

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 _____ **
- ☒ Gas Lease: No. of Gas Wells 1 **
- ☐ 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: GREENWOOD

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

Effective Date of Transfer: 3/31/2011 4/7/2011

KS Dept of Revenue Lease No.: 201924

Lease Name: HANNA #1

_____ - SE - SE - NW Sec. 32 Twp. 31 R. 43 ☐ E ☒ W

Legal Description of Lease: SEC 29 & SEC 32

County: MORTON

Production Zone(s): TOPEKA

Injection Zone(s): _____

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. 34536 /

Past Operator's Name & Address: JONES ENERGY LTD
807 LAS CIMAS PKWY #350, AUSTIN, TX 78746

Title: _____

Contact Person: ANNE MANESS

Phone: 512-328-2953 X258

Date: _____

Signature: Assignment Attached

New Operator's License No. 34539 /

New Operator's Name & Address: SOVEREIGN ENERGY LLC
621 17TH STREET, SUITE 950
DENVER, CO 80293

Title: OFFICE MANAGER

Contact Person: STEPHANIE CLASEN

Phone: 303-297-0347

Oil / Gas Purchaser: REGENCY ENERGY PARTNERS LP

Date: 5/12/11

Signature: Stephanie Clasen

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 6-20-11 PRODUCTION 6-21-11 UIC MAY 16 2011

Mail to: Past Operator _____ New Operator _____ District _____

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

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040711_Hanna_1.pdf

Must Be Filed For All Wells

KDOR Lease No.: 201924

* Lease Name: HANNA #1

* Location: SENW SEC 32

[illegible]

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.

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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 # 34539
Name: SOVEREIGN ENERGY LLC
Address 1: 621 17TH STREET, SUITE 950
Address 2: _____
City: DENVER State: CO Zip: 80293 + _____
Contact Person: STEPHANIE CLASEN
Phone: (303) 297-0347 Fax: (303) 297-9075
Email Address: _____

Well Location:
SE SE NW Sec. 32 Twp. 31 S. R. 43 ☐ East ☒ West
County: MORTON
Lease Name: HANNA Well #: 1

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

Surface Owner Information:

Name: SEE ATTACHED LIST
Address 1: _____
Address 2: _____
City: _____ State: _____ Zip: _____ + _____

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: 5/12/11 Signature of Operator or Agent: Stephanie Clasen Title: OFFICE MANAGER

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KANSAS SURFACE OWNERS

Name	Address 1	City, State, Zip	Well
Trahern Land, LLC	53500 CR EE	Walsh, CO 81090	Hanna 1 & 2
KUEA	Box 928	Lawrence, KS 66048	Hanna 2
Michael Landrum	Box 659	Elkhart, KS 67950	Hanna 1

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WHEN RECORDED, RETURN TO:
BWAB-Sovereign Energy Group LLC
475 17th Street, Ste. 1390
Denver, Colorado 80202

ASSIGNMENT, BILL OF SALE AND CONVEYANCE

This Assignment, Bill of Sale and Conveyance ("Conveyance") from **Knight Energy Group II, LLC**, a Delaware limited liability company and **CCPR Sub LLC**, a Delaware limited liability company, each of whose address is 807 Las Cimas Parkway, Suite 350, Austin, Texas 78746 (collectively, "Grantor"), to **BWAB-Sovereign Energy Group LLC**, a limited liability company formed under the laws of the State of Colorado, with the address of 475 17th Street, Ste. 1390, Denver, Colorado 80202 ("Grantee"), is effective as of 7:00 a.m. Central Time on March 1, 2011 (the "Effective Time").

ARTICLE I

Conveyance of Oil and Gas Interests

Section 1.1. **Conveyance:** Grantor, for and in consideration of the sum of \$10 cash and other good and valuable consideration, in hand paid, the receipt and sufficiency of which are hereby acknowledged, hereby grants, bargains, sells, and conveys unto Grantee all of Grantor's right, title and interest in and to the leases, wells, oil and gas units, and rights-of-way located in Morton County, Kansas, and the other related assets described as follows (collectively the "Assets"):

(a) The oil and gas leases and interests, described on Exhibit A (the "Leases") or appurtenant to the wells described on Exhibit A-1, as of the Effective Time, together with any interest in any pooled, communitized or unitized acreage to the extent any such wells are a part thereof and all of the rights appurtenant thereto (the "Subject Properties"):

