSFER: The above request for transfer of injection authorization, surface pond permit # _____ has been noted, approved and duly recorded in the records of the Kansas Corporation Commission. This acknowledgement of transfer pertains to Kansas Corporation Commission records only and does not convey any ownership interest in the above injection well(s) or pond permit.

_____ is acknowledged
as the new operator and may continue to
inject fluids as authorized by Docket #
_____. Recommended action _____

_____ is acknowledged as the
new operator of the above named lease containing
the surface pond permitted by # _____

Date _____
Authorized Signature _____

Date _____
Authorized Signature _____

RECEIVED
STATE CORPORATION COMMISSION

JUN 13 1994

CONSERVATION DIVISION
Form W-10-1
Wichita, Kansas

B

OIL AND GAS LEASE



AGREEMENT, Made and entered into

November 15

90

by and between:

Northwest Kansas Production Credit Association

Petex, Inc.

Party of the first part, hereinafter called lessor (whether one or more) and

Party of the second part, hereinafter called lessee.

WITNESSETH, That the said lessor, for and in consideration of Ten and no/100 Dollars, cash in hand paid, receipt of which is hereby acknowledged, and of the covenants and agreements hereinafter contained on the part of lessee to be paid, kept and performed, has granted, demised, leased and let and by these presents does grant, demise, lease and let unto said lessor, for the sole and only purpose of mining and operating for oil and gas, and laying pipe lines, and building tanks, power stations and structures thereon to produce, save and take care of said products, all that certain tract of land, together with any reversionary rights therein, situated in the County of Logan State of Kansas, described as follows, to-wit:

The Southeast Quarter (SE $\frac{1}{4}$)of Section 13 Township 11 south Range 33 west and containing 160 acres more or less.

It is agreed that this lease shall remain in full force for a term of Three (3) years from this date, and as long thereafter as oil or gas, or either of them, is produced from said land by the lessee, or the premises are being developed or operated.

In consideration of the premises the said lessee covenants and agrees:

1st. To deliver to the credit of lessor, free of cost, in the pipe line to which he may connect his wells, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay lessor on gas, including casinghead gas or other gaseous substance, produced from said land and sold by lessee to other persons, one-eighth of the amount realized by lessee based upon the sales price at the mouth of the well; if the sale does not occur at the well, the royalty shall be one-eighth of the market value at the mouth of the well. To pay lessor on gas, including casinghead gas and other gaseous substances, produced from said land and used by lessee or its affiliates for any purpose whatever, or for the extraction or manufacture of any product, the market value at the mouth of the well of one-eighth of the amount equal to the delay rental provided in the next succeeding paragraph hereof, and while said royalty is so paid or tendered this lease shall be held as a producing lease under the above term paragraph hereof; the lessor to have free of charge from any gas well on the leased premises for stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of such gas to be at the lessor's sole risk and expense.

Where gas is not sold or used, lessee shall pay or tender annually at the end of each yearly period during which such gas is not sold or used as royalty, an amount equal to the delay rental provided in the next succeeding paragraph hereof, and while said royalty is so paid or tendered this lease shall be held as a producing lease under the above term paragraph hereof; the lessor to have free of charge from any gas well on the leased premises for stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of such gas to be at the lessor's sole risk and expense.

If no well be commenced on said land on or before November 15 91, this lease shall terminate as to both parties, unless the lessee on or before that date shall pay or tender to the lessor, or to the lessor's credit in the Bank at

ship of said land, the sum of Eight hundred and no/100 (\$800.00) Dollars, which shall operate as a rental and cover the privilege of deferring the commencement of a well for twelve months from said date. In like manner and upon like payments or tenders the commencement of a well may be further deferred for like periods or the same number of months successively. All such payments or tenders of rental may be made by check or draft of lessee or any assignee thereof, mailed or delivered on or before the rental piling date either direct to lessor or assigns or to said depository bank. And it is understood and agreed that the consideration first recited herein, the down payment, shall not only the privileges granted to the lessee may at any time execute and deliver to Lessor, or place of record, a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered, and thereafter the rentals payable hereunder shall be reduced in the proportion that the acreage covered hereon is reduced by said release or releases.

