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OCT 27 2004

KCC WICHITA

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISIONREQUEST 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 1 **☐ Gas Lease: No. of Gas Wells 0 **☐ 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.: _____Entire Project: ☐ Yes ☐ No

Number of Injection Wells _____ **

Field Name: _____

**** Side Two Must Be Completed.**Effective Date of Transfer: 9/29/04KS Dept of Revenue Lease No.: 105541Lease Name: Gage #1C - NW - NE - NW Sec. 2 Twp. 17 R. 13 ☐ E ☒ WLegal Description of Lease: please see attachedCounty: BartonProduction Zone(s): lansing

Injection Zone(s): _____

Surface Pit Permit No.: _____

(API No. if Drill Pit, WO or Haul)

4950 feet from ☐ N / ☒ S Line of Section3630 feet from ☒ E / ☐ W Line of SectionType of Pit: ☐ Emergency ☐ Burn ☐ Settling ☐ Haul-Off ☐ Workover ☐ DrillingPast Operator's License No. 30119Past Operator's Name & Address: LEONARD GAGE1676 NE 20 AVE HOISINGTON KS.67544Title: OWNER-OPERATOR

Contact Person: _____

Phone: _____

Date: _____

Signature: please see attachedNew Operator's License No. 33276 ✓New Operator's Name & Address: JIM CAIN150 NE 20 RDGREAT BEND KANSAS 67530Title: owner operatorContact Person: BENNIE DILLSPhone: 620-793-8969Oil / Gas Purchaser: CENTRAL KANSAS CRUDE

Date: _____

Signature: Jim Cain

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.

_____ is acknowledged as the new operator and may continue to inject fluids as authorized by Permit No.: _____. Recommended action: _____

Date: _____

Authorized Signature

_____ is acknowledged as the new operator of the above named lease containing the surface pit permitted by No.: _____. Recommended action: _____

Date: _____

Authorized Signature

DISTRICT _____ EPR 11/5/04 PRODUCTION NOV 08 2004 UIC 11/5/04

Mail to: Past Operator _____ New Operator _____ District _____

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

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AFFIDAVIT OF NON-PRODUCTION

STATE OF Kansas
COUNTY OF Barton } ss.

COPY

Howard W. Lindberg of lawful age, being first duly sworn on his oath, states that he is familiar with the following described property, to-wit:

E/2 NW/4 2-17-13W Barton County, Kansas
Gage H Oil Lease

MARCIA JOHNSON
REGISTER OF DEEDS
BARTON COUNTY, KS
Book: 612 Page: 3590
Receipt #: 67452 Total Fees: \$8.00
Pages Recorded: 1
Date Recorded: 9/22/2004 4:13:23 PM

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Index _____
Numerical B
Cross _____
DC Book _____
Plat Book _____
Military Book _____
Art of Inc Book _____
Scanned _____

which property is owned by Leonard E Gage

Affiant knows of his own knowledge that there is at present no production of oil or gas on said land and that there has been no production of oil or gas on said land from January 2000 to current.

Affiant further saith not.

Howard W. Lindberg
HOWARD W. LINDBERG

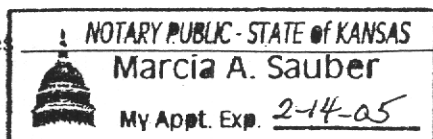
STATE OF Kansas
COUNTY OF Barton } ss.

ACKNOWLEDGMENT FOR INDIVIDUAL
(KsOkCoNe)

Before me, the undersigned, a Notary Public, within and for said County and State on this 22 day of Sept 2004, personally appeared Howard W. Lindberg and _____, to me personally known to be the identical person who executed the within and foregoing instrument and acknowledged to me that he executed the same as a free and voluntary act and deed for the uses and purposes therein set forth, and at the same time the affiant was by me duly sworn to the foregoing Affidavit.

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

My commission expires



Marcia A. Sauber
Notary Public

1 - 4 - 3 - 1

B

OIL AND GAS LEASE

COPY

AGREEMENT, Made and entered into September, 29th, 2004, by and between:
Olive Gage, as Trustee of the Gage Family Trust dated November 8, 2000

Jim Cain

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 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 BARTON, State of KANSAS, described as follows, to-wit:

~~XXXXXX Quarter (NW 1/4) except the NE 1/4 of the NW 1/4~~
A square ten (10) acre tract, the center of which is the center of the Northwest Quarter (NW 1/4) of the Northeast Quarter (NE 1/4) of the Northwest Quarter (NW 1/4)

of Section 2 Township 17 Range 13 and containing 10 acres more or less.

It is agreed that this lease shall remain in full force for a term of One 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 (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.

production is sold from

If no well be commenced on said land on or before October 1, 2005, this lease shall terminate as to both parties, unless the lessor, 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 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 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 re-cceiving 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-deem 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.

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STATE OF Kansas
COUNTY OF Garton

Book: 612 Page: 3785

The foregoing instrument was acknowledged before me this 29th day of Sept., 2004
by Olive Gage, as Trustee of the Gage Family Trust, dated Nov. 8, 2000
and _____

My commission expires 3-18-2005

Donald Elchiff
Notary Public



DONALD E. REIF JR.
NOTARY PUBLIC
STATE OF KANSAS
My Appt Exp. Mar. 18, 2005

STATE OF _____

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)

COUNTY OF _____

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

My commission expires _____

Notary Public

STATE OF _____

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)

COUNTY OF _____

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

My commission expires _____

Notary Public

STATE OF _____

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)

COUNTY OF _____

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

My commission expires _____

Notary Public

No. _____

OIL AND GAS LEASE

FROM _____

TO _____

Date _____, 19 _____

Section _____ Twp. _____ Rge. _____

No. Of Acres _____ Term _____

_____ County _____

STATE OF _____

County _____

This instrument was filed for record
on the _____ day of _____, 19 _____, at _____ o'clock _____ M.,
and duly recorded in Book _____ Page _____ of the records of this office.

By _____ Register of Deeds

When recorded, return to _____