

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
REQUEST FOR CHANGE OF OPERATOR
TRANSFER OF INJECTION OR SURFACE PIT PERMIT

Form T-1
April 2004
Form must be Typed
Form must be Signed
All blanks must be Filled

Check Applicable Boxes:

- ☒ Oil Lease: No. of Oil Wells 6 **
☐ Gas Lease: No. of Gas Wells _____ **
☐ Gas Gathering System: _____
☐ Saltwater Disposal Well - Permit No.: _____
Spot Location: _____ feet from ☐ N / ☐ S Line
_____ feet from ☐ E / ☐ W Line
☒ Enhanced Recovery Project Permit No.: E20965
Entire Project: ☐ Yes ☐ No
Number of Injection Wells 12 **

Field Name: _____

**** Side Two Must Be Completed.**

Effective Date of Transfer: 9-21-07
KS Dept of Revenue Lease No.: 119311 mb
Lease Name: Tontra
SW 1/4 Sec. 26 Twp. 31 R. 10 ☒ E ☐ W
Legal Description of Lease: SW 1/4 Section
26-31-10 E
County: EIK
Production Zone(s): Mississippi
Injection Zone(s): Mississippi

Surface Pit Permit No.: _____
(API No. if Drill Pit, WO or Haul)

Type of Pit: ☐ Emergency ☐ Burn ☐ Settling

☐ Haul-Off

☐ Workover

☐ Drilling ^{OR}

Past Operator's License No. 30522 ✓

Past Operator's Name & Address: Cornwell, LTD.
PO Box 142 Grenola, KS 67346
Title: President

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Contact Person: Brett Temple
Phone: 1-316-358-3839
Date: 9-21-07
Signature: Oil & Gas Use attached

New Operator's License No. 32933 ✓

New Operator's Name & Address: Todd Miller OBA
Speedy Well Serv. 402 W. Elm
Sedan, KS 67361
Title: Operator

Contact Person: Todd Miller
Phone: 620-725-3631
Oil / Gas Purchaser: Coffeyville Resources
Date: 9-21-07
Signature: Todd J Miller

Acknowledgment of Transfer: The above request for transfer of injection authorization, surface pit 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 pit permit.

Speedy Well Service is acknowledged as the
new operator and may continue to inject fluids as authorized by
Permit No. E-20965. Recommended action: MIT 51998
Over Due 2/13/06 U3C's due 2002-06
Date: 10-29-07 Barbara Mathewson
Authorized Signature

_____ is acknowledged as the
new operator of the above named lease containing the surface pit
permitted by No.: _____
Date: _____
Authorized Signature

DISTRICT _____	EPR <u>10-23-07</u>	PRODUCTION <u>OCT 30 2007</u>	UIC <u>10-29-07</u>
Mail to: Past Operator <u>10-29-07</u>	New Operator <u>10-29-07</u>	District <u>3</u>	<u>10-29-07</u>

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

* Location: SW/4 sec 26-31-10 E

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* 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.

OIL AND GAS LEASE

AGREEMENT made and entered into effective the 11th day of May, 2007, by and between:

JULIAN R. COCHRAN and MARY LOU COCHRAN, husband and wife, 1437 Blackjack, Moline, KS 67353 hereinafter referred to as Party of the First Part and/or Lessor (whether one or more), and

IN-SEARCH, LLC, a Kansas limited liability company, 3500 N. Harrison St., Shawnee, OK 74804, hereinafter referred to as Party of the Second Party and/or Lessee (whether one or more).

WITNESSETH: That the said Lessor, for and in consideration of One Dollar (\$1.00) and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged by Lessor, and of the covenants and agreements hereinafter contained on the part of the Lessee to be paid, kept and performed, Lessor 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, exploring, developing and operating for oil and gas, hydrocarbons, all gases and their respective constituent produces, injecting gas, water, other fluids and air into subsurface strata, and laying pipelines and building tanks, roadways, power stations, storing oil and other necessary structures and things thereon, to produce, save, treat, process, store, transport, market and take care of said products, the following described real estate together with any reversionary rights and after-acquired interests therein, situated in **BLK COUNTY, KANSAS**, and described as follows, to-wit:

THE SOUTHWEST QUARTER (SW/4) OF SECTION 26, TOWNSHIP 31 SOUTH, RANGE 10, EAST OF THE 6TH P.M.,

and containing 160 acres, more or less.

It is agreed that this lease shall remain in full force for a **Primary Term of three (3) years** from the above date, and as long thereafter as oil or gas, or either of them, is produced from said land by the Lessee.

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LARRY K. KING
Attorney at Law
118 W. Main
Sedan, KS 67361
620-725-5782

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IN CONSIDERATION OF the premises the said Lessee covenants and agrees:

A. To deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect Lessee's wells, the equal THREE-SIXTEENTHS (3/16ths) part of all oil produced and saved from the leased premises.

B. To pay to Lessor for gas from each well where gas only is found the equal THREE-SIXTEENTHS (3/16ths) of the gross proceeds at the prevailing market rate.

C. If production of oil and/or gas in paying quantities is not obtained by Lessee on or before the expiration of the Primary Term shown above, this lease shall terminate as to all parties.

