

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

JUL 25 2012

Form T-1
March 2010

Form must be Typed
Form must be Signed
All blanks must be Filled

KCC WICHITA

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.: FE 23340
Entire Project: ☐ Yes ☐ No
Number of Injection Wells _____ **
Field Name: Vilas

** Side Two Must Be Completed.

Effective Date of Transfer: July 1, 2012
KS Dept of Revenue Lease No.: ? N/A
Lease Name: G. Sargeant
W/2 NE Sec. 36 Twp. 27S R. 16 ☒ E ☐ W
Legal Description of Lease: W/2 NE
County: Wilson
Production Zone(s): Unknown
Injection Zone(s): 843' TD

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

Past Operator's License No. NA Lease Lapsed
Past Operator's Name & Address: See Encl
Aff of Non-Prod & New Leases
Title: _____

Contact Person: RECEIVED
Phone: JUL 05 2012
Date: _____
Signature: KCC WICHITA

New Operator's License No. 34443
New Operator's Name & Address: Blue Top Energy LLC
P.O. Box 31, 605 W St John, Girard, KS 66743
Title: Agent/Manager

Contact Person: Dennis J. Lisack
Phone: 502-639-2047
Oil / Gas Purchaser: Coffeyville
Date: 06/30/12
Signature: Dennis J. Lisack

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.

Blue Top Energy LLC is acknowledged as
the new operator and may continue to inject fluids as authorized by
Permit No.: E-23340 Recommended action: _____
MFT over due 8/2011 + UIC's Due
Date: 7-26-12 Cheryl L. Beyer
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 <u>7/25/12</u>	PRODUCTION <u>7-27-12</u>	UIC <u>7-26-12</u>
Mail to: Past Operator _____	New Operator _____	District <u>(3) 7-26-12</u>	

KDOR Lease No.: N/A

* Lease Name: G. Sargeant * Location: W/2NE Swec 36, T27S, R16E

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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.

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OIL & GAS CONSERVATION DIVISION

Form KSONA-1
July 2010
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**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 # 34443
Name: Blue Top Energy LLC
Address 1: P.O. Box 31
Address 2: 605 W St John
City: Girard State: KS Zip: 66743 + _____
Contact Person: Dennis J. Lisack
Phone: (502) 639-2047 Fax: (_____) _____
Email Address: djlisack@aol.com

Well Location:
W/2NE _____ Sec. 36 Twp. 27 S. R. 16 ☒ East ☐ West
County: Wilson
Lease Name: G. Sargeant Well #: 1-5, SI-1

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

JUL 05 2012

Surface Owner Information:

Name: Henry and Theresa Jessep
Address 1: 22963 Reno Road
Address 2: _____
City: Buffalo State: KS Zip: 66720 + _____

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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: 06/30/12 Signature of Operator or Agent:  Title: Agent/Manager

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JUL 25 2012
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**Blue Top Energy LLC
P.O. Box 31, 605 W. St John
Girard, KS 66743**

Copy

June 30, 2012

Henry & Theresa Jesseph
22963 Reno Road
Buffalo, KS 66717

Dear Mr. & Mrs. Jesseph:

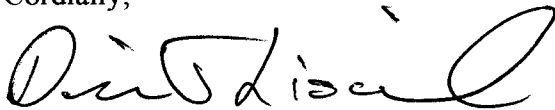
In compliance with the Kansas Surface Owner Notice Act, this letter is to inform you that we, Blue Top Energy LLC, have applied for a T-1 (copy enclosed) to operate the G. Sargeant lease as follows: W/2NE of Section 36, T27S, R16E in Wilson County Kansas.

The operating license for Blue Top Energy LLC is 34443. Our address is at P.O. Box 31, 605 W St John in Girard, KS 66743.

My name is Dennis Lisack, and I can be reached to answer questions or in the case of an emergency at 502.639.2047. This is my cell number.

Looking forward to working with you and making this project successful.

