

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 3 **
- ☐ Gas Lease: No. of Gas Wells _____ **
- ☐ Gas Gathering System: _____
- ☒ Saltwater Disposal Well - Permit No.: D-27, 024
- Spot Location: 1980 feet from ☐ N / ☒ S Line
- 660 feet from ☒ E / ☐ W Line
- ☒ Enhanced Recovery Project Permit No.: E-23, 015
- Entire Project: ☒ Yes ☐ No
- Number of Injection Wells 22 **

Field Name: Peru-Sedan

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

Effective Date of Transfer: 2-14-2010

KS Dept of Revenue Lease No.: 119609

Lease Name: Solomon

Sec. 18 Twp. 35 R. 12 ☒ E ☐ W

Legal Description of Lease: E2E2 of S18, T35S, R12E

County: Chautauqua

Production Zone(s): Peru

Injection Zone(s): Peru & Layton

Surface Pit Permit No.: None
(API No. if Drill Pit, WO or Haul)

N/A feet from ☐ N / ☐ S Line of Section

N/A feet from ☐ E / ☐ W Line of Section

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

Past Operator's License No. 32717 Exp 10/30/09

Contact Person: *PRIOR OPERATOR OUT OF BUSINESS; LICENSE FORFITED;

Past Operator's Name & Address: DLM Oil McCoy, Richard L. & Jennifer DBA DLM Oil
350 Road 22; Peru, Kansas 67360

Phone: *COPY OF ASSIGNMENT OF OIL AND GAS LEASE ATTACHED

Date: _____

Title: Owner

Signature: Assignment Attached

New Operator's License No. 33594

Contact Person: Mark W. McCann

New Operator's Name & Address: Quito, Inc.

Phone: (918) 337-4747

1613 W. 6th St.

Oil / Gas Purchaser: Quito, Inc.

Bartlesville, OK 74003

Date: 05-14-2010

Title: Owner

Signature: [Signature]

Acknowledgment of Transfer: The above request for transfer of injection authorization, surface pit permit # None 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.

Quito, Inc is acknowledged as the

new operator and may continue to inject fluids as authorized by

Permit No.: E-23-015 Recommended action: U3C

Violations on both Wells 2005-09

Date: 6-3-10 Barbara Montgomery

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 _____

PRODUCTION 6/7/10

UIC 6-3-10

RECEIVED

Mail to: Past Operator 6-3-10

New Operator 6-3-10

District 6-3-10

KANSAS CORPORATION COMMISSION

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

MAY 19 2010

CONSERVATION DIVISION
WICHITA, KS

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KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

REQUEST FOR CHANGE OF OPERATOR
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☐ Gas Lease: No. of Gas Wells _____ **
☐ Gas Gathering System: _____
☒ Saltwater Disposal Well - Permit No.: D-27, 024
Spot Location: 1980 feet from ☐ N / ☒ S Line
660 feet from ☒ E / ☐ W Line
☒ Enhanced Recovery Project Permit No.: E-23, 015
Entire Project: ☒ Yes ☐ No
Number of Injection Wells 82 **
Field Name: Peru-Sedan

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

Effective Date of Transfer: 2-14-2010
KS Dept of Revenue Lease No.: 119609 ✓
Lease Name: Solomon
_____ Sec. 18 Twp. 35 R. 12 ☒ E ☐ W
Legal Description of Lease: E2E2 of S18, T35S, R12E
County: Chautauqua
Production Zone(s): Peru
Injection Zone(s): Peru & Layton

Surface Pit Permit No.: None
(API No. if Drill Pit, WO or Haul)

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N/A feet from ☐ E / ☐ W Line of Section

Type of Pit: ☐ Emergency ☐ Burn ☐ Settling

☐ Haul-Off ☐ Workover ☐ Drilling OK

Past Operator's License No. 32717 Exp. 10/30/09

Contact Person: *PRIOR OPERATOR OUT OF BUSINESS; LICENSE FORFITED;

Past Operator's Name & Address: DLM Oil McCoy, Richard L. & Jennifer DBA DLM Oil
350 Road 22; Peru, Kansas 67360

Phone: *COPY OF ASSIGNMENT OF OIL AND GAS LEASE ATTACHED

Title: Owner

Date: _____
Signature: Assignment Attached

New Operator's License No. 33594

Contact Person: Mark W. McCann

New Operator's Name & Address: Quito, Inc.
1613 W. 6th St.

Phone: (918) 337-4747

Bartlesville, OK 74003

Oil / Gas Purchaser: Quito, Inc.

Date: 05-14-2010

Title: Owner

Signature: [Signature]

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Quito, Inc. is acknowledged as the
new operator and may continue to inject fluids as authorized by
Permit No.: D-27,024. Recommended action: U3C
Violation 2905-09
Date: 6-3-10 Barbara Mahoney
Authorized Signature

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

DISTRICT _____ EPR 6-2-10 PRODUCTION 6/7/10 UIC 6-3-10
Mail to: Past Operator 6-3-10 New Operator 6-3-10 District 6-3-10 3

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

RECEIVED
KANSAS CORPORATION COMMISSION

MAY 19 2010

CONSERVATION DIVISION
WICHITA, KS

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* Location: E2E2 S18, T35S, R12E

~~CONFIDENTIAL~~
WICHITA

* 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.

STATE OF KANSAS)
) SS
COUNTY OF CHAUTAUQUA)

That the undersigned, Richard L. McCoy and Jennifer McCoy, d/b/a DLM Oil, hereinafter called ASSIGNOR (whether one or more), for and in consideration of One Dollar (\$1.00) and other good and valuable consideration, the receipt whereof is hereby acknowledged, does hereby sell, assign, transfer and set over unto Quito, Inc., hereinafter called ASSIGNEE, all of ASSIGNOR'S right, title and working interest in and to the Oil and Gas Lease described in Exhibit "A" attached hereto together with the rights incident thereto and the personal property thereon, appurtenant thereto, or used or obtained in connection therewith.

Executed this 4th day of February, 2010.

Jennifer McCoy d/b/a DLM Oil

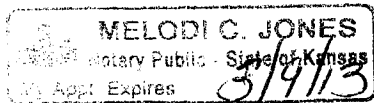
C:\Users\Public\Documents\MEL\O&G\quitomccassig.doc.wpd

STATE OF KANSAS)
)ss:
COUNTY OF CHAUTAUQUA)

This instrument was acknowledged before me this 4TH day of FEBRUARY
2010 by Richard L. McCoy and Jennifer McCoy, S/B/a DLM Oil

Melodi C. Jones
Notary Public

My Appointment Expires:



RECEIVED
KANSAS CORPORATION COMMISSION

MAY 19 2010

CONSERVATION DIVISION
WICHITA, KS

EXHIBIT "A"

LESSORS: Robert L. Solomon and Sarah O. Solomon
LESSEE: Equity Drilling Company, Inc.
DATE: December 14, 1982
DESCRIPTION: The East Half of the Northeast Quarter (E/2 NE/4) and
Lot 1 (which is the fractional East Half of the
Southeast Quarter), of Section 18, Township 35 South,
Range 12, East of the 6th P.M., Chautauqua County,
Kansas
RECORDED: Book 53, Leases, Page 729

RECEIVED
KANSAS CORPORATION COMMISSION

MAY 19 2010

CONSERVED BY GUY
WRIGHT