

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 OR REJECTION OR SURFACE POND PERMIT

DOR Nowe

MAR 17 2003

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-28070

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: Jefferson-Sycamore

KCC WICHITA

Effective Date of Transfer: February 28, 2003Lease Name: C. Smith_____ Sec. 5 Twp. 32 R. 15 ☒ E ☐ W

Legal Description of Lease: _____

See AttachedCounty: MontgomeryProduction Zone(s): Cherokee CoalsInjection Zone(s): ArbuckleSurface 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 PitPast Operator's License No. 32999Past Operator's Name & Address: Layne Christensen Canada, Ltd
106 W. 14th Street, 7th Floor, Kansas City, MO 64105Title: AgentContact Person: Jeff MohajirPhone: 816-474-7777Date: March 7, 2003Signature: Jeff MohajirNew Operator's License No. 33152New Operator's Name & Address: Shawnee Oil & Gas, LLC
106 W. 14th Street, 7th FloorKansas City, MO 64105Title: AgentContact Person: Jeff MohajirPhone: 816-474-7777

Oil / Gas Purchaser: _____

Date: March 7, 2003Signature: Jeff Mohajir

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.

Shawnee Oil & Gas LLC is acknowledged as the new operator and may continue to inject fluids as authorized by Docket # D-28070. Recommended action: _____

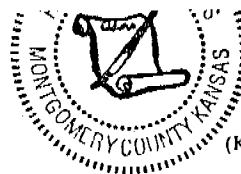
Date: 6-4-03 Byron M. Blank
Authorized Signature

_____ 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

SPR 3/20/03 JUN 25 2003 3/03

* 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.



88 - Revised Form)
Pooling & Gov't Reg.)

OIL AND GAS LEASE

This lease (this "Lease"), made by and between Charles P. Smith, also known as Charles Peyton Smith, a single man, of 2938 County Road 5400, Independence, KS 67301 (hereinafter called Lessor) (whether one or more), and Wheatley Oil Company of 8646 West Colfax Ave - Suite 211., Lakewood, CO 80215-4031, (hereinafter called Lessee):

WITNESSETH, That Lessor, in consideration of TEN DOLLARS plus (\$10.00) cash in hand paid, the receipt of which is hereby acknowledged, and of the royalties herein provided and of the agreements of Lessee herein contained, hereby GRANTS, LEASES AND LETS exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases (including gas producible from coal-bearing formations), and their respective constituent products, injecting gas, waters, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, power stations, telephone lines, and other structures and things thereon to produce, save, take care of, treat, manufacture, process, store and transport said oil, liquid, hydrocarbons, gases and their respective constituent products and other products manufactured therefrom, the following described land, together with any reversionary rights and after-acquired interest (hereinafter called the "Land"), therein situated in the County of Montgomery, State of Kansas, described as follows, to-wit:

Township 31 South, Range 15 East, 6th P.M.

Section 18: Lot 1 (NW/4NW/4), NE/4NW/4

Section 30: Lots 1, 2, 3, 4, NE/4, E/2W/2, except beginning at the NW corner of the NW/4, thence East 412 feet, South 206 feet, West 412 feet, North 206 feet to the point of beginning

Township 32 South, Range 15 East, 6th P.M.

→ Section 5: Lots 3 and 4, also described as N/2NW/4

and containing 638.00 acres, more or less, and all accretions thereto.

BOOK 515 PAGE 410

STATE OF KANSAS MONTGOMERY COUNTY
12 FEB 2002 9:21:31 AM Receipt #694
FILED FOR RECORD
\$10.00 LEASE
BOOK PAGE
JEANNE EASTMAN, REGISTER OF DEEDS

