

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 120830

Check Applicable Boxes:

☐ Oil Lease: No. of Wells 9☐ Gas Lease: No. of Wells 9

** Side Two Must Be Completed.

☐ Saltwater Disposal Well - Docket No. E-23,340

Spot Location: _____ feet from N / S Line

_____ feet from E / W Line

☐ Enhanced Recovery Project Docket No. E-23,340Entire Project: ☐ Yes ☐ NoNumber of Injection Wells 5Field Name: Vilas / Buffalo

RECEIVED

JAN 26 2004

KCC WICHITA

Effective Date of Transfer: 3-22-2003Lease Name: C. ReavesE-1/2 Sec. 26 Twp. 27 R. 16 ☒ E ☐ WLegal Description of Lease: E Half of Sec.
36 Twp. 27 Sec. 27 Range 16ECounty: WilsonProduction Zone(s): SquirrelInjection Zone(s): SquirrelSurface 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. _____

Past Operator's Name & Address: _____

Title: _____

Contact Person: _____

Phone: _____

Date: _____

Signature: see attachedNew Operator's License No. 33119New Operator's Name & Address: Heat Can Oil LLC7430 Hwy 39Chanute, KansasTitle: Pres.Contact Person: Earl BartholomewPhone: 620-431-9253Oil / Gas Purchaser: Grunde marketingDate: 3/22/2003Signature: Earl Bartholomew

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.

Heat Can Oil LLC is acknowledged as the

new operator and may continue to inject fluids as authorized by

Docket # E-23,340 Recommended action: U3C'sdue 2001-05Date: 11-20-06 Barbara M. Mager

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 1/25/05 PROOV 22 2006 DIC 11-20-06

New Oper 11-20-06
Dist 3 11-20-06

Must Be Filed For All Wells

C. Reeves

* Location:

S = 1/4 (60 Acres)

Section 36-T275-R16E

Well Status
(PROD/TA'D/Abandoned)

A separate sheet may be attached if necessary

* 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.

SCANNED

Form 88--(Producers)
(KANSAS) 1-42

B

(Rev. 1981)

OIL AND GAS LEASE

(H)

Reorder No.
09-137

KANSAS BLUE PRINT CO. INC.
A COPY OF THIS REPRODUCTION TYPED OR ON MICROFILM IS
A TRUE COPY OF THE ORIGINAL AND IS VALID FOR ALL PURPOSES
315-254-9344 • P.O. Box 780 • Wichita, KS 67201-0780

AGREEMENT, Made and entered into this 22ND day of APRIL, XX2003
by and between CHARLES T. REAVES AND SHARON L. REAVES, HUSBAND & WIFE

HEAT CAN OIL LLC.

Party of the first part, hereinafter called lessor (whether one or more) and
Part USE of the second part, hereinafter called lessee.

WITNESSETH, That the said lessor, for and in consideration of TEN DOLLARS,
cash in hand paid, receipt of which is hereby acknowledged, and of the covenants and agreements hereinafter contained on the
part of lessee to be paid, kept and performed, has granted, demised, leased and let and by these presents does grant, demise,
lease and let unto said lessee, for the sole and only purpose of exploring by geophysical and other methods, mining, and operating
for oil and gas, and laying pipe lines, and building tanks, power stations and structures thereon to produce, save and take
care of said products, all that certain tract of land situated in the County of WILSON State of Kansas, described as
follows, to-wit: SOUTHEAST QUARTER (SE 1/4) OF SECTION 36, TOWNSHIP 27, RANGE 16E

of Section 36 Township 27 Range 16E and containing 161 acres more or less.

It is agreed that this lease shall remain in full force for a term of ONE years from this date, and as long
thereafter as oil or gas, or either of them, is produced from said land by the lessee.

In consideration of the premises the said lessee covenants and agrees:

1st. To deliver to the credit of lessor, free of cost, in the pipe line to which he may connect his wells, the equal one-eighth
($\frac{1}{8}$) part of all oil produced and saved from the leased premises.

2nd. To pay lessor for gas from each well where gas only is found the equal one-eighth ($\frac{1}{8}$) of the gross proceeds at the
prevailing market rates, that, as to gas sold by lessee, in no event more than one-eighth ($\frac{1}{8}$) of the proceeds received by lessee

from such sales, for all gas used off the premises, said payments to be made N/A
and lessor to have gas free of cost from any such well for all stoves and all inside lights in the principal dwelling house on said
land during the same time by making his own connections with the well at his own risk and expense.

