

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

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KANSAS CORPORATION COMMISSION

Form T-1

June 2000

Form must be Typed

Form must be Signed

All blanks must be Filled

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

CONSERVATION DIVISION  
WICHITA, KS

NOV 13 2002

NOR 119771

Check Applicable Boxes:

☒ Oil Lease: No. of Wells 8

☐ Gas Lease: No. of Wells     

\*\* Side Two Must Be Completed.

☐ Saltwater Disposal Well - Docket No.     

Spot Location:      feet from N / S Line

     feet from E / W Line

☒ Enhanced Recovery Project Docket No. E-28,095

Entire Project: ☒ Yes ☐ No

Number of Injection Wells 3

Field Name: Courter

Effective Date of Transfer: May 14, 2002

Lease Name: Courter

SE-SE-NE4 Sec. 34 Twp. 15S R. 21 ☒ E ☐ W

Legal Description of Lease:     

County: Franklin

Production Zone(s): Squirrel Sand

Injection Zone(s): Squirrel Sand

Surface Pond Permit #     

(API # if Drill Pit)

Identify:

☐ Emergency Pit

☐ Burn Pit

☐ Storage Pit

☐ Drill Pit

Past Operator's License No. 4987

Past Operator's Name & Address: Ronco, Inc  
6901 Mission Rd Pizone Village Ks

Title:     

Contact Person: none

Phone: license expired 6/30/97

Date:     

Signature:     

New Operator's License No. 5935

New Operator's Name & Address: Haas Oil Company  
12980 Foster Street, Suite 120  
Overland Park, Ks 66213

Title: John Haas, President

Contact Person: Mark Haas

Phone: 913-402-0998

Oil / Gas Purchaser:     

Date: 11/1/2002

Signature: M. Haas

Acknowledgment of Transfer: The above request for transfer of injection authorization, surface pond 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 pond permit.

Haas Oil Company is acknowledged as the  
new operator and may continue to inject fluids as authorized by

Docket # E-28,095 Recommended action: U3C

Violations All Wells -

Date: 12-18-02 Mike Englebrecht

Authorized Signature BEA  
7-13-10

     is acknowledged as the  
new operator of the above named lease containing the surface pond  
permitted by #     

Date:     

Authorized Signature     

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

EPOR 12/2/02 PROD 7/13/10 UIC 12/02 7/13/10 BEA

\* 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.

NOV 13 2002

CONSERVATION DIVISION  
WICHITA, KS

**SUPPLY WELLS**

**WELL #**

**API #**

**SPOT LOCATION**

<u>WELL #</u>	<u>API #</u>	<u>SPOT LOCATION</u>	<u>OIL</u>	<u>TA</u>
1	059-24,168	2805 FSL, 165FEL	↓	↓
1	059-23,136	3135 FSL, 165FEL		
2	059-24,169	2805 FSL, 495FEL		
3	059-24,170	2805 FSL, 825FEL		
4	059-24,171	2805 FSL, 1155FEL		
5	059-24,175	3135 FSL, 1155FEL		
6	059-24,176	3135 FSL, 825FEL		
7	059-24,177	3135 FSL, 495FEL		

According to Mr. Wiggo.

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NOV 20 2002

KCC WICHITA

## OIL AND GAS LEASE

AGREEMENT, made this the 14<sup>th</sup> day of May, 2002, by ESTHER MAE SKILLING, a single person, hereinafter called lessor, and MARK L. HAAS, D/B/A HAAS OIL COMPANY, hereinafter called lessee:

### WITNESSETH:

1 That lessor, for and in consideration of the sum of One Dollar (\$1.00) in hand paid and of the covenants and agreements hereinafter contained to be performed by lessee, has this day granted, leased, and let and by these presents does hereby grant, lease and let exclusively unto lessee the hereinafter described land, together with any reversionary rights therein, for the purpose of carrying on geological, geophysical and other exploratory work, including core drilling and the drilling, mining, and operating for, producing and saving all of the oil (including but not limited to distillate and condensate) and gas (including but not limited to casinghead gas and helium and all other gases and all constituents of all gases), and for constructing roads, laying pipe lines, building tanks, storing oil, building powers, stations, telephone and electric transmission lines and other structures thereon necessary for the economical operation of said land to produce, save, take care of, and market all of such substances, said land being situated in the County of Franklin, State of Kansas, and described as follows:

The East Half of the Northeast Quarter (E/2 NE/4) of Section Thirty-four (34), Township Fifteen (15) South, Range Twenty-one (21) East of the 6<sup>th</sup> P.M., except Interstate I-35 containing 74 acres, more or less.

2. This lease shall remain in force until May 14, 2003, (herein called primary term), and as long thereafter as oil, gas, or any of the substances covered by this lease are produced in paying quantities. At the end of one year after the expiration of the primary term, if this lease is then in force, this lease shall terminate as to the oil and gas rights in all zones or formations of the leased premises from which lessee is not then producing oil or gas in paying quantities.

