

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 8 **
☐ 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.: E-30664
Entire Project: ☒ Yes ☐ No
Number of Injection Wells 1 **

Field Name: PAOLA-RANTOUL

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

Effective Date of Transfer: 07/30/2012
KS Dept of Revenue Lease No.: 100600
Lease Name: Eggleston
SE - SE - SE - NW Sec. 3 Twp. 17 R. 21 ☒ E ☐ W
Legal Description of Lease: N/2 OF NE 1/4 AND N/2 OF NW 1/4
S3 T17S R21E, and SE/4 of NW/4 S3 T17 R21E
(see attachment)
County: FRANKLIN
Production Zone(s): SQUIRREL
Injection Zone(s): SQUIRREL

Surface Pit Permit No.: _____
(API No. if Drill Pit, WO or Haul)

Type of Pit: ☐ Emergency ☐ Burn ☐ Settling ☐ Haul-Off ☐ Workover ☒ Drilling

Past Operator's License No. 32834
Past Operator's Name & Address: JTC OIL, INC
P.O. BOX 24386 STANLEY, KANSAS 66283
Title: PRESIENT

Contact Person: TOM CAIN
Phone: 913-208-7914
Date: 07/30/2012
Signature: [Signature]

New Operator's License No. 34610
New Operator's Name & Address: PEOPLES OIL, LLC
928 W. 4TH ST OTTAWA, KANSAS 66067
Title: PRESIDENT

Contact Person: ANDY PEOPLES
Phone: 785-242-4668
Oil / Gas Purchaser: PACER ENERGY MARKETING
Date: 07/30/2012
Signature: [Signature]

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.

Peoples Oil LLC is acknowledged as
the new operator and may continue to inject fluids as authorized by
Permit No.: E-30664 . Recommended action: Violation
Need UIC's for 2010-2011
Date: 10-5-12 [Signature]
Authorized Signature

_____ is acknowledged as
the new operator of the above named lease containing the surface pit
permitted by No.: _____
Date: _____
Authorized Signature

DISTRICT _____ PRODUCTION 10-8-12 UIC 10-5-12
Mail to: Past Operator 10-5-12 New Operator 10-5-12 District 3 10-5-12

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

1012 Eggleston, INC.pdf

* Lease Name: Eggleston

* Location: N/2 OF NE/4 AND N/2 OF NW/4 S3 T17S R21E

and SE/4 of NW/4 S3 T17 R21 E

Well 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)
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[illegible]

* Added per Tom Cain 10/1/12
 * Plugged well not transferred unless plugged by new operator.

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 # 34610
Name: PEOPLES OIL, LLC
Address 1: 928 W. 4TH ST
Address 2:
City: OTTAWA State: KS Zip: 66067 +
Contact Person: ANDY PEOPLES
Phone: (785) 242-4668 Fax: ()
Email Address: UNKNOWN

Well Location:
SE SE SE NW Sec. 3 Twp. 17 S. R. 21 ☒ East ☐ West
County: FRANKLIN
Lease Name: EGGLESTON Well #: 9

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

N/2 OF NE/4 AND N/2 OF NW/4
S3 T17S R21E

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Surface Owner Information:

Name: FRANCIS L. EGGLESTON
Address 1: 40487 WEST 287 ROAD
Address 2:
City: PAOLA State: KS Zip: 66071 +

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: 07/30/2012 Signature of Operator or Agent:  Title: PRESIDENT

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* 2 0 0 7 - 0 6 8 2 0 3 *

2007-06820

KATIE FORCK

MIAMI COUNTY REGISTER OF DEEDS

DATE RECORDED: 10/24/2007 08:02:01AM

TOTAL FEES: 16.00

NTG AMOUNT: 0.00

PAGES: 3

RECEIPT: 11052

ASSIGNMENT OF OIL AND GAS LEASE

Date: October 1, 2007

Assignor: Lance Town of
TDR Construction, Inc.
1207 N. 1st Street E.
Louisburg, Kansas 66053

FILED FOR RECORD
TIME 3:30 P.M.

BOOK 238 PAGE 684

Assignee: Tom Cain of
JTC Oil, Inc.

NOV 18 2007
Book 238 Page 684
REGISTER OF DEEDS, FRANKLIN CO., KS
INSTRUMENT # 5712

(Original compared with record)

16⁰⁰ 2

For one dollar and the consideration, receipt and sufficiency of which are acknowledged, subject to the provisions hereof and the overriding royalty reserved herein, Assignor does hereby sell, assign, transfer and convey to Assignee the undivided 100% working interest in and to the following oil and gas leases:

DESCRIBED IN ATTACHED EXHIBIT A

Together with the rights incident thereto, the wells, personal property, equipment and fixtures thereon, appurtenant thereto, or used or obtained in connection therewith. After the payment of all royalty and overriding royalty interest including the overriding royalty reserved herein, the net revenue interest (NRI) herein assigned is 85.0% of the 8/8 production.

