

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 223333
Check Applicable Boxes:

[X] Oil Lease: No. of Wells 2 **
[X] Gas Lease: No. of Wells 2 **
** SIDE TWO MUST BE COMPLETED **
[X] Saltwater Disposal Well - Docket No. D-27,843
Spot Location: 3860 feet from N/S Line
130 feet from E/W Line
[] Enhanced Recovery Proj. Docket No. _____
Entire project: Yes/No _____
Number of injection wells _____ **

Effective Date of Transfer 6/01
Lease Name Hougardy - Hamilton
12 30 17E
- - - - - Sec 7 T 30 R 18 W 18
Legal Description of Lease: NW/4 lying
west of railroad Right-of-way. See oil
and gas lease.
County Neosho
Production Zone(s) Summit - Mulky

Field Name South Thayer

Injection Zone(s) ARB

Surface Pond Permit # _____ Feet from N/S Line of Section
(API No. If Drill Pit) _____ Feet from E/W Line of Section

Identify: Emergency Pit ☐ Burn Pit ☐ Storage Pit ☐ Drill Pit ☐ S

Past Operator's License No. Unknown Contact Person: New lease taken from landowner

Past Operator's Name and Address: _____ Phone: See attached
Morgan Brothers / Percentage Drilling
2110 McKinney
Houston, TX 77003
Date _____

Title _____ Signature _____

New Operator's License No. 31796 Contact Person Dick Cornell

New Operator's Name and Address _____ Phone 620 - 698-2250
Quest Energy Service, Inc.
P.O. Box 100
Benedict, KS 66714
Oil/Gas Purchaser Quest Energy Service, Inc.

RECEIVED

FEB 19 2002

Date June 1, 2001

Title Compliance Officer KCC WICHITA Signature Dick Cornell

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.

QUEST ENERGY SERVICE is acknowledged
as the new operator and may continue to
inject fluids as authorized by Docket #
D-27,843. Recommended action _____

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

Date 5-6-02 Mike Engelbert

Date _____

Authorized Signature

Authorized Signature

Form T1 7/94

***LOCATION:** _____

FOOTAGE FROM SECTION LINE
(i.e. FSL=Feet from South Line)

TYPE OF WELL
(OIL/GAS
INJ/WSW)

**WEAPON STATUS
(FBI/TA'D
ABANDONED)**

[illegible]

A SEPARATE SHEET MAY BE ATTACHED IF NECESSARY

*When transferring a unit which consists of more than one lease please file a separate section for each lease. If a lease covers more than one section please indicate which section each well is located.

AGREEMENT, Made and entered into 15th day of May xx2000 by and between:
Alan B. Hougardy and Sharon L. Hougardy, husband and wife

Quest Oil & Gas Corporation

Party of the first part, hereinafter called lessor (whether one or more) and

Party of the second part, hereinafter called lessee.

WITNESSETH, That the said lessor, for and in consideration of Ten and no/100----- DOLLARS cash in hand paid, receipt of which is hereby acknowledged, and of the covenants and agreements hereinafter contained on the part of the 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 purpose of investigating, exploring by geophysical and other means, prospecting, drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases, and their respective constituent products, injecting gas, waters, other fluids, and air into subsurface strata; laying pipe lines, storing oil, building tanks, power stations, roadways, and other structures and things thereon to produce, save, take care of, treat, process, store, transport and market said oil, liquid hydrocarbons, gases, and their respective constituent products, the following described land together with any reversionary rights and after-acquired interests therein, situated in the County of Neosho State of Kansas

A tract of land in the Northwest Quarter (NW/4) lying west of the railroad right-of-way less tracts deeded or condemned to Kansas Secretary of Transportation for highway purposes.

of Section 7 Township 30S Range 18E and containing 73 acres more or less.

It is agreed that this lease shall remain in full force for a term of three (3) years from this date, and as long thereafter as oil or gas, or either of them, is produced from said land by the lessee, or the premises are being developed or operated.

