

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 4 **
☐ 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 0 **

Field Name: Laverity

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

Effective Date of Transfer: 10-29-2008

KS Dept of Revenue Lease No.: 100927 ✓

Lease Name: Laverity

_____ Sec. 18 Twp. 30 R. 16 ☒ E ☐ W

Legal Description of Lease: south half of the southwest quarter (80 acres more or less)

County: Wilson

Production Zone(s): Bartlesville

Injection Zone(s): NA

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. 6373

Past Operator's Name & Address: Gene M. Bailey

Bailey & Bailey

Title: Partner

Contact Person: Gene M. Bailey

Phone: 620-325-2635

Date: 5-25-11

Signature: [Signature]

New Operator's License No. 321651

New Operator's Name & Address: Darrel R. Claiborn

4312 Thomas Rd.

Medesha, KS 66757

Title: Operator

Contact Person: Berti Claiborn

Phone: 620-920-0315

Oil / Gas Purchaser: CPT Transport Lacer

Date: 5/18/2011

Signature: Darrel R Claiborn

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

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MAY 31 2011

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DISTRICT _____ EPR 7-19-11 PRODUCTION 7-20-11 UIC 7-20-11
Mail to: Past Operator _____ New Operator _____ District _____

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

Must Be Filed For All Wells

KDOR Lease No.:

* Lease Name:

* Location:

Welt 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)

[illegible]

A separate sheet may be attached if necessary

* OK Per Darrel Claybourn 7/5/11 -

* 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 # 32165
Name: Darrel R. Claibourn
Address 1: 4312 Thomas Rd.
Address 2: _____
City: Neodesha, State: Ks Zip: 66751
Contact Person: Gatti Claibourn
Phone: (620) 920-0315 Fax: () _____
Email Address: gatticlaibourn@yahoo.com

Well Location: _____
Sec. 18 Twp. 30 S. R. 16 ☒ East ☐ West
County: Wilson
Lease Name: Lauerty Well #: 4

If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below: South half of the southwest quarter (80 acres more or less)

Surface Owner Information:

Name: City of Neodesha, Ks.
Address 1: P.O. Box 336
Address 2: _____
City: Neodesha State: Ks Zip: 66751

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: 5/18/11 Signature of Operator or Agent: Darrel R. Claibourn Title: Operator KCC WICHITA

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COPY

OPERATING AGREEMENT

Jerese A. Young

PARTIES:

The parties to this agreement are the City of Neodesha (City) and Darrel Claibourn (Operator).

PURPOSE:

The City owns the surface interest of the following described real estate in Neodesha, Kansas, to-wit:

S $\frac{1}{4}$ of the SW $\frac{1}{4}$ of Section 18, Township 30, Range 16, West of the railroad right of way, Wilson County, Kansas

The City also owns the working interest of the oil & gas lease dated May 6, 1893 (recorded at Book 17 Oil, Page 248, Wilson County Register of Deeds) on said property, by virtue of assignments from Gene M. Bailey and Albion W. Bailey, Jr. dated October 29, 2008. The City is not a licensed lease operator. Operator is a licensed oil & gas operator in the State of Kansas.

The City and Operator are desirous of having Operator operate the City's oil & gas lease on the property as set forth herein.

AGREEMENT:

Operator agrees to operate City's lease under his operating license. In consideration for Operator's efforts Operator shall receive 75% of the working interest and City shall receive 25% of the working interest. All expenses of operation except plugging shall be paid by Operator. City will pay plugging expenses as wells are plugged. Operator and City will cooperate in signing any division orders or other documents required by any companies to whom oil is sold. Operator agrees to operate the lease in accordance with all applicable state and federal regulations. Operator will maintain liability insurance covering his operations in the amount of \$1,000,000.00 and the City will be named as an additional insured on this lease only.

DURATION:

This agreement shall continue until terminated by the parties. Either party may terminate this agreement by giving the other party ninety (90) days advance written notice. The notice addresses for the parties are:

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CMT
2311
LAVERY
lease

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City of Neodesha
PO Box 336
Neodesha, KS 66757

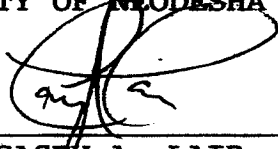
Darrel Claibourn
4312 Thomas Road
Neodesha, KS 66757

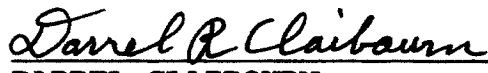
EFFECTIVE DATE:

The terms of this agreement were effective ~~December 1, 2008~~ by oral agreement of the parties. This written agreement is signed this 27th day of ~~May 2009~~.

CITY OF NEODESHA

DARREL CLAIBOURN

by 
CASEY A. LAIR, Mayor


DARREL CLAIBOURN
KCC License No[#] 32165

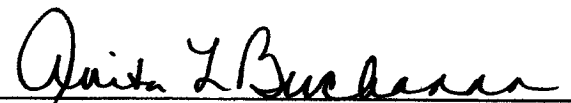
ATTEST:

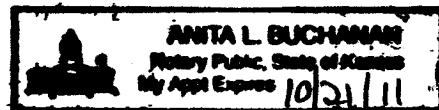

CITY CLERK

ACKNOWLEDGEMENT

STATE OF KANSAS)
)
COUNTY OF WILSON) SS:

The foregoing instrument was acknowledged before me this day of ~~May 27, 2009~~, by Casey A. Lair, Mayor of the City of Neodesha and attested by Bobby Busch, City Clerk.


NOTARY PUBLIC



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ACKNOWLEDGMENT

STATE OF KANSAS)
)
COUNTY OF WILSON) SS:

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