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

OR 121661	Effective Date of Transfer: 5-10-2002
Check Applicable Boxes: X Oil Lease: No. of Wells	Lease Name: R Wakefield N E - 1 - Sec. 35 Twp. 22 F21 X W Legal Description of Lease: NE4 Sec. 35 T225 R21E
feet from E / W Line [X] Enhanced Recovery Project Docket No. <u>F 2 4 8 0 5</u> Entire Project: [X] Yes No Number of Injection Wells 4 Field Name: <u>B 1 u.e. Mound</u> Surface Pond Permit #	Production Zone(s): Burgess Injection Zone(s): Burgess Feet from N/S Line of Section feet from E/W Line of Section
Identify: Emergency Pit Burn Pit	Storage Pit Drill Pit Contact Person: Bobby Edwards
Past Operator's License No. 6437 Past Operator's Name & Address Bear Drilling C 525 E 86th ST New York, NY 10 Title: New Operator's License No. 32344 New Operator's Name & Address Donald K Daniels PO Box 86 Moran, KS 66755	O Phone: Date: Signature: Unavailable Contact Person: Donald K Daniels Phone: 620-237-9299 Oil / Gas Purchaser: CMI Date: Signature: Africal A Marriel
DANIELS OIL is acknowleded a new operator and may continue to inject fluids as authorized Docket # E > 24,805 Recommended action:	ed by new operator or the
Date: 10-01-02 Mile Employed Signature	Date:Authorized Signature



Side Two

Must Be Filed For All Wells



Well No.	API No. (YR DRLD/PRE '57)	Footage from Section Line (i.e. FSL = Feet from South Line)		Type of Well (Oil/Gas/INJ/WSW)	Well Status (PROD/TA∖D/Abandoned)
		Circle FSL/FNL	Circle		
4	15-107-22,152	280 EL/FNL 2247	FEL/F	oil	prod
3	15-107-22,151	150 JFNL 2490	FEL/ FWC _	oil	prod
16	15-107-22,181	603 2490	FEL/FVVL	oil	prod
17	15-107-22,182	927 2490	FEL/##L _	oil	prod
1	15-107-22,149	5104 _{FSL} 1461	FEL/PWG	inj	prod
I - 1	15-107-23,118	4870 FSL/ 2303	FEL/FWL .	_inj	prod
5-89	15-107-23,121	4734 FSL/1 2139	FEL/	<u>inj</u>	prod
I - 2	15-107-23,119	4396 FSL/F 2302	FEL/900/L	inj	prod
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL	·	
u		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		168
		FSL/FNL	FEL/FWL		
		F\$L/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		
		, FSL/FNL	FEL/FWL		
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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.

(KANSAS) (Rev. 1981) Form 88 (Producers)

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OIL AND GAS LEASE





316-264-9344 • P O. Box 793 • Wightia KS 6720
AGREEMENT, Made and entered into this day of No. Yure 27, 200 by and between Ron Wakefield and Wakefield, his wife Row
by and between
MAY 20 100
Party of the first part, hereinafter called lessor (whether one or more)
Daniels Oil Party of the second part, hereinafter called less
WITNESSETH, That the said lessor, for and in consideration of
land situated in the County of Linn State of Kansas, described as follows, to wit:NE/4
of Section 35 Township 22 South Range 21 East and containing acres more or lo
It is agreed that this lease shall remain in full force for a term of 6 months years from this date, and as let 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 lessee may connect his wells, the equal of eighth (1/4) 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 (1/4) of the gross proceeds at prevailing market rate, (but, as to gas sold by lessee, in no event more than one eighth (1/4) of the proceeds received by lessee.
from such sales), for all gas used off the premises, said payments to be made 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 s 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 in the manufacture of gasoline or s
other product a royalty of one-eighth (1/4) of the market value, at the mouth of the well, (but, as to gas sold by lessee, in event more than one-eighth (1/4) of the proceeds received by lessee from such sales), payable monthly at the prevailing market proceeds in the mouth of the well, (but, as to gas sold by lessee, in event more than one-eighth (1/4) of the proceeds received by lessee from such sales), payable monthly at the prevailing market proceeds are considered by the market value, at the mouth of the well, (but, as to gas sold by lessee, in event more than one-eighth (1/4) of the proceeds received by lessee from such sales), payable monthly at the prevailing market proceeds are considered by lessee, in event more than one-eighth (1/4) of the proceeds received by lessee from such sales). Payable monthly at the prevailing market proceeds are considered by lessee, in event more than one-eighth (1/4) of the proceeds received by lessee from such sales). Payable monthly at the prevailing market proceeds are considered by lessee, in event more than one-eighth (1/4) of the proceeds received by lessee from such sales). Payable monthly at the prevailing market proceeds are considered by lessee from such sales).
lessor's credit in TheBank at
or its successors, which shall continue as the denository regardless of changes in the ownership of said land the sum of
DOLLARS, which shall operate as a rental and cover the privilege of defining the commencement of a well for months from said date. In like manner and upon like payments or tende the commencement of a well may be further deferred for like periods of the same number of months successively. All supayments or tenders of rentals may be made by check or draft of lessee or any assignee thereof, mailed or delivered on or fore the rental paying date, either direct to lessor or assigns or to said depository bank. And it is understood and agreed the consideration first recited herein, the down payment, covers not only the privileges granted to the date when said first recited herein, the down payment, covers not only the privileges granted to the date when said first recited herein, the down payment, covers not only the privileges granted to the date when said first recited herein, the down payment, covers not only the privileges granted to the date when said first recited herein, the down payment, covers not only the privileges granted to the date when said first recited herein, the down payment, covers not only the privileges granted to the date when said first recited herein, the down payment, covers not only the privileges granted to the date when said first recited herein, the down payment as a foresaid, and any and all other rights of ferred.

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 on an acreage basis, 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 as-

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instrument was acknowledged before me this day of	OUNTY OF
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Notary Public

SPECIAL PROVISIONS TO OIL AND GAS LEASE COVERING THE NORTHEAST QUARTER OF SECTION 35, TOWNSHIP 22 SOUTH, RANGE 21 EAST, LINN COUNTY, KANSAS

- 1. The lease shall automatically terminate if there is no production of of for any transition of six month period of time.
- 2. The Lessee cannot sell, assign, or transfer this Oil and Gas Lease to any person or company without the prior written consent of the Lessors, which consent would not be unreasonably withheld. AND ANEW 1095E SIGNED.
- 3. All pump jacks, electric motors, pipe, tanks, electrical wire and switch boxes, and all equipment now located upon the lease pertaining to the production of crude oil are the property of the Lessors, and upon payment of the purchase price described in the next numerical paragraph, all of said items shall belong to the Lessee.
- 4. The purchase price for this Oil and Gas Lease and all the equipment described in the preceding numerical paragraph hereof is the sum of \$7,000.00 which shall be paid from the 7/8ths working interest. All production received from the 7/8ths working interest by the Lessee is hereby assigned to the Lessors until the time that they receive the sum of \$7,000.00, which is the purchase price for the lease and equipment described in the proceeding paragraph. When the sum of \$7,000.00 has been paid from the 7/8ths working interest production, the entire ownership of the 7/8ths working interest will automatically revert back to the Lessee.