

DOR 224725 (1-24)
 DOR 224727 (7-24)

KANSAS CORPORATION COMMISSION
 OIL & GAS CONSERVATION DIVISION

**REQUEST FOR CHANGE OF OPERATOR
 TRANSFER OF INJECTION OR SURFACE POND PERMIT**

Form T-1
 June 2000
 Form must be Typed
 Form must be Signed
 All blanks must be Filled

Check Applicable Boxes:

☐ Oil Lease: No. of Wells _____ **

☒ Gas Lease: No. of Wells 2 **

** Side Two Must Be Completed.

☐ Saltwater Disposal Well - Docket No. _____

Spot Location: _____ feet from N / S Line

_____ feet from E / W Line

☐ Enhanced Recovery Project Docket No. _____

Entire Project: ☐ Yes ☐ No

Number of Injection Wells _____ **

Field Name: Coffeyville-Cherryvale

Effective Date of Transfer: February 1, 2004

Lease Name: Heins

_____ Sec. 24 Twp. 32 R. 16 ☒ E ☐ W

Legal Description of Lease: _____

See Attached.

RECEIVED
 KANSAS CORPORATION COMMISSION

County: Montgomery

MAR 01 2004

Production Zone(s): Cherokee Coals

CONSERVATION DIVISION
 WICHITA, KS

Injection Zone(s): _____

Surface Pond Permit # _____
 (API # If Drill Pit)

_____ feet from N / S Line of Section

_____ feet from E / W Line of Section

Identify: ☐ Emergency Pit ☐ Burn Pit ☐ Storage Pit ☐ Drill Pit

Past Operator's License No. 33152

Past Operator's Name & Address: Shawnee Oil & Gas, LLC
106 W. 14th Street, 7th Floor, Kansas City, MO 64105

Title: Agent

Contact Person: Jeff Mohajir

Phone: 816-474-7777

Date: February 23, 2004

Signature: [Signature]

New Operator's License No. 33365

New Operator's Name & Address: Layne Energy Operating, LLC
1900 Shawnee Mission Parkway

Mission Woods, Kansas 66205

Title: Senior Attorney

Contact Person: Alan C. Anderson

Phone: 913-362-0510

Oil / Gas Purchaser: _____

Date: February 23, 2004

Signature: [Signature]

Acknowledgment 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 acknowledgment 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: _____

Date: _____

Authorized Signature

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

permitted by # _____ .

Date: _____

Authorized Signature

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

EP&R 8/2/04 AUG 03 2004 8/3/04 DIST 7/30/04

* When transferring a unit which consists of more than one lease please file a separate side two for each lease. If a lease covers more than one section please indicate which section each well is located.

125 NORTH MARKET, Suite 1415
Wichita, Kansas 67202

Form 88 - (Producers Modified)
Plus (C&S GAS)

OIL AND GAS LEASE

MAR 1977 10:07:42 AM Receipt #139
STATE OF KANSAS MONTGOMERY COUNTY
RECORDED BOOK PAGE
JEANNE EASTMAN, REGISTER OF DEEDS

BOOK 481 PAGE 159

AGREEMENT, Made and entered into this 14th day of January, 1999, by and between Treva F. Heins, a
widow; Everett M. Heins and Phyllis A. Heins, his wife

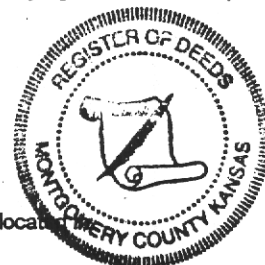
hereinafter called Lessor (whether one or more), and Colt Energy, Inc., P.O. Box 388, Iola, Kansas 66749 hereinafter called Lessee.

