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

DOR 113412

RECEIVED

Check Applicable Boxes:

Oil Lease: No. of Wells 2

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. \_\_\_\_\_

Entire Project:  Yes  No

Number of Injection Wells \_\_\_\_\_ \*\*

Field Name: \_\_\_\_\_

JAN 23 2004

KCC WICHITA

Effective Date of Transfer: SEPTEMBER 1, 2000

Lease Name: BROWN/CANNADY

NW 1/4 Sec. 12 Twp. 21S R. 13  E  W

Legal Description of Lease: NORTHEAST QUARTER

SECTION 12 - TOWNSHIP 21 SOUTH -

RANGE 13 WEST

County: STAFFORD

Production Zone(s): ALBUCKLE

Injection Zone(s): \_\_\_\_\_

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KANSAS CORPORATION COMMISSION

Surface 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

DEC 18 2000

CONSERVATION DIVISION  
WICHITA, KS

Past Operator's License No. 4756

Past Operator's Name & Address: C.T. OPERATING

COMPANY 1226 CARLOS  
WICHITA, KS 67203  
Title: PRESIDENT

Contact Person: J. CERRY TINSLOW

Phone: 316 265 2631

Date: 9-11-00

Signature: J. Cerry Tinslow

New Operator's License No. 32741

New Operator's Name & Address: Bluebird Production, Inc.

P.O. Box 459

Great Bend, KS 67530

Title: Leo J. Hall, President

Contact Person: Timothy R. Keenan

Phone: 316-793-7811

Oil / Gas Purchaser: Cooperative Refinery LLC

Date: December 13, 2000

Signature: Leo J. Hall

**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.

\_\_\_\_\_ 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

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

EP&R 2/17/04 PRO FEB 18 2000 UIC 2/19/04



AGREEMENT, Made and entered into November 1, 2000, by and between:  
Harriet Brown, a/k/a Harriet M. Brown, and Harry Brown, her husband, 642 South 16th Street, Richmond, California  
94804; and Charles (Etta) Cannady, a/k/a Charlesetta Cannady, a single person, P. O. Box 472, Station A, Richmond,  
California 94808

Party of the first part, hereinafter called lessor (whether one or more) and  
Bluebird Production, Inc., a Kansas corporation, 2200 Lakin, Great Bend, Kansas 67530 Party of the second part, hereinafter called lessee.

WITNESSETH, That the said lessor, for and in consideration of One (\$1.00) 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 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, "together with any reversionary rights therein", situated in the County of Stafford, State of Kansas, described as follows, to-wit:

Northeast Quarter (NE/4)

of Section Twelve (12) Township Twenty-one (21) South Range Thirteen (13) West and containing 160 acres more or less.

It is agreed that this lease shall remain in full force for a term of one (1) year 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 (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 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 1/8 of the proceeds of the sale thereof at the mouth of the well. The lessee shall pay lessor as royalty 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 or tender 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 production of oil or gas is not commenced on said land on or before November 1, 2001, 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 \_\_\_\_\_ DOLLARS, which shall operate as a rental and cover the privilege of deferring 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.

Lessee shall pay for damages caused by its operation 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 and 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 severalty 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 re-

STATE OF California

COUNTY OF Contra Costa

#1756

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)

The foregoing instrument was acknowledged before me this 29<sup>th</sup> day of NOVEMBER, 2000

by Harriet Brown, a/k/a Harriet M. Brown

and Harry Brown, her husband.

My commission expires July 31<sup>st</sup> 2003



Mitchell Newman III  
Notary Public

STATE OF California

COUNTY OF Contra Costa

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)

The foregoing instrument was acknowledged before me this 29<sup>th</sup> day of NOVEMBER, 2000

by Charles (Etta) Cannady, a/k/a Charlesetta Cannady, a single person.

My commission expires July 31<sup>st</sup> 2003



Mitchell Newman III  
Notary Public

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

by \_\_\_\_\_

and \_\_\_\_\_

My commission expires \_\_\_\_\_

Notary Public

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

by \_\_\_\_\_

and \_\_\_\_\_

My commission expires \_\_\_\_\_

Notary Public

MICROFILMED

No. 1756

OIL AND GAS LEASE

FROM  
Harriet Brown a/k/a  
Harriet M. Brown et al  
TO  
Bluebird Production, Inc.

Date \_\_\_\_\_  
Section \_\_\_\_\_ Twp. \_\_\_\_\_ Rge. \_\_\_\_\_

No. of Acres \_\_\_\_\_ Term \_\_\_\_\_  
County \_\_\_\_\_

STATE OF Kansas  
County of Stafford

This instrument was filed for record on the  
8<sup>th</sup> day of November  
2000, at 8:58 o'clock A. M.,  
and duly recorded in Book 156  
Page 451 of the records of this office.

By Lyneth Bunnington  
Register of Deeds

When recorded, return to \_\_\_\_\_