

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form T-1
April 2004
Form must be Typed
Form must be Signed
All blanks must be Filled

REQUEST FOR CHANGE OF OPERATOR
TRANSFER OF INJECTION OR SURFACE PIT PERMIT

Check Applicable Boxes:

- Oil Lease: No. of Oil Wells 1 **
- Gas Lease: No. of Gas Wells _____ **
- Gas Gathering System: _____
- Saltwater Disposal Well - Permit No.: _____
- Spot Location: _____ feet from N / S Line
_____ feet from E / W Line
- Enhanced Recovery Project Permit No.: _____
- Entire Project: Yes No
- Number of Injection Wells _____ **

Field Name: Httle

**** Side Two Must Be Completed.**

Effective Date of Transfer: ~~11-01-03~~ 02-09-04

KS Dept of Revenue Lease No.: 134479 *WB*

Lease Name: Lewis H

_____ NW _____ SE _____ NE Sec. 28 Twp. 31S R. 4 E W

Legal Description of Lease: NE/4

County: Cowley

Production Zone(s): Arbuckle

Injection Zone(s): _____

Surface Pit Permit No.: _____ (API No. if Drill Pit, WO or Haul)

_____ feet from N / S Line of Section

_____ feet from E / W Line of Section

Type of Pit: Emergency Burn Settling Haul-Off Workover Drilling *OR*

Past Operator's License No. 31727 exp license 8/30/99

Past Operator's Name & Address: GS & C, Inc.
712 Arrowhead Lane Murray UT 84107

Title: President

Contact Person: Lee Jackson

Phone: _____

Date: _____

Signature: SEE ATTACHED AGREEMENTS

New Operator's License No. 33367 ✓

New Operator's Name & Address: Explo Oil & Gas, Inc.
4230 LBJ Freeway #413 Dallas TX 75244

Title: President

Contact Person: Carlos Sandoval

Phone: 972-386-6500

Oil / Gas Purchaser: _____

Date: 2-26-07

Signature: Carlos Sandoval

Acknowledgment of Transfer: The above request for transfer of injection authorization, surface pit 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 pit permit.

_____ is acknowledged as the new operator and may continue to inject fluids as authorized by Permit No.: _____ . Recommended action: _____

Date: _____

Authorized Signature

_____ is acknowledged as the new operator of the above named lease containing the surface pit permitted by No.: _____ .

Date: _____

Authorized Signature

RECEIVED
MAR 07 2007

KCC WICHITA

DISTRICT _____ EPR 1-18-08 PRODUCTION JAN 28 2008 UIC 1-18-08

Mail to: Past Operator _____ New Operator _____ District _____

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

020904 LEASE 11-01-03

ASSIGNMENT AND BILL OF SALE

This Assignment and Bill of Sale, effective as of 7 a.m. local time, **November 1, 2003** ("Effective Date"), is by and between Upland Energy Corporation and G.S. & C. Inc., whose address is 712 Arrowhead Lane, Murray, Utah, 84107 as "Seller," and Explo Oil, Inc., whose address is 4230 LBJ Freeway, Suite 133, Dallas, Texas 75244, as "Buyer."

WITNESSETH:

For valuable consideration, the receipt and adequacy of which are hereby acknowledged, Seller hereby grants, sells, conveys, assigns and transfers to Buyer, effective as of the Effective Date, the following:

(a) The interest of Seller in the oil and gas leases as described in Exhibit "A" attached hereto and incorporated by reference;

(b) All of Seller's right, title and interest in and under, or derived from, all presently existing contracts, agreements and instruments to the extent they relate to the interest described in Exhibit "A," including but not limited to, operating agreements, unitization agreements, communitization and pooling agreements, agreements for the sale or purchase of oil, gas, or casinghead gas and gas processing agreements all of which are hereinafter collectively referred to as "Existing Contracts";

(c) All of Seller's right, title and interest in and to all real and personal property, fixtures, appurtenances, easements, licenses, approvals or authorizations and permits to the extent they directly relate to the interests described in Exhibit "A," including all wells, associated equipment, surface rights, and lease and unit owned facilities.

(d) All of Seller's right, title and interest in and to the oil, gas of any kind and nature, other hydrocarbons and other mineral in, on and produced from or allocated to the leasehold interest sold to Buyer from and after the Effective Date hereof.

All of the property and contract rights, titles and interests described above are hereinafter collectively called the "Purchased Properties."

TO HAVE AND TO HOLD the said Purchased Properties unto Buyer, its successors and assigns, forever subject to the terms, reservations and conditions contained herein.

All of the Purchased Properties, whether real or personal, are conveyed without Warranty of Title of any kind and Seller makes no representation whatsoever as to the condition of said Properties.

Seller also hereby grants and transfers to Buyer, its successors and assigns, the benefit of any right to enforce the covenants and warranties, if any, which Seller is entitled to enforce with respect to the Purchased Properties against Seller's predecessors in title.

This instrument is made pursuant to and subject to the terms of that certain unrecorded Purchase and Sales Agreement between Seller and Buyer dated October 30th, 2003. Said Agreement, and all of the terms and conditions thereof, is hereby incorporated by reference for all purposes. In the event of a conflict between this Assignment and said Agreement, the Agreement shall control.

