

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form T-1
March 2010
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

Form KSONA-1, Certification of Compliance with the Kansas Surface Owner Notification Act,
MUST be submitted with this form.

Check Applicable Boxes:

- ☒ Oil Lease: No. of Oil Wells X 12 **
☐ 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.: _____
Entire Project: ☐ Yes ☐ No
Number of Injection Wells _____ **

Field Name: Paola Rantoul

Slide Two Must Be Completed

Effective Date of Transfer: 3/1/2010

KS Dept of Revenue Lease No.: 115849 *KJR*

Lease Name: Paulsen Lease

_____ SW Sec. 31 Twp. 16 R. 24 ☒ E ☐ W

Legal Description of Lease: Fractional SW/4 of 31-16S-24E, less

eastern 40 acres, containing 160 acres m/l in Miami County, KS

County: Miami

Production Zone(s): Cattleman

Injection Zone(s): NA

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 *OR*

Past Operator's License No. 31019 ✓

Contact Person: John Paulsen

Past Operator's Name & Address: Diamond Star Oil, Inc.

Phone: 913-557-5646

219 Brookside Dr, Paola, KS 66071

Date: 8/12/2010

Title: President

Signature: *[Signature]*

New Operator's License No. 34348 ✓

Contact Person: Douglas G. Evans

New Operator's Name & Address: Blue Diamond Holdings, LLC

Phone: 785-883-4057

PO BOX 128, Wellsville, KS 66092

Oil / Gas Purchaser: Kelly L. MacIskey

Date: 8/12/2010

Title: Manager

Signature: *[Signature]*

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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 11-3-10 PRODUCTION 11-5-10 UIC 11-4-10
Mail to: Past Operator _____ New Operator _____ District _____

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

030110_Paulson.pdf

Must Be Filed For All Wells

KDOR Lease No.: 115849

* Lease Name: Paulsen Lease

* Location: SW/4 31-16S-24E, Miami County, KS

Well No.	API No. (YR DRLD/PRE '67)	Footage from Section Line (i.e. FSL = Feet from South Line)		Type of Well (Oil/Gas/INJ/WSW)	Well Status (PROD/TA'D/Abandoned)		
1	15-121-20635✓	650	Circle FSL/FNL	670	Circle FEL/FWL	OIL	PROD
2	15-121-22222✓	165	FSL/FNL	1520	FEL/FWL	OIL	PROD
3	15-121-22235✓	495	FSL/FNL	1485	FEL/FWL	OIL	PROD
4	15-121-22236✓	495	FSL/FNL	1155	FEL/FWL	OIL	PROD
5	15-121-22790✓	330	FSL/FNL	1650	FEL/FWL	OIL	PROD
6	15-121-22829✓	495	FSL/FNL	1400	FEL/FWL	OIL	PROD
7	15-121-22895✓	825	FSL/FNL	2475	FEL/FWL	OIL	PROD
8	15-121-22896✓	495	FSL/FNL	2145	FEL/FWL	OIL	PROD
11	15-121-22899✓	165	FSL/FNL	825	FEL/FWL	OIL	PROD
12	15-121-22900✓	165	FSL/FNL	495	FEL/FWL	OIL	PROD
13	15-121-22901✓	165	FSL/FNL	165	FEL/FWL	OIL	PROD
DS-1	15-121-28615✓	495	FSL/FNL	1815	FEL/FWL	OIL	PROD
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A separate sheet may be attached if necessary

* 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.

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

**CERTIFICATION OF COMPLIANCE WITH THE
KANSAS SURFACE OWNER NOTIFICATION ACT**

Form KSONA-1
July 2010
Form Must Be Typed
Form must be Signed
All blanks must be Filled

This form must be submitted with all Forms C-1 (Notice of Intent to Drill); CB-1 (Cathodic Protection Borehole Intent); T-1 (Request for Change of Operator Transfer of Injection or Surface Pit Permit); and CP-1 (Well Plugging Application). Any such form submitted without an accompanying Form KSONA-1 will be returned.

Select the corresponding form being filed: ☐ C-1 (Intent) ☐ CB-1 (Cathodic Protection Borehole Intent) ☒ T-1 (Transfer) ☐ CP-1 (Plugging Application)

OPERATOR: License # 34348
Name: Blue Diamond Holdings, LLC
Address 1: PO BOX 412
Address 2: _____
City: Wellsville State: KS Zip: 66092 + _____
Contact Person: Phil Frick
Phone: (785) 883-4057 Fax: (_____) _____
Email Address: _____

Well Location:
_____ - _____ - _____ SW Sec. 31 Twp. 16 S. R. 24 ☒ East ☐ West
County: Miami
Lease Name: Paulsen Well #: ALL
If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:

Surface Owner Information:

Name: James E. Paulsen
Address 1: 18700 W 287th St
Address 2: _____
City: Paola State: KS Zip: 66071 + _____

When filing a Form T-1 involving multiple surface owners, attach an additional sheet listing all of the information to the left for each surface owner. Surface owner information can be found in the records of the register of deeds for the county, and in the real estate property tax records of the county treasurer.

If this form is being submitted with a Form C-1 (Intent) or CB-1 (Cathodic Protection Borehole Intent), you must supply the surface owners and the KCC with a plat showing the predicted locations of lease roads, tank batteries, pipelines, and electrical lines. The locations shown on the plat are preliminary non-binding estimates. The locations may be entered on the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted.

Select one of the following:

- ☒ I certify that, pursuant to the Kansas Surface Owner Notice Act (House Bill 2032), I have provided the following to the surface owner(s) of the land upon which the subject well is or will be located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form CP-1 that I am filing in connection with this form; 2) if the form being filed is a Form C-1 or Form CB-1, the plat(s) required by this form; and 3) my operator name, address, phone number, fax, and email address.
- ☐ I have not provided this information to the surface owner(s). I acknowledge that, because I have not provided this information, the KCC will be required to send this information to the surface owner(s). To mitigate the additional cost of the KCC performing this task, I acknowledge that I am being charged a \$30.00 handling fee, payable to the KCC, which is enclosed with this form.

If choosing the second option, submit payment of the \$30.00 handling fee with this form. If the fee is not received with this form, the KSONA-1 form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-1 will be returned.

I hereby certify that the statements made herein are true and correct to the best of my knowledge and belief.

Date: 8/12/10 Signature of Operator or Agent: Phil Frick Title: Agent

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