

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 111760 MB

Check Applicable Boxes:

☒ Oil Lease: No. of Wells 5☐ Gas Lease: No. of Wells _____

** 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. E-23; 340Entire Project: ☐ Yes ☐ NoNumber of Injection Wells 2Field Name: Villas / Buffalo

RECEIVED

JAN 26 2004

KCC WICHITA

Effective Date of Transfer: 3-22-2003Lease Name: Neil NelsonE-1/2 NE 1/4 Sec. 36 Twp. 27 R. 16 ☒ E ☐ W

Legal Description of Lease: _____

E 1/2 NE 1/4 36 27 16 ECounty: 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 39Chenute, KansasTitle: ownerContact Person: Earl BartholomewPhone: 620-431-9253Oil / Gas Purchaser: Cruce 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-23340. Recommended action: MIT over dueon NI-1-43C's due on all wells 2001-05Date: 11-20-06 Barbara Matney

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 PROCDV 22 2004C 1/26/05 11-20-06

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

Must Be Filed For All Wells

• Lease Name: Neil Nelson • Location: E/2 of NE/4 Sec 36 Twn. 27
Rmng 16 E

[illegible]

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**



Recorder No.
09-137

KANSAS BLUE PRINT CO. INC.
A DIVISION OF KANSAS CITY SOUTHERN RAILWAY CO.
315 2nd Street • 2nd Floor • Kansas City, MO 64101 • (816) 221-0200

AGREEMENT, Made and entered into this 22ND day of APRIL, XX 2003
by and between CHARLES T. REAVES AND SHARON L. REAVES HUSBAND AND WIFE

HEAT CAN OIL LLC.

Party of the first part, hereinafter called lessor (whether one or more) and
Part IES 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: THE EAST HALF OF THE NORTHEAST QUARTER (E/2 NE/4)

RECEIVED

JAN 26 2004

of Section 36 Township 27S Range 16E and containing 80

KCC WICHITA

It is agreed that this lease shall remain in full force for a term of ONE (1) 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 (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 (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 (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 (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 (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 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 deferring 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 commenced 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 paying 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.

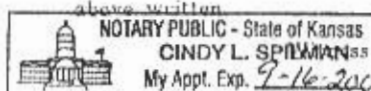
If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment of rentals or royalties 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

(SEAL)



to the mark:

CHARLES T. REAVES

(SEAL)

Charles T. Reaves

(SEAL)

SHARON L. REAVES

(SEAL)

Sharon L. Reaves

(SEAL)

Cindy L. Spelman 42503

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.

When recorded, return to _____

By _____

983
Wilson County
Register of Deeds
Book: 259 Page: 400
Receipt #: 1730
Pages Recorded: 2
Date Recorded: 5/5/2003 10:35:34 AM
Total Fees: \$12.00

Canada L. Young

Notary Public

ACKNOWLEDGMENT FOR CORPORATION (K&OKC&N)

STATE OF _____ COUNTY OF _____

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

by _____

corporation, on behalf of the corporation.

My commission expires _____

Notary Public

ACKNOWLEDGMENT FOR INDIVIDUAL (K&OKC&N)

STATE OF _____ COUNTY OF _____

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

by _____

My commission expires _____

Notary Public

ACKNOWLEDGMENT FOR INDIVIDUAL (K&OKC&N)

STATE OF _____ COUNTY OF _____

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

by _____

My commission expires _____

Notary Public

ACKNOWLEDGMENT FOR INDIVIDUAL (K&OKC&N)

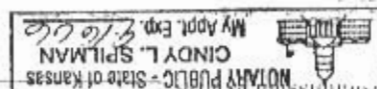
STATE OF _____ COUNTY OF _____

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

by _____

My commission expires _____

Cindy L. Spillman
Notary Public



ACKNOWLEDGMENT FOR INDIVIDUAL (K&OKC&N)

STATE OF Kansas COUNTY OF Neosho

The foregoing instrument was acknowledged before me this _____ day of _____, 2003

by *Charles & Sharon Kawan*