

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

Form T-1

June 2000

Form must be Typed

Form must be Signed

All blanks must be Filled

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

Check Applicable Boxes:

☐ Oil Lease: No. of Wells \_\_\_\_\_ \*\*☒ Gas Lease: No. of Wells 1 \*\*

\*\* Side Two Must Be Completed.

☒ Saltwater Disposal Well - Docket No. D-28256

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-CherryvaleEffective Date of Transfer: February 1, 2004Lease Name: Heins\_\_\_\_\_ Sec. 19 Twp. 32 R. 17 ☒ 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

KBR

Identify: ☐ Emergency Pit ☐ Burn Pit ☐ Storage Pit ☐ Drill PitPast Operator's License No. 33152Past Operator's Name & Address: Shawnee Oil & Gas, LLC  
106 W. 14th Street, 7th Floor, Kansas City, MO 64105Title: AgentContact Person: Jeff MohajirPhone: 816-474-7777Date: February 23, 2004Signature: [Signature]New Operator's License No. 33365New Operator's Name & Address: Layne Energy Operating, LLC  
1900 Shawnee Mission ParkwayMission Woods, Kansas 66205Title: Senior AttorneyContact Person: Alan C. AndersonPhone: 913-362-0510

Oil / Gas Purchaser: \_\_\_\_\_

Date: February 23, 2004Signature: [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.

Layne Energy Op. LLC is acknowledged as the new operator and may continue to inject fluids as authorized by Docket # D-28256. Recommended action: \_\_\_\_\_

Date: 8/3/04 [Signature]  
Authorized Signature 2

\_\_\_\_\_ 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 PRO AUG 12 2004 8/3/04 DIST 7/30/04

\* Location: 19-32-17E

RECEIVED  
KANSAS CORPORATION COMMISSION  
MAR 01 2004  
CONSERVATION DIVISION  
WICHITA, KS

\* 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.

Energy, Inc.

4550 Shawnee Mission Parkway, Suite 280  
Fairway, Kansas 66205

1 AUG 2001 2:19:52 PM Receipt #9380

FILED FOR RECORD

\$8.00 LEASE

BOOK

PAGE

JEANNE EASTMAN, REGISTER OF DEEDS

BOOK 509

PAGE 236

RECEIVED

KANSAS CORPORATION COMMISSION

MAR 01 2004

CONSERVATION DIVISION

WICHITA, KS

# OIL AND GAS LEASE

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

AGREEMENT, Made and entered into this 31<sup>st</sup> day of JULY, 2001, by and between  
TREVAF. HEINS, A WIDOW & EVERETT M. HEINS AND PHYLLIS A. HEINS, HUSBAND AND WIFE

called Lessor (whether one or more), and Colt Natural Gas, L.L.C., 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:

LOTS 7 AND 8, AND THE NORTH 5/8<sup>THS</sup> OF LOTS 9 AND 10, EXCEPT 5 ACRES EAST OF CREEK, LOCATED IN

Section 19 Township 32S Range 17E, containing 103 acres more or less located  
in 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 THREE (3) 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 in paying quantities, or the premises are being developed.

**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 EIGHT(1/8) 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 EIGHT(1/8) of the market value at the mouth of the well.

(C) Lessee shall pay to Lessor ONE EIGHT (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 FIVE DOLLARS (\$5.00) 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 recomplete 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 ONE (1) year 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 at the address below or its successors, the sum of FIVE DOLLARS (\$5.00) 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. All payments or tenders may be made by check or draft of Lessee or Lessor's agent, mailed or delivered on or before the delay rental due date to the Lessor; 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 Lessor's option of extending that period as aforesaid and any and all other rights conferred herein. Notwithstanding the death of Lessor, the payment or tender of rentals in the manner herein provided for shall be binding on the heirs, devisees, executors, administrators, and legal representatives of such persons. If at any time during the primary term of this Lease the Lessee drills a dry hole or holes on the leased premises, or production ceases for any reason, this Lease shall not terminate, provided that the rentals are paid as provided herein and, in the event of cessation of production during the primary term, any royalties paid in respect to production prior to such cessation shall be credited against the next rental payment due, if any. Operations shall be deemed to be commenced when the drilling or workover rig is on the well site. 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 the release of record in the County where said land is situated. If this Lease is surrendered or canceled as to only a portion of the acreage covered hereby, then all payments and liabilities thereafter accruing under the terms of this lease as to the portion surrendered or canceled shall cease and terminate, and any rentals thereafter due shall be apportioned by acreage and adjusted accordingly; 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.

**5. FORCE MAJEURE.** All provisions hereof, express or implied, shall be subject to all federal and state laws, and the orders, rules, or regulations of all governmental agencies administering the same, and this Lease shall not be in any way terminated wholly or partially, 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. Lessee shall not be liable in damages, forfeiture or termination, on account of breach of covenant, express or implied, or failure or any condition necessary to