3. Lessee shall deliver to lessor as royalty, free of cost at the wellhead, or to the credit of lessor into the pipe line to which lessee may connect its wells, the equal one-eighth (1/8) part of all oil (including but not limited to distillate and condensate) produced from the leased premises, or at lessee's option may pay to lessor for such one-eighth (1/8) royalty the market price at the wellhead for oil of like grade and gravity prevailing on the day such oil is run into the pipe line or into storage tanks.

4. Lessee shall pay to lessor as royalty, free of cost at the point of sale, one-eighth (1/8) of the proceeds of the sale of all gas produced and sold from the leased premises. Lessee shall pay lessor one-eighth (1/8) of the proceeds received by lessee from the sale of casinghead gas produced from any oil well and one-eighth (1/8) of the value, at the mouth of the well, computed at the prevailing market price, of casinghead gas produced from any oil well and used by lessee off the leased premises for any purpose or used on the leased premises by lessee for purposes other than the development and operation thereof. Lessee shall pay to lessor one-eighth (1/8) of the proceeds from the sale of all other products of oil and gas not otherwise referred to herein.

5. Notwithstanding the primary term stated above, if drilling operations are not commenced on the leased premises on or before May 14, 2002, this lease shall then terminate unless lessee on or before said date shall pay or tender to lessor, or to the credit of lessor in Gardner National Bank at Wellsville, Kansas, or any successor bank, the sum of Five Hundred Dollars (\$500.00), hereinafter called 'rental', which shall extend for twelve months from said date the time within which drilling operations may be commenced. Thereafter, annually, in like manner and upon like payments or tenders the commencement of drilling may be further deferred for periods of twelve months each during the primary term. Payment or tender of rental may be made by check or draft of lessee delivered to the authorized depository bank or lessor (at the address last known to lessee) on or before such date for payment, and the payment or tender will be deemed made when the check or draft is so delivered. If said named or successor bank (or any other bank which may, as hereinafter provided, have been designated as depository) should fail or liquidate or for any reason refuse or fail to accept rental, lessee shall not be held in default for failure to make such payment or tender of rental until thirty days after lessor shall deliver to lessee a proper recordable instrument naming another bank to receive such payments or tenders. Drilling operations shall be deemed to be commenced when a well is spudded on the leased premises.

6. Notwithstanding anything in this lease contained to the contrary, it is expressly agreed that if lessee shall commence to drill a well or commence reworking operations on an existing well at any time while this lease is in force, this lease shall remain in force and its terms shall continue so long as such operations are diligently prosecuted and, if production results therefrom, then as long as production continues in paying quantities.

7. If at any time prior to the discovery of oil or gas on this land and during the primary term of this lease, lessee shall drill a dry hole or dry holes on this land, this lease shall not terminate if lessee commences further drilling operations or commences or resumes the payment of rentals in the manner and in the amount hereinabove provided by the rental paying date, if any, next ensuing after thirty (30) days following the completion of the dry hole, or if there be no such rental paying date, commence such further drilling operations before the expiration of the primary term.

8. If, within the primary term of this lease, production on the leased premises ceases from any cause for a continuous period in excess of sixty (60) days, this lease shall not terminate provided operations to drill a well, or to rework or recomplete an existing well, if any, shall be commenced on or before the next ensuing rental paying date; or, provided lessee begins or resumes the payment of rentals in the manner and amount hereinabove provided. If, after the expiration of the primary term of this lease, production on the leased premises ceases from any cause for a continuous period in excess of sixty (60) days, this lease shall not terminate provided lessee commences operations to drill a well, or to rework or recomplete an existing well, if any, within such sixty (60) days, and this lease shall remain in force during the diligent prosecution of such operations and, if production results therefrom, then as long as production continues in paying quantities.

9. Lessee shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except that lessor expressly reserves ownership and use of all fresh water from or on the leased premises, including but not limited to wells, tanks, ponds and irrigation channels on or appurtenant to said premises. Out of any surplus not needed for operations hereunder, lessor may have, free of charge, gas from any gas well on the leased premises for use in any dwelling on said land by making his own connections with the well, the use of such gas to be at lessor's sole risk and expense. The taking and use of such surplus gas shall not be a credit against any royalties otherwise payable to lessor hereunder. Lessee shall bury its pipe lines below plow depth. Lessee shall pay for damage caused by its operations including, but not limited to, damage to crops, foliage, and livestock on said land. No well, equipment, structure or roadway shall be located nearer than 330 feet from the house, barn or other buildings of lessor, if any, now on said premises without written consent of lessor. No well drilled on the leased premises may be used for disposal of salt water from wells other than on the leased premises without the written consent of lessor and without compensating lessor for its use. Lessee shall reasonably notify lessor prior to commencement of drilling operations and shall notify its contractors and employees to consult with lessor in respect to points of access to the premises. Lessor shall have the right to designate the location of new roadways upon the premises; provided, they shall be sufficient for the necessary operations of lessee and provide lessor with suitable ingress and egress to and from well locations, tanks and facilities, and access to adjacent public roadways, if any. Overhead power lines shall be of sufficient height so as not to interfere with the reasonable and necessary movement of farm machinery or irrigation equipment, or else buried below plow depth. Any fences damaged as a result of lessee's operations shall be restored to prior condition at lessee's expense. Upon completion or abandonment of a well, lessee shall reasonably restore the well site area, and fill and grade pits, as nearly as possible to the prior