3rd. To pay lessor for gas produced from any oil well and used off the premises, or for the manufacture of casing-head
gasoline, one-eighth ($\frac{1}{8}$) of the proceeds at the prevailing market rate for the gas used, that, as to gas sold by lessee, in no
event more than one-eighth ($\frac{1}{8}$) of the proceeds received by lessee from such sales, for the time during which such gas shall
be used, said payments to be made N/A

If no well be commenced on said land on or before the N/A day of , 19 ,
this lease shall terminate as to both parties, unless the lessee on or before that date shall pay or tender to the lessor, or to the
lessor's credit in the N/A Bank at N/A

or its successors, which shall continue as the depository regardless of changes in the ownership of said land, the sum of
N/A DOLLARS, which shall operate as a rental and cover the privilege of defer-

ring the commencement of a well for N/A months from said date. The payment herein referred to may be made in
currency, draft, or check at the option of the lessee. In like manner and upon like payments or tenders the commencement of a
well may be further deferred for like periods or the same number of months successively. And it is understood and agreed
that the consideration first recited herein, the down payment 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
conferred. Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion
or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of
all obligations as to the acreage surrendered, and thereafter the rentals payable hereunder shall be reduced in the proportion
that the acreage covered hereon is reduced by said release or releases.

Should the first well drilled on the above described land be a dry hole, then, and in that event, if a second well is not com-
menced on said land within twelve months from the expiration of the last rental period for which rental has been paid, this lease
shall terminate as to both parties, unless the lessee on or before the expiration of said twelve months shall resume the payment
of rentals in the same amount and in the same manner as hereinbefore provided. And it is agreed that upon the resumption of
the payment of rentals, as above provided, that the last preceding paragraph hereof, governing the payment of rentals and the
effect thereof, shall continue in force just as though there had been no interruption in the rental payments.

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then
the royalties and rentals herein provided shall be paid the lessor only in the proportion which his interest bears to the whole and
undivided fee.

Lessee shall have the right to use, free of cost, gas, oil, and water produced on said land for its operation thereon, except
water from wells of lessor.

When requested by lessor, lessee shall bury his pipe lines below plow depth.

No well shall be drilled nearer than 200 feet to the house or barn now on said premises, without the written consent of the
lessor.

Lessee shall pay for damages caused by its operations to growing crops on said land.

Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to
draw and remove casing.

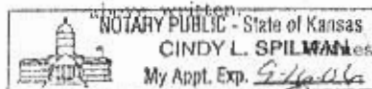
If the lessee shall commence to drill a well within the term of this lease or any extension thereof, the lessee shall have the
right to drill such well to completion with reasonable diligence and dispatch, and if oil or gas, or either of them, be found in pay-
ing quantities, this lease shall continue and be in force with the like effect as if such well had been completed within the term of
years herein first mentioned.

If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the
covenants hereof shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of
the land or assignment of rentals or royalties shall be binding on the lessee until after the lessee has been furnished with a
written transfer or assignment or a true copy thereof; and it is hereby agreed in the event this lease shall be assigned as to a
part or as to parts of the above described lands and the assignee or assignees of such part or parts shall fail or make default
in the payment of the proportionate part of the rents due from him or them, such default shall not operate to defeat or affect
this lease in so far as it covers a part or parts of said lands upon which the said lessee or any assignee thereof shall make due
payments of said rentals. In case lessee assigns this lease, in whole or in part, lessee shall be relieved of all obligations with
respect to the assigned portion or portions arising subsequent to the date of assignment.

All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules
or Regulations, and this lease shall not be terminated, in whole or in part, nor lessee held liable in damages, for failure to
comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.

Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the lessee shall have
the right at any time to redeem for lessor by payment, any mortgages, taxes or other liens on the above described lands, in the
event of default of payment by lessor, and be subrogated to the rights of the holder thereof.

Whereof witness our hands as of the day and year first



Witness to the mark:

CHARLE T. REAVES

Charles T. Reaves

SHARON L. REAVES

Sharon L. Reaves

(SEAL)

(SEAL)

(SEAL)

(SEAL)

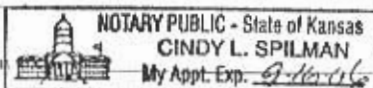
42562

STATE OF Kansas
COUNTY OF Neosho

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)

The foregoing instrument was acknowledged before me this 25 day of April, 192003
by Sharon and Charles Leaver and _____

My commission expires _____



Cindy L. Spilman
Notary Public
Cindy L. Spilman

STATE OF _____
COUNTY OF _____
ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____
by _____ and _____

My commission expires _____
Notary Public

STATE OF _____
COUNTY OF _____
ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____
by _____ and _____

My commission expires _____
Notary Public

STATE OF _____
COUNTY OF _____
ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____
by _____ and _____

My commission expires _____
Notary Public

No. _____	OIL AND GAS LEASE	FROM	TO	Date _____ 19____	Section _____ Twp. _____ Rge. _____	No. of Acres _____	Term _____	County _____	STATE OF _____	County _____	This instrument was filed for record on the _____ day of _____ 19____	at _____ o'clock _____ M., and duly recorded in Book _____ Page _____ of the records of this office.	Register of Deeds	By _____	When recorded, return to _____

984 Wilson County
Register of Deeds
Book: 259 Page: 402
Receipt #: 1735
Pages Recorded: 2
Date Recorded: 5/5/2003 10:35:55 AM
Ceresa A. Young
Register

STATE OF _____
COUNTY OF _____
ACKNOWLEDGMENT FOR CORPORATION (KsOkCoNe)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____
by _____
of _____ a _____

corporation, on behalf of the corporation.

My commission expires _____
Notary Public