1. It is AGREED that this Lease shall remain in force for a term of three (3) years from this date and as long thereafter as oil or gas of whatsoever nature or kind is produced from the Land or on acreage pooled therewith, or drilling or reworking operations are continued as hereinafter provided. If, at the expiration of the primary term of this Lease, oil or gas is not being produced from the Land or on acreage pooled therewith, but Lessee is then engaged in drilling or reworking operations thereon, then this Lease shall continue in force so long as operations are being continuously prosecuted on the Land or on acreage pooled therewith, and operations shall be considered to be continuously prosecuted if not more than ninety (90) days shall elapse between the completion or abandonment of one well and the beginning of operations for the drilling of a subsequent well. If after discovery of oil or gas on the Land or on acreage pooled therewith, the production thereof should cease from any cause after the primary term, this Lease shall not terminate if Lessee commences additional drilling or reworking operations within ninety (90) days from the date of cessation of production or from the date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this Lease, this Lease shall continue in force so long as oil or gas is produced from the Land or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the cash tendered to Lessor, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this Lease as to all or any portion of the Land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligations thereafter accruing as to the acreage surrendered.

3. Lessee covenant and agrees to pay royalty to Lessor as follows:

(a) On oil, to deliver to the credit of Lessor, free of cost in the pipe line to which Lessee may connect wells on the Premises, the equal one-eighth (1/8th) part of all oil produced and saved from the Premises.

(b) On gas of whatsoever nature of kind, including coalbed gas and other gases, liquid hydrocarbons and their respective constituent elements, casinghead gas or other gaseous substances, produced from the Premises ("Gas") Lessee shall pay, as royalty, one-eighth (1/8th) of the net proceeds realized by Lessee from the sale thereof, provided that the net proceeds shall be after deduction for all post-production costs including, without limitation, costs related to gathering, transporting, dehydrating, compressing, processing, marketing and treating the Gas.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar (\$5.00) per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this Lease next ensuing after the expiration of ninety (90) days from the date such well is shut in and thereafter on or before the anniversary date of this Lease during the period such well is shut-in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this Lease. Notwithstanding any other provision to the contrary, this Lease shall not terminate because of a failure to properly or timely make shut-in well payments unless Lessor shall have given Lessee written notice of such failure to properly or timely make such shut-in well payment and Lessee shall have failed for a period of thirty (30) days after receipt of such notice to tender such payment in the proper amount, together with a late or improper payment penalty of \$100.00.

5. Without impairment of Lessee's rights under the warranty given in Paragraph 14 below in the event of failure of title, if Lessor owns a lesser interest in the Land than the entire undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) provided for herein, shall be paid Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on the Land for Lessee's operations thereon, except water from the wells, springs and reservoirs of Lessor. Lessors shall have the privilege at their sole risk and expense of using gas from any gas well on said lands for domestic use in the ~~premises~~ ^{farm} ~~thereon~~ out of any surplus gas not needed for operations. Lessors shall make their own connection to the well at Lessors expense, and shall be liable for any connections thereof.

7. When requested in writing by Lessor, Lessee shall bury Lessee's pipe lines below plow depth. farm ship not to exceed 1,500 feet

8. No well shall be drilled nearer than 200 feet to the house or barn now on the Land without the written consent of Lessor.

9. Lessee shall pay for damages caused by Lessee's operations to growing crops and to said Land.

10. Lessee shall have the right to use any machinery and fixtures placed on the Land, including the right to draw and remove casing.

The rights of Lessor and Lessee hereunder may be assigned in whole or in part. No change in ownership of Lessor's interest (by assignment or otherwise) shall be binding on Lessee until Lessee has been furnished with notice, consisting of certified copies of all recorded instruments or documents and other information necessary to establish a complete and correct title from Lessor, and then only with respect to payments thereafter made. No other kind of notice, whether actual or constructive, shall be binding on Lessee. Any present or future division of Lessor's ownership as to different portions or parcels of said land shall operate to enlarge the obligations or diminish the rights of Lessee, and all Lessee's operations may be conducted without regard to any such division. If all or any part of this Lease is assigned, no leasehold owner shall be liable for any act or omission of any other leasehold owner.

Lessee, at its option, is hereby given the right and power at any time and from time to time to assign this Lease to any other person or persons.