surface condition and contour, at lessee's expense. If a well is abandoned, it shall be plugged in accordance with law and the regulations promulgated by the State Corporation Commission. Before abandoning a gas well, lessee shall notify lessor of the intention to abandon and, if requested by lessor, provide lessor with the available logs and well data. Lessor shall then have the right to purchase the well by paying lessee the fair salvage value of the casing, tubing, pipe and other equipment in and on the well. If lessor exercises the right to buy the well, lessee shall then be released from any further liabilities or obligations in respect to such well, including the obligation to plug it at any time, which obligation shall in that event be entirely upon lessor.

10. Lessee shall have the right at any time during, or within six (6) months after the expiration of this lease to remove all of lessor's property, equipment, machinery, fixtures, and other structures placed on said premises, including the right to draw and remove all casing. Any property of lessee which is not removed within six (6) months after the expiration of this lease shall be deemed abandoned and may be disposed of by lessor in such manner as lessor deems best, without notice to lessee, without obligation or duty of any kind to lessee for the manner or reasonableness or such disposition, and without obligation or duty to lessee for any accounting for such disposition or proceeds thereof.

11. If lessor owns a less interest in the above-described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid to the said lessor only in the proportion which his interest bears to the whole and undivided fee. However, such rental shall be increased at the next succeeding rental anniversary after any reversion occurs to cover the interest so acquired.

12. If the leased premises are now or shall hereafter be owned in severalty or in separate tracts, the premises may nevertheless be developed and operated as one lease, and all royalties accruing hereunder shall be divided among and paid to such separate owners in the proportion that the acreage owned by each separate owner bears to the entire leased acreage. There shall be no obligation on the part of lessee to offset wells on separate tracts into which the land covered by this lease may now or hereafter be divided by sale, devise, descent or otherwise, or to furnish separate receiving or measuring tanks or devices.

13. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to their heirs, devisees, executors, administrators, successors and assigns. However, no change or division in ownership of the lands, rentals, or royalties shall enlarge the obligations or diminish the rights of lessee. No change of ownership in the lands, rentals, royalties or any sum due under this lease shall be binding on lessee until it has been furnished with a duly certified copy of the recorded instrument of conveyance duly certified copy of the will of any deceased owner and of the probate thereof, or certified copy of the proceedings showing appointment of an administrator for the estate of any deceased owner, whichever is appropriate, together with duly certified copies of all recorded instruments of conveyance necessary in showing a complete chain of title back to lessor to the full interest claimed, and all advance payments of rentals made hereunder before receipt of said documents shall be binding on any and all direct or indirect assignees, grantees, devisees, administrators, executors, or heirs of lessor. In the event this lease shall be assigned as to a part of the above described land and the holder or holders of the lease as to any such part defaults in the payment of the proportionate part of the rent due from him or them, such default shall not operate to defeat or affect this lease insofar as it covers a part of said land upon which lessee or any assignee thereof shall make due payment of said rentals.

14. Lessee may at any time and from time to time surrender or cancel this lease in whole or in part by placing same of record in the proper county. In case said lease is surrendered and canceled as to only a portion of the acreage covered herein, then all payments and liabilities thereafter accruing under the terms of said lease as to the portion canceled shall cease (except for the terms applicable to abandoned wells) and any rentals thereafter paid shall be reduced in the proportion that the acreage covered hereby is reduced by each such release, but as to the portion of the acreage not released the terms and provisions of this lease shall continue and remain in full force and effect for all purposes.

15. All provisions hereof, express or implied, shall be subject to all federal and state laws and the orders, rules or regulations of all governmental agencies administering the same, and this lease shall not be terminated wholly or partially nor shall lessee be liable for failure to comply with any of the express or implied provisions hereof if such failure is the result of compliance with any such laws, orders, rules or regulations.

16. Lessor hereby warrants that lessor is the lawful owner of and has good title to said land, subject only to liens, mortgages, encumbrances, easements, rights of way, and restrictions of record.

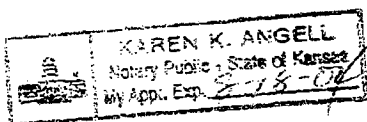
IN WITNESS WHEREOF this instrument is executed and made effective the date first shown above.

Esther Mae Skilling  
ESTHER MAE SKILLING

Mark L. Haas  
MARK L. HAAS, D/B/A HAAS OIL COMPANY

STATE OF KANSAS, COUNTY OF JOHNSON, ss.

This instrument was acknowledged before me on the 14<sup>TH</sup> day of MAY 2002, by ESTHER MAE SKILLING and MARK L. HAAS, D/B/A HAAS OIL COMPANY, personally appeared before me both persons known to me and known to be the signers of the above instrument, and they have acknowledged that they have signed it.



Karen K. Angell  
Notary Public - Karen K. Angell  
Appointment Expires: August 18, 2004