(b) (1) The wells described on Exhibit A-1 in the amounts of the working interests and net revenue interest set forth on Exhibit A-1 hereto ("Wells"), and well equipment (surface and subsurface), all materials, fixtures, platforms, facilities, pumps, equipment, leased equipment, electrical distribution systems, flowlines, gathering pipelines, meters and metering equipment, gas facilities, gathering systems, storage, distribution, treating, processing and disposal facilities and tanks, tools, compressors, and all other real or tangible personal property, inventory or fixtures which are used solely in connection with the production, disposal, gathering, storing, measuring, compression, injection, treating, operating, maintaining, marketing or transportation of production and substances from the Subject Properties and Wells or lands pooled or unitized therewith, and all other improvements which were acquired for or are used in connection with the operation of the Subject Properties, ("Equipment"); (2) all oil, gas, minerals and other hydrocarbon substances in the tanks or storage or produced on and after the Effective Time from the Leases as well as all revenue from same; (3) all contracts insofar as they relate to the Subject Properties, Wells and Equipment, including, without limitation, all orders, unit orders, title opinions and documents, abstracts of title, leases, deeds, unitization agreements, pooling agreements, operating agreements, division of interest statements, participation agreements, production handling agreements, license agreements, farmin and farmout agreements, oil and gas leases, assignments, compression and/or processing agreements, and transportation, gathering and processing contracts and agreements (the "Contracts"); (4) all surface leaseholds used in connection with the Subject Properties, easements, rights-of-way (as described on Exhibit A-2 hereto), licenses, authorizations, water rights, permits and similar rights and interests; and (5) all records, regulatory files, non-privileged legal records and files, lease files, land files, title and lease records and opinions, operating files, well files, oil and gas sales contract files, gas processing files, division order files, abstracts, title files and materials (the "Records").

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Without limiting the generality of the foregoing, it is the intent of the Parties that this Conveyance shall cover any and all of Grantor's right, title and interest in the Subject Properties (to all depths), Wells (to all depths) and Equipment.

Notwithstanding anything in this Conveyance to the contrary, the Assets shall not include all trade credits, account receivables, net receivable, take or pay amounts receivable, and other receivables attributable to the Assets with respect to any period of time prior to the Effective Time.

TO HAVE AND TO HOLD the Assets unto Grantee, its successors and assigns, forever, subject, however, to the terms and conditions of this Conveyance.

ARTICLE 2

Special Warranty; Disclaimers; Release

Section 2.1. **Special Warranty of Title:** Subject to the terms and conditions of this Assignment, Grantor warrants title to the Assets, free and clear of all liens and encumbrances (other than Permitted Encumbrances as defined in that certain Purchase and Sale Agreement between Grantor and Grantee, dated March 23, 2011 (the "Purchase Agreement")) arising by, through or under Grantor, but not otherwise, but with full substitution and subrogation of Grantee, and all persons claiming by, through and under Grantee. Grantee hereby acknowledges and agrees that Grantee's sole and exclusive remedy for any Title Defect (as defined in the Purchase Agreement) with respect to any of the Leases, Wells, rights-of way or other property right shall be as provided in Article III of the Purchase Agreement, except for Title Defects arising from a breach of Grantor's special warranty of title set forth above.

Section 2.2. **Disclaimers:** Except as expressly set forth herein and as set forth in the Purchase Agreement, Grantor disclaims all liability and responsibility for any representation, warranty, statements or communications (orally or in writing) to any person (including any information contained in any opinion, information or advice that may have been provided to any such person by any officer, director, stockholder, partner, employee, agent, consultant, representative or contractor of Grantor, its affiliates or any engineer or engineering firm, or other agent, consultant or representative) wherever and however made with respect to the transaction contemplated hereby. BY ACCEPTING THIS CONVEYANCE, GRANTEE ACKNOWLEDGES THAT, EXCEPT AS EXPRESSLY PROVIDED HEREIN OR IN THE PURCHASE AGREEMENT, GRANTOR HAS MADE NO, AND GRANTOR HEREBY EXPRESSLY DISCLAIMS AND NEGATES, AND GRANTEE HEREBY EXPRESSLY WAIVES, ANY REPRESENTATION OR WARRANTY, EXPRESS, IMPLIED, AT COMMON LAW, BY STATUTE OR OTHERWISE RELATING TO (a) PRODUCTION RATES, RECOMPLETION OPPORTUNITIES, DECLINE RATES, OR THE QUALITY, QUANTITY OR VOLUME OF THE RESERVES OF HYDROCARBONS, IF ANY, ATTRIBUTABLE TO THE ASSETS, (b) THE ACCURACY, COMPLETENESS OR MATERIALITY OF ANY INFORMATION, DATA OR OTHER MATERIALS (WRITTEN OR ORAL) NOW, HERETOFORE OR HEREAFTER FURNISHED TO GRANTEE BY OR ON BEHALF OF GRANTOR, OR (c) THE ENVIRONMENTAL CONDITION OF THE ASSETS. NOTWITHSTANDING TO THE CONTRARY IN THIS CONVEYANCE, GRANTOR EXPRESSLY DISCLAIMS AND NEGATES, AND BY ACCEPTING THIS CONVEYANCE GRANTEE HEREBY WAIVES, AS TO PERSONAL PROPERTY, EQUIPMENT, INVENTORY, MACHINERY AND FIXTURES CONSTITUTING A PART OF THE ASSETS (i) AN IMPLIED OR EXPRESS WARRANTY OF MERCHANTABILITY, (ii) AN IMPLIED OR EXPRESS WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, (iii) AN IMPLIED OR EXPRESS WARRANTY OF CONFORMITY TO MODELS OR SAMPLES OF MATERIALS, (iv) ANY IMPLIED OR EXPRESS WARRANTY OF FREEDOM FROM DEFECTS, WHETHER KNOWN OR UNKNOWN, (v) ANY AND ALL IMPLIED WARRANTIES EXISTING UNDER APPLICABLE LAW, AND (vi) ANY IMPLIED OR EXPRESS WARRANTY REGARDING ENVIRONMENTAL LAWS, THE RELEASE OF MATERIALS INTO THE ENVIRONMENT, OR PROTECTION OF THE ENVIRONMENT OR HEALTH. IT BEING THE EXPRESS INTENTION OF GRANTEE AND GRANTOR THAT THE PERSONAL PROPERTY, EQUIPMENT, INVENTORY, MACHINERY AND FIXTURES INCLUDED IN THE ASSETS SHALL BE CONVEYED TO GRANTEE, AND GRANTEE SHALL ACCEPT SAME, AS IS, WHERE IS, WITH ALL FAULTS AND IN THEIR PRESENT CONDITION AND STATE OF REPAIR, AND

