

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

DOR 124802

Check Applicable Boxes:

☒ Oil Lease: No. of Wells 1 **

☒ Gas Lease: No. of Wells 6 **
** SIDE TWO MUST BE COMPLETED **

☒ Saltwater Disposal Well - Docket No. _____
Spot Location: 2045' feet from N/S Line
4453' feet from E/W Line

☒ Enhanced Recovery Proj. Docket No. E 20,044
Entire project: Yes/No _____
Number of injection wells _____ **

Field Name JEFFERSON - SYCAMORE

Surface Pond Permit # _____
(API No. If Drill Pit)

Identify: Emergency Pit ☐ Burn Pit ☐

Effective Date of Transfer 4/3/2000

Lease Name McMILLIN

5 1/2 NW SW - Sec 23 T 33 R 16 NE

Legal Description of Lease: 5 1/2 NW 1/4

AND THE SW 1/4 23-33-16E MC-CO.

County MONTGOMERY

Production Zone(s) PAWEE LIME, RIVERTON,
MULKY, WILCOCK, ARBuckle

Injection Zone(s) MISSISSIPPI

_____ Feet from N/S Line of Section
_____ Feet from E/W Line of Section

Storage Pit ☐ Drill Pit ☐

Past Operator's License No. _____

Contact Person: _____

Past Operator's Name and Address: _____

Phone: _____

Title _____

Signature _____

New Operator's License No. 6329

Contact Person WAYNE BRIGHT

New Operator's Name and Address: _____

Phone 316-331-6187

WAYNE BRIGHT

Rt 3 Box 461

Independence, KS 67301

Title OWNER

Signature Wayne Bright

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.

Wayne Bright is acknowledged as the new operator and may continue to inject fluids as authorized by Docket # E-20,044. Recommended action _____

Date 12-2-2000 _____
Authorized Signature _____

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

Date _____
Authorized Signature _____

Form T1 7/94

6/11/03 JUN 18 2003 6/12/03

SCANNED

SIDE 2
T1 7/94

MUST BE FILED FOR ALL WELLS

*LEASE NAME	*LOCATION	API NO. (YR DRLD/PRE '67)	FOOTAGE FROM SECTION LINE (i.e. FSL=Feet from South Line)	TYPE OF WELL (OIL/GAS INJ/WSW)	WELL STATUS (PROD/TA'D ABANDONED)
1-A	15-125-21427 7/21/77	✓	600 Circle FSL/FNL 990 FEL/FWL	GAS	PRO
2-A	15-125-21434 15-125-21447 1988	✓	1155 FSL/FNL 1800 FEL/FWL	GAS	PRO
3	✓	✓	495 FSL/FNL 1800 FEL/FWL	GAS	PRO
6	15-125-22,877	✓	1485 FSL/FNL 2175 FEL/FWL	GAS	PRO
7	15-125-22,878	✓	1980 FSL/FNL 2475 FEL/FWL	GAS	PRO
8-A	15-125-28,039	✓	3458 FSL/FNL 2970 FEL/FWL	GAS	PRO
9	15-125-22,894	✓	2315 FSL/FNL 825 FEL/FWL	GAS	PRO
12	15-125-29,650	✓	3760 FSL/FNL 3340 FEL/FWL	GAS	PRO
9			2045 FSL/FNL 4453 FEL/FWL	INJ	
			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 each lease. If a lease covers more than one section please indicate which section each well is located.



