

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

DOR 117410

Check Applicable Boxes:

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

\*\* 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: Cherokee Basin Coal Gas AreaEffective Date of Transfer: February 1, 2004Lease Name: Stover\_\_\_\_\_ Sec. 22 Twp. 32 R. 16 ☒ E ☐ W

Legal Description of Lease: \_\_\_\_\_

See Attached.RECEIVED  
KANSAS CORPORATION COMMISSIONCounty: Montgomery

MAR 01 2004

Production Zone(s): Cherokee CoalsCONSERVATION DIVISION  
WICHITA, KS

Injection Zone(s): \_\_\_\_\_

Surface Pond Permit # P03328

(API # If Drill Pit)

2450 feet from N / S Line of Section4690 feet from E / W Line of SectionIdentify: ☒ Emergency Pit☐ Burn Pit☐ Storage Pit☒ Drill PitPast Operator's License No. 33152Past Operator's Name & Address: Shawnee Oil & Gas, LLC106 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, LLC1900 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.

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

Date: \_\_\_\_\_  
Authorized Signature

Layne Energy Operating, LLC is acknowledged as the  
new operator of the above named lease containing the surface pond  
permitted by # P03328.

Date: 3/31/04 [Signature]  
Authorized Signature

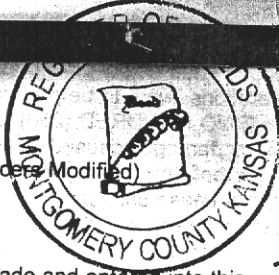
Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

CC: Kathy H.

EP&amp;R 3/31/04 PRO UIC 3/31/04

APR 01 2004





n 88 - (Produced or Modified)  
(C&S GAS)

# OIL AND GAS LEASE

STATE OF KANSAS  
FILED FOR RECORD  
\$8.00 LEASE  
BOOK PAGE  
JEANNE EASTMAN, REGISTER OF DEEDS  
BOOK 511 PAGE 508  
RECEIVED  
KANSAS CORPORATION COMMISSION  
MAR 01 2004  
CONSERVATION DIVISION  
WICHITA, KS

AGREEMENT, Made and entered into this 27<sup>th</sup> day of September, 2001, by and between  
Gary L. Stover and Sandra Stover, Husband and Wife

and 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 whatsoever nature or kind including but not limited to coalbed gas, shale gas or casinghead gas and all other hydrocarbons and their respective tituent products, and the exclusive right of injecting gas, air, water, brine and other fluids and substances into the subsurface strata, and constructing wells, 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 and all other rights and after-acquired interests therein, described as follows:

THE EAST 3/5 OF THE SOUTHWEST QUARTER (SW1/4); ALSO A TRACT IN THE NORTHWEST QUARTER (NW1/4) OF SECTION 22, TOWNSHIP 32 SOUTH, RANGE 16 EAST DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTH QUARTER CORNER OF SECTION 22, THENCE SOUTH ALONG THE EAST LINE OF NW1/4 1322.12 FEET TO THE SOUTH LINE OF THE N/2 NW1/4, THENCE WEST ALONG SAID SOUTH LINE 1187.22 FEET, THENCE NORTH 1261.85 FEET TO THE SOUTH RIGHT OF WAY LINE OF THE ATCHISON, TOPEKA AND SANTA FE RAILROAD, THENCE NORTH 60 DEGREES, 56 MINUTES, 06 SECONDS EAST ALONG SAID SOUTH RIGHT OF WAY 120.30 FEET TO THE NORTH LINE OF THE NW1/4 OF SAID SECTION 22, THENCE EAST ALONG SAID NORTH LINE 1084.78 FEET, TO THE POB, ALL OF THE ABOVE LOCATED IN SECTION 22, TOWNSHIP 32 SOUTH, RANGE 16 EAST

Section 22 Township 32 SOUTH Range 16 EAST, containing 130.00 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:

BOOK 511 PAGE 508

(A) Lessee shall deliver to the credit of Lessor as royalty, free of costs of production, storage or treatment on the leased premises, into a pipeline 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 provided 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 marketed 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 Lessor 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 such 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 cash to Lessee or Lessee's agent, mailed or delivered on or before the delay rental due date to the Lessor; and it is understood and agreed that the expiration 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 received as aforesaid, but also the Lessee's option of extending that period as aforesaid and any and all other rights conferred herein. Notwithstanding the expiration of the primary term, the payment or tender of rentals in the manner herein provided for shall be binding on the heirs, devisees, executors, administrators, and assigns 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 if operations cease for any reason, this Lease shall not terminate, provided that the rentals are paid as provided herein and, in the event of cessation of operations during the primary term, any royalties paid in respect to production prior to such cessation shall be credited against the next rental payment due. 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 terminate 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 located. 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 the Lessor and adjusted accordingly.