

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:

- Oil Lease: No. of Oil Wells _____ **
- Gas Lease: No. of Gas Wells 1 _____ **
- 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: Fort Scott

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

Effective Date of Transfer: May 1, 2008

KS Dept of Revenue Lease No.: 228831 *WLB*

Lease Name: Shepard

_____ Sec. 26 Twp. 24S R. 23 E W

Legal Description of Lease: NE

County: Bourbon County RECEIVED
KANSAS CORPORATION COMMISSION

Production Zone(s): Cherokee Coals **OCT 24 2008**

Injection Zone(s): _____ CONSERVATION DIVISION
WICHITA, KS

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. 33397 /

Contact Person: Steven A. Tedesco

Past Operator's Name & Address: Running Foxes Petroleum Inc.
7060B S. Tucson Way Centennial, CO 80112

Phone: 303-617-7242

Title: Steven A. Tedesco President/CEO

Date: October 22, 2008

Signature: *[Signature]*

New Operator's License No. 33583 ✓

Contact Person: Steven A. Tedesco

New Operator's Name & Address: Admiral Bay (USA) Inc.
7060B S. Tucson Way Centennial, CO 80112

Phone: 303-350-1255

Title: Steven A. Tedesco President/CEO

Oil / Gas Purchaser: Seminole Energy Services

Date: October 22, 2008

Signature: *[Signature]*

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: _____

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

Authorized Signature

Authorized Signature

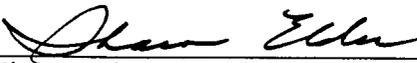
DISTRICT _____ EPR 12-5-08 PRODUCTION DEC 08 2008 UIC 12-5-08
Mail to: Past Operator _____ New Operator _____ District _____

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

050108 Shepard-pit

State of Kansas, Bourbon County SS
This instrument was filed for Record on:
09/02/2008 at 01:44 PM and recorded in
Book 350 of CR Page 237 Last Pg 256
Fees: \$84.00 2008 02813

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Sharon Elder, Register of Deeds
By: _____ Deputy

SEP 15 2008

CONSERVATION DIVISION
WICHITA, KS

ASSIGNMENT OF INTEREST IN OIL AND GAS LEASES

THIS ASSIGNMENT OF INTEREST IN OIL AND GAS LEASES ("Assignment"), dated effective May 1, 2008 at 7:00 a.m. Local time ("Effective Time"), is from **MOUNTAIN ENERGY, LLC**, a Colorado limited liability company, 1801 Broadway, Suite 1250, Denver, CO 80202, and **RUNNING FOXES PETROLEUM, INC.**, a Colorado corporation, 7060B South Tucson Way, CO 80112 (collectively, "Assignor") to **ADMIRAL BAY (USA) INC.**, a Nevada corporation, 7060B South Tucson Way, Centennial, CO 80112 ("Assignee").

For \$100.00 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledge, Assignor hereby sells, assigns, transfers, grants, bargains, and conveys to Assignee all of Assignor's right, title and interest (the "Subject Interests") in and to the following real and personal property interests in Bourbon and Crawford Counties, Kansas (collectively, the "Property").

1. Leases. The oil and gas leases described on Exhibits A hereto (the "Leases") insofar as the Leases cover the lands described on Exhibits A (the "Lands");
2. Easements. To the extent transferable, rights-of-way, surface leases, easements, licenses and servitudes located on or granting rights to the Lands or access to the Lands;
3. Permits. To the extent transferable, permits and licenses of any nature owned, or held in connection with operations for the exploration, production, processing, gathering and transportation of oil, gas or other hydrocarbons on the Lands;

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OCT 17 2008

CONSERVATION DIVISION
WICHITA, KS

TO HAVE AND TO HOLD the Property unto Assignee and its successors and Assigns forever.

This Assignment is made and accepted expressly subject to the following terms and conditions:

- A. Purchase and Sale Agreement. This Agreement is subject to a Purchase, Sale and Farmout Agreement dated effectively May 1, 2008, between Assignor and Assignee (the "Purchase Agreement"). If there is a conflict between the terms of this Assignment and the Purchase