

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 1 \*\*  
☐ Gas Lease: No. of Gas Wells \_\_\_\_\_ \*\*  
☐ Gas Gathering System: \_\_\_\_\_  
☐ Saltwater Disposal Well - Permit No.: \_\_\_\_\_  
Spot Location: 1900 feet from ☒ N / ☐ S Line  
1980 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: 4-23-04 *JS*

KS Dept of Revenue Lease No.: 127716

Lease Name: Nelson

C -SE/4-NW/4 Sec. 32 Twp. 25 R. 16 ☐ E ☒ W

Legal Description of Lease: S/2, NW/4 32-25-16

County: Edwards

Production Zone(s): Mississippi

Injection Zone(s): \_\_\_\_\_

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SEP 13 2012

KCC WICHITA

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 *OK* ☐ Drilling

Past Operator's License No. unknown

Contact Person: unknown

Past Operator's Name & Address: unknown

Phone: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Signature: Oil + Gas Lease Attached

New Operator's License No. 3792

Contact Person: Jason Dinges

New Operator's Name & Address: Jason Dinges

Phone: 785-623-8060

d/b/a J & D Investment Company

Oil / Gas Purchaser: Oil = Parnon Gas = Oneok

1584 Smoky Hill River Rd. Hays, KS 67601

Date: on lease = 4/23/04 Today's date = 9/11/12

Title: Operator

Signature: Jason Dinges

**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 10/2/12 PRODUCTION 10.3.12 UIC 10-3-12

Mail to: Past Operator \_\_\_\_\_ New Operator \_\_\_\_\_ District \_\_\_\_\_

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

142004\_Nelson.pdf



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 # 3792  
Name: Jason Dinges d/b/a J & D Investment Co.  
Address 1: 1584 Smoky Hill River Rd.  
Address 2: \_\_\_\_\_  
City: Hays State: KS Zip: 67601 + \_\_\_\_\_  
Contact Person: Jason Dinges  
Phone: ( 785 ) 623-8060 Fax: ( 785 ) 222-9099  
Email Address: jdinges@media-net.net

Well Location:  
C SE NW Sec. \_\_\_\_\_ Twp. \_\_\_\_\_ S. R. \_\_\_\_\_ ☐ East ☒ West  
County: Edwards  
Lease Name: Nelson 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: Donald & Betty Mayhew  
Address 1: Rt. 1, Box 67  
Address 2: \_\_\_\_\_  
City: Lewis State: KS Zip: 67552 + \_\_\_\_\_

*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: 9/25/12 Signature of Operator or Agent: X Jason Dinges Title: owner

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

**RECEIVED**  
**SEP 26 2012**  
**KCC WICHITA**

# ASSIGNMENT OF OIL AND GAS LEASE

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned,

Nelson #1 Lease

V.J.I. Natural Resources

hereinafter called Assignor (whether one or more), for and in consideration of One Dollar (\$1.00) the receipt whereof is hereby acknowledged, does hereby sell, assign, transfer and set over unto Jason Dinges d/b/a J & D Investments  
1584 Smoky Hill River Rd. Hays, KS 67601

(hereinafter called Assignee), .65625 Working interest in and to the oil and gas lease dated April 23rd, 2004, ~~xxx~~, from Donald B. and Betty E. Mayhew,  
husband and wife

lessor S  
to V.J.I. Natural Resources, lessee  
recorded in book 141, page 61 insofar as said lease covers the following described land in Edwards County, State of Kansas:

The South Half of the Northwest Quarter (S 1/2 NW 1/4)

of Section 32 Township 25s Range 16W and containing 80 acres, more or less together with the rights incident thereto and the personal property thereon, appurtenant thereto, or used or obtained in connection therewith.

And for the same consideration the Assignor covenants with the Assignee, its or his heirs, successors or assigns: That the Assignor is the lawful owner of and has good title to the interest above assigned in and to said lease, estate, rights and property, free and clear from all liens, encumbrances or adverse claims; That said lease is a valid and subsisting lease on the land above described, and all rentals and royalties due thereunder have been paid and all conditions necessary to keep the same in full force have been duly performed;

EXECUTED, This 31st day of May, 2009

X

V.J.I. Natural Resources, LLC

X

by: Jason Dinges - agent

STATE OF Kansas  
COUNTY OF Ellis } ss. ACKNOWLEDGMENT FOR CORPORATION

Be it remembered that on this 31st day of May, 2009 ~~xxx~~, before me, the undersigned, a Notary Public, duly commissioned, in and for the county and state aforesaid, came Jason Dinges, agent

~~xxx~~ of V.J.I. Natural Resources, LLC  
a corporation of the State of Kansas, personally known to me to be such officer, and to be the same person who executed as such officer the foregoing instrument of writing in behalf of said corporation, and he duly acknowledged the execution of the same for himself and for said corporation for the uses and purposes therein set forth.