WITNESSETH:

1. **GRANT.** That the Lessor, for and in consideration of the sum of TEN AND MORE DOLLARS (\$10.00) and other good and valuable consideration, receipt and sufficiency of which is hereby acknowledged, and of the covenants and agreements hereinafter contained, does hereby grant, demise, lease and let unto said Lessee, exclusively, its successors and assigns, the following described land for the purpose of conducting geological, geophysical and other exploratory work, including drilling, mining and operating for, producing, saving, storing and marketing the oil and all gas of whatsoever nature or kind including but not limited to coalbed gas, shale gas or casinghead gas and all other hydrocarbons and their respective constituent products, and the exclusive right of injecting gas, air, water, brine and other fluids and substances into the subsurface strata, and constructing roads, laying pipe lines, electric lines and other utilities, building tanks and erecting other structures thereon, necessary or convenient to produce, save and take care of, treat, dewatering any gas formations and market said substances and products, all that certain tract of land together with any reversionary rights and after-acquired interests therein, described as follows:

The Northeast Quarter (NE/4)

Section 24 Township 32-S Range 16-E, containing 160 acres more or less located
the County of MONTGOMERY State of KANSAS.



2. **PRIMARY TERM.** It is agreed that this Lease shall remain in full force for a term of FOUR AND A HALF (4 1/2) year(s) from this date, (herein called "primary term"), and as long thereafter as oil or gas, or any of the substances covered by this lease, is produced from said land by the Lessee, or the premises are being developed or operated.

3. **ROYALTY.** Lessee agrees to pay Lessor a royalty on this Lease as follows:

(A) Lessee shall deliver to the credit of Lessor as royalty, free of costs of production, storage or treatment on the leased premises, into the pipe line or storage tanks to which lessee may connect its wells, the equal ONE-EIGHTH (1/8) part of all oil produced, saved and marketed from the leased premises.

(B) Lessee shall pay to Lessor as royalty on all gas of whatsoever nature or kind, including but not limited to coalbed gas, shale gas or casinghead gas, liquid hydrocarbons and their respective constituent elements or other gaseous substances ("Gas"), produced and marketed from the leased premises ONE-EIGHTH (1/8) of the proceeds paid by the purchaser at the point of sale or delivery.

(C) Lessee shall pay to Lessor ONE-EIGHTH (1/8) of the proceeds from the sale of all other products of oil and gas not otherwise referred to herein.

(D) Where Gas from a well capable of producing Gas (or from a well in which dewatering operations have commenced), is not sold or used after the expiration of the Primary Term, Lessee shall pay or tender as royalty to Lessor ONE DOLLAR (\$1.00) per year per net mineral acre, such payment or tender to be made on or before the anniversary date of this Lease next ensuing after the expiration of 90 days from the date such well is shut in or dewatering operations are commenced and thereafter on or before the anniversary date of this lease during the period such well is shut in or dewatering operations are being conducted. Upon such payment this lease shall remain in full force and effect.

4. **RENTAL.** If operations to drill a well, or to rework or recomplate an existing well, if any, for oil or gas of whatsoever nature or kind are not commenced on said land on or before the expiration of six (6) months from the date of this Lease, this Lease shall terminate as to both parties, unless the

Lessee shall on or before said expiration date pay or tender to the Lessor, or to the Lessor's credit in The Citizens National
Bank at Independence, Kansas 67301

or its successors, which Depository Bank and its successors shall be the Lessor's agent for the purpose of receiving funds payable to Lessor under this Lease, the sum of FIVE DOLLARS (\$5.00) per year per net mineral acre, hereinafter called "rental", which shall operate as rental and cover the privilege of deferring the commencement of such operations for a period of TWELVE (12) months from said expiration date. Thereafter, annually, in like manner and upon like payments or tenders the commencement of operations may be further deferred for periods of TWELVE (12) months each during the primary term. Said Depository Bank shall continue as depository of any and all sums payable to Lessor under this Lease regardless of change of ownership of said land, or in the oil and gas or in the rentals or royalties accrued hereunder. All payments or tenders may be made by check or draft of Lessee or Lessee's agent, mailed or delivered on or before the delay rental due date, either directly to the Lessor, or to said Depository Bank; and it is understood and agreed that the consideration first recited herein, the down payment (lease bonus) for this Lease, covers not only the privileges granted to the date when said first rental is payable as aforesaid, but also the Lessee's option of extending that period as aforesaid and any and all other rights