1. Assignor excepts and reserves unto itself, successors and assigns, as an overriding royalty interest, an undivided two and one half percent (2.50%) of all (8/8) oil, gas, products of oil and/or gas, and other hydrocarbons produced from each of the leases described in EXHIBIT A. Such overriding royalty interests shall be free of all development, production, marketing and operating expenses and charges of any other nature and shall not be reduced by, or otherwise share in discharging, any lease burdens. Such overriding royalty interests shall exist for the life of each such lease plus any extensions, renewals, or replacements thereof. For purpose hereof, "extension, renewal or replacement" includes but is not limited to any oil, gas or mineral lease or fee interest in or covering any of the lands or portion thereof described in EXHIBIT A, acquired by or for the benefit of Assignee or an affiliate of Assignee or a principal, shareholder, director or officer (or relative thereof) of Assignee within two (2) years following the forfeiture, termination, cancellation or surrender in whole or in part of any lease described in EXHIBIT A.
2. Assignor does not warrant the condition of the wells, equipment, fixtures or personal property on the leases, and disclaims any expressed or implied warranty of merchantability or fitness for a particular purpose with respect thereto. Assignee acknowledges that same are sold, delivered and accepted "as is" and "where is" in present condition. Assignor does not warrant the quantity, quality or rate of production of oil, gas or other substances that may be produced from the leased premises.
3. As material consideration for this assignment, and by the acceptance hereof, Assignee expressly assumes and agrees to comply with, from and after the effective date of this assignment, all lease terms and conditions, the express and implied covenants created by the lease, and the statutory and regulatory duties, obligations and liabilities of the operator and owner of the leasehold interest and the wells, personal property, equipment and fixtures thereon, appurtenant thereto, or used or obtained in connection therewith. Assignee expressly assumes all costs, risks or expenses incident to or resulting from operations on said lease, production of oil or gas, the abandonment or plugging of any well or wells thereon, and the removal of any materials therefrom and cleanup and restoration thereof, from and after the effective date of this assignment. Assignee agrees to forever indemnify and hold Assignor harmless from and against any liability, claim, demand, action, damage, penalty or cost arising from Assignee's failure to comply with the provisions of this paragraph, including reasonable attorney fees, litigation and administrative cost incurred by Assignor to defend any matter covered by this paragraph or to enforce Assignee's obligation to indemnify Assignor.

✓ Tom Cain
P.O. Box 24386
Stanley, KS 66283

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Assignor agrees to forever indemnify and hold Assignee harmless from and against any liability, claim, demand, action, damage, penalty or cost arising from Assignor's failure to comply with terms and conditions of the lease, the expressed and implied covenants created by the lease, and the statutory and regulatory duties, obligations and liabilities of the fixtures thereon, appurtenant thereto, or used or obtained in connection therewith, prior to the effective date of this agreement, including Assignee's reasonable attorney fees incurred to defend against same or to enforce the provisions hereof.

5. Assignor covenants with Assignee that Assignor is the lawful owner of, and has good title to, the leases, interest and property herein assigned, that same are free and clear of liens, encumbrances and adverse claims, that the lease are valid and subsisting leases on the land described in EXHIBIT A, and that Assignor will warrant and forever defend same against all persons whomsoever lawfully claiming or to claim said leases, interests and property.
6. The provisions hereof shall be binding upon, and inure to the benefit of, Assignor and Assignee and their respective heirs, successors, affiliates legal representatives and assigns.
7. This assignment is effective **October 1, 2007** notwithstanding date of execution, acknowledgement, delivery or recording.

ASSIGNOR

Date: 10-22-07

Signature: [Signature]

TDR Construction, Inc. by Lance Town

ASSIGNEE

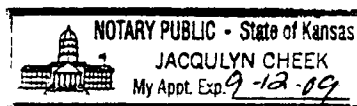
Date: 10-22-07

Signature: [Signature]

JTC Oil, Inc. by Tom Cain

STATE OF KANSAS, COUNTY OF Miami, ss:

This instrument was acknowledged before me on Oct. 22nd, 2007 by Lance Town of TDR Construction, Inc.



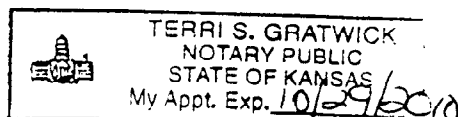
Jacquelyn Cheek
Notary Public
Appointment Expires: 9-12-09

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STATE OF KANSAS, COUNTY OF Johnson, ss:

This instrument was acknowledged before me on Oct. 22, 2007 by Tom Cain of JTC Oil, Inc.



[Signature]
Notary Public
Appointment Expires: 10/29/2010

EXHIBIT A

Eggleston Lease: Oil and gas lease dated November 29, 1958 from Frances L. Eggleston and or Flora Mae Eggleston, lessors to Earl Mellvain, lessee recorded in book Misc. 56, page 339, insofar as said lease covers the following land in **Franklin** County, Kansas:

The North half (N/2) of Northeast quarter (NE/4) of section 3, and a tract in the Northwest quarter (NW/4) of said section commencing at the Northeast (NE) corner of said Northwest quarter (NW/4), thence South (S) to the Southeast (SE) corner, thence West (W) 52 rods, thence Northeast (NE) to a point on the North (N) line of said Northwest quarter (NW/4) 12 rods West (W) of the Northeast (NE) corner, thence East (E) 12 rods to place of beginning. Of section three (3), township seventeen (17) south, range twenty one (21) east containing **118 acres** more or less.

Eggleston Lease: Oil and gas lease dated October 19, 1989 from Francis L. Eggleston, lessor to Evans & Bloomer, lessee recorded in book 340, page 426 insofar as said lease covers the following described land in **Miami** County, Kansas:

The West half (W/2) of section two (2), township seventeen (17), range twenty one (21), except three (3) acres in the Northwest (NW) corner of the Northwest (NW/4) quarter; and West half (W/2) of Northeast quarter (NE/4) of said section two (2) and that part of Northwest quarter (NW/4) of Southeast quarter (SE/4) of said section two (2), described as beginning point of 10 rods West (W) of Southeast (SE) corner of Southwest quarter (SW/4) Northeast quarter (NE/4), thence West (W) 10 rods, thence South (S) 26 rods thence to place of beginning. Of Section two (2), township seventeen (17) south, range twenty one (21) east and containing **400 acres** more or less.

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