

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 _____ **

Effective Date of Transfer: September 1, 2010
 KS Dept of Revenue Lease No.: 138712 ✓
 Lease Name: Hadley
 _____ Sec. 20 Twp. 11 SR. 17 E W
 Legal Description of Lease: NW/4
 County: Ellis
 Production Zone(s): Arbuckle
 Injection Zone(s): _____

Field Name: Bemis-Shutts
**** Side Two Must Be Completed.**

090110_Hadley.pdf

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 OK

Past Operator's License No. 33729 Exp 1/30/11
 Past Operator's Name & Address: STP Petroleum Devel.
P O Box 2230, Kellar, TX. 76244-2230
 Title: _____

Contact Person: J. T. Portwood
 Phone: ??
 Date: _____
 Signature: Oil + Gas lease Attached

New Operator's License No. 70641
 New Operator's Name & Address: Cattlemans Oil Op.
2260 Catherine Rd, Hays, Ks. 67601
 Title: owner

Contact Person: Leo Dorzweiler
 Phone: 785-623-6847
 Oil / Gas Purchaser: NCRA
 Date: 6-19-12
 Signature: Leo Dorzweiler

RECEIVED
JUN 22 2012
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 7/5/12 PRODUCTION 7.6.12 UIC 746-12
 Mail to: Past Operator _____ New Operator _____ District _____

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 # 7064
Name: CattlemansOil Operations
Address 1: 2260 Catherine Rd.
Address 2: _____
City: Hays State: KS Zip: 67601 + _____
Contact Person: Leo R. Dorzweiler
Phone: (785) 623-6817 Fax: (_____) _____
Email Address: _____

Well Location: _____
_____ Sec. 21 Twp. 11S. R. 17 East West
County: Ellis
Lease Name: Hadley Well #: _____
If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:

NW/4

Surface Owner Information:

Name: Hadley Foundation
Address 1: 1200 Main St.
Address 2: _____
City: Hays State: Ks Zip: 67601 + _____

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.

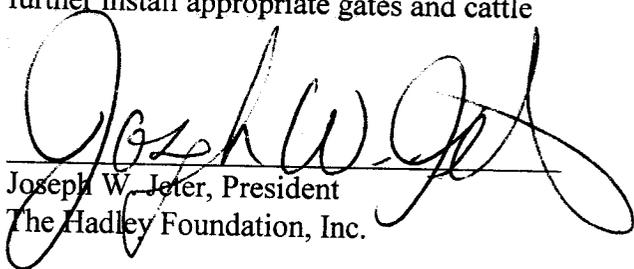
I hereby certify that the statements made herein are true and correct to the best of my knowledge and belief.

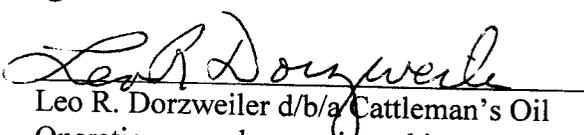
Date: 6-19-12 Signature of Operator or Agent: Leo Dorzweiler Title: OWNER

**ADDENDUM TO OIL AND GAS LEASE DATED
September 1, 2010**

1. Lessee shall pay for damages caused by its operations on said land. Specifically, Lessee shall pay One Thousand Dollars (\$1,000.00) for each drill site and One Thousand Dollars (\$1,000.00) for each tank battery site located on the premises. Any damaged land and/or grass shall be returned to its original condition as nearly as is reasonably possible.
2. Seismic operations shall be by separate permit and customary damages shall be paid for such operations.
3. Lessee shall construct a dike or other barrier around any tank battery with an emergency pit sufficient to contain any overflow or leaks.
4. All permanent lease roads must be approved by Lessors and no oil shall be allowed on any roads which drain into streams or ponds.
5. Upon termination of the lease, Lessee shall remove all of its property from the premises and restore the premises as reasonably as possible to its original condition.
6. Any tank battery shall be located where Lessors and Lessee shall mutually agree but in no event where it can drain into ponds.
7. All drilling, completion and production activities shall be conducted in full compliance with all environmental rules and regulations of the Kansas Corporation Commission.
8. Lessee shall construct appropriate fences and other barriers around pumping unit, tank batteries, disposal wells and other property which it locates on the leased premises in order to prevent injury to livestock and shall further install appropriate gates and cattle guards where necessary.

APPROVED:


Joseph W. Jeter, President
The Hadley Foundation, Inc.