Should the first well drilled on the above described land be a dry hole, then, and in that event, if a second well is not commenced on said land within twelve months from the expiration of the last rental period for which rental has been paid, this lease shall terminate as to both parties, unless the lessee on or before the expiration of said twelve months shall resume the payment of rentals in the same amount and in the same manner as herein before provided. And it is agreed that upon the resumption of the payment of rentals, as above provided, that the last preceding paragraph hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments.

Without impairment of lessee's rights under the warranty in event of failure of title, it is agreed that if lessor owns an interest in said land less than the entire fee simple estate, then the royalties and rentals to be paid lessor shall be reduced proportionately. However, such rental shall be increased at the next succeeding rental anniversary after any reversion occurs to cover the interest so acquired.

Lessee shall have the right to use, free of cost, gas, oil, and water produced on said land for its operation thereon, except water from wells of lessor, with the right to use so much of the surface of said land as is necessary to carry out the purposes hereinbefore set out for the economical operation of said land alone or conjointly with other land.

When requested by lessor, lessee shall bury his pipe lines below plow depth.

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 pay for damages caused by its operations to growing crops on said land.

Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

If the lessee commences to drill a well within the term of this lease or any extension thereof, the lessee shall have the right to drill such well to completion with reasonable diligence and dispatch, and if oil or gas, or either of them, be found in paying quantities, this lease shall continue and be in force with the like effect as if such well had been completed within the term of years herein first mentioned.

Lessee shall have the right as to all or any part of the land described herein, without lessor's joinder, to combine the gas leasehold estate and the lessor's gas royalty estate created by this lease with the gas rights in any other lease or leases, located in the vicinity thereof, whether owned by lessee or some other person or corporation, so as to create by the combination of such leases one or more operating units of not more than 640 acres each. In the event such operating unit or units is/are so created by lessee, lessor agrees to accept and shall receive out of the production from such operating unit or units, such portion of the royalty as the number of acres out of this lease placed in any such operating unit or units bears to the total number of acres included in such operating unit or units. The commencement of a well, or the completion of a well to production, on any portion of an operating unit shall have the same effect under the terms of this lease as if a well were commenced, or completed, on the land embraced by this lease.

If the estate of either party hereto is transferred, and the privilege of transferring in whole or in part is expressly allowed, or if the rights hereunder of either party hereto are vested by descent or devise, the covenants hereof shall extend to and be binding on the heirs, devisees, executors, administrators, successors, or assigns, but no change in the ownership of said land or of any right hereunder shall be binding on the lessee until after lessee has been furnished with the original or a certified copy thereof of any transfer by lessor or with a certified copy of the will of lessor together with a transcript of the probate thereof or, in the event lessor dies intestate and his estate is being administered, with a transcript of the administration proceedings or, in the event of the death of lessor and no administration being had on the estate, with an instrument satisfactory to lessee executed by lessor's heirs, assigns or assignees of such part or parts shall fall or make default in the payment of the proportionate part of the rents due from him or them, such default shall not operate to defeat or affect this lease in so far as it covers a part or parts of said lands upon which the said lessee or any assignee respect to the assigned portion or portions arising subsequent to the date of assignment. In whole or in part, lessee shall be relieved of all obligations with respect to the assigned portion or portions, nevertheless, may be developed and operated as an entirety, and the royalties shall be paid to each separate owner in or in separate tracts, the premises, nevertheless, may be developed and operated as an entirety, and the royalties shall be paid to each separate owner in separate tracts into which the land covered by this lease may hereafter be divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks for the oil produced from such separate tracts.

Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the lessee shall have the right at any time to redeem for lessor by payment, any mortgages, taxes or other liens on the above described lands, in the event of default of payment by lessor, and be subrogated to the rights of the holder thereof and may reimburse itself from any rental or royalties accruing hereunder.

The terms, covenants, and conditions hereof shall run with said land and herewith and shall be binding upon the parties hereto, their heirs, administrators, devisees, executors, successors and assigns. This instrument is binding upon any one who subscribes their name hereto whether named in the body of this lease or not, and regardless of whether any owners of any other interests subscribe their names hereto. However, all express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, in whole or in part, nor lessee held liable for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.

Signed and delivered as of the day and year first above written.

ATTEST:

Vernon M. Roemer, Secretary

Northwest Kansas
Production Credit Association
By Larry A. Maxwell (SEAL)
Larry A. Maxwell, President (SEAL)

Tax I.D. # 48-0534843 RECEIVED
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JUN 13 1994

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Wichita, Kansas