✓ \$18.00 LEASE
18 APR 2000 1:42:15 PM Receipt #1735
STATE OF KANSAS MONTGOMERY COUNTY
FILED FOR RECORD
BOOK PAGE
JEANNE EASTMAN, REGISTER OF DEEDS

OIL AND GAS LEASE

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AGREEMENT, Made and entered into the 3rd day of April, 2000, by and between David McMillin and Margaret Whitehead, Co-Trustees of the Esther M. McMillin Revocable Living Trust, hereinafter called Lessor (whether one or more), and Wayne E. Bright and Becky A. Bright, husband and wife, hereinafter called Lessee:

WITNESSETH: That the said Lessor, for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, cash in hand paid, the receipt of which is hereby acknowledged, and of the covenants and agreements hereinafter contained on 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 the said Lessee for the sole and only purpose of exploring by geophysical and other methods, mining and operating for oil and gas which shall include methane gas from coal seams ("Leased Substance") from the Leased Premises and for laying of pipe lines, and for 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 Montgomery, State of Kansas, described as follows, to wit:

South Half of the NW/4 and the SW/4 of Section 23, Township 33S, Range 16E, Montgomery County, Kansas (hereinafter referred to as the "Leased Premises"),

subject to the following reservations of the Lessor and restrictions upon the Lessee, to wit:

a. **Lessor's Surface and Subsurface Rights.** Lessor excepts from this Lease the following:

(1) The right to raise livestock on the Leased Premises. If Lessor is currently using, or elects in the future to use, all or any part of the Leased Premises to raise livestock, Lessee will construct the necessary fence gates and cattle guards, and fence all drill sites, pits, tanks, and other drilling or production facilities on the Leased Premises, and otherwise adjust its operations to accommodate Lessor's use of the Leased Premises for raising livestock.

(2) The right to connect with any gas well completed on the Leased Premises, at Lessor's sole cost and risk, and take gas, free of charge, for the principal dwelling on said lease.

b. **Lessee's Surface Use Restrictions.** Lessee's rights under this Lease are subject to the following:

(1) Lessee will not locate any equipment, nor conduct operations, within 300 feet of any house, garage or barn.

Paul Oakleaf, Attorney
Box 1212
Independence Kansas 67301

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- (2) Lessee will locate and maintain lease access roads so as to minimize disruption to the Leased Premises. All pipelines, flow lines and electric lines will be buried by Lessee below plow depth on cultivated land.
- (3) Lessee, with regard to activities associated with its operations, will be strictly liable for any damage to or interference with: cultivated land, growing crops, pasture land, unimproved land, livestock, fences, roads, ditches, culverts, trees, turf, terraces, springs, streams, ponds, lakes, water wells, groundwater, personal property, fixtures, or improvements on the Leases Premises. Further, Lessee agrees, notwithstanding emergencies, that vehicle traffic on and across the Leased Premises will be kept to a minimum during periods of wet and muddy conditions.
- (4) Lessee will provide Lessor with written notice at least 15 days before the commencement of any new drilling on the Leased Premises. Further, Lessee will provide Lessor with the name and telephone number of the pumper assigned to the Leased Premises.
- (5) Lessee may not commingle gas produced from lands other than that owned by Lessor, nor shall Lessee be entitled to transport, gather or otherwise collect gas or other produced hydrocarbons produced from lands other than that owned by Lessor over, under or across the Leased Premises without first obtaining the written consent of Lessor. Further, no compression, separation, dehydration or similar facility shall be located upon the Leased Premises unless for the purpose of compressing, separating, or dehydrating gas produced from the Leased Premises without first obtaining the written permission of Lessor.

c. **Use of Water and Leased Substances.** Lessee will not use any water from the Leased Premises except for Produced Water. "Produced Water" means any water that is necessarily produced in conjunction with the production of Leased Substances. When removed from the oil or gas producing strata, title to Produced Water will be in Lessee. Lessee is given the right to use any Leased Substance to support lease operations.

d. **Removal of Equipment and Fixtures.** For a period of 60 days following Termination of this Lease, and upon giving Lessor prior written notice, Lessee is given the right to enter the Leased Premises to remove any Material on the Leased Premises owned by Lessee. "Termination" means the lease, or a relevant portion of the lease, is no longer in effect. The cause of termination does not matter. "Material" means anything placed on the Leased Premises by Lessee, or Lessee's contractors, to include such things as equipment, supplies, fixtures, and tubing, casing, and other equipment in the well. Upon Termination, Lessor may elect to keep certain Material on the Leased Premises and may do so by tendering the Lessee the reasonable salvage value for the Material Lessor desires to acquire. Lessee's failure to act within

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the 60 day period will not in any way limit its liability associated with the presence of the Material on the Leased Premises; nor will it cause title to any Material to vest in Lessor unless Lessor affirmatively elects to accept title to the Material. In any event, Lessee will remain liable for the removal of equipment and fixtures, the plugging of all wells, and remediation of the impacted area. The Lessee will also remain liable for having the area graded to its original contour, seeded, fertilized, and maintained until the original cover in the affected area is reestablished.