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. The lessee shall pay to lessor for gas produced from any oil well and used by the lessee for the manufacture of gasoline or any other product as royalty $\frac{1}{8}$ of the market value of such gas at the mouth of the well; if said gas is sold by the lessee, then as royalty $\frac{1}{8}$ of the proceeds of the sale thereof at the mouth of the well. The lessee shall pay lessor as royalty $\frac{1}{8}$ of the proceeds from the sale of gas as such at the mouth of the well where gas only is found and where such gas is not sold or used, lessee shall pay to lessor annually at the end of each yearly period during which such gas is not sold or used as royalty, an amount equal to the delay rental provided in the next succeeding paragraph hereof, and while said royalty is so paid or tendered this lease shall be held as a producing lease under the above term paragraph hereof; the lessor to have gas free of charge from any gas well on the leased premises for stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of such gas to be at the lessor's sole risk and expense.

If no well be commenced on said land on or before May xx2001, 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 Bank at

or its successors, which shall continue as the depository regardless of changes in the ownership of said land, the sum of Three hundred sixty five and no/100----- DOLLARS, which shall operate as a rental and cover

the privilege of deferring the commencement of a well for twelve months from said date. 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. All such payments or tenders of rental may be made by check or draft of lessee or any assignee thereof, mailed or delivered on or before the rental paying date either direct to lessor or assigns or to said depository bank. 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 herein before 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. However, such rental shall be increased at the next succeeding rental anniversary after any reversion occurs to cover the interest so acquired.

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 transferred, and the privilege of transferring in whole or in part is expressly allowed, or if the rights hereunder of either party hereto are vested by descent or devise, the covenants hereof shall extend to and be binding on the heirs, devisees, executors, administrators, successors, or assigns, but no change in the ownership of said land or of any right hereunder shall be binding on the lessee until after lessee has been furnished with the original or a certified copy thereof of any transfer by lessor or with a certified copy of the will of lessor together with a transcript of the probate thereof or, in the event lessor dies intestate and his estate is being administered, with a transcript of the administration proceedings or, in the event of the death of lessor and no administration being had on the estate, with an instrument satisfactory to lessee executed by lessor's heirs authorizing payment or deposit or tender for deposit to their credit as hereinbefore provided, at least thirty days before said rentals and royalties are payable or due, 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. If the leased premises are now or hereafter owned in severally or in separate tracts, the premises, nevertheless, may be developed and operated as an entirety, and the royalties shall be paid to each separate owner in the proportion that the acreage owned by him bears to the entire leased area. There shall be no obligation on the part of the lessee to offset wells on separate tracts into which the land covered by this lease may hereafter be divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks for the oil produced from such separate tracts.

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 and may reimburse itself from any rental or royalties accruing hereunder.

RECEIVED

Whereof witness our hands and seals this 15th day of May, 2000, above written.

KCC WICHITA

Alan B. Hougardy

Sharon L. Hougardy

Original Compared with Record

No. 00-1147

OIL AND GAS LEASE

FROM

TO

STATE OF _____
COUNTY OF _____

ACKNOWLEDGMENT FOR CORPORATION (KsOKCoNe)

SCANNED

the records of this office.
By Glenda K Taylor Register of Deeds.
\$8.00
When recorded, return to _____

This instrument was filed for record on the 24
day of May, 2000 XX
at 3:25 o'clock P M., and duly recorded
in Book 132M Page 57-58 of

STATE OF KANSAS
County NEOSHO

Date _____, 19____
Section _____ Twp. _____ Rge. _____
No. of Acres _____ Term _____
County _____

Notary Public

STATE OF _____
COUNTY OF _____

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOKCoNe)

Notary Public

STATE OF _____
COUNTY OF _____

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOKCoNe)

Notary Public

My commission expires _____

My commission expires _____

My commission expires _____

The foregoing instrument was acknowledged before me this _____ day of _____, 19____
by _____ of _____
corporation, on behalf of the corporation.
My commission expires _____
Notary Public

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

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