

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 2 **
☐ Gas Lease: No. of Gas Wells _____ **
☐ Gas Gathering System: _____
☐ Saltwater Disposal Well - Permit No.: _____
Spot Location: 1320 feet from ☒ N / ☐ S Line
1650 feet from ☒ E / ☐ W Line
☐ Enhanced Recovery Project Permit No.: _____
Entire Project: ☐ Yes ☐ No
Number of Injection Wells _____ **

Field Name: _____

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

Effective Date of Transfer: 3-1-2006
KS Dept of Revenue Lease No.: 138810 NB
Lease Name: Borell
_____ Sec. 32 Twp. 14 R. 12 ☐ E ☒ W
Legal Description of Lease: NE 1/4 of Section 32
14-12W
County: Russell
Production Zone(s): Kansas City
Injection Zone(s): N/A

Surface Pit Permit No.: _____
(API No. if Drill Pit, WO or Haul)

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

Past Operator's License No. 30 Bandowner
Past Operator's Name & Address: 535 Oil Co.
Ellenwood Kansas
Title: _____

Contact Person: Sammy J. Hay
Phone: ?
Date: New Lease
Signature: Ail + Gas Lease Attached MAY 18 2010
KCC WICHITA

New Operator's License No. 300811
New Operator's Name & Address: Anshutz Oil
P.O. Box 274
Ellsworth, Kansas 67439
Title: Operator

Contact Person: Debra Dolechek
Phone: 785-658-3528
Oil / Gas Purchaser: MacClaskey Oilfield
Date: 5-12-10
Signature: E.O. Anshutz

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 9-14-10 PRODUCTION 9/15/10 UIC 9-15-10
Mail to: Past Operator _____ New Operator _____ District _____

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

030106 Borell.pdf

* 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.

Commence

AGREEMENT, Made and entered into this 1st day of March, 19006,
by and between Ronald L. Borell and ElVern D. Borell

Party of the first part, hereinafter called lessor (whether one or more) and

Anshutz Oil Co.

Part y of the second part, hereinafter called lessee.

WITNESSETH, That the said lessor, for and in consideration of Ten (10) DOLLARS,
cash in hand paid, receipt of which is hereby acknowledged, and of the covenants and agreements hereinafter contained on the
part of lessee to be paid, kept and performed, has granted, demised, leased and let and by these presents does grant, demise,
lease and let unto said lessee, 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 thereon to produce, save and take care of said products, all that certain tract of
land situated in the County of Russell State of Kansas, described as follows, to-wit:

The North East Quarter - NE/4 of 32-14-12

of Section 32 Township 14 Range 12 and containing 160 acres more or less.

It is agreed that this lease shall remain in full force for a term of one (1) years 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 ($\frac{1}{8}$) 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 ($\frac{1}{8}$) of the gross proceeds at the
prevailing market rate, (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 all gas used off the premises, said payments to be made yearly
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 ($\frac{1}{8}$) of the proceeds at the prevailing market rate, (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 used, for the time during which such gas shall be

used, said payments to be made yearly

If no well be commenced on said land on or before the 1st day of March, 192007,
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 defer-
ring the commencement of a well for months from said date. In like manner and

upon like payments or tenders the commencement of a well may be further deferred for like periods or the same number of
months successively.

~~The covenants hereof shall extend to their heirs, executors, administrators, assigns, and assigns, and the lessee shall be bound by the~~
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; 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, such default shall not operate to defeat or affect
this lease in so far as it covers a part or parts of said lands upon which the said lessee or any assignee thereof shall make due
payments of said rentals.

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.

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

Witness to the mark:

x Ronald L. Borell (SEAL)
Ronald L. Borell (SEAL)
x ElVern D. Borell (SEAL)
ElVern D. Borell (SEAL)
(SEAL)

BOOK 208 PAGE 07771

RECEIVED (SEAL)
KANSAS CORPORATION COMMISSION (SEAL)

MAY 20 2010

CONSERVATION DIVISION
WICHITA, KS