

REQUEST FOR CHANGE OF OPERATOR
TRANSFER OF INJECTION AUTHORIZATION
OR TRANSFER OF SURFACE POND PERMIT

KANSAS CORPORATION COMMISSION
CONSERVATION DIVISION
130 S MARKET, ROOM 2078
WICHITA, KANSAS 67202

OUR 124329

Check Applicable Boxes:

- Oil Lease: No. of Wells 1 **
- 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 Proj. Docket No. _____
Entire project: Yes/No _____
Number of injection wells _____ **

Effective Date of Transfer 4/1/02

Lease Name Spruill

_____ Sec 3 T 19S R 25 (W/E)

Legal Description of Lease: SW/4

County Ness

Production Zone(s) Mississippi

Field Name Laird SW

Injection Zone(s) _____

Surface Pond Permit # _____
(API No. 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 *S*

Past Operator's License No. 31897

Contact Person: Kenneth B. Evans

Past Operator's Name and Address:

Foundation Resources, LLC
P. O. Box 789
Goddard, KS 67052
Title Member

Phone: (316) 794-2101
Date March 26, 2002
Signature Kenneth B. Evans

New Operator's License No. 30742

Contact Person Klee R. Watchous

New Operator's Name and Address:

Palomino Petroleum, Inc.
4924 SE 84th St.
Newton, KS 67114-8827
RECEIVED
APR 04 2002
KGG WICHITA

Phone (316) 799-1000
Oil/Gas Purchaser NCRA
Date April 3, 2002
Signature Klee R. Watchous

Title President

ACKNOWLEDGEMENT 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 acknowledgement 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 _____

_____ is acknowledged as the new operator of the above named lease containing the surface pond permitted by # _____.

Date _____

Authorized Signature _____

APR 13 2003 JUN 13 2003 6/13/03

MUST BE FILED FOR ALL WELLS

250

*LOCATION: SW/4 Sec. 3-19S-29W, Ness County, Kansas

*LEASE NAME Sprull
WELL NO. _____
API NO. _____
(YR DRLD/PRE '67) .

FOOTAGE FROM SECTION LINE
(i.e. FSL=feet from south line)

TYPE OF WELL
(OIL/GAS
INJ/MSW)

WELL STATUS
(PROD/TA'D
ABANDONED)

WELL NO.	API NO.	FOOTAGE FROM SECTION LINE (i.e. FSL=feet from south line)	TYPE OF WELL (OIL/GAS INJ/MSW)	WELL STATUS (PROD/TA'D ABANDONED)		
1	15-135-22957	330	Circle FSL/FNL	Circle FEL/FWL	011	Producing
_____	_____	_____	FSL/FNL	FEL/FWL	_____	_____
_____	_____	_____	FSL/FNL	FEL/FWL	_____	_____
_____	_____	_____	FSL/FNL	FEL/FWL	_____	_____
_____	_____	_____	FSL/FNL	FEL/FWL	_____	_____
_____	_____	_____	FSL/FNL	FEL/FWL	_____	_____
_____	_____	_____	FSL/FNL	FEL/FWL	_____	_____
_____	_____	_____	FSL/FNL	FEL/FWL	_____	_____
_____	_____	_____	FSL/FNL	FEL/FWL	_____	_____
_____	_____	_____	FSL/FNL	FEL/FWL	_____	_____
_____	_____	_____	FSL/FNL	FEL/FWL	_____	_____
_____	_____	_____	FSL/FNL	FEL/FWL	_____	_____
_____	_____	_____	FSL/FNL	FEL/FWL	_____	_____
_____	_____	_____	FSL/FNL	FEL/FWL	_____	_____
_____	_____	_____	FSL/FNL	FEL/FWL	_____	_____
_____	_____	_____	FSL/FNL	FEL/FWL	_____	_____
_____	_____	_____	FSL/FNL	FEL/FWL	_____	_____
_____	_____	_____	FSL/FNL	FEL/FWL	_____	_____
_____	_____	_____	FSL/FNL	FEL/FWL	_____	_____
_____	_____	_____	FSL/FNL	FEL/FWL	_____	_____
_____	_____	_____	FSL/FNL	FEL/FWL	_____	_____
_____	_____	_____	FSL/FNL	FEL/FWL	_____	_____
_____	_____	_____	FSL/FNL	FEL/FWL	_____	_____
_____	_____	_____	FSL/FNL	FEL/FWL	_____	_____
_____	_____	_____	FSL/FNL	FEL/FWL	_____	_____
_____	_____	_____	FSL/FNL	FEL/FWL	_____	_____
_____	_____	_____	FSL/FNL	FEL/FWL	_____	_____
_____	_____	_____	FSL/FNL	FEL/FWL	_____	_____



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

TITTEL LAW OFFICE
112 S. Pennsylvania
P.O. Box 130
Ness City, Kansas 67560
785 798-3376

RECEIVED
NESS CO. SHERIFF
DATE Jun, 29 2001
TIME 3:54 P.M.