Cordially,



Dennis J. Lisack, Agent/Manger
Blue Top Energy, LLC

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

OPERATOR: License # 34443
Name: Blue Top Energy LLC
Address 1: P.O. Box 31
Address 2: 605 W St John
City: Girard State: KS Zip: 66743 + _____
Contact Person: Dennis J. Lisack
Phone: (502) 639-2047 Fax: (_____) _____
Email Address: djlisack@aol.com

Well Location:
W/2NE _____ Sec. 36 Twp. 27 S. R. 16 ☒ East ☐ West
County: Wilson
Lease Name: G. Sargeant Well #: 1-5, SI-1

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

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Surface Owner Information:

Name: Gary and Waunita Bridges
Address 1: 816 N. Steuben
Address 2: _____
City: Chanute State: KS Zip: 66720 + _____

KCC WICHITA

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Select one of the following:

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

Date: 06/30/12 Signature of Operator or Agent: _____ Title: _____

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**Blue Top Energy LLC
P.O. Box 31, 605 W. St John
Girard, KS 66743**



June 30, 2012

Gary & Waunita Bridges
816 N. Steuben
Chanute, KS 66720

Dear Mr. & Mrs. Bridges:

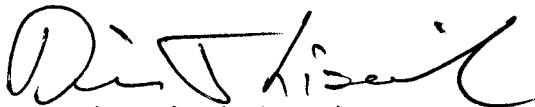
In compliance with the Kansas Surface Owner Notice Act, this letter is to inform you that we, Blue Top Energy LLC, have applied for a T-1 (copy enclosed) to operate the G. Sargeant lease as follows: W/2NE of Section 36, T27S, R16E in Wilson County Kansas.

The operating license for Blue Top Energy LLC is 34443. Our address is at P.O. Box 31, 605 W St John in Girard, KS 66743.

My name is Dennis Lisack, and I can be reached to answer questions or in the case of an emergency at 502.639.2047. This is my cell number.

Looking forward to working with you and making this project successful.

Cordially,



Dennis J. Lisack, Agent/Manger
Blue Top Energy, LLC

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AFFIDAVIT OF NON-PRODUCTION

STATE OF KANSAS, COUNTY OF NEOSHO, ss:

HENRY M. JESSEPH, of lawful age, being first duly sworn on his oath states that he is familiar with the following described property, to-wit:

The West Half of the Northeast Quarter (W/2 NE/4) lying and being North of the Santa Fe Railroad Right-of-Way of Section Thirty-six (36), Township Twenty-seven (27) South, Range Sixteen (16) East of the 6th P.M., Wilson County, Kansas;

and personally knows that there has been no production of oil and/or gas upon said above described property, no deferred rental payments made thereon, no wells drilled thereon nor has there been any payments of guaranteed royalties thereunder for in excess of two (2) years.

That because of failure of lessee to perform as provided in said lease, the following described oil lease, to-wit:

Oil Lease granted under date of January 9, 2008 to JESSEPH OIL WELL SERVICE; and HENRY M. JESSEPH and THERESA D. JESSEPH, husband and wife, said lease being recorded in Book 319, Page 603 in the office of the Register of Deeds, Wilson County, Kansas;

has by its own terms expired and is no longer of any force and effect.

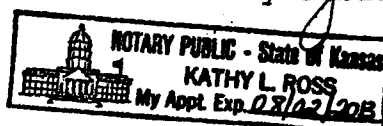
And further affiant says naught.

Henry M. Jesseph
HENRY M. JESSEPH

Subscribed and sworn to before me this 29th day of May, 2012.

Kathy L. Ross
Notary Public - KATHY L. ROSS

My Appointment Expires:



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KCC WICHITA

Teresa A. Young *Ranger*

ORIGINAL COMPARED WITH RECORD

OIL LEASE

AGREEMENT, made and entered into this 15th day of June, 2012, by and between GARY BRIDGES and WAUNITA F. BRIDGES, husband and wife; and HENRY M. JESSEPH and THERESA D. JESSEPH, husband and wife, Party of the first part, hereinafter called Lessor, (whether one or more) and, BLUE TOP ENERGY LLC, Party of the second part, hereinafter called Lessee.