GRANTEE REPRESENTS TO GRANTOR THAT GRANTEE HAS MADE OR CAUSED TO BE MADE SUCH INSPECTIONS WITH RESPECT TO SUCH PERSONAL PROPERTY, EQUIPMENT, INVENTORY, MACHINERY AND FIXTURES AS GRANTEE DEEMS APPROPRIATE. GRANTOR AND GRANTEE AGREE THAT, TO THE EXTENT REQUIRED BY APPLICABLE LAW TO BE EFFECTIVE, THE DISCLAIMERS OF CERTAIN WARRANTIES CONTAINED IN THIS SECTION ARE "CONSPICUOUS" DISCLAIMERS FOR THE PURPOSES OF ANY APPLICABLE LAW, RULE OR ORDER.

Section 2.3. **Release:** Without limiting and except as set forth in the Purchase Agreement, Grantee, on behalf of itself and its successors, assigns and affiliates, and its and their respective officers, employees, lenders, equity investors and representatives, fully releases and forever discharges Grantor and its and its affiliates' managers, officers, directors, employees, shareholders and representatives from all demands, claims, causes of action, suits, obligations, and liabilities of any kind whatsoever, statutory, at common law or otherwise, and regardless of the grounds therefor, whether known or unknown, WHETHER BASED ON OR ARISING OUT OF ANY THEORY OF LIABILITY, now existing or that might arise hereafter, directly or indirectly relating to, arising out of, or any way incidental to the Assets or the formation or performance of the Purchase Agreement.

Section 2.4. **Purchase and Sale Agreement:** This Conveyance is made pursuant to and is subject to the terms of the Purchase Agreement, which are incorporated herein by this reference, which terms shall survive the execution and delivery of this Conveyance in accordance with their terms. The Purchase Agreement shall not be deemed to have merged with this Conveyance.

ARTICLE 3

Subject to Contracts

Section 3.1. **Subject to Contracts:** Grantee is taking the Assets subject to the terms and conditions of the Purchase Agreement, the Leases and the Contracts, to the extent the Contracts are valid, binding and enforceable on the date of this Conveyance, and Grantee hereby assumes and agrees to fulfill, perform, pay and discharge Grantor's obligations under such Contracts both before and after the Effective Time, except as otherwise provided by and in accordance with the terms of the Purchase Agreement.

ARTICLE 4

Miscellaneous

Section 4.1. **Further Assurances:** After the Effective Time, Grantor, without further consideration will use its reasonable good faith efforts to execute, deliver and (if applicable) file or record or cause to be executed, delivered and filed or recorded such good and sufficient instruments of conveyance and transfer, and take such other action as may be reasonably required of Grantor to effectively vest in Grantee beneficial and record title to the Assets conveyed pursuant hereto and, if applicable, to put Grantee in actual possession of such Assets. After the date of this Conveyance, Grantee shall, without further consideration, execute, deliver and (if applicable) file or record, or cause to be executed, delivered and filed or recorded, all instruments, and take such actions, as may be reasonably required of Grantee to accomplish the conveyance and transfer of the Assets and otherwise consummate the transactions contemplated by this Conveyance.

