

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 8 **
☐ Gas Lease: No. of Gas Wells _____ **
☐ Gas Gathering System: _____
☒ Saltwater Disposal Well - Permit No.: D-28834 New
D-28,8324 Application
Spot Location: 165 feet from ☐ N / ☒ S Line
165 feet from ☒ E / ☐ W Line
☐ Enhanced Recovery Project Permit No.: _____
Entire Project: ☐ Yes ☐ No
Number of Injection Wells _____ **

Field Name: Wayside Havana

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

Effective Date of Transfer: November 1, 2005

KS Dept of Revenue Lease No.: 127485 AKB

Lease Name: Roper (Kelso)

SE/4 - _____ Sec. 11 Twp. 34 R. 13 ☒ E ☐ W

Legal Description of Lease: SE/4 of section 11-T34S-R13E

County: Montgomery

Production Zone(s): Redd Sandstone, Wiser Sandstone

Injection Zone(s): Wayside Sandstone

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

_____ feet from ☐ N / ☐ S Line of Section

_____ feet from ☐ E / ☐ W Line of Section

Type of Pit: ☐ Emergency ☐ Burn ☐ Settling ☐ Haul-Off ☐ Workover ☐ Drilling OK

Past Operator's License No. 6977 exp 6/30/90

Contact Person: N/A

Past Operator's Name & Address: Vico
old abandon lease

Phone: _____

Date: _____

Title: _____

Signature: oil + gas lse attached

New Operator's License No. 32776

Contact Person: Henry Boots

New Operator's Name & Address: Peak Energy LLC
2649 CR 2300

Phone: 620-289-4603

Oil / Gas Purchaser: _____

Date: 11-3-2006

Title: H. E. Boots Mgr

Signature: H. E. Boots

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.: _____

Date: _____

Authorized Signature

DISTRICT _____ EPR 11-16-06 PRODUCTION NOV 17 2006 UIC 11-16-06
Mail to: Past Operator _____ New Operator _____ District _____

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

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* Location: SE/4 11-34-13 Montgomery County

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base covers more than one
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STATE OF KANSAS MONTGOMERY COUNTY
FILED FOR RECORD
MARILYN CALHOUN, REGISTER OF DEEDS
12:26:52 PM, 11/18/2005 Receipt No.: 17157

OIL AND GAS LEASE

LEASE \$6.00
ADDITIONAL PAGES \$4.00
TECHNOLOGY FUND \$6.00

BOOK: 553 PAGE: 179

AGREEMENT, Made and entered into this 16th day of October, 2005 by and between:
Louis E. Roper and Mary L. Roper, husband and wife, Party of the first part, hereinafter called
LESSOR (whether one or more) and Heloka Corp. Party of the second part, hereinafter called
LESSEE.

WITNESSETH, That the said LESSOR, for Ten Dollars (\$10.00) and other consideration, 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 exclusive unto said LESSEE, for the purpose of exploring by geophysical and other methods, mining and operating for oil (including but not limited to distillate and condensate), gas (including casing head gas, helium, coal bed methane gas, and all other constituents), and for laying pipelines, and building tanks, power stations, structures thereon, the right to use existing well bores, flow lines and other production related equipment, 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 Montgomery, State of Kansas, described as follows, to wit:

The North Half of the Southwest Quarter (N/2 of the SW/4)

and the Southeast Quarter of the Southwest Quarter (SE/4 of the SW/4)

and the Southeast Quarter (SE/4) all in

Section 11 Township 34 South - Range 13 East and containing 280 acres more or less.

It is agreed that this lease shall remain in full force for a term of Two (2) years from the date above (hereinafter referred to as "primary term") and as long thereafter as oil or gas, or either of them, is produced from said land, or lands spaced or unitized therewith or the leased premises are being developed by the LESSEE.

In consideration of the premises the said LESSEE covenants and agrees:

FIRST: To pay LESSOR, free of cost, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises, said payments to be made monthly.

SECOND: To pay LESSOR for gas (including casing head gas and coal bed methane gas) of whatsoever nature or kind (with all of its constituents) produced and sold or used off the leased premises or used in the manufacture of products therefrom, one-eighth (1/8) of the gross proceeds received for the gas sold, for all gas used off the premises, or in the manufacture of products therefrom less a proportionate part of any production, severance and other excise taxes and costs incurred by lessee in transporting, processing, compressing or other otherwise making merchantable LESSOR share of gas, said payments to be made monthly.

THIRD: Where there is a gas well, or wells on the lands covered by this Lease, whether it be before or after the primary term 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 shall pay as royalty to LESSOR the sum of Ten Dollars (\$10.00) per year per net royalty acre, such payment to be made to the LESSOR on or

*Heloka Corp
2649 CR 2300
Independence, KS 67301

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before the anniversary date of this Lease next ensuing after the expiration of 90 days from the date such well or wells are shut-in, and thereafter on the anniversary date of this Lease during the period such wells are shut-in, and upon such payment it shall be considered that this Lease is maintained in full force and effect.

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, and the signing of this agreement shall be binding on each of the above named parties who sign, regardless of whether it is signed by any of the other parties.

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 ponds, streams, or water wells of the LESSOR.

WHEN requested by LESSOR, LESSEE shall bury his pipelines and electric lines below plow depth.

LESSEE shall pay LESSOR Five Hundred Dollars (\$ 500.00) surface damages (drilling pit, roads etc.) for each new well drilled, due on or before the drilling starts.

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.

IT is hereby agreed and understood that the location of any roads on the leased premises shall be by mutual consent between LESSOR and LESSEE and LESSOR'S consent shall not be unreasonably withheld. All roads must be maintained to prevent ruts and washouts. LESSEE agrees to walk or use all terrain vehicles when possible as opposed to heavier means of transportation so as to avoid ruts and other damage to LEASOR'S property.

THIS oil and gas lease specifically includes all gases from coal seams and allows the drilling and use of a water disposal well, if necessary, for the Lessee's operations in the area.

LESSEE shall pay for damages caused by its operations on said land. Should a disagreement arise over payment for damage done to land or crops by the LESSEE, the LESSEE and the LESSOR shall each appoint a qualified, disinterested appraiser, these appraisers will appoint another and together these three appraisers will determine the fair and reasonable settlement.

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. If the leased premises are now or hereafter owned in severalty or in separate tracts, the premises, never the less, 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

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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 and/or gas produced from such separate tracts.

SHOULD this lease be assigned as to a part or as to parts of the above described lands, by either party, and the assignee or assignees of such part or parts shall fall or make default in the payment of the part of the rentals 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.

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.

ACKNOWLEDGEMENT

WHEREOF Witness our hand on this 1 day of ~~October~~ ^{November}, 2005.

X Louis E. Roper
Louis E. Roper

X Mary L. Roper
Mary L. Roper

STATE OF TEXAS

Smith

County

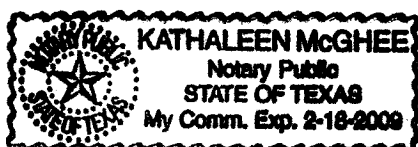
SS. ACKNOWLEDGMENT FOR INDIVIDUAL (Texas)

BE IT REMEMBERED that on this 1st day of ~~October~~ ^{NOVEMBER}, of 2005 before me a Notary Public in and for the County and State aforesaid, appeared Louis E. Roper and Mary L. Roper _____ who is/are personally known to me to be the same person(s) who executed the above and foregoing Oil and Gas Lease and duly acknowledged the execution of the same as their own free and voluntary act and-deed for said purposes.

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

MY commission expires:

Kathaleen McGhee
Notary Public



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