Leo R. Dorzweiler d/b/a Cattleman's Oil
Operations, a sole proprietorship



Phone: 316-337-6200
Fax: 316-337-6211
<http://kcc.ks.gov/>

Mark Sievers, Chairman
Ward Loyd, Commissioner
Thomas E. Wright, Commissioner

Corporation Commission

Sam Brownback, Governor

June 15, 2012

Leo R Dorzweiler
Dorzweiler, Leo R. dba Cattlemans Oil Operations
2260 CATHERINE RD
HAYS, KS 67601-4610

RE: Transfer of Operations at the HADLEY lease, located in Section 21, Township 11S, Range 17W, ELLIS County, Kansas

Dear Leo R Dorzweiler:

On June 4, 2012, an operator well inventory was received, which indicated to Staff that you are the current operator of the HADLEY lease. However, Conservation Division records indicate that STP Petroleum Development, LP has not filed a Request for Change of Operator; Transfer of Injection or Surface Pit Permit (Conservation Division Form "T-1") transferring to you operator responsibility for the HADLEY lease. Therefore, STP Petroleum Development, LP remains the Commission's operator of record and party responsible for the proper care and control of the HADLEY lease.

Conservation Division Staff understands that the burden of transferring operator responsibility first falls upon the transferring operator. However, in instances in which the transferring operator is no longer a licensed operator, or Staff is unable to determine the last operator of the subject lease, the burden of verifying operator responsibility falls upon the current operator of such lease. Staff is therefore requesting that you verify whether or not you are the current operator of the HADLEY lease.

The proper way to notify the Conservation Division that you are the current operator of the HADLEY lease is to file a Request for Change of Operator; Transfer of Injection or Surface Pit Permit (Conservation Division Form "T-1"). Staff will provide you with 28 days from this letter's date to provide a T-1 for the HADLEY lease. As such, you have until July 13, 2012, to file a T-1 for the HADLEY lease. A blank T-1 is enclosed with this letter. The T-1 is also available on the Conservation Division's website, at <http://kcc.ks.gov/conservation/forms/index.htm>, or upon request in the Conservation Division's central office in Wichita or any of the Conservation Division's district offices. If the past operator of the subject lease is unknown, or the past operator no longer has an active license, Staff is willing to accept other documentation in lieu of the past operator's signature on the T-1 form. Staff needs the T-1 signed by or on behalf of Dorzweiler, Leo R. dba Cattlemans Oil Operations, as well as a copy of the bill or contract of sale under which you purchased the HADLEY lease, a copy of the agreement under which you are operating the lease, a copy of the assignment of the lease to you, or a copy of the new lease under which you are operating.

If you do not believe you are the operator of the HADLEY lease, you need to contact Jonelle Rains, the Conservation Division's Supervisor of Environmental Protection and Remediation, immediately to address the situation. Jonelle Rains may be reached at the Conservation Division's central office in Wichita, at the contact information listed below.

If by July 13, 2012, Commission Staff has not received the required information, or you have not contacted Jonelle Rains and resolved this situation, Staff may refer this matter to Conservation Division legal staff with a recommendation for an administrative penalty or penalties. Under K.A.R. 82-3-128, the failure to verify information requested by the Commission is punishable by a \$100 penalty. In addition, Staff may ask the Commission to shut in your current operations until compliance is achieved.

Please contact the Conservation Division immediately, or provide the requested information within 28 days of this letter's date, to remedy the above possible violation(s) and avoid further compliance action by the Commission. Please include a copy of this letter with the completed T-1 form upon filing with the Conservation Division.

Yours truly,
KCC Conservation Division Staff

cc: JT Portwood
STP Petroleum Development, LP
PO BOX 2230
KELLER, TX 76244-2230

RECEIVED
JUN 22 2012
KCC WICHITA

63U (Rev. 1993)

OIL AND GAS LEASE

Reorder No. 09-115



Kansas Blue Print 700 S. Broadway PO Box 793 Wichita, KS 67201-0793 316-284-8344-284-5185 fax www.kbp.com · kbp@kbp.com

AGREEMENT, Made and entered into the 1st day of September 2010

by and between The Hadley Foundation, Inc., non-profit corporation P.O. Box 128, Hays, KS 67601

whose mailing address is hereinafter called Lessor (whether one or more), and Leo R. Dorzweiler d/b/a Cattleman's Oil Operations, a sole proprietorship hereinafter called Lessee:

Lessor, in consideration of ten and no/100 Dollars (\$ 10.00) in hand paid, receipt of which is here acknowledged and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring by geophysical and other means, prospecting drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases, and their respective constituent products, injecting gas, water, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, power stations, telephone lines, and other structures and things thereon to produce, save, take care of, treat, manufacture, process, store and transport said oil, liquid hydrocarbons, gases and their respective constituent products and other products manufactured therefrom, and housing and otherwise caring for its employees, the following described land, together with any reversionary rights and after-acquired interest, therein situated in County of Ellis State of Kansas described as follows to-wit:

Northwest Quarter (NW/4)

Handwritten initials and signatures in the top right corner.