It is agreed that this Lease shall remain in force for a term of one (1) year from this date, and as long thereafter as oil and gas or either of them is produced in paying quantities from said land by Lessee, and further provided the minimum royalty requirements herein are met.

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

1st. To deliver to the credit of Lessor, free of cost, one-eighth of all oil produced and saved from the Leased Premises, if any, which may be produced constituent to or in association with gas produced by Lessee.

2nd. To pay Lessor for gas of whatsoever nature or kind produced and sold, or used off the Leased Premises, or used in the manufacture of any products therefrom, one-eighth (1/8), of the proceeds received by Lessee for the gas sold, used off Leased Premises, or in the manufacture of products therefrom, said payments to be made monthly.

3rd. In the event Lessor's royalty received under this Lease for any year commencing with the first anniversary date hereof, does not exceed \$1,200.00, Lessee shall within 30 days following each such subsequent anniversary date pay to Lessor, the difference between royalties paid to Lessor for such year and \$1,200.00.

If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the Royalties herein provided for shall be paid to the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

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. In case Lessee assigns this Lease, in whole or in part, Lessee will provide Lessor with a copy of any assignment within 5 days after the assignment is made. However, as to any assigned interest, Lessee will remain obligated for the proper performance of all express and implied Lease obligations, up to and including the date of such assignment, only. Lessee's liability for the non-performance of Lease obligations (including the obligation to indemnify Lessor pursuant to the terms of this Lease) will be in addition to the liability of any assignee obtaining an

interest through the Lessee or any assignee obtaining an interest through Lessee's assignee. Any person or entity obtaining an assignment of rights in this Lease: (1) Is deemed to have accepted liability for the non-performance of any express or implied Lease obligations (including the obligation to indemnify Lessor pursuant to the terms of this Lease) accruing prior to the date of assignment; and (2) Is liable for the proper performance of express and implied Lease obligations (including the obligation to indemnify Lessor pursuant to the terms of this Lease) from and after the date of assignment. The liability of Lessee and all assignees transferred an interest in the Lease is joint and several.

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.

To the maximum extent feasible, Lessee will minimize the use of surface pits and hazardous materials in operations on the Leased Premises. Any pits, ponds, or other surface impoundments used in connection with the development or operation of the Leased Premises shall comply with all applicable local, state, and federal standards and in any case shall meet or exceed the standards for such structures located within a wellhead protection or critical aquifer protection area as defined by the federal Safe Drinking Water Act or any state law counterpart. Any pit or other surface disruption associated with drilling, recompletion, work-over or chemical treatment operations on the Leased Premises will be fully reclaimed and restored to its natural condition immediately following the completion of operations. All substances brought onto the Leased Premises, and wastes generated as part of the exploration, development, or production process, will be removed from the Leased Premises immediately following the completion of such operations. No commercial disposal well will be permitted on the Leased Premises. Only water produced from the Leased Premises shall be disposed in properly permitted disposal wells existing on the Leased Premises. No pipe, chemicals, or other material or equipment will be placed on the Leased Premises except items that are on-site for immediate use in operations. Equipment or material placed on site and not actively used for ten consecutive days will be deemed not to be for immediate use in operations. Within five days after a development or production operation is completed, all the associated development structures, equipment, and any other material brought to or generated at the site will be removed from the site. If any topsoil has been disturbed by the operation, the area will be graded to its original contour, and the topsoil replaced, properly seeded, fertilized, and maintained until the original cover in the affected area is reestablished.