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

My commission expires 2-22-2011

Jamie D. Werth

Notary Public

Copy

# OIL AND GAS LEASE

**COPY**  
© 1983 David Carter Company

THIS AGREEMENT, Entered into this 23rd day of April, 20 04  
between Donald B. Mayhew and Betty E. Mayhew, husband and wife

and V.J.I. Natural Resources hereinafter called lessor,  
hereinafter called lessee, does witness:

1. That lessor, for and in consideration of the sum of \$10.00 and other considerations Dollars in hand paid and of the covenants and agreements hereinafter contained to be performed by the lessee, has this day granted, leased, and let and by these presents does hereby grant, lease, and let exclusively unto the lessee the hereinafter described land, with any reversionary rights therein, and with the right to utilize this lease or any part thereof with other oil and gas leases as to all or any part of the lands covered thereby as hereinafter provided, for the purpose of carrying on geological, geophysical and other exploratory work thereon, including core drilling and the drilling, mining, and operating for, producing and saving all of the oil, gas, gas condensate, gas distillate, casinghead gasoline and their respective constituent vapors, and all other gases, found thereon, the exclusive right of injecting water, brine, and other fluids and substances into the subsurface strata, and for constructing roads, laying pipe lines, building tanks, storing oil, building power stations, electrical lines and other structures thereon necessary or convenient for the economical operation of said land alone or conjointly with neighboring lands, to produce, save, take care of, and manufacture all of such substances, and the injection of water, brine, and other substances into the subsurface strata, said tract of land being situated in the County of Edwards

State of Kansas, and described as follows:

The South Half of the Northwest Quarter (S $\frac{1}{2}$  NW $\frac{1}{4}$ ) of Section Thirty-two (32),  
Township Twenty-five (25) South, Range Sixteen (16) West of the Sixth (6<sup>th</sup>) P.M.,  
Edwards County, Kansas

containing 80 acres, more or less.

2. This lease shall remain in force for a term of 12 months (called "primary term") and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of the products covered by this lease is or can be produced.

3. The lessee shall deliver to lessor as royalty, free of cost, on the lease, or into the pipe line to which lessee may connect its wells the equal one-eighth part of all oil produced and saved from the leased premises, or at the lessee's option may pay to the lessor for such one-eighth royalty the market price at the wellhead for oil of like grade and gravity prevailing on the day such oil is run into the pipe line or into storage tanks.

4. The lessee shall pay to the lessor, as a royalty, one-eighth (1/8<sup>th</sup>) of the proceeds received by the lessee from the sale of gas, gas condensate, gas distillate, casinghead gas, gas used for the manufacture of gasoline or any other product, and all other gases, including their constituent parts, produced from the land herein leased. If such gas is not sold by the lessee, lessee may pay or tender annually at or before the end of each yearly period during which such gas is not sold, as a shut-in royalty, whether one or more wells, an amount equal to five dollars per net mineral acre, and while said shut-in royalty is so paid or tendered, it will be considered under all provisions of this lease that gas is being produced in paying quantities. The first yearly period during which such gas is not sold shall begin on the date the first well is completed for production of that gas is being produced in paying quantities. The first yearly period during which such gas is not sold shall begin on the date the first well is completed for production of gas.

**FIVE DOLLARS (\$5.00)**

5. This lease is a paid-up lease and may be maintained during the primary term without further payments or drilling operations.

6. In the event 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 to said lessor only in the proportion which his interest bears to the whole and undivided fee; however, in the event the title to any interest in said land should revert to lessor, or his heirs or their grantees, this lease shall cover such revision.

7. The lessee shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from existing wells of the lessor. When required by lessor, the lessee shall bury its pipe lines below plow depth and shall pay for damage caused by its operations to growing crops on said land. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of the lessor. Lessee shall have the right at any time during the term of this lease to remove all machinery fixtures, houses, buildings and other structures placed on said premises, including the right to draw and remove all casing.

8. 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 the heirs, devisees, executors, administrators, successors, and assigns, but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of lessee, and no charge of ownership in the land or in the royalties or any sum due under this lease shall be binding on the lessee until it has been furnished with either the original recorded instrument of conveyance or a duly certified copy thereof, or a certified copy of the will of any deceased owner and of the probate thereof, or certified copy of the proceedings showing appointment of an administrator for the estate of any deceased owner, whichever is appropriate, together with all original recorded instruments of conveyance or duly certified copies thereof necessary in showing a complete chain of title back to lessor of the full interest claimed, and all advance payments of rentals made hereunder before receipt of said documents shall be binding on any direct or indirect assignee, grantee, devisee, or administrator, executor, or heir of lessor.