In Section 21 Township 11S Range 17W and containing 160 acres, more or less, and all accretions thereto.

Subject to the provisions herein contained, this lease shall remain in force for a term of six months from this date (called "primary term"), and as long thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, or any of them, is produced from said land or land with which said land is pooled.

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

1st. To deliver to the credit of lessor, free of cost, in the pipe line to which lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay lessor for gas of whatsoever nature or kind produced and sold, or used off the premises, or used in the manufacture of any products therefrom, one-eighth (1/8) at the market price at the well, (but, as to gas sold by lessee, in no event more than one-eighth (1/8) of the proceeds received by lessee from such sales), for the gas sold, used off the premises, or in the manufacture of products therefrom, said payments to be made monthly. Where gas from a well producing gas only is not sold or used, lessee may pay or tender as royalty One Dollar (\$1.00) per year per net mineral acre retained hereunder, and if such payment or tender is made it will be considered that gas is being produced within the meaning of the preceding paragraph.

This lease may be maintained during the primary term hereof without further payment or drilling operations. 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 or gas, or either of them, be found in paying quantities, this lease shall continue and be in force with like effect as if such well had been completed within the term of years first mentioned.

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein provided for shall be paid the said lessor only in the proportion which lessor's interest bears to the whole and undivided fee.

Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for lessee's operation thereon, except water from the wells of lessor.

When requested by lessor, lessee shall bury lessee's pipe lines below plow depth.

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

Lessee shall pay for damages caused by lessee's 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 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. In case lessee assigns this lease, in whole or in part, lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment.

Lessee may at any time execute and deliver to lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, in whole or in part, nor lessee held liable in damages, for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.

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, and the undersigned lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, in so far as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, when in lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises, such pooling to be of tracts contiguous to one another and to be into a unit or units not exceeding 40 acres each in the event of an oil well, or into a unit or units not exceeding 640 acres each in the event of a gas well. Lessee shall execute in writing and record in the conveyance records of the county in which the land herein leased is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit shall be treated, for all purposes except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on the pooled acreage, it shall be treated as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere herein specified, lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.

See Exhibit A attached

IN WITNESS WHEREOF, the undersigned execute this instrument as of the day and year first above written.

Leo R. Dorzweiler, Cattleman's Oil Operations, a sole proprietorship

THE HADLEY FOUNDATION, INC. non-profit corporation, By Joseph W. Jeter, President

Notary Public

STATE OF _____ COUNTY OF _____

ACKNOWLEDGMENT FOR CORPORATION (KsOKCone)

The foregoing instrument was acknowledged before me this _____ day of _____ by _____ of _____ corporation, on behalf of the corporation. My commission expires _____

OIL AND GAS LEASE

RECEIVED JUN 22 2012

FROM

TO

Date

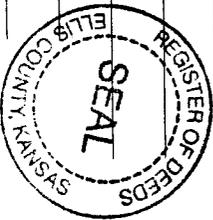
Section

No. of Acres

County

STATE OF Kansas

County Ellis



This instrument was filed for record on the 02

day of September 2010

at 10:45 o'clock A.M., and duly recorded

in Book T51 Page 561 of _____

the records of this office.

By Rubena Sherry Register of Deeds.

By \$16.00

When recorded, return to _____

Leo R. Dorzweller

2260 Cattlemans Rd

Hayes, KS.

KCC WICHITA

STATE OF _____ COUNTY OF _____

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOKCone)

The foregoing instrument was acknowledged before me this _____ day of _____ and _____ by _____

My commission expires _____ Notary Public

STATE OF _____ COUNTY OF _____

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOKCone)

The foregoing instrument was acknowledged before me this _____ day of _____ and _____ by _____

My commission expires _____ Notary Public

STATE OF KANSAS COUNTY OF ELLIS

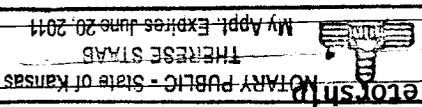
ACKNOWLEDGMENT FOR INDIVIDUAL (KsOKCone)

The foregoing instrument was acknowledged before me this 1st day of September 2010 at xxxxx

by Leo R. Dorzweller d/b/a Cattlemans Oil Operations

a sole proprietorship _____

My commission expires _____



My commission expires _____ Notary Public

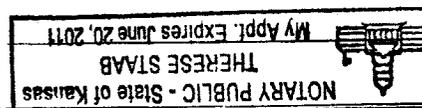
STATE OF KANSAS COUNTY OF ELLIS

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOKCone)

The foregoing instrument was acknowledged before me this 1st day of September 2010 at _____

by Joseph W. Jeter, President of The Hadley Foundation, Inc and a non-profit corporation

My commission expires _____



My commission expires _____ Notary Public