WITNESSETH, That the Lessor, for and in consideration of One Dollar (\$1.00) and other valuable consideration, cash in hand paid, receipt of which is hereby acknowledged, and of the covenants and agreements hereinafter contained on the part of Lessee to be paid, kept and performed, has granted, demised, leased and let and by these presents does grant, demise, lease and let unto said Lessee, for the sole and only purpose of mining and operating for oil, and laying pipe lines, and building tanks, power stations and structures thereon to produce, save and take care of said products, all that certain tract of land situated in the County of Wilson, State of Kansas, described as follows, to-wit:

The West Half of the Northeast Quarter (W/2 NE/4) lying and being North of the Santa Fe Railroad Right-of-Way in Section Thirty-six (36), Township Twenty-seven (27) South, Range Sixteen (16) East of the 6th P.M., Wilson County, Kansas, and containing 70 acres more or less.

It is agreed that this lease shall be for oil only and remain in full force for a term of one (1) year from this date, and as long thereafter as oil is produced from said land by the Lessee.

In consideration of the premises the said Lessee covenants and agrees:

To deliver to the credit of Lessor, free of cost, in the pipe line to which Lessee may connect his wells, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided shall be paid the Lessor only in the proportion which his interest bears to the whole and undivided fee, and the signing of this agreement shall be binding on each of the above named parties who sign, regardless of whether it is signed by any of the other parties.

Lessee shall have the right to use, free of cost, oil and water produced on said land for its operation thereon, except water from wells of Lessor.

When required by Lessor, Lessee shall bury his pipe lines below plow depth.

No well shall be drilled nearer than 200 feet to the house or barn now on said premises, without the written consent of the Lessor.

Lessee shall pay for damages caused by its operations to growing crops on said land.

Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

If the Lessee shall commence to drill a well within the term of this lease or any extension thereof, the Lessee shall have the right to drill such well to completion with reasonable diligence and dispatch, and if oil be found in paying quantities, this lease shall continue and be in force with the like effect as if such well had been completed within the term of the years herein first mentioned.

In the event Lessee shall fail to comply with any term or condition of this lease, or fail to fulfill any rights, duties or obligations hereunder, the Lessor shall notify the Lessee in writing of the alleged nature of the default and the Lessee shall have sixty (60) days to cure said default. If Lessee cures said default within the time period specified, the Lessee shall not be deemed in default hereunder.

All of Lessee's operations, including the drilling, testing, completing and equipping, or plugging and abandonment of all wells or well bores, shall be conducted at the sole cost, risk and expense of Lessee and Lessee agrees to indemnify, defend and hold Lessor harmless from any and all claims, liens, demands, judgments and liabilities of whatsoever nature arising out of Lessee's operations.

If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment of rentals or royalties shall be binding on the Lessee until after the Lessee has been furnished with a written transfer or assignment or a true copy thereof, and it is hereby agreed in the event this lease shall be assigned as to a part or as to parts of the above described lands and the assignee or assignees of such part or parts shall fail or make default in the payment of the proportionate part of the rents due from him or them, such default shall not operate to defeat or affect this lease insofar as it covers a part or parts of said lands upon which the said Lessee or any assignee thereof shall make due payments of said rentals.

Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the Lessee shall have the right at any time to redeem for Lessor by payment, any mortgages, taxes or other liens on the above described lands, in the event of default of payment by Lessor, and be subrogated to the rights of the holder thereof.

IN WITNESS WHEREOF, this instrument is executed on the day and year first hereinabove set out.

Gary Bridges
 GARY BRIDGES
Henry M. Jessep
 HENRY M. JESSEPH

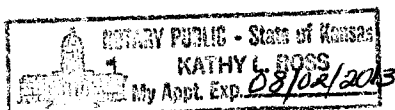
Waunita F. Bridges
 WAUNITA F. BRIDGES
Teresa D. Jessep
 THERESA D. JESSEPH

STATE OF KANSAS, COUNTY OF Neosho, ss:

BE IT REMEMBERED that on this 15th day of June, 2012, before me, a Notary Public in and for the County and State aforesaid, came GARY BRIDGES and WAUNITA F. BRIDGES, husband and wife, and HENRY M. JESSEPH and THERESA D. JESSEPH, husband and wife, who are personally known to me to be the same persons who executed the within instrument of writing and such persons duly acknowledged the execution of the same to be their free act and deed.

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

My Appointment Expires:



Kathy L. Ross
 Notary Public
 Kathy L. Ross

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JUL 25 2012

KCC WICHITA