

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 3 **
- ☐ 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: _____

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

Effective Date of Transfer: January 1, 2008

KS Dept of Revenue Lease No.: 130149 ✓

Lease Name: Blaes Family Trust C Lease

_____ SE Sec. 7 Twp. 32 R. 17 ☒ E ☐ W

Legal Description of Lease: S2 SE4 Except S2 SE4 S CO, RD &
E Drum Creek

County: Montgomery

Production Zone(s): Bartlesville

Injection Zone(s): None

Surface Pit Permit No.: N/A
(API No. if Drill Pit, WO or Haul)

Type of Pit: ☐ Emergency ☐ Burn ☐ Settling

☐ Haul-Off ☐ Workover ☐ Drilling KK

Past Operator's License No. 7491

Past Operator's Name & Address: Donald Blaes
2077 W Independence Ave, Cherryvale, KS 67335

Title: Owner/Operator

Contact Person: Deceased

Phone: _____

Date: _____

Signature: See Attachments
Add '1 Attachments on file

New Operator's License No. 34043

New Operator's Name & Address: Mike and Wayne Blaes
4209 CR 5500, Cherryvale, KS 67335

Title: Operators

Contact Person: Mike Blaes

Phone: 620-336-3953

Oil / Gas Purchaser: Coffeyville Resources

Date: 9/21/2009

Signature: Mike Blaes

Mike Blaes

11-9-11

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Acknowledgment of Transfer: The above request for transfer of injection authorization, surface pit permit # N/A 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 11-15-11 PRODUCTION 11-16-11 UIC 11-15-11
Mail to: Past Operator _____ New Operator _____ District _____

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

* Lease Name: Blaes Family Trust C Lease

* Location: Cherryvale, KS

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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

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

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

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 # 34043
Name: Mike and Wayne Blaes
Address 1: 4209 CR 5500
Address 2: _____
City: Cherryvale State: KS Zip: 67335 + 8857
Contact Person: Mike Blaes
Phone: (620) 336-3953 Fax: (620) 336-3954
Email Address: mblaes@dishmail.net

Well Location:
_____ Sec. 7 Twp. 32 S. R. 17 ☒ East ☐ West
County: Montgomery

Lease Name: Blaes Family Trust Lease C Well #: _____

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

S2 SE4 Except S2 SE4 S CO, RD & E Drum Creek

Surface Owner Information:

Name: Blaes Family Trust
Address 1: 2077 W. Independence Ave.
Address 2: _____
City: Cherryvale State: KS Zip: 67335 + 8857

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: 10/20/11 Signature of Operator or Agent: Mike Blaes Title: Operator
11-9-11 Mike Blaes

Blaes Family Trust

This FAMILY TRUST (sometimes hereinafter referred to as this Trust Agreement), made and entered into at Independence, Kansas this 17th day of March, 2000,

BY AND BETWEEN

Don Blaes and Florence Blaes, residents of Cherryvale, Montgomery County, Kansas, whose residence address is Rt. 2, Box 233, Cherryvale, Kansas 67335, hereinafter referred to as

"SETTLOR"

AND

Don Blaes and Florence Blaes, residents of Cherryvale, Montgomery County, Kansas, whose residence address is Rt. 2, Box 233, Cherryvale, Kansas 67335, TRUSTEE and successor trustee or co-trustees hereinafter referred to collectively as

"TRUSTEE"

WITNESSETH: That,

SETTLOR has assigned, transferred, and delivered, and by these presents does hereby assign, transfer, and deliver unto TRUSTEE, and unto TRUSTEE's successors in trust, the property described in the schedule which is attached hereto, marked Schedule "A", and made a part hereof by reference, the same as if fully set forth herein, as well as any other property which may hereafter be transferred in trust, whether by SETTLOR, from SETTLOR's estate, or by any other person or persons, in trust and upon trust, nevertheless, for the use and benefit of the persons hereinafter designated, to be held, managed, controlled, invested, administered, and distributed by TRUSTEE for the purpose and upon the terms and conditions hereinafter set forth.

ARTICLE I

NAME OF TRUST

This trust is hereby denominated and shall be known and referred to as the "Blaes Family Trust".

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ARTICLE II

DEFINITIONS

A. TRUSTEE. The term "TRUSTEE", whenever used herein shall, unless otherwise expressly provided, be construed collectively to mean and include all TRUSTEES and any successor CO-TRUSTEES, with each duly qualified and acting successor TRUSTEE or CO-TRUSTEES to have and possess the same powers, rights, and authorities, and to be subject to the same limitations, obligations, and duties as the original TRUSTEE.

B. TRUST ESTATE OR TRUST CORPUS. Any reference herein to the trust "estate" or "corpus" shall be construed to mean not only the property originally assigned and paid over to TRUSTEE at execution hereof, but also all property hereafter acquired by the trust through purchase, gift, devise, bequest or otherwise as well as all increments thereto and all increases, conversions, and reinvestments thereof.

C. INCOME. The terms "income" or "net income", wherever used herein, shall be construed to mean the gross income, current or accumulated, of the trust from any and all sources, less any and all costs, taxes, and expenses of whatsoever kind or nature incurred in connection with the ownership, management, and administration of the trust estate, or in any manner pertaining thereto.

D. OTHER. All words importing a particular gender shall be construed to include the other gender as well, and the words "person" and "persons" shall be construed to include individuals, partnerships, trusts, associations, corporations, and bodies politic and corporate, without limitation.

E. CHILDREN. The words "child" or "children" of SETTLOR shall mean the following individuals: Mike Blaes, Wayne Blaes, and Carol Gerstenkorn.

ARTICLE III

TRUST ESTABLISHMENT

SETTLOR, owner of certain property, as more particularly described in Schedule A attached hereto and made a part hereof, desiring to establish a trust revocable during the lifetime of SETTLOR, has caused the TRUSTEE to be named as owner of certain property to which SETTLOR does hereby transfer, convey and assign to the TRUSTEE all of SETTLOR'S right, title and interest in and to such property to be held by it, in trust, and the TRUSTEE accepts such designation, in trust, for the purposes and on the conditions hereinafter set forth. The SETTLOR may, at any time and from time to time, add other property to this trust by assigning such property to the TRUSTEE. In addition, the SETTLOR may cause other assets to be added to this trust pursuant to the provisions of SETTLOR'S Last Will and Testament; said assets being subject to the terms and conditions of this Trust

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