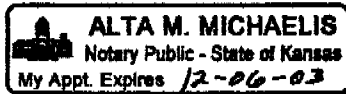
Lessee assumes the following liabilities associated with the Leased Premises: Lessee acknowledges that it is entering into this Lease without relying on any representations by Lessor concerning the condition, environmental or otherwise, of the Leased Premises. Instead, Lessee is relying solely upon its independent investigation to determine the status of the Leased

Premises. As partial consideration for this Lease, Lessee agrees to assume all liabilities it may incur as an owner or operator of the Leased Premises, including any environmental cleanup obligations that may be imposed under any local, state, or federal law, including the common law. Lessee further agrees to hold Lessor harmless from any claim Lessee may have or acquire, in contribution or otherwise, associated with the condition of the property or Lessee's liability as an owner or operator. This includes, without limitation, any claim or cause of action Lessee may have at common law or under any local, state, or federal statute such as the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) or a state or local counterpart. Lessee agrees to assume all liabilities associated with any activity conducted on the Leased Premises, by Lessee, its contractors, and any other person or entity exercising or purporting to exercise rights through Lessee or on Lessee's behalf.

Lessee agrees to remedy any Environmental Problem resulting from, arising out of, or in any manner associated with any activity by Lessee, its contractors, and any other person or entity exercising or purporting to exercise rights through Lessee or on Lessee's behalf, that presently impacts, or is likely to impact, the Leased Premises. In the event an Environmental Problem is identified, Lessor will give Lessee notice of the Environmental Problem and Lessee will, at its sole risk and expense, take the necessary action to define and remedy the Environmental Problem. For purposes of this section, "Environmental Problem" means any situation which: violates any local, state, or federal requirement, is reportable under any environmental law, gives rise to a cleanup, sampling, testing, monitoring, assessment, or similar obligation under any common law, statutory, or regulatory theory, concerns conditions, structures, or substances that require special environmental handling for their proper renovation, demolition, or disposal, or exposes Lessor to a substantial threat of liability associated with the health, safety, and welfare of the public, workers, or the environment.

Lessee will protect, indemnify, hold harmless, and defend Lessor against any claim, demand, cost, liability, loss, or damage suffered by Lessor (including Lessor's reasonable attorney fees and litigation costs) resulting from, arising out of, or associated with one or more of the following events: Lessee's breach of any covenant, obligation, or duty created by the terms of this Lease. Lessee's failure to comply with the Lessor's retained rights under this Lease. Any matter encompassed by Lessee's assumption of liabilities, including environmental liabilities, under the terms of this Lease. Any activity expressly or impliedly authorized or required by this Lease. Any matter associated with producing wells, nonproducing wells, existing wellbores, unplugged wells, or previously plugged wellbores. Any matter associated with the management, use, and disposal of produced water and wastes or substances associated with the development or operation of the Leased Premises. Any matter associated with the generation, processing, handling, transportation, storage, treatment, recycling, marketing, use, disposal, release or discharge, or threatened release or discharge, of oil, natural gas, natural gas liquids, all other petroleum substances, any waste material, or any "hazardous substance" or "pollutant or contaminant" as those terms are defined (now or in the future) under CERCLA

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



Alta M. Michaelis
Printed Name: ALTA M. MICHAELIS
Notary Public

My Appointment Expires:
Dec. 6, 2003

STATE OF KANSAS)
) SS:
COUNTY OF MONTGOMERY)

BE IT REMEMBERED that on this 3rd day of April, 2000, before me, a Notary Public in and for the County and State aforesaid, came Wayne E. Bright and Becky A. Bright, husband and wife, who are personally known to me to be the same persons who executed the within instrument of writing and such persons duly acknowledged the execution of the same to be their free act and deed.

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



Alta M. Michaelis
Printed Name: ALTA M. MICHAELIS
Notary Public

My Appointment Expires:
Dec. 6, 2003

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