

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 5 **
- ☐ 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.: _____
- Entire Project: ☐ Yes ☐ No
- Number of Injection Wells _____ **

Field Name: Dopita

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

Effective Date of Transfer: 12-27-2004

KS Dept of Revenue Lease No.: 109710 ✓

Lease Name: Diehl

_____ NW/4 Sec. 5 Twp. 9 R. 17 ☐ E ☒ W

Legal Description of Lease: NW/4 Sec. 5 Twp. 9 R. 17W

County: Rooks

Production Zone(s): Arbuckle

Injection Zone(s): None

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 XBR

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

Past Operator's License No. Palomino Petroleum Inc.

Past Operator's Name & Address: 4924 SE 84th Street
Newton, KS 67114

Title: New Lease aquired

Contact Person: _____

Phone: _____

Date: _____

Signature: Please see attached

New Operator's License No. 8925 ✓

New Operator's Name & Address: Liberty Operations & Completions, Inc.
308 West Mill
Plainville, KS 67663

Title: Owner

Contact Person: Roger L. Comeau

Phone: 785-434-4686

Oil / Gas Purchaser: Farm Land Industries

Date: 6-10-05

Signature: Roger L Comeau

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 7/8/05 PRODUCTION JUL 11 2005 UIC 718/05
Mail to: Past Operator _____ New Operator _____ District _____

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

RECEIVED
JUN 13 2005
KCC WICHITA

122704_Diehl.pdf

* Lease Name: Diehl * Location: NW/4 Sec. 5 Twp. 9 R. 17W

[illegible]

A separate sheet may be attached if necessary

* 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.

RECEIVED
JUN 13 2005
KCC WICHITA

BK0345PG477

RECEIVED

JUL 07 2005

FORM 88 -- (PRODUCER'S SPECIAL) (PAID-UP)

63U (Rev. 1993)

Reorder No.
09-115

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 27th day of December, 2004

by and between

Phelma Knight, a single person,whose mailing address is 205 S. Colorado, Plainville Ks. hereinafter called Lessor (whether one or more),

and

Liberty Operations & Completions, Inc., hereinafter called Lessee:

Lessor, in consideration of Ten Dollars (\$ 10.00) in hand paid, receipt of which is here acknowledged and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring by geophysical and other means, prospecting drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases, and their respective constituent products, injecting gas, water, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, power stations, telephone lines, and other structures and things thereon to produce, save, take care of, treat, manufacture, process, store and transport said oil, liquid hydrocarbons, gases and their respective constituent products and other products manufactured therefrom, and housing and otherwise caring for its employees, the following described land, together with any reversionary rights and after-acquired interest, therein situated in County of Rooks State of Kansas described as follows to-wit:

The Northwest Quarter (NW $\frac{1}{4}$) of Section 5, Township 9 South, Range 17 West of the 6th. p.m.

Subject to the provisions herein contained, this lease shall remain in force for a term of two (2) years from this date (called "primary term"), and as long thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, or any of them, is produced from said land or land with which said land is pooled.

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 lessee may connect wells on said land, the equal one-eighth ($\frac{1}{8}$) part of all oil produced and saved from the leased premises.

2nd. To pay lessor for gas of whatsoever nature or kind produced and sold, or used off the premises, or used in the manufacture of any products therefrom, one-eighth ($\frac{1}{8}$), at the market price at the well, (but, as to gas sold by lessee, in no event more than one-eighth ($\frac{1}{8}$) of the proceeds received by lessee from such sales), for the gas sold, used off the premises, or in the manufacture of products therefrom, said payments to be made monthly. Where gas from a well producing gas only is not sold or used, lessee may pay or tender as royalty One Dollar (\$1.00) per year per net mineral acre retained hereunder, and if such payment or tender is made it will be considered that gas is being produced within the meaning of the preceding paragraph.

This lease may be maintained during the primary term hereof without further payment or drilling operations. 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 like effect as if such well had been completed within the term of years first mentioned.

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein provided for shall be paid the said lessor only in the proportion which lessor's interest bears to the whole and undivided fee.

Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for lessee's operation thereon, except water from the wells of lessor.

When requested by lessor, lessee shall bury lessee's pipe lines below plow depth.

No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of lessor.

Lessee shall pay for damages caused by lessee's operations ~~including escape~~ 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 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. 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.

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.

All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, in whole or in part, nor lessee held liable in damages, for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.

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, and the undersigned lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, in so far as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, when in lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises, such pooling to be of tracts contiguous to one another and to be into a unit or units not exceeding 40 acres each in the event of an oil well, or into a unit or units not exceeding 640 acres each in the event of a gas well. Lessee shall execute in writing and record in the conveyance records of the county in which the land herein leased is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit shall be treated, for all purposes except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on the pooled acreage, it shall be treated as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere herein specified, lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.

Notwithstanding anything to the contrary contained herein, it is agreed that this lease shall terminate as to all non-pooled acreage upon the expiration of the primary term, unless said non-pooled acreage is producing oil or gas, or either of them, or said non-pooled premises are being developed or operated.

IN WITNESS WHEREOF, the undersigned execute this instrument as of the day and year first above written.

Witnesses:

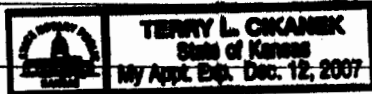
Phelma Knight
Phelma Knight

STATE OF Rooks
COUNTY OF Kansas

BK0345PG478
ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)

The foregoing instrument was acknowledged before me this 27th day of December 2004,
by Phelma Knight, a single person.

My commission expires _____



Ty L Cikanek
Notary Public

SCANNED

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

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

No. _____

OIL AND GAS LEASE

FROM

TO

Date

Section

Twp.

Rge.

No. of Acres

Term

County

STATE OF KANSAS

County Rooks

This instrument was filed for record on the 2

day of March 2005.

at 11:00 o'clock A.M., and duly recorded

in Book 345 Page 477 of

the records of this office.

Kavaler Spruch
Register of Deeds.

By KA

When recorded, return to

Liberty Operations
and Completions, Inc.

308 West Mill Street
Plainville, Kansas 67663

800
400
12.00

STATE OF _____
COUNTY OF _____

ACKNOWLEDGMENT FOR CORPORATION (KsOkCoNe)

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

of _____ a _____

corporation, on behalf of the corporation.

My commission expires _____

Notary Public