D. 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 leased premises and thereby surrender this lease as to such portion or portions and be relieved of all exploration and development obligations as to the acreage surrendered.

E. If the Lessor owns a less interest in the leased premises than the entire and undivided fee simple estate therein, then the royalties and any rentals herein provided shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

F. Lessee shall have the right to use, free of cost, gas, oil and water produced on said leased premises for Lessee's operation thereon, except water from wells of Lessor. Lessor shall have the right to use, free of cost, gas produced from said leased premises, for a principal dwelling only, as long as the use thereof does not materially and negatively affect the operations of the Lessee; however, Lessor shall be required to pay for all connection expenses and Lessor shall be responsible for maintenance thereof and assumes all liability in connection with the use thereof.

G. All plastic pipeline shall be buried, and all electric lines, if the same are overhead lines, shall be at such height so as to allow farming equipment to travel underneath without interference.

H. No well shall be drilled nearer than 200 feet to the dwelling or barn, if any, located on the leased premises without the written consent of Lessor.

I. Lessee shall pay for damages caused by its operations to growing crops on the leased premises.

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J. Lessee shall have the right at any time to remove all leasehold equipment placed on the leased premises, including the right to draw and remove casing.

K. If the Lessee has commenced drilling, re-establishment of production or other like exploration and development activities on a well or wells located on the leased premises, the Lessee shall have the right to continue such activities until completion thereof, exercising due reasonable diligence and dispatch. If oil and 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 Primary Term first mentioned above.

L. If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants herein contained shall extend to their respective heirs, executors, administrators, trustees, successors or assigns, but no change in the fee title 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, recorded 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 leased premises 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, her 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 leased premises upon which the said Lessee or any assignee thereof shall make due payments of said rentals.

M. 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 and/or rentals shall be paid to each separate owner in the proportion that the acreage owned by said owner bears to the entire leased premises. There shall be no obligation on the part of the Lessee to offset wells on separate tracts into which the leased premises covered by this lease may hereafter be divided by sale, devise or otherwise, or to furnish separate measuring or receiving tanks for the oil and/or gas produced from such separate tracts.

N. Where there is a gas well or wells on the lands covered by this lease or acreage unitized therewith, including wells capable of producing gas condensate or distillate, whether it be before or after the primary

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hereof, and such well or wells are shut-in and there is no other production, drilling operations or other operations being conducted capable of keeping this lease in force under any of its provisions, Lessee or any assignee thereof shall pay as a non-recourse advance on royalty to Lessor the sum of \$10.00 per mineral acre per year, such payment to begin accruing and be made to Lessor beginning on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such shut-in royalty triggering well or wells are shut-in, and thereafter on each anniversary date of this lease during the period such wells are shut-in, and upon payment it shall be considered that this lease is maintained in full force and effect.

O. Lessor hereby grants to Lessee a right-of-way easement for the purpose of Lessee establishing a gas gathering system over and across the above leased premises, said system to be used in part for the transportation of any gas produced from said lands. If necessary, Lessor shall execute a separate, written instrument evidencing this easement.

P. Lessor hereby warrants and agrees to defend the title to the leased premises herein described and agrees that the Lessee shall have the right any time to redeem for Lessor by payment, any mortgages, taxes or other liens on the above leased premises 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.

Q. Lessee shall not be entitled to dispose of saltwater from other leases on the leased premises of Lessor, without first obtaining the advance, written permission of Lessors, unless said disposal is for the purpose of injecting saltwater into the producing formation in an approved secondary oil and gas recovery project.

R. All tanks shall have dikes constructed surrounding the same, of a sufficient size so as to contain any spills.

S. All wells and pump jacks shall be completely fenced in so as to prevent injury to livestock.

T. At such time as the lease is terminated, for whatever cause, the Lessee shall plug all wells.

U. Lessee cannot assign this lease or any interest in this lease without first obtaining the written consent of Lessor.

V. This lease cannot be unitized or pooled with any other lease without the written permission of Lessor.

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IN WITNESS WHEREOF, witness our signatures as of the date first above shown.

Julian R. Cochran
JULIAN R. COCHRAN

Mary Lou Cochran
MARY LOU COCHRAN

ACKNOWLEDGMENT

STATE OF KANSAS, COUNTY OF CHAUTAUQUA, ss:

Before me on the 11th day of May, 2007, appeared **Julian R. Cochran and Mary Lou Cochran, husband and wife**, Lessor shown above, who are personally known to me or who displayed satisfactory evidence of their identity to me, and they duly acknowledged the execution of the above and foregoing Oil and Gas Lease.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal as of the date last above written.

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Larry K. King
Notary Public

My app't. expires: 04-02-07

LARRY K. KING
Attorney at Law
118 W. Main
Sedan, KS 67361
620-725-5782



State of Kansas
Elk County 88 \$24.00
This instrument was filed for record on
the 6 day of June 2007 AD
1:00 o'clock P M and duly recorded
in Book 161 of MS Page 795

Deborah L. Hiltner
Register of Deeds
Gregory E. Winter, Deputy