Section 4.2. **Successors and Assigns:** This Conveyance shall bind and inure to the benefit of the parties hereto and their respective successors and assigns.

Section 4.3. **Titles and Captions:** All article or section titles or captions in this Conveyance are for convenience only, shall not be deemed part of this Conveyance and in no way define, limit, extend, or describe the scope or intent of any provisions hereof. Except to the extent otherwise stated in this Conveyance, references to "Articles" and "Sections" are to Articles and Sections of this Conveyance, and references to "Exhibits" are to Exhibits attached to this Conveyance, which are made parts hereof for all purposes.

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Section 4.4. **Governing Law:** This Conveyance and the rights of the parties hereunder shall be governed by, and construed in accordance with, the laws of the state of Texas.

Section 4.5. **Counterparts:**

(a) This Conveyance may be executed in any number of counterparts, and by different parties in separate counterparts, and each counterpart hereof shall be deemed to be an original instrument, but all such counterparts shall constitute but one instrument.

(b) To facilitate recordation, there are omitted from the Exhibits to this Conveyance in certain counterparts descriptions of property located in recording jurisdictions other than the jurisdiction in which the particular counterpart is to be filed or recorded.

[Signatures appear on next page.]

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Exhibit A
to the Assignment, Bill of Sale and Conveyance from Knight Energy Group II, LLC, et al, as Grantor
and BWAB-Sovereign Energy Group LLC as Grantee, effective March 1, 2011

Lessor	Texas Oil and Gas Corp.	Date	Book	Page	Description	Sec	Twn	Rng	County	State	Well
Lewis Elder, a single man	Texas Oil and Gas Corp.	10/21/1977	26	39	NW/4	28	31S	42W	Morton	KS	Elder #1
The National Benevolent Association	Texas Oil and Gas Corp.	2/8/1978	25	403	NW/4	28	31S	42W	Morton	KS	Elder #1
Baughman Foundation, Inc	Texas Oil and Gas Corp.	9/30/1977	25	377	SW/4	28	31S	42W	Morton	KS	Elder #1
James S. Bitner, et ux	Whitaker Enterprises	2/27/1978	25	411	SE/4, NE/4	20	31S	42W	Morton	KS	Elder #1
James S. Bitner, et ux	Whitaker Enterprises	2/27/1978	25	411	SE/4	18	31S	42W	Morton	KS	Elder #1
Harleigh Bryan Knox, et ux	Texas Oil and Gas Corp.	9/30/1977	25	376	NW/4	21	31S	42W	Morton	KS	Elder #1
B. V. Hanna	Paul Fleeger	9/30/1947	13	292	SW/4, E/2	29	31S	43W	Morton	KS	Hanna #1 & #2
B. V. Hanna	Paul Fleeger	9/30/1947	13	292	N/2, SW/4	32	31S	43W	Morton	KS	Hanna #1 & #2
Myrtle Bay	James Goddard	5/25/1945	12	276	SE/4	32	31S	43W	Morton	KS	Hanna #1
Kansas University Endowment Assoc. Trustee											
USA KS-BLM-010730-DROPPED	J M Huber Corporation	3/1/1948	14	249	NW/4	29	31	43W	Morton	KS	Hanna #2
USA KSW-0131568-A-DROPPED	J M Huber Corporation	10/1/1947			SE/4	29	34S	43W	Morton	KS	USA #D-1
USA KSW-0131569-A-DROPPED	J M Huber Corporation	9/27/1963	20	510	SE/4	29	34S	43W	Morton	KS	USA #D-1
USA KSW-0131569-A-DROPPED	Pan American Petroleum Corp.	9/27/1963	20	295	SE/4	30	34S	43W	Morton	KS	USA #D-1

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Exhibit A-1
to the Assignment, Bill of Sale and Conveyance from Knight Energy Group II, LLC,
et al, as Grantor and BWAB / Sovereign Energy Group LLC as Grantee,
effective March 1, 2011

Well Name	County	State	Sec	T	R	Working	NRI
ELDER 1	MORTON	KS	28	31S	42W	1.00000000	0.84375020
HANNA 1&2	MORTON	KS	32	31S	43W	1.00000000	0.87500000
USA D-1	MORTON	KS	29	34S	43W	0.92500000	0.87500000

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Exhibit A-2
to the Assignment, Bill of Sale and Conveyance from Knight Energy Group II, LLC, et al, as Grantor
and BWAB-Sovereign Energy Group LLC as Grantee, effective March 1, 2011

EnerVest No.	Contract Name	Type	Date of Contract	Field	State	County	Contract Description
KS01C001	USA #D-1 Communication Agmt	UA	9/26/1963	Hugoton-KS	KS	MORTON	SE4, Section 30; S2, Section 29; T34S, R43W, Morton Co., KS

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