9. If the leased premises are now or shall hereafter be owned in severally or in separate tracts, the premises may nonetheless be developed and operated as one lease, and all royalties accruing hereunder shall be divided among and paid to such separate owners in the proportion that the acreage owned by each separate owner bears to the entire leased acreage. There shall be no obligation on the part of the lessee to offset wells on separate tracts into which the land covered by this lease may now or hereafter be divided by sale, devisee, descent or otherwise, or to furnish separate measuring or receiving tanks.

10. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the lessee, at its option, may pay and discharge in whole or in part any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands and, in event it exercises such options it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying to the discharge of any such mortgage, tax or other lien, any royalty accruing hereunder.

11. If after the expiration of the primary term, production of oil or gas should cease from any cause, this lease shall not terminate if lessee commences additional drilling or reworking operations within one hundred-twenty (120) days thereafter, or if at the expiration of the primary term, oil or gas is not being produced on said land, but lessee is then engaged in drilling or reworking operations thereon, then in either event, this lease shall remain in force so long as operations are prosecuted either on the same well or any other well thereafter commenced, with no cessation of more than one hundred-twenty (120) consecutive days, and if they result in production of oil or gas, this lease shall remain in effect so long thereafter as there is production of oil or gas under any provision of this lease.

12. Lessee may at any time surrender or cancel this lease in whole or in part by delivering or mailing such release to the lessor, or by placing same of record in the proper county. In case said lease is surrendered and canceled as to only a portion of the acreage covered thereby, then all payments and liabilities thereafter accruing under the terms of said lease as to the portion canceled shall cease and determine, but as to the portion of the acreage not released the terms and provisions of this lease shall continue and remain in full force and effect for all purposes.

13. All provisions hereof, express or implied, shall be subject to all federal and state laws and the orders, rules, or regulations (and interpretations thereof) of all governmental agencies administering the same, and this lease shall not be in any way terminated wholly or partially nor shall the lease be liable in damages for failure to comply with any of the express or implied provisions hereof if such failure accords with any such laws, orders, rules or regulations (or interpretations thereof). If lessee should be prevented during the last six months of the primary term hereof from drilling a well hereunder by the order of any constituted authority having jurisdiction thereover, the primary term of this lease shall continue until six months after said order is suspended.

14. Lessee, at its option, is hereby given the right and power to pool or combine into one or more units the land covered by this lease, or any portion thereof, with other land covered by another lease, or leases 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 such minerals in and under said land, such pooling to be in a unit or units not exceeding 80 acres each in the event of an oil well or units not exceeding 640 acres each in the event of a gas and/or condensate or distillate well, plus a tolerance of ten percent (10%) to conform to Government Survey quarter sections. Lessee shall execute in writing and file for record in the county in which the land is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a unit or units shall be treated for all purposes, except the payments of royalties on production from the unit or units, as if it were a single tract of land.

State of Kansas )

) ss. ACKNOWLEDGMENT FOR INDIVIDUAL (Kans., Okla., and Colo.)

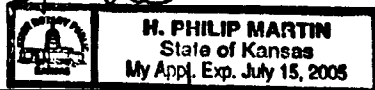
County of Edwards )

Before me, the undersigned, a Notary Public, within and for the said county and state, on this 23<sup>rd</sup> day of April, 2004, personally appeared Donald B. Mayhew and Betty E. Mayhew, husband and wife

to me personally known to be the identical persons who executed the within and foregoing instrument and acknowledged to me that they executed the same as their free and voluntary act and deed for the uses and purposes therein set forth.

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

My Commission Expires: July 15, 2005 H Philip Martin Notary Public.



State of \_\_\_\_\_ ) ss. ACKNOWLEDGMENT FOR INDIVIDUAL (Kans., Okla., and Colo.)  
County of \_\_\_\_\_ )

Before me, the undersigned, a Notary Public, within and for the said county and state, on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, personally appeared \_\_\_\_\_ and \_\_\_\_\_

to me personally known to be the identical persons who executed the within and foregoing instrument and acknowledged to me that \_\_\_\_\_ executed the same as \_\_\_\_\_ free and voluntary act and deed for the uses and purposes therein set forth.

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

My Commission Expires: \_\_\_\_\_ Notary Public.

