

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 5 **
☐ 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

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

Effective Date of Transfer: 6/28/02

KS Dept of Revenue Lease No.: 113086 *KJR*

Lease Name: Fruits

_____ Sec. 12 Twp. 17 R. 20 ☒ E ☐ W

Legal Description of Lease: E/2 NW/4

County: Franklin

Production Zone(s): Squirrel

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 *OR*

Past Operator's License No. 30073 *Exp. 4/30/02*

Past Operator's Name & Address: C D OIL

3236 Virginia Rd Wellsville, KS 66092

Title: Partner

Contact Person: Carl (Clay) Hughes

Phone: 913-963-9127

Date: 5/9/2011

Signature: Carl C. Hughes

New Operator's License No. 33051 ✓

New Operator's Name & Address: C D OIL, Inc.

3236 Virginia Rd

Wellsville, KS 66092

Title: President

Contact Person: Carl (Clay) Hughes

Phone: 913-963-9127

Oil / Gas Purchaser: High Sierra

Date: 5/9/2011

Signature: Carl C. Hughes **KCC WICHITA**

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 5-23-11 PRODUCTION 5-24-2011 UIC 5-24-11
Mail to: Past Operator _____ New Operator _____ District _____

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

062802_Fruits.pdf

Lease Name: Fruits

* Location: 12-17-20

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* 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 # 33051
Name: C D OIL, Inc.
Address 1: 3236 Virginia Rd
Address 2: _____
City: Wellsville State: Ks Zip: 66092 + _____
Contact Person: Carl (Clay) Hughes
Phone: (913) 963-9127 Fax: (_____) _____
Email Address: _____

Well Location: _____
_____ Sec. 12 Twp. 17 S. R. 20 ☒ East ☐ West
County: Franklin
Lease Name: Fruits Well #: _____

If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:

Surface Owner Information:

Name: Blue Diamond Holdings
Address 1: PO Box 128
Address 2: _____
City: Wellsville State: Ks Zip: 66092 + _____

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: 5/9/11 Signature of Operator or Agent: Carl C. Hughes Title: president

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MAY 10 2011

**ASSIGNMENT OF OIL AND GAS LEASE**

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned,

Dru Kramer d/b/a DK Well Service

hereinafter called Assignor (whether one or more), for and in consideration of One Dollar (\$1.00) the receipt whereof is hereby acknowledged, does hereby sell, assign, transfer and set over unto C. D. OIL, Inc.

(hereinafter called Assignee), all of Assignors interest (100% WI) interest in and to the oil and gas lease dated January 14, 19 78, from Fred F. Fruits and Virginia Fruits

to David E. Greer and Mary D. Greer, lessor
recorded in book 87, page 193 insofar as said lease covers the following described land in Franklin County, State of Kansas

(See Exhibit "A")

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of Section 12 Township 17 Range 20 and containing 61 acres, more or less together with the rights incident thereto and the personal property thereon, appurtenant thereto, or used or obtained in connection therewith.

And for the same consideration the Assignor covenants with the Assignee, its or his heirs, successors or assigns: That the Assignor is the lawful owner of and has good title to the interest above assigned in and to said lease, estate, rights and property, free and clear from all liens, encumbrances or adverse claims; That said lease is a valid and subsisting lease on the land above described, and all rentals and royalties due thereunder have been paid and all conditions necessary to keep the same in full force have been duly performed, and that the Assignor will warrant and forever defend the same against all persons whomsoever, lawfully claiming or to claim the same.

EXECUTED, This 23 day of SEPT, 2002Dru Kramer
Dru Kramer

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MAY 10 2011

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STATE OF KANSAS } ss. ACKNOWLEDGMENT FOR INDIVIDUAL (Kans. Okla. and Colo.)
COUNTY OF FRANKLIN

Before me, the undersigned, a Notary Public, within and for said County and State, on this 23 day of SEPTEMBER, 2002, personally appeared DRU KRAMER and

to me personally known to be the identical person who executed the within and foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

My commission expires 7-23-05

STEVEN D. LAYTON

My Appt. Exp. July 23, 2005

Notary Public

STATE OF _____
COUNTY OF _____

Be it remembered that on this _____ day of _____, 19____, before me, the undersigned, a Notary Public, duly commissioned, in and for the county and state aforesaid, came _____ president of _____

a corporation of the State of _____, personally known to me to be such officer, and to be the same person who executed as such officer the foregoing instrument of writing in behalf of said corporation, and he duly acknowledged the execution of the same for himself and for said corporation for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day and year last above written.

My commission expires _____

Notary Public

EXHIBIT "A"

2. Oil and Gas Lease executed by Fred F. Fruits and Virginia Fruits, husband and wife, as Lessors, to David E. Greer and Mary D. Greer, as Lessee, dated January 14, 1978, recorded February 8, 1978, in Book 87, Page 193 of the records in the office of the Register of Deeds of Franklin County, Kansas, covering the following described property, to-wit:

The North 61 acres of the East Half of the Northwest Quarter (E/2 NW/4) of Section 12, Township 17, Range 20 East, Franklin County, Kansas.

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