IN THE DISTRICT COURT OF NESS COUNTY, KANSAS

FOUNDATION RESOURCES, LLC, Plaintiff,)
vs.) Case No.00 C 19
MARK ALLEN CONNELL and FREDRICK)
MOLLRING, Defendants.)

SHERIFF'S ASSIGNMENT OF OIL AND GAS LEASE

KNOW ALL MEN BY THESE PRESENTS:

THAT WHEREAS on December 29, 2000, in the District Court of Ness County, Kansas, in a certain action then pending in said court, Case No. 00 C 19, the court issued its' order appointing certain appraisers to appraise the hereinafter described oil and gas lease; and

WHEREAS on March 5, 2001, the appraisers reported their appraisal of said oil and gas lease pursuant to the order of the court; and

WHEREAS thereafter the court entered its' order for time of election, directing that all parties to the action should have until April 3, 2001, at 5:00 P.M. within which to file an objection to the Report of Appraisers or to elect to take any part of the property; and

WHEREAS the plaintiff, Foundation Resources, LLC, and the defendant Mark Allen Connell elected to take the property at its' appraised value; and

WHEREAS on April 16, 2001, the court, having found that two or more parties had elected to take at appraised value, ordered the property to be sold at public auction; and

WHEREAS on May 23, 2001, pursuant to order of the court, Bryan S. Whipple, Sheriff of Ness County, Kansas, did sell to the highest and best bidder, that being Foundation Resources, LLC, for the sum of \$50,000.00;

NOW THEREFORE I, Bryan S. Whipple, Sheriff of Ness County, Kansas, hereinafter called "Assignor", do hereby assign, transfer and set over unto the following persons: Foundation Resources, LLC, hereinafter referred to as "Assignee", all right, title and interest in the property described as follows:

Oil and gas lease dated October 10, 1983, from George F. Drake, Marilyn Edwards, Betty Theisen, as Trustees of the Lloyd Spruill Trust No. 1 dated February 1, 1977; Marilyn Edwards and R. N. Edwards, husband and wife, Betty L. Theisen, as Trustee of that certain Revocable Living Trust dated March 31, 1976, Lessors, to Robin Forte, Lessee, recorded in Book 174, Page 565, in the office of the Register of Deeds of Ness County, Kansas, and

Oil and gas lease dated January 16, 1984, from Wyrill-Buster, Inc., Lessor, to Noel F. LeJeune, Lessee, recorded in Book 180, Page 595, in the office of the Register of Deeds of Ness County, Kansas, and

Oil and gas lease dated October 2, 1985, from Wyrill Farming, Inc. and the National Bank of America, Lessors, to Robin Forte, Lessee, recorded in Book 195, Page 377, in the office of the Register of Deeds of Ness County, Kansas,

said leases covering the following described real estate in Ness County, Kansas, to-wit:

The Southwest Quarter (SW/4) of Section Three (3), Township Nineteen (19) South, Range Twenty-one (21) West of the 6th P.M.,

The Northeast Quarter (NE/4) of Section Twenty-five (25), Township Twelve (12) South, Range Thirty (30) West of the 6th P.M.

together with the rights incident thereto and the personal property located thereon, appurtenant thereto or used or obtained in connection with the development or operation thereof.

This assignment is made subject to the following terms and provisions which shall be construed as covenants running with the assigned premises and shall inure to and be binding upon Assignee and the Assignor and their respective successors and assigns, to-wit:

1. This assignment is made subject to and burdened by the overriding royalty interest now appearing of record, if any.
2. This assignment is made without covenants of warranty of title, either express or implied, but is made with full substitution and subrogation of the assignees in and to all covenants and warranties by others heretofore given or made with respect to the interest assigned hereunder.

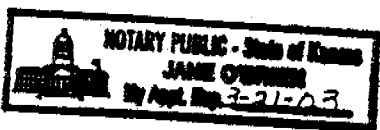
EXECUTED this 29TH day of JUNE, 2001.

Bryan S. Whipple
Sheriff of Ness County, Kansas

STATE OF KANSAS)
) ss.
COUNTY OF NESS)

Before me, the undersigned, a Notary Public, within and for said County and State, on this 29TH day of JUNE, 2001, personally appeared Bryan S. Whipple, Sheriff of Ness County, Kansas, to me personally known to be the identical person who executed the within and foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF I have hereunto set my hand and official seal the day and year last above written.



Jane O'Brien
Notary Public