By acceptance of this Assignment, on and after the Effective Date, Buyer assumes and agrees pay, perform and discharge all of Seller's responsibilities, liabilities and obligations related to the environmental condition of the Purchased Properties.

Buyer hereby assumes and agrees to perform all duties and obligations of the Seller, present, past and future, applicable to the operations as prescribed in the leases and Existing Contracts covered hereby.

000189

Cowley County, KS
Register of Deeds
Nancy C. Horst

Book: 705 Page: 27

Receipt #: 4472
Pages Recorded: 3

Total Fees: \$16.00

Date Recorded: 1/14/2004 11:16:59 AM

COMPARED _____
NUMERICAL _____
DIRECT _____
INDIRECT _____
REGISTRATION _____

16.00 AM: Mary Fuentes
Explo Oil Inc.
4230 LBJ FWY Ste 133
Dallas TX 75244-5805

Buyer agrees to assume any and all responsibility which the Seller may have under applicable governmental laws, rules and regulations concerning the plugging and abandonment of wells which are part of, or located on, the Purchased Properties, and whether or not such wells were plugged or improperly plugged prior to the Effective Date, together with any cleanup and restoration of the surface as may be required under the terms of any lease or applicable governmental laws, rules and regulations.

From and after the Effective Date, Buyer agrees to assume all responsibility and liability related to the environmental condition of the Purchased Properties.

Buyer agrees to comply with all laws and with all rules, regulations and orders of all municipal, state and federal agencies and regulatory bodies in the conduct of all operations by Buyer in and on the lands covered hereby.

The provisions of this instrument and the aforementioned Purchase and Sales Agreement shall attach to and run with the leases and lands herein described and shall be binding upon and shall inure to the benefit of Seller and Buyer and their respective (as applicable) heirs, executors, administrators, successors and assigns.

This instrument may be executed by Buyer and Seller in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute but one and the same instrument.

EXECUTED by Seller and Buyer on the dates shown below.

SELLER: Upland Energy Corporation
G.S.&C. Inc.

Lee Jackson
Lee Jackson - President

Dated: 11-3-03

BUYER: Explo Oil, Inc.

Carlos V. Sandoval
Carlos V. Sandoval - President

Dated: 10-30-03

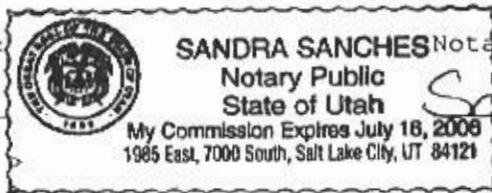
STATE OF UTAH >
>
COUNTY OF >

Before me, a Notary Public in and for said county and state, on the 3rd day of NOV, 2003, personally appeared Lee Jackson, to me known to be the identical person who executed the within and foregoing instrument as the President of Upland Energy Corporation and G.S.&C. Inc. 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 Upland Energy Corporation, for the uses and purposes therein set forth.

My Commission Expires:

7-16-06

STATE OF TEXAS
COUNTY OF DALLAS >



Sandra Sanches

Before me, a Notary Public in and for said county and state, of this 30th day of October, 2003, personally appeared Carlos V. Sandoval, to me known to be the identical person who executed the within and foregoing instrument as the President of Explo Oil, Inc. and acknowledged to me that he executed the same as his free and voluntary act and deed and the free and voluntary act and deed of Explo Oil, Inc. for the uses and purposes therein set forth.

My Commission Expires:

7/18/2007

Notary Public

Mary K. Fuentes

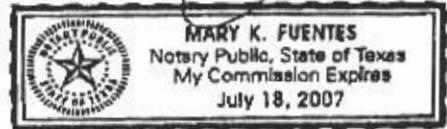


EXHIBIT "A"

To that certain PURCHASE AND SALES AGREEMENT by and between Upland Energy Corporation and G.S.&C Inc. ("Seller") and Explo Oil, Inc. ("Buyer") dated October 30th, 2003.

Seller will assign only the Working Interest (W.I.) and Net Revenue Interest (N.R.I.) set forth below to Buyer.

Oil and Gas Leases

1. "Hittle "H" Lease" Lessor: Hittle Oil & Gas Trust
 Lessee: Upland Energy Corp
 Dated: November 22, 1995
 Recorded: Book 517 Page 802
 Description: S/2 NE/4 of Section 21[✓]
 T 31 S, R 4 E
 Cowley County, Kansas
 (including the "Hittle "H" #1 well
 and the Hittle Saltwater Disposal
 well.)

Seller's Working Interest: 100.0%
 Seller's Net Revenue Int.: 87.5%

2. "Lewis Lease" Lessor: Jerald Lee & Marcia M. Lewis
 Lessee: Upland Energy Corp
 Dated: December 14, 1995
 Recorded: Book 517 Page 810
 Description: NE/4 of Section 28[✓]
 T 31 S, R 4 E
 Cowley County, Kansas
 (including the Lewis "H" #1 well
 and the Kelly #1 well.)

Seller's Working Interest: 100.0%
 Seller's Net Revenue Int.: 87.5%