State of \_\_\_\_\_ ) ss. ACKNOWLEDGMENT FOR CORPORATION  
County of \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, A.D., 20\_\_\_\_, before me, the undersigned, a Notary Public in and for the county and state aforesaid, personally appeared \_\_\_\_\_ to me personally known to be the identical person who signed the name of the maker thereof to the within and foregoing instrument as its \_\_\_\_\_ President and acknowledged to me that \_\_\_\_\_ executed the same as \_\_\_\_\_ free and voluntary act and deed, and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

Given under my hand and seal the day and year last above written.

My Commission Expires: \_\_\_\_\_ Notary Public.

No. _____	FROM	TO	Date _____, 20____	Section _____ Twp. _____	Rge _____	No. of Acres _____ Term _____	County _____	State of KANSAS	County of EDWARDS
This instrument was filed for record on the 15th day of JUNE, 2005 at 10:30 o'clock A.M., and duly recorded in Book 141 Page 61 of the records of this office. FEE: \$ 20.00 By: <u>Emily White</u> Register of Deeds. Emily White									
When recorded, return to _____									

## **ADDENDUM TO OIL AND GAS LEASE**

This Addendum is attached to and made a part of that certain Oil and Gas Lease dated April 23, 2004, by and between Donald B. Mayhew and Betty E. Gales, husband and wife, as Lessors and V.J.I. Natural Resources, as Lessee.

17. Lessee agrees to notify Lessors at least fifteen (15) days prior to commencement of any operations. Lessors' approval of routes of ingress and egress by Lessee as may be necessary to the operation shall be required, which approval shall not be unreasonably withheld. Lessee agrees to maintain in good repair all roads used by Lessee whether existing or developed by Lessee and to keep all gates across such roads, if any, closed or to install suitable cattle guards if Lessors or their agricultural tenant pasture cattle upon the previously described real property.

18. Lessors' approval shall be required for the location of all permanent structures and equipment by Lessee, which approval shall not be unreasonably withheld.

19. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners Five Dollars (\$5.00) per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

20. Lessee shall have the right at any time during or within ninety (90) days, weather permitting, after the expiration of this lease to remove all property and fixtures placed by Lessee on the land, including the right to draw and remove all casing. Any property of Lessee not so removed, at the option of Lessors, shall become the property of Lessors without reimbursement to Lessee.

21. Unless otherwise agreed upon in writing by the parties hereto, all pits utilized by the Lessee in drilling and in the operation of a well or wells under this lease shall be fully lined with material which is in compliance with and acceptable under the rules, regulations and guidelines of the Kansas Corporation Commission and which is acceptable to the Lessors, so as to protect the environment, including, but not limited to the soil, surface and/or ground water, crops, grass, trees or other vegetation on the premises. Lessors shall not unreasonably withhold their approval as to the materials utilized in lining the pits.

22. Lessee agrees that on completion or abandonment of a well on the leased premises, the surface of the land will be restored to its original condition as nearly as possible, within ninety (90) days, weather permitting, after completion or abandonment of the well. Surface restorations shall include the following: (a) all pits must be drained or pumped dry; (b) pits must be back-filled with dry dirt after being cleaned; (c) liners for the pits as hereinabove required shall be removed, unless otherwise agreed to; (d) the area on which operations have been conducted must be compacted so that its condition is equal to the adjoining land on which operations were not conducted; and (e) the land shall be restored to its original contour at the time of execution of this Lease Agreement by the Lessors.

23. All pipelines used by Lessee in its operations shall be buried below plow depth, which shall not be less than twenty-four (24) inches.

24. Lessee shall conduct its operations in accordance with prudent standards of the oil and gas industry and further, shall conduct its operations in accordance with the rules and

of any drilling operations hereunder as a deposit to be applied against well site damage. Said payment shall be nonrefundable and shall not be construed as liquidated damages or in any other way limiting actual damages or specific performances required by the Lessee herein.

25. The installation of any salt water disposal equipment by the Lessee in the operation of the lease shall be subject to the approval of the Lessors. Lessee shall not unreasonably withhold approval for such installation where the disposal of the salt water is from a well that is being drilled or is producing upon the above-described premises. Lessee shall not, however, be permitted to utilize any well drilled on the leased premises for disposal of salt water from wells located on other premises unless otherwise agreed upon by the parties hereto in writing. Lessors shall be entitled to compensation for disposal of salt water from wells upon the leased premises and the parties shall agree, in writing, as to such compensation prior to disposal occurring therein.

26. To the extent that the provisions of the attached oil and gas lease are inconsistent or in contradiction of the terms of this addendum, the terms of the addendum to oil and gas lease shall control.

Signed for Identification:

Date: 4-23-04

Donald B. Mayhew.  
DONALD B. MAYHEW

Date: 4-23-04

Betty E. Mayhew  
BETTY E. MAYHEW