

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 1 **
☐ 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.: E-13321
Entire Project: ☒ Yes ☐ No
Number of Injection Wells 1 **

Field Name: Neosho Falls-Leroy

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

Effective Date of Transfer: 4/29/2008

KS Dept of Revenue Lease No.: 101001

Lease Name: Mentzer

_____ E2 _____ SE4 Sec. 26 Twp. 23 R. 17 ☒ E ☐ W

Legal Description of Lease: E2 of the SE4 of S26 T23S R17E.

County: Allen

Production Zone(s): Mississippi

Injection Zone(s): Mississippi

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

Past Operator's License No. n/a 7749 Exp 6/30/93

Contact Person: n/a New lease is attached KANSAS CORPORATION COMMISSION

Past Operator's Name & Address: John Swanson, Jaguar Petroleum, Inc.,
12921 Lynn Court, Kansas City, MO 64186

Phone: _____

Date: _____

Title: _____

Signature: Oil & Gas Lease Attached

New Operator's License No. 5983

Contact Person: Ryan M. Leis

New Operator's Name & Address: Leis, Victor J.
P.O. Box 223, Yates Center, KS 66783

Phone: 785-313-2567

Oil / Gas Purchaser: Pacer Energy

Date: 3-17-09

Title: Owner

Signature: Victor J. Leis

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.

Victor J Leis is acknowledged as the
new operator and may continue to inject fluids as authorized by
Permit No. E-13,321. Recommended action: U3C's
Due - 2004-08
Date: 3-23-09 Barbara Montgomery
Authorized Signature

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

DISTRICT	EPR	3-23-09	PRODUCTION	3-23-09	UIC	3-23-09
Mail to: Past Operator	3-23-09	New Operator	3-23-09	District	3-23-09	3

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

* Lease Name: Mentzer * Location: S26 T23 R17E

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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



* 2 0 0 8 - 2 2 7 3 2 *

CARA BARKDOLL, REGISTER OF DEEDS

ALLEN COUNTY, KS

2008-2273

DATE RECORDED: 10/28/2008 11:28:47AM ✓

MTG INDEBT: 0.00 ✓ RECEIPT#: 2912

REC FEE: \$ 8.00

TECH FEE: \$ 4.00

ORIGINAL COMPARED WITH RECORD

AGREEMENT Made and entered into this 29th day of April 2008, by and between William L. Mentzer and Marjorie J. Mentzer, husband and wife, of the first part, hereinafter called lessor (whether one or more) and D. Rockwell Company, Inc. of the second part, hereinafter called lessee.

WITNESSETH That the said lessor for and in consideration of One DOLLAR and other valuable consideration, cash in hand paid, receipt of which is hereby acknowledged, have granted, sold, conveyed, aliened, demised, leased and let and by these presents do grant, sell, convey, alien, demise, lease and let 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, and have and take care of said products, all that certain tract of land situated in the County of Allen, State of Kansas, described as follows, to-wit:

The East Half of the Southeast Quarter, Section 26, Township 23, Range 17 E; also a tract of land described as follows: Commencing where the South line of the CK&W Railroad right-of-way crosses the line between the NE/4 SE/4 and the NW/4 SE/4 of said Section 26; thence South 683 feet, thence West 545 feet, thence North 455 feet, thence North of East along the South side of said CK&W Railroad right-of-way to place of beginning; containing 87 acres, more or less.

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It is agreed that this lease shall remain in full force for a term of One (1) year from this date, and as long thereafter as oil or gas, or either of them, is produced from said land by the lessee.

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 his wells, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd To pay lessor for gas from each well where gas only is found the equal one-eighth (1/8) of the gross proceeds at the prevailing market rate, for all gas used off the premises, said payments to be made monthly and lessor to have gas free of cost from any such well for all stoves and all inside lights in the principal dwelling house on said land during the same time by making his own connections with the well at his own risk and expense.

3rd To pay lessor for gas produced from any oil well and used off the premises, or for the manufacture of casing-head gasoline, one-eighth (1/8) of the proceeds at the prevailing market rate for the gas used, for the time during which such gas shall be used, said payments to be made monthly.

If no well be commenced on or before the 29th day of April, 2009 this lease shall terminate as to both parties, unless the lessee on 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 drilling and commencing one well for _____ months from said date. In like manner and upon like payments, the drilling and commencing of a second well may be further deferred for like periods or the same number of months successively. In consideration first recited herein, the down payment covers not only the privileges granted by the lease hereinafter set forth, but also the lessee's option of extending that period as aforesaid and any other rights conferred.

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 hereinbefore 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 of 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 fee interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals shall be paid to him or her, or to his or her heirs, or to his or her assigns, 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 wells of lessors.

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 operations 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 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, until the lessee has been furnished with a written 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 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, this lease shall nevertheless continue in full force and effect in so far as it covers a part or parts of said lands upon which the said lessee or any assignee thereof has commenced or shall commence drilling.

Lessor hereby warrants and agrees that 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 of the taxes, taxes or other liens on the above described lands, in the event of default of payment by lessor, and be subrogated in the right of the holder thereof.

Whereof witness our hands as of the day and year first above written.

William L. Mentzer
William L. Mentzer

Marjorie J. Mentzer
Marjorie J. Mentzer

STATE OF KANSAS)

) ss.

COUNTY OF ALLEN)

BEFORE ME, the undersigned a Notary Public, within and for said county and state, on this 29th day of March 2009, I appeared **William L. Mentzer and Marjorie J. Mentzer, husband and wife** to me personally known to me, who executed the within and foregoing instrument and acknowledged to me that they executed the same as their free and voluntary act and deed for the uses and purposes therein set forth.



Janene K Brunell

Notary Public.

My commission expires

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