KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

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

REQUEST FOR CHANGE OF OPERATOR TRANSFER OF INJECTION OR SURFACE PIT PERMIT

Check Applicable Boxes:	11-1-07
Oil Lease: No. of Oil Wells***	Effective Date of Transfer:
Gas Lease: No. of Gas Wells***	KS Dept of Revenue Lease No.: 206139 Vul
Gas Gathering System:	Lease Name: Watson 2-35
Saltwater Disposal Well - Permit No.:	C SE SW - Sec. 35 Twp. 34S R. 42 EVW
Spot Location: feet from N / S Line feet from E / W Line	Legal Description of Lease: SW/4 of sec 35-34-42W
Enhanced Recovery Project Permit No.:	
Entire Project: Yes No	County: Morton
Number of Injection Wells**	Production Zone(s): Morrow
Field Name: Taloga	Injection Zone(s):
** Side Two Must Be Completed.	Injection Zone(s):
Surface Pit Permit No.: (API No. if Drill Pit, WO or Haul)	feet from N / S Line of Sectionfeet from E / W Line of Section
Type of Pit: Emergency Burn Settling	Haul-Off Workover Drilling
Past Operator's License No. 32446 /	Contact Person: Lynne Moon
Past Operator's Name & Address: Merit Energy Company	Phone: 972.628.1569
13727 Noel Road, Suite 500, Dallas, TX 75240	Date: 10/17/07
Title: South Division Regulatory Supervisor	Signature Lyw Moon
New Operator's License No. 31345	Contact Person: Norman Brungardt Jr.
New Operator's Name & Address:	Phone: U20- U29- 0524 RECEIVED KANSAS CORPORATION COMMISSION
Three-D Kesouces, Irc.	Oil / Gas Purchaser: KANSAS CORPORATION COMMISSION
P.O. Box 854 Liberal, 12 67905	Date: \\-\-\-\-\-\-\-\-\-\-\-\-\-\-\-\-\-\-\
Title: Operator	Signature Conservation Division WICHITA, KS
Acknowledgment of Transfer: The above request for transfer of injection noted, approved and duly recorded in the records of the Kansas Corporation Commission records only and does not convey any ownersh	oration Commission. This acknowledgment of transfer pertains to Kansas
is acknowleged as the	is acknowleged as the
new operator and may continue to inject fluids as authorized by	new operator of the above named lease contain (TEQ) TEQ ce pit KANSAS CORPORATION COMMISSION
Permit No.: Recommended action:	permitted by No.: DEC 3 1 2007
Date:	Date:
Authorized Signature	Authoriz@ONSERVATION DIVISION
DISTRICT EPR 1-2-08	PRODUCTION JAN 0 3 2008 UIC 1-2.0 WICHITA, KS
Mail to: Past Operator New Operator	District ————

Must Be Filed For All Wells

*Lease Name: Watson 2-35 *Location: SW/4 of Sec 35-34-42 W							
Well No.	API No. (YR DRLD/PRE '67)	Footage from Section Line (i.e. FSL = Feet from South Line)			ne	/ Type of Well (Oil/Gas/INJ/WSW)	Well Status (PROD/TA'D/Abandoned)
2-35	15-129-10569	660	Circle _ FSE/FNL	3300	Circle PEL/FWL	Gas	Inactive
			_ FSL/FNL		_ FEL/FWL		
			_ FSL/FNL		_ FEL/FWL		
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							KANSAS CORPORATION COMMISSIO
							DEC 3 1 2007

A separate sheet may be attached if necessary

CONSERVATION DIVIGIDA

^{*} 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.